CD13-0064

CONDOMINIUM OFFERING PLAN

7 HARRISON STREET CONDOMINIUM

7 HARRISON STREET
NEW YORK, NEW YORK 10013

12 Residential Units	**$78,600,000**
1 Retail Unit	**$3,500,000**
Total Offering Amount	**$82,100,000**

SPONSOR:

Harrison Street Residences LLC
7 Harrison Street
New York, New York 10013

SELLING AGENT:

Douglas Elliman
26 West 17th Street
New York, New York 10011
(212) 727-6164

Filing Date of this Offering Plan: 10/2, 2013. This Offering Plan may not be used after _____, 2014, unless this Offering Plan is extended by amendment.

This Offering Plan contains Special Risks to Purchasers. See Page 1.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL RESIDENTIAL UNITS, THIS OFFERING PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE RESIDENTIAL UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE CONDOMINIUM BOARD UNDER THE TERMS OF THIS OFFERING PLAN. (SEE THE SECTION OF THIS OFFERING PLAN ENTITLED "SPECIAL RISKS")

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 OFFERING PLAN AND TO FILE THIS OFFERING PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

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PART I

CONDOMINIUM OFFERING PLAN

7 HARRISON STREET CONDOMINIUM
7 HARRISON STREET
NEW YORK, NEW YORK 10013

SPECIAL RISKS

Purchase of a Condominium Unit

1. (a) THE PURCHASE OF A CONDOMINIUM UNIT 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.

(b) At the time a Purchase Agreement is executed, Purchaser is required to make an initial Deposit in an amount equal to 15% of the Purchase Price and an additional Deposit equal to 10% of the Purchase Price upon the earlier to occur of (i) six (6) months after Purchaser executes the Purchase Agreement or (ii) within 15 days of the Presentation Date of the amendment declaring the Plan effective. A Purchaser executing a Purchase Agreement on or after the date the Plan is declared effective is required to make the full Deposit in an amount equal to 25% of the Purchase Price.

(c) In the event a Purchaser defaults under the Purchase Agreement, time being of the essence with regard to the obligations of Purchaser thereunder, Sponsor, in its sole discretion, may elect by notice to Purchaser to either: (i) cancel the Agreement or (ii) seek specific performance. If Sponsor elects to cancel, Purchaser shall have 30 days from the giving of the notice of cancellation to cure the specified default. If the default is not cured within such 30 days, TIME BEING OF THE ESSENCE, then the Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, (a) the entire Deposit and any interest earned on the Deposit. Upon the cancellation of the Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though the Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance, then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close title to the Unit in accordance with the Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under this Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection). (See the Section of the Plan entitled "Procedure to Purchase" for details.

(d) TIME IS OF THE ESSENCE as to Purchaser's obligations under the Purchase Agreement, including, without limitation for the payment of all Deposits and the Balance of the Purchase Price. According to Black's Law Dictionary (Revised Fifth Edition), "time is of the essence of contract" means generally that punctual performance by one party at one precise time named or within a period specified in the contract is essential to enable the party to require performance by the other party.

(e) Under current law, if a Purchaser makes a Deposit in excess of $250,000 for the purchase of a Residential Unit, the amount in excess of $250,000 will not be federally insured. If a Purchaser maintains accounts at the Escrow Bank, the funds in such accounts, together with the Deposit, may be aggregated by the Escrow Bank for purposes of determining the $250,000 federally insured limit. Additionally, until such time as Purchaser delivers either an executed W-9 Form or W-8 Form to Sponsor, the Deposit shall remain in the non-interest bearing portion of the Master Escrow Account. While the Deposit is in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be federally insured even if the Deposit does not exceed $250,000. No representation is made with respect to any further changes in law concerning such accounts. Purchasers should consult with their accountants or financial advisors for further information. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for details.)

(f) If Sponsor makes an application to the Department of Law to withdraw the Deposits from escrow and secures the Deposits with a Letter of Credit or Surety Bond and such application is approved by the Department of Law, following such withdrawal, no interest will be earned on the Deposits. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for details.)

(g) If a Purchaser fails for any reason to close title to the Residential Unit on the originally Scheduled Closing Date other than due to Sponsor's failure or inability to Close: (a) the Closing apportionments to be made at the Closing will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the actual Closing occurs ("Actual Closing Date"), and (b) Purchaser will be required to pay to Sponsor an amount equal to .03 of the Purchase Price of the Residential Unit for each day commencing with the Scheduled Closing Date through the Actual Closing Date, as a reimbursement of Sponsor's increased carrying costs for the Residential Unit by virtue of the delay, in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

(h) The signing of the Purchase Agreement signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including, but not limited to, the Unit, the Storage Rooms, the Building and all Common Elements contained therein. Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Units, the Storage Rooms, the Building or the Common Elements, except as may otherwise be set forth in the Plan. (See the Sections of the Plan entitled "Procedure to Purchase" and "Rights and Obligations of Sponsor" for details.)

(i) Prior to the Closing of Title to a Residential Unit, the Purchase Agreement prohibits a Purchaser from advertising or otherwise offering, listing, promoting or publicizing the availability of the Residential Unit for sale or rental. (See the Section of the Plan entitled "Procedure to Purchase" and the Purchase Agreement set forth in Part II of the Plan for details.)

Conveyance of Title

2. In the event of the existence of any lien, encumbrance or title defect other than Permitted Encumbrances which Sponsor fails or refuses to correct, the sole remedy of Purchaser under the Plan, provided Purchaser is not then in default, will be to either (i) take title to the Unit subject to the title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (ii) terminate the Purchase Agreement, within 15 days after receipt of notice or an amendment disclosing such lien, encumbrance or title defect. If Purchaser fails to notify Sponsor of Purchaser's election within 15 days after Sponsor notified Purchaser of Sponsor's failure or refusal to remedy the title defect, it will be conclusively deemed that Purchaser elected to acquire title subject to the title defect. Provided Sponsor is not the party responsible for creating the encumbrance or title defect, Sponsor has no obligation to institute any action or proceeding or to expend any sum of money in excess of ½ of 1% of the Purchase Price of the affected Unit to make title insurable or to eliminate any encumbrances or title defects. (See the Section of the Plan entitled "Terms of Sale" for details.)

Sponsor's Right to Rent Unsold Residential Units

3. (a) Sponsor intends, in good faith, to sell rather than rent Residential Units. However, Sponsor reserves the unconditional right to rent Residential Units rather than sell Residential Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, Sponsor is not committed to sell more Residential Units than the 15% (i.e., 2 Units) necessary to declare the Plan effective and, therefore, owner-occupants may never gain effective control and management of the Condominium.

(b) Sponsor intends to offer Unsold Residential Units for sale both to Purchasers for personal occupancy as well as to those who are purchasing for investment or resale. Purchasers for investment or resale may, in turn, rent such Residential Units, and accordingly, such Residential Units will not be used for the personal occupancy of the owner thereof. As a result, some and possibly many Residential Units may be occupied by renters instead of Residential Unit Owners. Since the Condominium Board does not have the right to approve or disapprove potential purchasers of Residential Units, the Condominium Board is unable to limit the number of purchasers who purchase Residential Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Residential Unit Owners who are not occupants. It is possible that those Residential Unit Owners who occupy their Residential Units may have different interests than those Residential Unit Owners who purchased such Residential Units as an investment.

(c) Sponsor reserves the unconditional right to make Bulk Sales of Residential Units. Purchasers of Bulk Sales of Residential Units shall be bound by Sponsor's representations in the Plan with regard to Sponsor's commitment to sell Residential Units.

Transfer Taxes

4. Purchasers shall be required to pay all New York City Real Property Transfer Tax ("RPT Tax"), New York State Real Estate Transfer Tax ("State Transfer Tax") and New York State Additional Real Estate Transfer Tax, commonly referred to as the "Mansion Tax," imposed on their purchase. The New York City Department of Finance has taken the position that where the purchaser of property assumes the obligation for the payment of the State Transfer Tax and the RPT Tax, the amount of the tax which would otherwise be payable if the seller were to pay such taxes, will be treated as additional consideration for the transaction subject to tax. The State Transfer Tax is currently equal to $2 per $500 of the bulked up consideration and the RPT Tax is currently equal to 1% of the bulked up consideration where the bulked up consideration is $500,000 or less, and 1.425% where the bulked up consideration is greater than $500,000. (See the Section of the Plan entitled "Closing Costs and Adjustments" for details.)

Sponsor Control of the Condominium Board

5. (a) Sponsor will have voting control over the Condominium Board until the later to occur of: (i) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 95% in number of all Residential Units offered for sale, or (ii) the issuance of a Permanent Certificate of Occupancy ("Initial Control Period"). Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Initial Control Period.

(b) After the Initial Control Period, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

(c) During the Initial Control Period, Sponsor will designate a majority of the Residential Members and shall have voting control of the Condominium Board. Therefore, Sponsor will have control of the maintenance and operation of, and the services to be provided by, the Condominium, and will determine the Common Charges to be paid by all Unit Owners. Sponsor may continue to exercise veto power over certain actions of or contemplated by the Condominium Board after the Initial Control Period. For so long as Sponsor shall continue to own Unsold Residential Units representing at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Common Charges or Special Assessment for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees from

those described in the First Year's Budget, or (d) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's Budget, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business, or (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services, facilities or any line items set forth in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) 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 to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer; or (iv) to ensure the health and safety of the occupants of the Building.

(d) See the Sections of the Plan entitled "Control By Sponsor" and "Condominium Board" for details.

Reserve Fund and Working Capital Fund

6. (a) No provision has been made to establish a reserve fund for capital replacements or repairs, because the Building, upon completion of substantial renovation to be performed by Sponsor will be predominantly new. The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by Special Assessment or by increases in Common Charges.

(b) The contingency provided for in Schedule B – First Year's Budget is intended to provide a fund for unanticipated expenses not included in the budget and for possible increases in operating expenses above the amounts projected if the Working Capital Fund is not sufficient to cover such costs. The contingency is not intended and may not be sufficient to meet the cost of any major capital repairs or replacements which may be required. If additional funds are required to meet such costs, it may be necessary for the Condominium Board to increase Common Charges or impose Special Assessments.

(c) Each Purchaser of a Residential Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium. Such contribution, to be made at the time of Closing, shall be in an amount equal to two months' Common Charges with respect to the Residential Unit based on the Condominium's budget in effect as of the Closing Date of the Unit. The payment of the Working Capital Contribution shall be required of all Purchasers of Residential Units, whether purchased from Sponsor or on a resale.

(d) See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.

Foreign Government Purchaser

7. Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any Foreign Government Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. A Foreign Government Purchaser will be required at Closing to deposit with the Condominium an amount

equal to two years' Common Charges with respect to the Residential Unit based on the Condominium's budget in effect as of the Closing Date of the Residential Unit which will be in addition to the required contribution to the Working Capital Fund. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

Storage Rooms

8. (a) Each Purchaser of a Residential Unit will have the exclusive use of a Storage Room, located in the Cellar. The Storage Room constitutes a Residential Limited Common Element appurtenant to the Residential Unit. A Storage Room may not be transferred independently of the Residential Unit to which it is appurtenant.

(b) Purchasers will be required to consummate the purchase of the Residential Unit at Closing even if a Temporary Certificate of Occupancy has not been issued for the area of the Cellar in which its appurtenant Storage Room is located. In such event, Purchasers will not be able to access or use the Storage Room until such time as a Temporary Certificate of Occupancy has been issued for the area of the Cellar containing such Storage Room.

(c) See the Section of the Plan entitled "Rights and Obligations of Unit Owners," subsection "Use of Units and Common Elements and Storage Rooms" for details.

No Bond or Other Security Posted

9. To the best of Sponsor's knowledge, as of the Filing Date of the Plan, Sponsor has sufficient resources to fund its obligations set forth in the Plan. No bond or other security has been posted by Sponsor to secure Sponsor's obligation under the Plan. The ability of Sponsor to perform Sponsor's obligations under the Plan will partly depend upon its financial condition at the time it is called upon to perform. No representation is made that Sponsor will be financially able to perform any or all of such obligations. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

Services and Facilities

10. Prospective Purchasers are advised that some of the services and facilities described in the Plan (such as a full staff of Building personnel and usage of amenity areas like the Fitness Center) may not be available until six (6) months after the First Closing. Purchasers will not be entitled to any credit or abatement against the Purchase Price or the Common Charges if any of the services and/or facilities are not available for use on or after Purchaser's Closing. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or alterations, as well as the use of the passenger and/or service elevators, will be restricted during the period that Sponsor is completing construction of the Building. However, at all times after the First Closing of a Residential Unit, the residential lobby will be attended 24 hours a day, 7 days a week and an interim level of staffing will be maintained. Notwithstanding the foregoing, the Condominium Board shall have the right but not the obligation, in its sole and absolute discretion, to adjust the First Year's Budget to reduce the Common Charges for the period in which such services and/or facilities are not available. (See the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities" for details.)

Temporary Certificate of Occupancy

11. (a) Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a Permanent Certificate of Occupancy covering the entire Building but with only a Temporary Certificate of Occupancy, and sometimes with several successive temporary certificates of occupancy. Certificates of Occupancy are

generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both Temporary Certificates of Occupancy and Permanent Certificates of Occupancy are issued by the Buildings Department. A Temporary Certificate of Occupancy is intended to indicate that the property is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All Temporary Certificates of Occupancy have an expiration date. A Temporary Certificate of Occupancy typically expires 90 days after the date of issuance. When a Temporary Certificate of Occupancy expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell Units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a Temporary Certificate of Occupancy rather than a Permanent Certificate of Occupancy. Sponsor anticipates this scenario will occur. Sponsor will undertake the responsibility for extending each Temporary Certificate of Occupancy received prior to expiration thereof, and will endeavor to obtain a Permanent Certificate of Occupancy covering the entire Building within two years from the date of the issuance of the first Temporary Certificate of Occupancy, subject, however, to (i) Force Majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or Sponsor-controlled Condominium Board have given their consent to a Unit Owner to perform alterations in such Unit Owner's Unit, (iv) work undertaken in Common Elements by the Board after Sponsor no longer controls the Board or (v) any other cause over which Sponsor has no control. Sponsor makes no representation or guarantee that the Buildings Department will issue the Permanent Certificate of Occupancy within such two-year period. Notwithstanding the foregoing, Sponsor is obligated to procure the Permanent Certificate of Occupancy for the entire Building, and shall exercise best efforts to obtain the Permanent Certificate of Occupancy within such two-year period while keeping the Temporary Certificate of Occupancy current. Unit Owners and the Condominium Board shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings. Sponsor shall not be responsible for any costs or liabilities suffered by Unit Owners on account of delays in obtaining the Permanent Certificate of Occupancy due to causes (i)-(v) listed above.

Furthermore, because Sponsor and the By-laws of the Condominium may permit Unit Owners to undertake renovations in individual Units prior to the procurement of a Permanent Certificate of Occupancy, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor is obligated to procure the Permanent Certificate of Occupancy. The Condominium Board may refuse to permit a Residential Unit Owner to perform alterations to its respective Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained.

Purchasers are advised to visit the DOB website for further recommendations when purchasing a Unit in a building that does not have a Permanent Certificate of Occupancy. A Factsheet on Certificates of Occupancy is currently available on the DOB website at: http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

(b) No Closing of a Residential Unit will occur prior to the issuance of a Temporary or Permanent Certificate of Occupancy for the particular Residential Unit. Notwithstanding the foregoing, Sponsor shall have the right to negotiate with an individual Purchaser of a "raw space" Unit to deliver such "raw space" Unit prior to the issuance of a Temporary Certificate of Occupancy. In such instance, the Purchaser of such "raw space" Unit, shall not be permitted to occupy such Residential Unit until such time as a Temporary Certificate of Occupancy has been issued for such Residential Unit. Purchasers of such "raw space" Unit will be obligated to comply with the provisions of the Bylaws prior to commencing any build-out of such "raw space" Unit. Additionally, the Closing of Title to such "raw space" Unit shall not constitute the First Closing as defined herein, if such "raw space" Residential Unit is delivered prior to the issuance of a Temporary Certificate of Occupancy.

(c) The only construction prerequisite to Closing is the issuance of a Temporary Certificate of Occupancy. As such, each Purchaser shall be required to close title to their particular Residential Unit once a Temporary Certificate of Occupancy is issued irrespective of outstanding items of work, provided Sponsor has satisfied the other closing conditions set forth in the Section of the Plan entitled "Terms of Sale."

On-Going Construction

12. (a) It is anticipated that for a significant period of time following the First Closing through, including and beyond the Closing of Title to any Residential Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete construction of the Building, including without limitation, the Residential Units, the amenities and facilities, Storage Rooms, the decoration or finishing of the residential lobby, corridors, elevator finishes and other portions of the Building, including installing light fixtures, painting, hanging wall coverings or laying carpeting. All of the foregoing work and conditions may create a noisy or otherwise disruptive condition in the Building. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services shall not be the responsibility of Sponsor. Such suppliers may not provide these services until occupancy in the Building has reached certain levels. In addition, the presence of scaffolding, hoists or construction elevator shafts or similar temporary construction facilities may delay the Closing of Title to certain Residential Units or lines of Residential Units until such scaffolding, hoists, elevators or temporary facilities are no longer needed and are removed and construction is completed. (See the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities" for details.)

(b) Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems. It is both customary and anticipated that certain issues will arise during the course of the construction process that warrant the taking of corrective action, including the repair or replacement of construction defects in order to satisfy Sponsor's obligations under the Plan.

(c) No assurance can be given with regard to the accuracy of any projected completion dates set forth in the Plan. It is anticipated that during the first few years of Condominium operation, construction workers and related personnel will be at the Building from time to time, completing construction of the Building, making adjustments and corrections and performing various tasks relating to the completion of construction. During this period, various building systems, including but not limited to, water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require substantial time to be completed after the First Closing. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party in the event of non-completion of any item of construction on any projected date, the presence of scaffolding on any portion of the Building or any interruption of services in the Building. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

(d) The Building will contain certain mechanical equipment, including, but not limited to, elevator machine rooms, fans, pumps, split system condensing units (collectively, "Equipment") located on the roof, Cellar and the Ground Floor. While Sponsor will endeavor to reduce excessive noise and vibration emanating from the Equipment, which noise and vibration levels will be in compliance with Law, it is impossible to eliminate such noise and vibration entirely. Purchasers should note that subsequent to the First Closing, the Condominium Board and/or the Retail Unit Owner, as applicable, will be responsible for the proper upkeep and maintenance of such Equipment in accordance with Law.

(e) As is typical and customary in new construction buildings, the Building will be subject to normal settling, deflection, expansion and shifting. Sponsor will not be obligated to correct, and

will not be liable to the Condominium Board or any Unit Owner as a result of any defects in construction, including without limitation, minor gapping in the flooring, uneven ceilings or floors and floor buckling resulting from such conditions. Additionally, Purchasers should note that since the ceramic, marble, stone and wood finishing installed throughout the Units (in areas including, but not limited to, flooring, walls, countertops, backsplash and vanity tops) are cut from different slabs and are comprised of natural materials, there will be variations in the tone and color of such finishes. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

Retail Unit

13. (a) No representation is made with respect to the ownership of all or any portion of the Retail Unit, or as to who the future owners or tenants of any portion of the Retail Unit may be at any time or as to the uses to which the Retail Unit may be put at any time except that the Retail Unit may be used for any purpose permitted by Law, including, without limitation, additional residential units, retail stores, banks, spas, health clubs, and commercial and professional office space which uses may result in increased noise and traffic. However, the Retail Unit may not be used as (a) a bar, restaurant, nightclub or café; (b) massage parlor, adult theater, peep show establishment, topless or bottomless bar; (c) a video arcade, betting parlor, gambling casino, or other gambling related establishment; (d) any use that is primarily concerned with lewd or prurient sexual activity; (e) an in-patient or out-patient drug, alcohol or mental health treatment; or (f) a homeless shelter or center offering food or other special services to the homeless shelter, and (g) any use involving cooking or on-site food preparation. No assurance, representation, or warranty is given that any of the tenants, occupants, or users of the Retail Unit will not be objectionable to Residential Unit Owners or other parties. The uses of the Retail Unit may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control.

(b) The Retail Unit may be subdivided or combined by the Retail Unit Owner into two or more separate condominium units without amendment to the Plan, but only upon the consent of the Condominium Board, at the Condominium Board's sole discretion. Additionally, any Retail Unit created as a result of such subdivision will retain the same rights afforded the Retail Unit Owner as set forth herein.

(c) The Retail Unit or any additional condominium units created as a result of a subdivision of a Retail Unit may be offered for sale at any time by a duly filed amendment to the Plan or pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law.

(d) The Retail Unit Owner shall have the right and easement for ingress and egress through all Common Elements for the sole purpose of accessing any portion of the Retail Unit or any portions of the Building servicing the Retail Unit, provided such access does not unreasonably interfere with the use of the Residential Units or Residential Common Elements. The Retail Unit Owner shall be entitled to utilize such rights and easements for its own account or the account of its respective Permitted Users.

(e) The Retail Unit Owner shall only be permitted to install Signage which is in compliance with the Declaration and By-Laws. As an example of such restrictions, and without limitation, (i) all Signage on the exterior Façade of the Building must comply with applicable Law, including the restrictions imposed as a result of the Building's location in the Tribeca West Historic District, (ii) the Retail Unit Owner may not install canopies or awnings, and (iii) all Signage in the storefront windows will require the prior written approval of the Condominium Board.

(f) The Retail Unit Owner (subject to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, and prior written consent of the Condominium Board in the case of any Structural Alterations) shall have the right, but not the obligation, at such Retail Unit Owner's sole cost and expense to alter, modify, and/or restore the exterior Façade of the Building appurtenant to such Retail Unit (including storefronts and windows of such Retail Unit) and to create additional means of egress and ingress to such Retail Unit, provided that such alterations, modifications and/or restorations are in

compliance with Law, including any requirements resulting from the Building's location in the Tribeca West Historic District, and the terms of the Declaration and By-Laws. Notwithstanding the foregoing, the Retail Unit Owner shall not be permitted to erect any lighting on the exterior Façade of the Building.

(g) The Retail Unit Owner is not permitted to use the sidewalk adjacent to the Retail Unit, except for the purpose of regular foot traffic and deliveries to and from the Retail Unit for purposes consistent with the Retail Unit's commercial use, and otherwise as provided by Law.

(h) Certain budgeted items (See the "Notes to Schedule B" for details) are allocated between the Residential Units and the Retail Unit on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements. The Condominium Board may not modify these allocations without the consent of the Retail Unit Owner.

(i) See the Section of the Plan entitled "Retail Unit" for details.

Apportionments with the Condominium

14. At the First Closing, certain apportionments will be made between Sponsor and the Condominium. If the result of the Closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be deferred and paid to Sponsor by the Condominium in one installment on the first anniversary of the First Closing, without interest, pursuant to an unsecured, negotiable, promissory note to be executed by the Condominium Board and delivered to Sponsor at the First Closing. The promissory note may be prepaid by the Condominium in full at any time, or in part from time to time, without penalty. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

Window Treatments

15. In order to preserve the architectural harmony of the Building, the By-Laws provide that all Residential Unit Owners shall be obligated, regardless of the type of window treatment they use, to provide for a white backing on the window treatment so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance.

Effectiveness of the Plan

16. Pursuant to Law, Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% (i.e., 2 Units) of the Units offered for sale. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to create a Condominium with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately close title to their Units. See the Section of the Plan entitled "Effective Date" for details.

Purchase Agreement Not Contingent on Financing

17. (a) Although a Purchaser may obtain financing from any lending institution or other source, Purchaser's obligation to purchase a Residential Unit pursuant to a Purchase Agreement is not contingent on Purchaser obtaining such financing. Neither Sponsor nor Selling Agent makes any representation as to the availability or terms of any mortgage financing. Prospective Purchasers may want to finalize their financing arrangements before signing a Purchase Agreement. While the First Closing is projected to occur on or around July 1, 2014, neither Sponsor nor Selling Agent makes any representation as to the actual closing date for any particular Unit. In addition, as set forth in the Plan and the Purchase Agreement, Sponsor has the right to adjourn the Closing Date from time to time and prospective Purchasers should be aware that if the Closing Date is adjourned, Purchaser's financing

terms may be adversely affected, the interest rate may increase and the loan commitment could expire. Sponsor shall have no liability as a result of any scheduling or adjournment of closing beyond the expiration of a loan commitment. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

(b) Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include, among others, requiring that a certain percentage of units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulties in obtaining a loan in a building or group of buildings where the Sponsor has not sold a substantial percentage of the Residential Units in the Building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original Sponsor has an ownership interest of 10% or more. It also may be difficult for a Purchaser to resell a Residential Unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

(c) Even once a building has been submitted to a condominium regime, lenders may still impose minimum sales and/or owner-occupancy requirements before granting a loan. It then may be difficult for a purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales and/or owner-occupancy requirements.

Special Rights of Sponsor

18. (a) Sponsor shall have an exclusive right and easement (i) to erect, use, lease, maintain, repair, replace and operate pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces appurtenant to Residential Units) and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith; and (ii) to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit. Sponsor shall be entitled to permit any one or more of such easements to be utilized by the Retail Unit Owner and/or Permitted Users. Sponsor reserves the right to install additional fireplace flues and mechanical equipment on the roof of the Building. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

(b) Sponsor reserves the right, in its sole and absolute discretion, to sell, lease, license or otherwise transfer to a Unit Owner, any non-material portion of the Common Elements for the exclusive use of such Unit Owner provided that such Common Element was not offered in the Plan as an amenity for the shared use of the Unit Owners of the Condominium. Any such sale, lease, license or transfer will be disclosed in a duly filed amendment to the Plan, and the Declaration and Floor Plans will be amended, if required. (See the Sections of the Plan entitled "Changes in Prices and Units" and "Rights and Obligations of Sponsor" for details.)

(c) During the Initial Control Period, the Condominium Board shall have the right, in its sole discretion, to waive Unit Owner obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided the basic operating costs of the Condominium (inclusive of insurance premiums and reserves required by lenders) are paid by Sponsor. If the Condominium Board elects to waive payment of Common Charges pursuant to the foregoing, Sponsor shall disclose such waiver of Common Charges and the expected period of time of such waiver of Common Charges ("Waiver Period") in an amendment to the Plan filed prior to the First Closing. In the event the Condominium Board elects to extend the Waiver Period, Sponsor will amend the Plan to disclose the extended Waiver Period. Sponsor shall file an amendment to the plan disclosing the expiration

of the Waiver Period at least thirty (30) days prior to such expiration. Upon commencement of collection of Common Charges from all Unit Owners, there will not be a Special Assessment for any expense set forth in the approved budget for which Common Charges were not collected during the Waiver Period. The Condominium Board shall remain obligated to update the budget for the Condominium in accordance with the terms of the Plan. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners," subsection "Common Charges: Determination and Assessment" for details.)

(d) No amendment, modification, addition or deletion of the Declaration, By-Laws or any Residential Rules and Regulations (other than those required by Law) shall be effective (a) against Sponsor unless Sponsor has given its prior written consent thereto, or (b) to adversely affect the Retail Unit Owner unless the affected Retail Unit Owner has given its prior written consent thereto. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.)

Lot Line Windows

19. Lot line windows exist on the southern façade of the Building. Specifically there are lot line windows located in the eastern portion of the kitchen in Units 5, 7 and 9 on Floors 4, 5 and 6 and the western portion of the kitchen in Units 7 and 9 on floors 5 and 6. Additionally, there are lot line windows located in the master bedroom of the PH Unit. Lot line windows are windows located on an exterior wall abutting a property line, where the adjacent property is owned by others. While such windows provide views, light and air to spaces in the Residential Unit, they cannot be utilized to meet light and ventilation required by the Building Code of the City of New York. Residential Units having lot line windows have other windows which satisfy requirements for the lawful use of such Units for habitation. Lot line windows are considered amenities that potentially can be lost. Should an abutting property owner redevelop such property with one or more buildings of different configurations, it may be necessary to close the affected lot line windows and seal them in a manner and with such materials as are acceptable to the Buildings Department and the Condominium. The cost to close-up any lot line windows, if necessary, shall be borne by the affected Residential Unit Owner (including Sponsor with respect to Unsold Residential Units). Neither Sponsor, Sponsor's architect, the Condominium Board or any other Person who took part in this offering will have any liability or obligation if the closing-up of any or all lot line windows is required. (See the "Description of Property and Improvements" set forth in Part II of the Plan for details.)

Future Construction

20. No representation is made that future construction in the neighborhood surrounding the Property will not result in obstruction of the views from any windows and/or Terrace in the Building. (See the Section of the Plan entitled "Location and Area Information" for details.)

Unit Measurements

21. (a) Floor Plans depicting layouts of Residential Units and the Storage Rooms appear in Part II of the Plan. The approximate square footage of each Unit is measured horizontally from the exterior side of the exterior walls, at the building line and/or property line 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 from public corridors, stairs, elevators and other mechanical equipment spaces or common elements. Columns and mechanical pipes (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. Measured vertically, each Unit consists 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.

(b) As is customary in New York, these square footages exceed the usable floor area of each Unit. See the Footnotes to Schedule A in Part I of the Plan and the "Description of Property and Improvements" set forth in Part II of the Plan for details.

Window Guards

22. 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. In the event that window guards are to be installed in the Residential Unit, such installation shall be performed at the direction of the Managing Agent and the cost thereof (for the window guards and installation thereof and of any additional equipment required by Law) shall be charged to and paid by the Purchaser/Unit Owner of the Residential Unit. It is the responsibility of each Residential Unit Owner to ensure that all operable windows opening into the Residential Unit comply with Laws relating to window guards and, if necessary, to install, operate and maintain, at the Residential Unit Owner's expense, any additional equipment required by Law. Sponsor makes no representation, warranty or assurance whether Residential Unit Owners will comply with the foregoing obligations. (See the Section of the Plan entitled "Terms of Sale" for further details.)

Substantial Renovation

23. The existing Building will undergo renovations to its interior and exterior, including the following:

Exterior: Exterior work includes the addition of a roof-top penthouse (Eighth Floor), bulkheads for stairs and elevator, and mechanical screens, as well as the replacement of windows. Remedial work will be performed on the existing masonry walls. Portions of the existing masonry parapets will be rebuilt.

Interior: The interior scope of work includes new composite concrete floors on the Third through Eighth floors and new sub-flooring on the Ground and Second Floors. Other new elements include finish flooring, stairs, traction elevator, non-load bearing gypsum board partitions, mechanical, electrical, and plumbing fixtures. A new fire alarm and sprinkler system will be installed.

See the Description of Property and Building Condition set forth in Part II of the Plan for details concerning these and other changes to the Building.

Vault Space

24. The Cellar contains two (2) city vaults ("Vault Space") which will be designated as General Common Elements. However, the Vault Space will not be accessible or usable by the Condominium except with regard to existing mechanical equipment and facilities existing therein, or otherwise at the sole determination of the Condominium Board. The City of New York has the right to repossess the Vault Space, in which event the Condominium will no longer have the right to utilize the Vault Space.

Lead-Based Paint and/or Lead-Based Hazards

25. Under applicable Federal and local law, lead-based paint can no longer be used in the construction of a building. 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. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of the 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 Purchase Agreement, Purchasers have the right to inspect their Residential Units for the presence of lead-based paint. While Sponsor has, to the best of its knowledge, received no specific reports regarding lead based paint in the Building, other than those set forth in Part II of the Plan, given the age of the Building and the widespread use of lead-based paint in preceding decades, it can be assumed that there is lead-based paint present in the Building. In addition, there are numerous layers of paint on the walls of the original building. Sponsor makes no representation as to the existence or non-existence of lead-based paint within the walls. Prospective purchasers are advised that, in the event they remove sheetrock at any time in the future, they may be responsible for removing and abating lead-based paint in accordance with applicable Law at their sole cost and expense. (See the Section of the Plan entitled "Procedure to Purchase" and the "Description of Property and Improvements" and Purchase Agreement set forth in Part II of the Plan for further details.)

Historic District

26. The Building is situated in an area designated by the New York City Landmarks Preservation Commission ("LPC") as the Tribeca West Historic District. As a result, alterations affecting the exterior of the Building, along with interior alterations requiring a permit from the Buildings Department, must be filed with and approved by the LPC.

Loft Board Jurisdiction

27. The Building previously contained twenty-four apartments, twenty-one of which qualified as Interim Multiple Dwellings ("IMDs") subject to the provisions of the New York City Loft Law under the jurisdiction of the Loft Board. Pursuant to Sponsor's substantial renovation of the Building which was vacant, the IMD apartments have been eliminated and will be replaced by Condominium Units. Upon the issuance of a Permanent Certificate of Occupancy for the Building, Sponsor will apply to the Loft Board for a "final order" to formally remove the Building from the Loft Board's registry of buildings ("Application"). Sponsor will make the Application at its sole cost and expense, including the cost, if any, of renewal fees payable to the Loft Board, until such time as the Application is approved. Additionally, Sponsor will undertake all filings, submissions, applications, and like administrative acts required by the Loft Board and related to the Application (collectively, "Additional Filings"), and shall be solely responsible for the cost and expense of the Additional Filings, including filing fees, legal fees, and professional consultant fees. Notwithstanding anything to the contrary, in no event will Sponsor be responsible for any cost or expense, or be obligated to take any action, related to the Application or the Additional Filings after the fifth (5th) anniversary of the First Closing. While the Application should be a routine administrative request, Sponsor can make no guarantee or warranty as to when or whether the Loft Board will approve the Application. In the unlikely event that the Loft Board does not approve the Application, then the Condominium will be responsible for any subsequent costs, including renewal fees (presently, $500 per IMD), imposed by the Loft Board.

Resale Fee; Listing Restrictions

28. Each Residential Unit Owner who acquired a Residential Unit from Sponsor ("Sponsor Sale") and subsequently enters into an agreement, written or oral ("Resale Agreement") to resell the Residential Unit prior to the first anniversary of the closing of the Sponsor Sale ("Resale") shall be obligated to pay Sponsor a portion of the proceeds of the Resale ("Resale Fee"). A Residential Unit Owner will be required to send Sponsor a copy of the Resale Agreement within 10 days of agreeing to the Resale. The Resale Fee paid to Sponsor shall be equal to 50% of the difference between: (A) the sales price of the Residential Unit per the Resale Agreement *less* the following expenses actually paid for by Residential Unit Owner (to the extent applicable): (1) brokerage commissions not exceeding 6% in the aggregate; (2) transfer taxes imposed by Law and (3) actual legal fees not exceeding $5,000; *and* (B) the Purchase Price paid to Sponsor in connection with the Sponsor Sale. In addition, prior to the first anniversary of the Sponsor Sale, each Residential Unit Owner is prohibited from listing the Residential

Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed in Sponsor's sole and absolute discretion. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" and the By-laws for further details.)

Rooftop Equipment Maintenance Contracts

29. Each Residential Unit will have a dedicated condensing unit located on the Roof to provide heating and air conditioning ("Rooftop Equipment"). Each Residential Unit Owner shall own its respective Rooftop Equipment and be solely responsible for the cost and expense of its maintenance, including the corresponding equipment and systems in each Residential Unit. The Rooftop Equipment's associated pipes, risers and shafts leading to the Residential Units, and exhaust ducts with rooftop fans for ventilation, shall all constitute Residential Common Elements.

Unit Owners are required to obtain and maintain a maintenance, service and repair contract ("Maintenance Contract") with a vendor approved by the Condominium Board qualified to perform maintenance service ("Maintenance Vendor") in accordance with the guidelines established, from time to time, by the Condominium Board. Only a Maintenance Vendor may access the roof to service the Rooftop Equipment. A copy of the Maintenance Contract, executed by each Unit Owner, shall be delivered to the Managing Agent. Renewal Maintenance Contracts shall be delivered to the Managing Agent thirty (30) days prior to the date on which the then current Maintenance Contract expires.

Flood Zone

30. In accordance with the disclosure set forth in the "Description of Property and Improvements" in Part II of the Plan, the site upon which the Building is located is not within the flood zone per FEMA map c.5/2013.

Principals of Sponsor Have Executed the Certification of Sponsor and Principals Solely for Martin Act Purposes

31. Consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al, 2013 N.Y. Slip Op 03574 (1st Dept. May 16,2013).

INTRODUCTION

Nature of the Transaction

Harrison Street Residences LLC ("Sponsor") is a limited liability company organized and existing under the laws of the State of Delaware. Sponsor acquired the Property on November 29, 2011 from Mardig Kachian.

Sponsor presents this offering plan, as the same may be amended from time to time ("Plan") for the establishment of condominium ownership of the Land and Building pursuant to the Condominium Act. The Condominium will be known as 7 Harrison Street Condominium and located at 7 Harrison Street, New York, New York 10013 ("Property").

The principals of Sponsor who will be actively involved in this offering are Scott Sabbagh, Shane Neuringer, Sean Zalka, Doug Bowen and Bohdy Hedgcock. (See the Sections of the Plan entitled "Identity of Parties" and the "Certification of Sponsor and Principals" in Part II of the Plan for details.)

The Condominium will consist of: 12 Residential Units and 1 Retail Unit. The Residential Units and the Retail Unit are collectively referred to as the "Units."

The Offering Plan

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor. The Plan contains all of the detailed terms of the transaction.

Sponsor may from time to time amend the Plan by filing an amendment with the New York State Department of Law ("Department of Law") and serving such amendment on Purchasers and Unit Owners.

The Plan is presented in two parts that, together with all documents filed with the Department of Law, constitute the entire offer of Sponsor. Part I sets forth a general description of the offering and the Condominium and Part II contains the basic documents necessary to create the Condominium and otherwise effectuate the Plan. Also included in Part II is a detailed physical description of the Property and certifications as to certain matters discussed in the Plan.

In addition, Sponsor has filed with the Department of Law, Exhibits to the Plan which, along with the Plan, constitute the entire offer of Sponsor. Copies of the Plan and all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the Plan shall be available for inspection by prospective Purchasers and their attorneys without charge and for copying at a reasonable charge by any Person who shall have purchased a Unit offered by the Plan at the Sales Office and available for inspection and copying at the office of the Department of Law. A prospective Purchaser may borrow the Plan upon payment of a $200 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition or (ii) the execution by the prospective Purchaser of a Purchase Agreement subsequently accepted by Sponsor. Prospective Purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. All documents are important and should be carefully read by prospective Purchasers.

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

The Property

The Building will be substantially renovated. Based upon the current construction schedule, Sponsor contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently

completed to permit closings of Residential Units to begin on or about July 1, 2014. Purchasers should note however that: (i) Residential Units will be completed at different times over a period that may begin prior to and/or extend significantly beyond such projected date, and (ii) Residential Units on higher floors generally close later than Residential Units on lower floors. Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to any credit, offset or reduction in the Purchase Price or otherwise be relieved from any obligations under the Purchase Agreement, if the First Closing occurs earlier or later than the projected date, or the time to complete or to close title to any Residential Unit is delayed or postponed by Sponsor. Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan.

A detailed description of the Property is contained in the Section of the Plan entitled "Description of the Property and Improvements" and in the Description of Property and Improvements set forth in Part II of the Plan.

Offering of Residential Units for Sale

Sponsor hereby offers the Residential Units for sale pursuant to the Plan. The Purchase Prices for each of the Residential Units are listed in the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information" ("Schedule A"). THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Offering of Retail Unit for Sale

Sponsor hereby offers the Retail Unit for sale pursuant to the Plan. The Purchase Price for the Retail Unit is listed in the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information" ("Schedule A"). All terms of sale with respect to the Retail Unit are freely negotiable without resort to the form Purchase Agreement set forth in Part II of the Plan, including, but not limited to, the amount of the Deposit, payment of use and occupancy fees from the date of Closing until the Condominium Board's imposition of Common Charges, terms of sale and insurance coverage requirements. THIS PRICE HAS BEEN SET BY SPONSOR AND IS NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Sponsor reserves the right to deliver the Retail Unit as "raw space", subject only to Sponsor's obligation to install such plumbing, electrical and mechanical hook-ups for the future installation by the Retail Unit Owner or to install such other fixtures as Sponsor and the Purchaser of such Retail Unit shall agree upon, if any. In such event, such Retail Unit Owner shall be obligated to Close Title prior to the issuance of a Temporary Certificate of Occupancy, which will be the obligation of such Retail Unit Owner to obtain.

In the event the Closing of Title to a Retail Unit occurs in advance of the First Closing, the First Year of Condominium Operation as defined in the Plan will not commence until the First Closing.

Storage Rooms

Each Purchaser of a Residential Unit will have the exclusive use of a Storage Room, which shall constitute a Residential Limited Common Element appurtenant to the Residential Unit. The Storage Room assigned to each Residential Unit is designated on the Floor Plans set forth in Part II of the Plan and is not transferable independently of the Residential Unit to which it is appurtenant.

Conveyance of Title

In the event of the existence of any lien, encumbrance or title defect other than Permitted Encumbrances which Sponsor fails or refuses to correct, the sole remedy of Purchaser under the Plan,

provided Purchaser is not then in default, will be to either (i) take title subject to the title defect or (ii) terminate the Purchase Agreement, within 15 days after receipt of notice or an amendment disclosing such lien, encumbrance or title defect. If Purchaser fails to notify Sponsor of Purchaser's election within 15 days after Sponsor notified Purchaser of Sponsor's failure or refusal to remedy the title defect, it will be conclusively deemed that Purchaser elected to acquire title subject to the title defect. Provided Sponsor is not the party responsible for creating the encumbrance or title defect, Sponsor has no obligation to institute any action or proceeding or to expend any sum of money in excess of ½ of 1% of the Purchase Price of the affected Unit to make title insurable or to eliminate any encumbrances or title defects. (See the Section of the Plan entitled "Terms of Sale" for details.)

Sponsor's Reservation of Right to Rent Rather than Sell Residential Units

Sponsor intends, in good faith, to sell rather than rent Residential Units. However, Sponsor reserves the unconditional right to rent Residential Units rather than sell Residential Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, Sponsor is not committed to sell more Residential Units than the 15% (i.e., 2 Units) necessary to declare the Plan effective and, therefore, owner-occupants may never gain effective control and management of the Condominium.

Sponsor intends to offer Residential Units for sale both to Purchasers for personal occupancy as well as to those who are purchasing for investment or resale. Purchasers for investment or resale may, in turn, rent such Residential Units and accordingly, such Residential Units will not be used for the personal occupancy of the owner thereof. As a result, some and possibly many Residential Units may be occupied by renters instead of Residential Unit Owners. Since the Condominium Board does not have the right to approve or disapprove potential purchasers of Residential Units, the Condominium Board is unable to limit the number of purchasers who purchase Residential Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Residential Unit Owners who are not occupants. It is possible that those Residential Unit Owners who occupy their Residential Units may have different interests than those Residential Unit Owners who purchased such Residential Units as an investment.

Sponsor reserves the right to offer the Residential Units in such order of priority as it may determine, and to withhold one or more Residential Units for future sale or rental. In addition, Sponsor has the right to limit the number of Residential Units sold to any Purchaser and to make Bulk Sales of Residential Units. The Purchaser of such Residential Units shall be bound by Sponsor's representations in the Plan with regard to Sponsor's commitment to sell Residential Units. The term "Bulk Sales" shall mean the transfer of 10 or more Residential Units or 15% of the total number of Residential Units in the Condominium, whichever is less.

Sponsor has procured an agreement from Doral Property Finance ("Construction Lender") for financing the construction and renovation of the Building. Sponsor will receive advances from the Construction Lender not more frequently than monthly, so long as Sponsor complies with the provisions of the construction loan regarding its responsibilities to use the funds advanced in the agreed manner and generally to proceed with the construction as agreed to in the loan documents. The construction loan documents do not (i) limit Sponsor's rights with respect to renting rather than selling Units or (ii) require Sponsor to enter into a specific minimum number of Purchase Agreements prior to declaring the Plan effective. The construction loan documents require Sponsor to meet certain minimum release prices prior to the Construction Lender's release of its lien against each Residential Unit.

Basic Aspects of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home in the case of a Residential Unit, and a building in the case of a Retail Unit. Each Unit Owner owns fee title to the Unit and is entitled to the exclusive possession and use thereof and is obligated to comply, with the terms of the Condominium Documents and any other requirements implemented by the Condominium Board. Each Unit

Owner also owns, in common with the owners of all other Units, an undivided interest in (and right to use) the Common Elements. The Common Elements are comprised of: (i) portions of the Property serving and benefiting all Units, generally, including, for example, the Land upon which the Building stands and foundations and supports of the Building, these Common Elements being more specifically designated as "General Common Elements," (ii) portions of the Building serving and benefiting the Residential Units, exclusively, including for example, and without limitation, the residential lobby, residential hallways, residential corridors and residential elevators exclusively servicing the Residential Units, these Common Elements being more specifically designated as "Residential Common Elements;" and (iii) portions of the Building exclusively serving and benefiting one Residential Unit such as a Terrace, these Common Elements being specifically designated as "Residential Limited Common Elements."

Subject to certain conditions contained in the By-Laws, each Unit Owner may mortgage the Unit with such lender and in such amount as the Unit Owner chooses. However, Sponsor makes no representations about the financeability of any Unit. There are no limitations or restrictions upon the rights of Sponsor to mortgage Unsold Residential Units or the rights of Retail Unit Owner to mortgage Retail Unit. Each Unit is separate and will not be subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

Operation of the Condominium will be vested in a Condominium Board, the members of whom will be elected by the Residential Unit Owners, subject to the rights of Sponsor and the Retail Unit Owner to designate members of the Condominium Board, as set forth in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." When voting for members of the Condominium Board, each Residential Unit Owner shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Residential Unit per Residential Member to be elected.

A Unit Owner may decorate and construct the interior of the Unit in any way the Unit Owner desires, subject to compliance with the Condominium Documents and Law, and will be solely responsible for the cost of maintenance and interior repairs to the Unit after Closing.

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 subjected to any lien arising from the non-payment of real estate taxes assessed against other Units. In the opinion of Tax Counsel to Sponsor, which opinion is set forth in full in Part II of the Plan, a Residential Unit Owner who itemizes deductions may be eligible, under current Law, to deduct from income for income tax purposes, real estate taxes and interest paid on the Unit Owner's mortgage, subject to certain exceptions and limitations discussed in the "Attorney's Income Tax Opinion" set forth in Part II of the Plan. (See the Section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" for details.)

The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized by Sponsor is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known, and hereinafter referred to as the "Condominium Act." The Property will be submitted to the provisions of the Condominium Act by recording the Declaration in the Register's Office by Sponsor. The Condominium will comply with all Laws applicable to condominiums in the State of New York.

The cost of operating the Condominium will be borne entirely by the Unit Owners in accordance with allocations set forth in the "Schedule B – Projected Budget for First Year of Condominium Operation." As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Condominium Board determines, the Condominium Board will assess Unit Owners for Common Charges to meet Common Expenses. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or Residential Common Expenses attributable to Residential Unit Owners only. Common Charges will be assessed against Residential Unit Owners in the same proportion their respective Residential Units bears to the aggregate Common Interests of all Residential Units. The estimated Common Charges for each Unit for the First Year

of Condominium Operation are set forth in Schedule A. Purchasers are obligated to pay monthly Common Charges pursuant to the Condominium Act (RPL Sections 339 (i) and (m)).

The Common Interests of each Unit in the Common Elements has been determined pursuant to the method set forth in Real Property Law Section 339-i(l) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

The Residential Common 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 of the Residential Units in the Condominium.

Certain budgeted items (See the "Notes to Schedule B" for details) are allocated between the Residential Units and the Retail Unit on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements. The Condominium Board may not modify these allocations without the consent of the Retail Unit Owner. In the opinion of Sponsor's budget expert, as set forth in the Certifications of Budget Expert set forth in Part II of the Plan, the allocated Common Charges payable by the Retail Unit Owner are sufficient to cover the expenses fairly attributable to the Retail Unit. Unit Owners will have no interest in any rents, net profits or revenues derived from the rental or use of any Unit owned by another. The aggregate Common Interest of all Units equals 100%. The aggregate Residential Common Interests of all Residential Units equals 100%. The percentage of Common Interests are the basis for determining a Unit Owners share of distribution upon termination of the Condominium with Unit Owners then sharing pro rata in the proceeds of the Condominium. Each Unit's Common Interest and Residential Common Interest, as applicable, and estimate of the Common Charges that will be payable by the Unit Owner during the First Year of Condominium Operation of the Property subsequent to the First Closing are set forth in the Section of the Plan entitled "Schedule A – Purchase Prices of Units and Related Information."

After the Closing of Title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the flooring, fixtures, furniture, furnishings, equipment, appliances and personal property located within the Unit, and any Residential Limited Common Elements appurtenant thereto, as well as liability insurance with respect to occurrences in or about the Unit, and any Residential Limited Common Elements appurtenant thereto. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements (except for the contents in the Storage Rooms) in accordance with the provisions of the By-Laws. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.)

Each Purchaser of a Residential Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium. Such contribution, to be made at the time of Closing of the Residential Unit, shall be in an amount equal to two months' Common Charges assessed against the Residential Unit at Closing. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes with respect to the Unit (both before and after such taxes are separately assessed and billed against the Unit by the City of New York), interest and amortization payments on any mortgage and charges for electricity consumed in the Unit.

A Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution of the City of New York, as may be amended from time to time (except as described below), and not more than one family may occupy a Residential Unit at one time. A Residential Unit may not be used for any "dormitory," "bed and breakfast" or other transient hotel-type use.

A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments) may only be occupied by such individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, a member of such limited liability company, the fiduciary or beneficiary of such fiduciary, a principal or employee or such other entity, respectively, or by members of the immediate family or guests of any of the foregoing. A Residential Unit may be used for any other purpose, provided such use is permitted by, and complies with Law, does not violate the then existing Temporary or Permanent Certificate of Occupancy covering the Building, and the Condominium Board, in its sole discretion, grants permission for such use. Use and occupancy of the Residential Unit shall be subject to the Residential Rules and Regulations of the Condominium which may be amended from time to time.

A Storage Room may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item (excluding sealed wine and alcohol bottles), or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein, nor may it be used for sleeping, dining or other occupancy uses (collectively, "Prohibited Uses"). The use of the Storage Rooms for Prohibited Uses can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or other Residential Unit Owners as a result of such Prohibited Uses shall be borne by the Residential Unit Owner of the Residential Unit to which such Storage Room is appurtenant.

With certain exceptions, as set forth in the By-Laws, any sale or rental of a Residential Unit will be subject to a right by the Condominium Board to acquire or lease such Residential Unit or to produce a third party to acquire or lease such Residential Unit on the same terms as were offered to the owner of such Residential Unit. Sponsor and the Retail Unit Owner may sell or lease their respective Units, or portions thereof, without any restriction or limitation. Since the Condominium Board does not have the right to approve or disapprove potential purchasers of Residential Units, the Condominium Board is unable to limit the number of purchasers who purchase Residential Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Residential Unit Owners who are not occupants. It is possible that those Residential Unit Owners who occupy their Residential Units may have different interests than those Residential Unit Owners who purchased such Residential Units as an investment. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" subsection "Sales and Leases of Units" for details.)

Each Residential Unit Owner has exclusive use, subject to any and all Residential Rules and Regulations implemented by the Condominium Board, of any Residential Limited Common Element appurtenant to the Residential Unit, as indicated in the Schedule A – Offering Prices and Related Information set forth in the Plan, and is responsible for all normal maintenance, repairs and replacements thereto. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Residential Limited Common Element (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to same) shall be charged to all Residential Unit Owners as a Residential Common Expense. The type, size, weight, location and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior written approval of the Condominium Board and shall be in compliance with Law.

There are no limitations on who may purchase Units, except as set forth herein. Under the New York Real Property Law, a condominium unit may be owned by an individual, a corporation, a partnership, limited liability company, an association, a trust or any other entity which is permitted to take title pursuant to Law. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of any of the Condominium Board, any Unit Owner or mortgagee, to refuse to approve and execute Purchase Agreements for one or more Units to any Person. Sponsor shall not discriminate against any person because of race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law. No binding obligation will arise for the sale of a 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 Deposit thereunder (see the Section of the Plan entitled "Procedure to Purchase" for details). Sponsor will not accept an offer of purchase from an individual younger than 18 years of age or an incompetent under Law.

The Interstate Land Sales Full Disclosure Act, 15 U.S.C. §§1701 et seq. ("Act") is a federal statute that requires sponsors of certain new construction condominiums to file a disclosure statement or property report ("Report") with the U.S. Department of Housing and Urban Development ("HUD") and provide the Report to purchasers unless the condominium is exempt from this requirement.

Unless an exemption applies, the Report must be provided to prospective purchasers in advance of or contemporaneous with the purchaser executing a purchase agreement. Any exemption a sponsor claims is self-determined unless the sponsor states it has previously obtained an advisory opinion from HUD. If a sponsor is required to file a Report for that condominium and fails to do so, or fails to provide a purchaser with a Report in advance of the purchaser executing the purchase agreement, the purchaser may be entitled to rescission of the purchase agreement. Purchasers are advised to consult with their attorneys regarding Act and any rights that may be available to them pursuant to the Act.

The Condominium qualifies for the exemption specified in 1702(a)(1) of the Act, commonly known as the "25 lot exemption". Pursuant to the "25 lot exemption", sales of units in a condominium building containing fewer than 25 residential units are exempt from the Act in its entirety. Since the Condominium will consist of 12 Residential Units, the Condominium is therefore exempt from the Act, including its registration and disclosure requirements and delivery of a Report to Purchasers.

The Attorney General's office has not verified or approved the disclosure set forth above.

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.

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, the By-Laws and the Condominium Act. They include the following:

"Adverse Effect," or "adverse effect" shall mean any action or proposed change with respect to any Unit Owner(s), that such action or change could, if realized, (i) increase the Common Charges payable over those set forth in the budget in effect at the time in question by 25% or more, (ii) materially and permanently interfere with such Unit Owner's access to the Unit, (iii) materially obstruct or degrade the view from the windows and/or Terraces of the Unit (excluding the lot line windows) or (iv) otherwise materially diminish the use and enjoyment of the Unit.

"Appurtenant Interest" shall mean, with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or rental of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

"Building" shall mean the building located at 7 Harrison Street, New York, New York 10013.

"Buildings Department" shall mean the office of the New York City Department of Buildings or any successor agency.

"By-Laws" shall mean the by-laws governing the operations of the Condominium, which are set forth as Exhibit D to the Declaration, as the same may be amended from time to time, which are set forth in Part II of the Plan.

"Closing" or "Closing of Title" shall mean the date, time, place and procedure by which, among other things, fee title to a Unit and its appurtenant Common Interest is conveyed pursuant to a fully-executed Purchase Agreement.

"Closing Date" shall mean the date on which a Closing occurs.

"Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata, in accordance with their Schedule B allocations and as provided in the Declaration or in the By-Laws to meet the Common Expenses.

"Common Elements" shall mean the Property, other than the Units themselves, being comprised of the General Common Elements, Residential Common Elements, and the Residential Limited Common Elements.

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve, or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); and (iii) generally, the conduct of the affairs of the Condominium. Common Expenses shall be either General Common Expenses attributable to all Unit Owners, Residential Common Expenses attributable to Residential Unit Owners only.

"Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appurtenant to each Unit, as determined in accordance with the Declaration.

The total of all Common Interest percentages appurtenant to all Units equals 100%. The Common Interest attributable to each Unit is set forth on Exhibit B annexed to the Declaration.

"Condominium" shall mean the 7 Harrison Street Condominium which will be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

Condominium Act" shall mean the New York Condominium Act, as amended from time to time (New York Real Property Law, Article 9-B).

"Condominium Board" shall mean the board of managers of the Condominium who will manage the affairs of the Condominium.

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans.

"Construction Lender" shall mean Doral Property Finance, having an address at 623 5th Avenue, 16th Floor, New York, New York 10022.

"Declarant" shall mean Harrison Street Residences LLC and its successors and assigns.

"Declaration" shall mean the instrument creating the Condominium, as the same may be amended from time to time, which is set forth in Part II of the Plan.

"Department of Law" shall mean the Real Estate Finance Bureau of the Department of Law of the State of New York.

"Deposit" shall mean all deposits, advances and payments made by Purchasers prior to the Closing of a Unit.

"Effective Date" shall mean the date upon which the Plan is declared effective.

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of one or more of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, generators, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, intercom equipment, playground equipment, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drainage systems, sewers and/or storm pipes, drywalls, or detention tanks, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, sheetrock, interior walls, draperies, shades, window coverings, wallpaper, wallcoverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes, sockets, davits and rigs for window cleaning.

"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.

"Filing Date" shall mean the date a letter is issued by the Department of Law accepting the Plan or an amendment to the Plan, as the case may be, for filing.

"First Annual Meeting" shall mean the first annual meeting of the Residential Unit Owners.

"First Closing" shall mean the Closing of Title with respect to the first Residential Unit to be conveyed to a Purchaser pursuant to the terms of the Plan.

"First Year of Condominium Operation" shall mean the first 12 months of operation of the Condominium beginning on the date of First Closing, which may be a calendar or fiscal year.

"First Year's Budget" shall mean the Section of the Plan entitled "Schedule B - First Year's Budget." The First Year's Budget is sometimes referred to as "Schedule B."

"Floor Plans" shall mean the floor plans of the Units certified by a professional engineer or licensed architect, filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental or amended floor plans thereto.

"Force Majeure" shall mean unavoidable delays due to acts of God, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, governmental restrictions, preemptions or approvals, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the control of Sponsor, however for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause beyond control.

"GBL" shall mean Section 352-e of the New York State General Business Law.

"General Common Elements" shall mean those certain portions of the Property (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in the Declaration and the Floor Plans.

"General Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the General Common Elements; or (ii) the establishment and/or maintenance of a general operating reserve fund for working capital, for replacements with respect to the General Common Elements.

"Initial Control Period" shall mean the period ending on the later to occur of: (i) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 95% in number of all Residential Units offered for sale, or (ii) the issuance of a Permanent Certificate of Occupancy.

"Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust or a group of lenders which shall include one of the foregoing, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, or (iii) Sponsor, or (iv) with respect to loans secured by any Retail Unit only, (x) without in any way limiting the scope of the foregoing and for the sake of clarity, any real estate mortgage investment conduit within the meaning of Section 860D of the Internal Revenue Code, (y) any entity not included within any of the foregoing that is regularly engaged in the business of making, owning or servicing mortgage loans, including, without limitation, a so-called "conduit lender," or (z) any group of lenders which shall include one or more of the foregoing.

"Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or an Institutional Lender.

"Insurance Trustee" shall mean a bank or trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of $500,000,000 or more, from time to time appointed to serve as such by the Condominium Board.

"Land" shall mean the land located in the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 180, Lot 29 and more particularly described in Exhibit A to the Declaration.

"Law" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, County and Borough governments, including, without limitation, the Buildings Department, the Landmarks Preservation Commission, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Property and/or the Condominium and/or the direction of any public officer pursuant to Law which are applicable at the time in question.

"Majority of Unit Owners" shall mean Unit Owners of more than fifty percent (50%) in aggregate Common Interests appurtenant to all Units or Unit Owners of more than fifty percent (50%)in aggregate Common Interests of only those Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Unit Owners at which a quorum is present.

"Managing Agent" shall mean the management company or manager named in the Plan or any successor managing agent at the time in question.

"Permanent Certificate of Occupancy" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

"Permitted Encumbrances" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly described on Schedule A annexed to the form of Purchase Agreement.

"Permitted Mortgage" shall mean a first mortgage permitted to be placed upon a Unit pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" shall mean any holder or guarantor of a Permitted Mortgage at the time in question. The Construction Lender shall be considered a Permitted Mortgagee under the Declaration and By-Laws.

"Permitted User" shall mean any officer, director, member, stockholder, principal, partner, employee, agent (including managing, sales and leasing agent), guest, tenant, occupant, customer, invitee, licensee, contractor, Permitted Mortgagee or any other Person related, affiliated or designated by Sponsor, the Condominium Board or a Unit Owner who has permission to use a Unit and/or a portion of the Common Elements, subject to the terms of the Condominium Documents, whether written or oral, granted by: (i) a Unit Owner in the case of such Unit Owner's Unit and its appurtenant Common Elements; or (ii) the Condominium Board; or (iii) the Condominium Documents; or (iv) Sponsor.

"Person" shall mean any natural person, partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

"Plan" shall mean that certain Condominium Offering Plan relating to the Property, as accepted for filing by the Department of Law pursuant to the GBL and any and all amendments thereto.

"Plans and Specifications" shall mean the plans and specifications for the construction and renovation of the Building which (to the extent required by Law) have been or will be filed with the Buildings Department and which may from time to time be amended in accordance with the provisions of the Plan.

"Presentation Date" shall mean the date on which the Plan or an amendment thereto, as the case may be, is personally delivered or the fifth day after mailing to prospective Purchasers and Unit Owners following acceptance of the Plan or an amendment thereto for filing with the Department of Law.

"Property" shall mean the Land, the Building (and any structures attached thereto), the Units, all the improvements erected or to be erected on the Land, all easements, rights and appurtenances pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

"Purchase Agreement" shall mean the agreement to purchase a Unit, the form of which is set forth in Part II of the Plan.

"Purchaser" shall mean any Person named as a Purchaser in a Purchase Agreement which has been duly executed by such Person and accepted by Sponsor.

"Register's Office" shall mean the Office of the Register of the City of New York, County of New York.

"Residential Common Elements" shall mean those portions of the Common Elements either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to, the existence, maintenance or safety of the Residential Units, as more particularly described in the Declaration and the Floor Plans.

"Residential Common Expenses" shall mean all costs and expenses to be incurred generally by the Residential Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Residential Common Elements and/or the Residential Limited Common Elements; or (ii) the establishment and/or maintenance of an operating reserve fund for working capital, for replacements with respect to the Residential Common Elements and/or Residential Limited Common Elements.

"Residential Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, of each Residential Unit Owner in the Residential Common Elements. The total of all Residential Common Interest percentages appurtenant to all Residential Units equals 100%. The Residential Common Interests are the basis for determining a Residential Unit Owner's liability for such Unit Owner's share of the Residential Common Expenses.

"Residential Limited Common Elements" shall mean those portions of the Property (other than the Units, the General Common Elements and the Residential Common Elements), existing for the use and enjoyment of certain Residential Unit Owners to the exclusion of all other Unit Owners, as more particularly described in the Declaration and the Floor Plans.

"Residential Unit" shall mean any of the Residential Units designated as a Residential Unit in the Declaration together with its Common Interest. All such Residential Units are, collectively, referred to as the "Residential Units."

"Residential Unit Owner" shall mean any Unit Owner of a Residential Unit at the time in question. All such Residential Unit Owners are, collectively, referred to as the "Residential Unit Owners."

"Residential Rules and Regulations" shall mean the Residential Rules and Regulations of the Condominium promulgated in accordance with the By-Laws, as any of such Rules and Regulations may be amended, added to, or deleted from time to time pursuant to the terms of the By-Laws.

"Retail Unit" shall mean any of the Retail Unit designated as such in the Declaration together with its Common Interest.

"Retail Unit Owner" shall mean the Unit Owner of a Retail Unit at the time in question.

"Sales Office" shall mean the sales office for Sponsor or Selling Agent, at a location to be designated by either Sponsor or Selling Agent from time to time.

"Schedule A" shall mean the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information."

"Schedule B" shall mean the Section of the Plan entitled "Schedule B - First Year's Budget." Schedule B is sometimes referred to as the "First Year's Budget."

"Schedule B-1" shall mean the Section of the Plan entitled "Schedule B-1 for Individual Energy Costs."

"Selling Agent" shall mean the selling agent named in the Plan or any successor Selling Agent at the time in question.

"Signage" shall include any sign, notice, advertisement or illumination, illustration, art work, poster, logo, canopy, banner or similar sign, marquee, awning, flag, flagpole, pennant, aerial, antenna or the like.

"Special Assessment" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), in accordance with the By-Laws of the Condominium.

"Sponsor" shall mean Harrison Street Residences LLC and its successors and assigns as well as any Person(s) designated by Sponsor, in writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

"Storage Room" shall mean any Storage Room located in the Cellar and shall include the structural framework and materials out of which the Storage Room is constructed. Each Storage Room constitutes a Residential Limited Common Element.

"Structural Alteration" shall mean any alteration, addition, improvement or repair which (i) affects any structural element of the Building (i.e., columns, support beams and the like) appurtenant to the Retail Unit, (ii) affects the Building Systems, (iii) affects the Common Elements, or (vi) constitutes a new or additional building structure.

"Temporary Certificate of Occupancy" shall mean a temporary certificate of occupancy for the Building issued by the Buildings Department.

"Terrace" shall mean any terrace, balcony or garden which is appurtenant to a Residential Unit as a Residential Limited Common Element and shall include any pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers installed as part of the original construction of the Building. All such terraces, balconies or gardens are, collectively, referred to as the "Terraces".

"Title Company" shall mean First American Title Insurance Company, having an office at 633 Third Avenue, New York, NY 10017 or any successor Title Company at the time in question.

"Unit" shall mean any of the Units designated as a Unit in the Declaration together with its Common Interest. All such Units are, collectively, referred to as the "Units."

"Unit Owner" shall mean any Person (including Sponsor, if Sponsor owns any Unit) who holds fee title, of record, to one or more Units at the time in question. All such Unit Owners are, collectively, referred to as the "Unit Owners."

"Unsold Residential Unit" shall mean 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 a

principal of Sponsor at the time in question. All such Unsold Residential Units are, collectively, referred to as the "Unsold Residential Units."

"Unsold Residential Unit Owner" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

"Zoning Resolution" shall mean the Zoning Resolution of the City of New York, as amended from time to time, or replacement rule, regulation or resolution pertaining to development of a zoning lot.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The following is a general description of the Property as well as certain facilities and services to be provided at the Condominium. For a more detailed description of the Property, see the "Description of Property and Improvements" contained in Part II of the Plan.

Location

The Property is located at 7 Harrison Street in the Borough of Manhattan, City and State of New York.

Improvements - General Description of Units

The Condominium will consist of 12 Residential Units and 1 Retail Unit located within an eight story structure (including the Penthouse) with a Cellar. Purchasers should refer to the Description of Property and Improvements contained in Part II of the Plan for more details.

Residential Units

There will be 12 Residential Units located on the Ground Floor through Floor Eight, the square footages of which are set forth on Schedule A.

Purchasers are urged to consult the Floor Plans and Description of Property and Improvements contained in Part II of the Plan for details regarding the Residential Units.

Storage Rooms

Storage Rooms will be located in the Cellar of the Building. Each Storage Room is assigned to a Residential Unit and the purchase of a residential Unit includes the exclusive right to use the designated Storage Room appurtenant to such Residential Unit. The approximate square footages of the Storage Rooms are set forth on the Floor Plans contained in Part II of the Plan.

A Storage Room may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item (excluding sealed wine and alcohol bottles), or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein, nor may they be used for sleeping, dining or other occupancy uses (collectively, "Prohibited Uses"). The use of the Storage Rooms for Prohibited Uses can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium of other Residential Unit Owners as a result of such Prohibited Uses shall be borne by the Residential Unit Owner to which such Storage Room is appurtenant. Sponsor, however, shall have the right to use any Storage Room for any purpose permitted by Law or to change the permitted use of any Storage Room, subject, to the provisions of the By-Laws.

Retail Unit

Purchasers should refer to the Section of the Plan entitled "Retail Unit" for a detailed description of the Retail Unit.

Construction Data for Units and Common Elements

Sponsor has engaged DXA Studio as architect of record, Steven Harris Architects LLP as design architect, GACE Consulting Engineers PC as structural engineer and Glickman Engineering Associates as

mechanical engineer. The Plans and Specifications have been prepared by such architects and engineers. (See the Section of the Plan entitled "Identity of Parties" for further detail.)

The construction and renovation of the Building will be completed in accordance with the Plans and Specifications, and applicable Law. However, Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details) and substitute in place of any materials, appliances, equipment and fixtures set forth in the "Description of Property and Improvements," items of substantially equal or better quality, provided, however: (i) any material change shall be set forth in an amendment to the Plan; (ii) any necessary approval of any governmental authority having jurisdiction is first obtained; and (iii) no such amendments, modifications or substitutions may be made if the same would materially and adversely affect any binding Purchase Agreement unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchaser(s), offer the affected Purchaser(s) the right, for 15 days, to rescind their Purchase Agreement(s) and receive a refund of their Deposits, together with all interest earned thereon.

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about July 1, 2014. Purchasers will not be excused from paying their full Purchase Prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the projected date or the time to complete or to close title to any Residential Unit is delayed or postponed by Sponsor. Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. If the First Closing does not occur within 12 months after the date set forth in Schedule B as the commencement date for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into an Purchase Agreement, Sponsor will offer those affected Purchasers only a right to rescind their Purchase Agreement for 15 days from the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame. Any Purchasers electing rescission will have their Deposits returned together with any interest earned thereon. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

Local Law 11

New York City Local Law 11 of 1998 ("Local Law 11") which requires periodic examinations of the physical condition of certain exterior walls applies to the Building. Set forth in Part II of the Plan is a copy of the Local Law 11 Report ("Local Law 11 Report") issued for the Building.

Sponsor shall, at its sole cost and expense, make all necessary repairs to the Building as indicated in the Local Law 11 Report and in accordance with Law as follows:

(a) all unsafe conditions shall be promptly corrected; and

(b) all safe conditions with a repair and maintenance program shall be corrected by the earlier of (i) the due date on the next Local Law 11 report filing, or (ii) the Closing of the last Residential Unit by Sponsor.

Services and Facilities

The services and facilities described below will be provided to Residential Unit Owners and are included in the Common Charges, unless otherwise specified below.

Doorman

There will be doormen stationed in the residential lobby 24 hours a day, 7 days a week. The hours of access may be modified by the Condominium Board, in its sole discretion.

Building Staff

The staff of the Condominium will be supervised by a part-time superintendent. Purchasers should refer to the Footnotes to Schedule B for a complete description of the Building Staff.

Residential Elevator Service

The automatic passenger elevator will be in service 24 hours a day, 7 days a week. Purchasers should refer to the Description of the Property and Building Condition set forth in Part II for details concerning the passenger elevators.

Sponsor reserves the right to restrict access to any full floor Residential Unit, solely to the individual owner/occupant of such Unit, by way of elevator lock off, or other means permissible by Law.

Telecommunications

The Building will be pre-wired for telephone, cable television and internet services to the Residential Units. Residents will be able to subscribe for telephone, television and internet services. Charges for activating cable television, installing and attaching appropriate receptacles, additional installations and monthly usage charges will be determined by and payable directly to the cable company by each resident subscribing for and activating such service. Sponsor reserves the right to enter into an agreement with a service provider to provide a building wide internet access package, the monthly cost of which will be paid by the Condominium Board and billed to each Residential Unit Owner as a Residential Common Expense.

Mail

All incoming mail will be delivered to the Building and will be placed by Building Staff in each Retail Unit's mailbox, located in the residential lobby on the Ground Floor.

Laundry Facilities

Each Residential Unit will contain a washing machine and dryer. There will not be a common laundry room located in the Building.

Bicycle Storage

A bicycle storage room with unassigned storage slots will be located on the Cellar floor.

Refuse Disposal

Refuse/recycling chutes are located in the hallway of each floor containing Residential Units. The chutes will lead directly to a compactor located in the trash room on the Cellar floor.

Communication Facilities and Intercom System

Each Residential Unit will be equipped with an intercom/video system which will enable the occupants to communicate directly with the doorman. Sponsor reserves the right to substitute an alternate service to enable communication between the doorman and the residents.

Smoke and Carbon Monoxide Detector/Sprinklers

A combination smoke and carbon monoxide detector will be provided in each Residential Unit in compliance with the Law. Additionally, the Building will be fully sprinklered in compliance with the Law.

Staple Street Entrance

There will be a secondary, side-entrance located on Staple Street for the benefit of Residential Unit Owners.

Fitness Center

A Fitness Center will be located in the Cellar of the Building for the benefit of Residential Unit Owners. It will include exercise equipment to accommodate aerobic and weight training. There will also be an adjacent bathroom in the Cellar.

Residential Lobby

The residential lobby will contain furniture and furnishings for the use and enjoyment of the residents of the Condominium.

Furniture, Furnishings and Equipment

Sponsor reserves the right to utilize the furniture, furnishings and equipment through-out various parts of the Building. All such furniture, furnishings and equipment, however, will be re-conditioned, if needed.

Marketing Material

In no event shall the presence of any furniture, furnishings, finishes, equipment or decorations, wall coverings, window treatments and carpeting and the like ("FFE") in any portion of the Building set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Units imply or represent that any such FFE will be located within any portion of the Building. The presence of FFE in such marketing materials are for illustrative purposes only.

General

Use of the services and facilities shall be available only to individuals who reside in a Residential Unit in the Building (i.e., a Residential Unit Owner or permitted tenant) and, subject to the Residential Rules and Regulations implemented by the Condominium Board, such individual's guests, provided that such Residential Unit Owner or tenant accompanies the guest during such use. In addition, use of the services and facilities are subject to such Rules and Regulations as may be promulgated from time to time by the Condominium Board, including, without limitation, the right to impose fees and restrictions on hours of access and use.

While it is anticipated that these services and facilities will be available at the time of the First Closing, prospective Purchasers are advised that some of these services and facilities (such as a full staff of Building personnel and usage of the amenity areas, such as the Fitness Center) may not be available until

six (6) months after the First Closing. Purchasers will not be entitled to any credit or abatement against the Purchase Price or Common Charges if any of the services and/or amenities or facilities are not available for use on or after Purchaser's Closing. Notwithstanding the foregoing, the Condominium Board shall have the right, but not the obligation, in its sole and absolute discretion, to adjust the First Year's Budget to reduce the Common Charges for the period in which such services and/or facilities are not available.

Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or alterations, as well as the use of the passenger and/or service elevators will be restricted during the period that Sponsor is completing construction of the Building. However, at all times after the First Closing, the residential lobby will be attended 24 hours a day, 7 days a week and an interim level of staffing will be maintained.

Additionally, as more fully set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor," it is anticipated that for a significant period of time following the First Closing through, including and beyond the Closing of Title to any Residential Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete construction of the Building, including without limitation, the Residential Units, the amenities and facilities, Storage Rooms, the decoration or finishing of the residential lobby, corridors, elevator finishes and other portions of the Building, including installing light fixtures, painting, hanging wall coverings or laying carpeting. All of the foregoing work and conditions may create a noisy or otherwise disruptive condition in the Building. 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. In addition, the presence of scaffolding, hoists or construction elevator shafts or similar temporary construction facilities, may delay the Closing of Title to certain Residential Units or lines of Residential Units until such scaffolding, hoists, elevators or temporary facilities are no longer needed and are removed and construction is completed.

LOCATION AND AREA INFORMATION

Location

The Property is located at 7 Harrison Street in the Borough of Manhattan in the City and State of New York. The Property is bounded by Harrison Street and Staple Street.

Surrounding Area, Shopping, Museums, Theatre and Parks

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

Near the Condominium there are, in addition to similar luxury residences, office buildings, museums, art galleries, hotels, schools, churches, banks and retail establishments. The area blends quality and convenience for its residents' day-to-day necessities including supermarkets, drugstores, dry cleaners and banks, all of which are located in close proximity to the Condominium.

Transportation

New York City is served by three major airports: LaGuardia Airport, Kennedy International Airport and Newark International Airport. Passenger railroad service is provided from Pennsylvania Station, located at Seventh Avenue and 33rd Street, and from Grand Central Station, located at Lexington Avenue and 42nd Street.

Transportation to and from the Condominium, and through New York City, is available by taxi, limousine, private automobiles, subway or bus. A number of commercial parking garages are located nearby.

Medical, Educational and Religious Facilities

A number of excellent medical centers are located in Manhattan.

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

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

Municipal Services

The City of New York will provide water, sanitation, police and fire services to the Building.

The local police station is located at 16 Ericsson Place, New York, New York.

The local fire station is located at 100 Duane Street, New York, New York.

Mailing Address

The mailing address for the Building is 7 Harrison Street, New York, New York 10013.

Zoning

The Property is located within a C6-2A/TMU-Tribeca Mixed Use District: Area 1 zoning district in which residential use is permitted.

Landmark Designation

The Building is situated in an area designated by the New York City Landmarks Preservation Commission ("LPC") as the Tribeca West Historic District. As a result, alterations affecting the exterior of the Building, along with interior alterations requiring a permit from the Buildings Department, must be filed with and approved by the LPC.

General

Sponsor makes no representations to the continued existence of any of the named establishments or transportation lines. Additionally, no representation is made that future construction in the neighborhood surrounding the Condominium will not result in the obstruction of the views from any windows and/or Terraces.

SCHEDULE A – PURCHASE PRICES OF UNITS AND RELATED INFORMATION

SCHEDULE A

7 HARRISON STREET CONDOMINIUM
NEW YORK, NEW YORK

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR
THE FIRST YEAR OF CONDOMINIUM OPERATION JULY 1,2014- JUNE 30, 2015

(1) UNIT	(1) NUMBER OF BEDROOMS/ BATHROOMS		(2) APPROXIMATE UNIT SQUARE FOOTAGE	(2) APPROXIMATE TERRACE SQUARE FOOTAGE	STORAGE ROOM	(2) APPROXIMATE STORAGE SQUARE FOOTAGE	(3) OFFERING PRICE	(4) COMMON INTEREST	(4) RESIDENTIAL COMMON INTEREST	(5) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED MONTHLY RE TAXES	(7) PROJECTED MONTHLY TOTAL CARRYING CHARGES & RE TAXES
Residential Units												
Atelier	3BR/3.5BA	D	3,135	288	Atelier	70	$ 6,500,000	10.1109%	10.7816%	$ 4,394.35	$ 2,502.05	$ 6,896.40
1	3BR/3BA		2,205		1	45	$ 4,950,000	6.9811%	7.4442%	$ 3,034.08	$ 1,727.54	$ 4,761.63
2	3BR/3BA		2,205		2	45	$ 5,150,000	6.9811%	7.4442%	$ 3,034.08	$ 1,727.54	$ 4,761.63
3	3BR/3BA		2,126		3	43	$ 4,500,000	6.7307%	7.1772%	$ 2,925.27	$ 1,665.59	$ 4,590.86
4	3BR/3BA		2,205		4	45	$ 5,250,000	6.9811%	7.4442%	$ 3,034.08	$ 1,727.54	$ 4,761.63
5	3BR/3BA		2,126		5	41	$ 4,650,000	6.7294%	7.1759%	$ 2,924.72	$ 1,665.28	$ 4,590.00
6	3BR/3BA		2,205		6	45	$ 5,500,000	6.9811%	7.4442%	$ 3,034.08	$ 1,727.54	$ 4,761.63
7	3BR/3BA		2,126		7	41	$ 5,000,000	6.7294%	7.1759%	$ 2,924.72	$ 1,665.28	$ 4,590.00
8	3BR/3BA		2,205		8	45	$ 5,750,000	6.9811%	7.4442%	$ 3,034.08	$ 1,727.54	$ 4,761.63
9	3BR/3BA		2,126		9	48	$ 5,350,000	6.7338%	7.1806%	$ 2,926.64	$ 1,666.37	$ 4,593.01
10	3BR/3BA		2,205		10	45	$ 6,000,000	6.9811%	7.4442%	$ 3,034.08	$ 1,727.54	$ 4,761.63
PH	4BR/4.5BA	D	4,229	2,351	PH	65	$ 20,000,000	14.8582%	15.8439%	$ 6,457.63	$ 3,676.84	$ 10,134.48
Total Residential	**12**		**29,098**	**2,639**		**578**	**$ 78,600,000**	**93.7789%**	**100.0000%**	**$ 40,757.83**	**$ 23,206.67**	**$ 63,964.50**
Retail Unit	1		1,973	-		-	$ 3,500,000	6.2211%	0.0000%	$ 738.67	$ 1,201.58	$1,940.25
GRAND TOTAL	**13**		**31,071**	**2,639**		**578**	**$ 82,100,000**	**100.0000%**	**100.0000%**	**$ 41,496.50**	**$ 24,746.00**	**$ 65,904.75**

The Symbols used in the Schedule A have the following meaning:
"D" denotes Duplex

SEE NOTES TO SCHEDULE A

*Storage Rooms and Terraces may not be used legally as a bedroom or a living room and such use may result in violations being posted against the Building.

Notes to Schedule A

1. Purchasers should refer to the Floor Plans included in Part II of the Plan for an approximation of the dimensions and typical layouts of the Residential Units. The number of bedrooms and bathrooms for each Residential Unit was determined by Sponsor's architect in accordance with industry practice for new construction condominiums and does not necessarily conform to the zoning room count or the method utilized by the Real Estate Board of New York. Each Residential Unit should be inspected to determine its actual dimensions, layout and physical condition prior to Closing.

2. The square footage of the Units listed in Schedule A or in the Declaration are approximate and may change due to field conditions, construction variances and tolerances and were obtained by using the method customarily used in New York City to measure condominium units. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit by 5% or less (excluding interior partitions) is not a material and/or adverse change. In the absence of such proof to the contrary, Sponsor's sole obligation if the net square footage of the Unit is so decreased shall be to refund the Deposit made under the Purchase Agreement and any interest earned thereon. The approximate square footage of each Residential Unit is measured horizontally from the exterior side of the exterior walls, at the Building line and/or property line 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 from public corridors, stairs, elevators and other mechanical equipment spaces or common elements. Columns and mechanical pipes (whether along the perimeter or within the Residential Unit) are not deducted from the square foot area of the Residential Unit. Measured vertically, each Residential Unit consists 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. As is customary in New York, these square footages exceed the usable floor area of each Unit. The method of measurement is applicable to all Units. Any Common Elements located within or appurtenant to any Unit shall not be considered as part of that Unit. Terraces and Residential Storage Rooms shown on Schedule A are Residential Limited Common Elements.

3. Storage Rooms may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item (excluding sealed wine and alcohol bottles), or any flammable or explosive item, or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein, nor may they be used for sleeping, dining or other occupancy uses (collectively, "Prohibited Uses"). The use of the Storage Rooms for Prohibited Uses can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or other Residential Unit Owners as a result of such Prohibited Uses shall be borne by the Residential Unit Owner of the Residential Unit to which such Storage Room is appurtenant.

4. The Purchase Prices and other terms of sale (as more fully set forth in the Section of the Plan entitled "Changes in Prices and Units") of Residential Units may be negotiated by Sponsor and, therefore, may be changed. Accordingly, Purchasers may pay different Purchase Prices for similar Residential Units. The effect of this, as well as the right of Sponsor to change Purchase Prices, is more particularly discussed in the Section entitled "Changes in Prices and Units." In addition to the payment of the Purchase Price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of Closing, as explained in the Section of the Plan entitled "Closing Costs and Adjustments". If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of additional closing costs and expenses relating to such loan. There will be an apportionment of certain charges relating to the Units at the Closing. THESE PRICES HAVE BEEN SET BY SPONSOR AND

ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.

5. The Common Interests of each Unit in the Common Elements has been determined pursuant to the method set forth in Real Property Law Section 339-i(l) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

The percentage 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 of the Residential Units in the Condominium.

6. The estimated monthly Common Charges for each Unit are based on Schedule B - First Year's Budget prepared by Sponsor's Condominium Budget Expert on the assumption that the First Year of Condominium Operation will be the year from July 1, 2014 – June 30, 2015. The actual First Year of Condominium Operation may be earlier or later than such year. In addition to these estimated payments, each Unit Owner will be responsible for real estate taxes on the Unit, mortgage payments under a loan, if any, obtained to finance the purchase of the Unit, the cost of electricity supplied to the Unit which will be separately metered and payable either directly to the utility company or to the Condominium Board for payment to the utility company, the cost of any insurance which the Unit Owner obtains for the Unit and the cost of interior repairs and decorations to the Unit. See the Section of the Plan entitled "Schedule B-1 - Budget for Individual Energy Costs" concerning estimates of certain electric costs for the Residential Units.

The cost of electricity supplied to each Unit will be separately metered and payable by the Unit Owner directly to Con Edison.

As discussed in the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities," the full range of services and facilities described in the Plan may not be available until six (6) months after the First Closing.

7. Estimated real estate taxes for the First Year of Condominium Operation based on the opinion of Real Estate Tax Counsel located in Part II of the Plan. In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. This overall assessment is then apportioned among the Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Floor Plans are filed with the Register's office. For purposes of Schedule A, the projected real estate taxes for the Units were based on Common Interest percentages. It is possible that the apportionment will be based in part upon the proportion the projected selling price presented in the Plan for each Unit bears to the gross sellout price for all Units available for purchase in the Condominium and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units. There is no assurance that the City of New York tax assessor will allocate taxes among Units based upon Common Interest percentages. Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, apportionment or taxes among the Units and tax rates, when actually established by the City of New York, may be lesser or greater. Accordingly, these estimates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or the actual real estate taxes to be assessed. In no event will Sponsor, its principals, Selling Agent, Real Estate Tax Counsel, Tax Counsel or any offeror be liable to any Purchaser, nor will any Purchaser have the right to rescind the Purchase Agreement if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater

than that projected herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future.

In the opinion of Olshan Frome Wolosky LLP a copy of which is set forth in Part II of the Plan, a Residential Unit Owner who uses the Residential Unit as a personal residence 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 deductions, if applicable, may vary in future years due to changes in the interest rate or the Residential Unit Owner's mortgage or from changes in the allocation of the 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. Sponsor makes no guaranty or warranty concerning the availability of any tax deductions.

At such time as the Units have been separately assessed for real estate tax purposes, 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 subjected to any lien arising from the non-payment of real estate taxes assessed against other Units. (See the Section of the Plan entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium" for more details.)

8. These figures represent the aggregate estimated monthly carrying charges which include estimated Common Charges and estimated real estate taxes. Reference should be made to note (5) of these Notes for certain other "home ownership" costs that may be incurred by Residential Unit Owners.

A Purchaser of a Residential Unit will be required to make a non-refundable contribution at the Closing of Title to the Working Capital Fund in an amount equal to two months' Common Charges with respect to the Residential Unit based on the Condominium budget in effect on the Closing Date of the Unit. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

7 Harrison Street Condominium
SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OWNERSHIP BEGINNING July 1, 2014 THROUGH June 30, 2015

ESTIMATED INCOME

Common Charges - Residential	$489,094.00
Common Charges – Non-Residential	8,864.00
TOTAL ESTIMATED INCOME	**$497,958.00 (1)**

ESTIMATED EXPENSES

Labor	$ 265,477.00 **(2)**
Gas	$ 46,626.00 **(3)**
Electricity	$ 14,735.00 **(4)**
Water and Sewer	$ 13,650.00 **(5)**
Repairs, Maintenance & Supplies	$ 7,500.00 **(6)**
Service Contracts	$ 29,500.00 **(7)**
Insurance	$ 47,970.00 **(8)**
Management Fees	$ 30,000.00 **(9)**
Legal Fees and Audit Fees	$ 14,000.00 **(10)**
Miscellaneous Expenses	$ 5,000.00 **(11)**
Contingency	$ 23,500.00 **(12)**
TOTAL ESTIMATED EXPENSES	**$ 497,958.00 (13)**

NOTE: THE ACCOMPANYING NOTES, WHICH FOLLOW THIS SCHEDULE B, ARE AN INTEGRAL PART HEREOF AND SHOULD BE READ IN CONJUNCTION HEREWITH.

NOTES TO SCHEDULE B

ESTIMATED INCOME

(1) Common Charges ($497,958.00)

The estimated Common Charges to be collected from Unit Owners during the First Year of Condominium Operation are based upon the assumption that the first year of Condominium operation will be the twelve months commencing July 1, 2014. The actual first year of operation may be earlier or later.

The allocation for the Common Expenses to be borne by the Residential and Non-Residential Units has been allocated on the basis of each Unit's respective Percentage of Common Interest (e.g., 6.2211% with respect to the Non-Residential Unit) and in certain cases based on each Unit's usage of a particular expense line item.

	Residential Units	Non-Residential Unit	Total
Income			
Common Charges (1)	$489,096	$8,862	$497,958
Total Income	$489,096	$8,862	$497,958
Expenses			
Labor (2)	$263,694	$ 1,783	$ 265,477
Gas (3)	$46,626		$46,626
Electricity (4)	$14,735		$14,735
Water and sewer (5)	$13,165	$485	$13,650
Repairs, Maintenance and Supplies (6)	$7,500		$7,500
Service Contracts (7)	$29,127	$373	$29,500
Insurance (8)	$44,986	$2,984	$47,970
Management Fees (9)	$28,134	$1,866	$30,000
Legal and Audit Fees (10)	$13,129	$871	$14,000
Miscellaneous Expenses (11)	$5,000		$5,000
Contingency (12)	$23,000	$500	$23,500
TOTAL ESTIMATED EXPENSES	$489,096	$8,862	$497,958

In the event the projected commencement date of the First Year of Condominium Operation is to be delayed more than six (6) months from the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections.

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

ESTIMATED EXPENSES:

(2) Labor ($265,477.00): The Condominium will have doorman service, available 24 hours per day, 7 days per week, and a non-resident staff of one full time porter and one part time super (15 hours per week) employee to act as a super/porter 8 hours per day, 7 days per week, to staff the Building. The annual cost is estimated at $265,477 computed as follows:

With respect to the part time super, the cost is estimated at $28,665, as follows:

Wages		$25,000
Taxes and Benefits		
FICA, employer share	1,915	
State disability and worker's comp	1,250	
Unemployment Insurance	500	
Sub-Total		3,665
Total		$ 28,665

With respect to the 24 hour per day, 7 days a week doorman service and the porter, the cost is estimated as follows:

Wages (at $20 per hour)		$208,000
Taxes		
FICA, employer share	15,912	
State disability and worker's comp	10,400	
Unemployment insurance	2,500	
Sub-Total		28,812
Total		$236,812

The employees will not be union.

The employees will be devoting a substantial portion of their time and effort to service the Residential Units and the Residential Common Elements, except that

a portion of the super time (estimated currently at 6.2211%, will be dedicated to the Non-residential Unit However, as circumstances dictate, the allocation to the Non-Residential Unit may need to be changed in the future. Accordingly, for the First Year of Condominium Operation, salaries and related expenses have been primarily allocated to the Residential Unit, except for the time allocated to the Non-Residential Units.

(3) Gas for Heating, Hot Water and Cooking ($46,626.00): The Budget amount is based upon a letter, dated February 8, 2013, from Glickman Engineering Associates PLLC, 545 Eighth Avenue, New York, New York 10018. Heat, hot water and cooking for the Condominium will be fueled by gas. The Budgeted amount for the first year of operation is based on an estimated total consumption for heat, hot water and cooking of 31,500 therms at an estimated cost of $1.48 per therm, including an inflation factor and taxes. The Non-Residential Unit will be separately metered for heat and hot water.

It is currently projected that there will be no gas service provided to the Non-Residential Unit; therefore, the Non-Residential Unit will not be allocated any gas costs.

It is not possible to predict whether the Budget figure will reflect the actual cost of fuel to be incurred during the First Year of Condominium Operation or level of consumption. Further, consumption will be affected by the severity of the weather, conservation measures (such as staggering hours of heating, lowering the temperatures of the hot water, etc.), if any, adopted by the Board of Managers, and the personal habits of the Unit Owners. The projected rates set forth above are based on the current rates of Con Edison. However, fluctuating fuel prices and other factors such as world conditions may raise the cost of fuel substantially higher than the current rate. If trends of the recent past continue, it is likely that the fuel will increase with the passage of time. It is not possible to forecast when this would occur or the extent of any fuel rate increase.

(4) Electricity ($14,735.00): The Budget amounts for electricity are based upon a letter, dated February 8, 2013, from Glickman Engineering Associates PLLC., 545 Eighth Avenue, New York, New York 10018.

The estimated electricity expenses for the First Year of Condominium Operation for common residential uses is $14,735, based on consumption estimates of 64,069 kilowatt-hours per year at the average summer and winter rate of $0.23 per kilowatt-hour, including an inflation factor and taxes.

The estimate for electricity expense for residential use, includes all electricity supplied to the Common Areas, but does not include electricity consumed in individual Units, which will be sub-metered for each. The estimate includes the cost of electricity supplied to the Common Elements, including the operation of such items as elevators, exhaust fans, and lighting for corridors, elevator lobbies and stairways.

The Non-Residential unit will be separately metered and billed.

The electric rates are largely affected by increases in the price of the fuel paid by the utility company and are regulated by state agencies. The Budget is intended to provide accurate information for prospective Purchasers and the above estimate is made in good faith. However, it is not possible to predict whether the Budgeted figure will reflect the actual cost to be incurred during the First Year of Condominium Operation, which will vary with the level of consumption and the cost of electricity. Electricity is generated by the utility company by means of fuel oil as the primary energy source. It is not possible to predict whether the cost of oil used to generate electricity will increase in the near future, or what the amount of the resulting increase in electric rates will be, if any. The projected figure should be sufficient to cover any reasonable increase in the cost of electricity resulting from the foregoing during the year of Condominium operation. However, no warranty is made that the Budget item is or will be sufficient. See Schedule B-1 for the estimated cost of providing electricity to the individual Units.

(5) Water Charges and Sewer Rents ($13,650.00): The Budget amounts for water and sewer costs are based upon the projected consumption in a letter, dated February 8, 2013, from Glickman Engineering Associates, PLLC, 545 Eighth Avenue, New York, New York, 10018. The Residential Units and the Common Elements are metered for water consumption. Based upon projected consumption of 144,428 cubic feet of water per year at the rate charged by New York City, for the period July 1, 2012 to June 30, 2013, of $0.0878 per cubic foot plus an annual increase of 5%, the total cost is estimated at $13,650.00 per year. The Non-Residential unit is estimated to use 3,903 CCF, of the total consumed; therefore its share of the cost is estimated at $485.

(6) Repairs, Maintenance and Supplies ($7,500.00): The Budget figure for repairs, maintenance and supplies is based on the normal maintenance and repairs of common areas and Common Elements of the Building, the painting of public halls and Common Elements, and the purchase of normal items, such as cleaning supplies and materials, lubricants, bulbs, public area fixtures, general and hardware supplies and rubbish compactor bags. Unit Owners will be responsible for the cost of the interior repairs in, and decoration and painting of, their respective Units, including appliances. The amount Budgeted is calculated based on the Budget Expert's previous management experience in managing newly constructed Buildings of comparable size, quality and amenities during a typical Condominium's first year of operations. After a condominium's initial year there may be expenses incurred that are allocable to all Condominium Units; if so, those expenses will need to be allocated based on each Unit's Common Interest or by usage.

No amount is included for items covered by construction warranties or for the cost of any major capital expenditure in the Building. If such expenditure is required, each Unit Owner will be obligated to pay his pro-rata share of such

expenditure. It is expected that if minor operating equipment is required to be purchased, the funds for the acquisition will be provided from the Working Capital Fund. The Budgeted number does not include repairs, painting, maintenance or supplies for individual Units, which are the responsibility of the individual Unit Owners.

(7) Service Contracts ($29,500.00): Amounts indicated below are estimates; no contracts have been entered into for the services described in this footnote.

Estimates – including sales tax

Elevator maintenance	$	6,000
Sprinkler and fire alarm		6,000
HVAC system maintenance		5,000
Pest control		2,000
Sub-metering		2,500
Maintenance of gym equipment		3,000
Other		5,000
Total		$29,500

The estimated cost for service contracts for elevator maintenance, HVAC, pest control, emergency generator sub-metering, window cleaning and other have been allocated to the Residential Units

The estimated cost for the sprinkler and fire alarm has been allocated to all units within the Condominium based upon each Unit's Common Interest

(8) Insurance ($47,970.00): The Budget amount is projected on the basis of an estimate of insurance costs provided by Innova Risk Management Ltd. located at 1090 King Georges Post Road, Suite 404, Edison, New Jersey 08837, per letter dated January 31, 2013, projecting a cost of $47,970.

The cost of workers' compensation and NYS Disability is not reflected as insurance, as this amount is included in the cost projections for labor.

Based on its recent construction, the policy limits quoted should be adequate to replace the existing Building in the event of a total loss.

Property Coverage	
Building – All Risk (Deductible - $10,000)	$30,000,000
Content	$125,000
Agreed Value – Replacement Cost (No Coinsurance)	
Common Charges/R/E Taxes- Reimbursement	$500,000
Building Ordinance	Included

Increased Cost of Construction/Demolition	$1,000,000
Back Up Sewers & Drains (Deductible $10,000)	$250,000
Underground Water Supply Mains (Deductible $10,000)	$1,000,000
Flood	$1,000,000
Flood Deductible	$25,000
Earthquake	$1,000,000
Earthquake Deductible	$25,000
Comprehensive General Liability	
Bodily Injury and Property Damage	
General Aggregate	$2,000,000
Per Occurrence	$1,000,000
Products & Completed Operations	$1,000,000
Personal and Advertising Injury	$1,000,000
Fire Damage Legal Liability	$500,000
Medical Expense	$5,000
Non-owned & Hired Auto Liability	$1,000,000
Employee Benefits Liability	$1,000,000
Directors & Officers Liability	$1,000,000
Umbrella Program	$200,000,000
Machinery & Machinery	$30,000,000
Deductible	$1,000
Employee Dishonesty	$300,000
Deductible	$1,000
ESTIMATED ANNUAL COST (BUDGET)	$47,970

The total premium for the coverage set forth above is estimated to be $47,970.00. This estimate, however, is subject to inspection and subject to rates in effect on the day of enactment of the insurance policies.

Fire and casualty insurance includes coverage for damage to all Common Elements, including, without limitation, damage to all walls, ceilings and floors in the Units (other than those walls, ceilings and floors erected by a Unit Owner other than Sponsor) as finished by the Sponsor in accordance with the "Description of Property and Specifications" appearing in Part II of this Plan.

No coverage is provided for such risk as fire and casualty losses to the contents of each individual Unit, except as stated above, nor does the coverage take into account any future replacements, improvements or additions to the Units or the

fixtures, furniture and improvements contained therein by Sponsor as described in the Description of Property and Specifications.

In addition, no liability coverage for claims for personal injury for any Unit Owner arising from an occurrence within his or her own Unit is included in the coverage provided above. If such coverage is desired, a Unit Owner should obtain a separate policy for liability and damage to the contents of his Condominium Unit, at his own expense.

PURCHASERS SHOULD OBTAIN THEIR OWN INSURANCE FOR RISKS OF LIABILITY AND FIRE AND CASUALTY LOSSES.

The Board of Managers, at some future date, may decide to increase insurance coverage to insure the equity value of the Unit Owners or to require Unit Owners to obtain coverage for their property.

IT SHOULD BE NOTED THAT IN THE EVENT THE PROPERTY IS TOTALLY DESTROYED BY FIRE OR OTHER CASUALTY, THE INSURANCE COVERAGE AS STATED HEREIN, ALTHOUGH SUFFICIENT TO REPLACE THE BUILDING, DOES NOT COVER THE FULL INVESTMENT OF THE UNIT OWNERS. HOWEVER, THE AMOUNT OF INSURANCE, WHICH WILL BE IN EFFECT ON THE CLOSING DATE, SHOULD BE SUFFICIENT TO PREVENT THE IMPOSITION OF ANY COINSURANCE FACTOR IN THE EVENT OF PARTIAL LOSS.

In recent years, premiums for insurance (especially fire and liability insurance) have increased significantly. Although the projection is believed to be reasonable, prospective Purchasers should note that insurance premiums could increase depending on market conditions. It is not possible to predict whether future premiums will continue to escalate at the same substantial rate or will level off. No guaranty is given that the Budget item will not increase. For further discussion of insurance coverage, please see the section titled "Rights and Obligations of Unit Owners."

(9) Management Fees ($30,000.00): The Property will be managed by Douglas Elliman Property Management, pursuant to a management contract, which shall be for a term of two (2) years, commencing on the date of the First Unit Closing at an annual base compensation of $30,000.00, for the first year and $35,000 for the second year, payable in equal monthly installments. This firm has considerable experience in the management of residential properties in New York City. Services of the Managing Agent shall commence upon the conveyance of title by the Sponsor of the first Unit in the Condominium. The Managing Agent is unaffiliated with Sponsor. In addition, the Managing Agent will charge individual Unit Owners for services required in processing each application for the sale or lease of a Unit.

The Managing Agent's fee for the First Year of Condominium Operation is comparable to the "going rate" for similar services in comparable buildings.

The Management Fee has been allocated to each Unit based on each Unit's Common Interest

See the section of the plan entitled "Management Agreement" for further details.

Management of the Building will entail the following: the hiring of a superintendent to perform certain necessary janitorial and maintenance functions for the Common Elements, such as cleaning the common area, complying with local Building codes and regulations; the paying or causing to be paid all bills for maintaining and operating the Building; the review of proposed sales and/or leasing packages, including references from all prospective Purchasers; the billing for maintenance and other charges; the setting up and keeping in good order a separate accurate set of books for the Condominium; the hiring of accountants and, generally, the managing of the Property.

(10) Legal Fees and Audit Fees ($14,000.00): The Budget amount for accounting services with respect to the Condominium's initial year is based upon a letter, dated October 12, 2012, from Kleiman & Weinshank LLP, Certified Public Accountants, 2 Penn Plaza., New York, New York 10121. The letter indicates a fee quotation of $9,000.00 for preparation of year-end financial statement and tax returns, for the Board of Managers.

The balance of the Budgeted amount, $5,000.00, is an estimate for miscellaneous legal services provided to the Condominium in connection with normal business operations. The aforesaid amount does not cover the cost of any extraordinary services or litigation.

The professional fees are for the entire Condominium and have been allocated to all units within the Condominium based upon each Unit's Common Interest

(11) Miscellaneous Expenses ($5,000.00): The Budget amount includes telephone expenses, city licenses, permits and filing fees, filing Federal tax returns (if taxable income exists), annual elevator inspections and permits, costs of printing and postage for notices and information from the Condominium Board, office supplies, telephone costs, miscellaneous expenses, and holiday decorations. In addition this item includes fees to the Managing Agent to prepare the needed filings and follow up with respect to the real estate tax rebate program, fire safety notices and window guard and lead based paint compliance, if applicable.

(12) Contingency ($23,500.00): Every reasonable effort has been made to prepare an accurate and realistic Budget for the operations of this Condominium. Nevertheless, unforeseen circumstances can have an adverse impact on Building operations. Particularly volatile are the prices of utilities to be provided to the Building. Water & Sewer Charges are difficult to estimate in advance. Repairs and maintenance may be required at any time. For these reasons, it is prudent to add a contingency reserve. The contingency fund is intended to

provide for any unanticipated expenses and is to be used at the discretion of the Board of Managers. In this case, approximately five (5%) percent of estimated operating expenses are added to the Budget. In the event that these funds are not expended, they shall be added to the Working Capital account.

In the event that the actual First Year of Condominium Operation begins later than the projected commencement date of July 1, 2014 as shown on this schedule, the additional operating costs could exceed this amount. The reserve for contingencies does not include a reserve for major capital replacements, for which no provision is made under this Budget, since, upon the completion of renovation and construction, all Building systems and equipment will be new.

(13) Total Estimated Expenses ($497,958.00): The Budget for the year from July 1, 2014 through June 30, 2015 is based on the estimates and projections set by the Sponsor's Budget Expert may be equal to or higher than the first year due to the fact that the cost of the items shown in Schedule B may change due to factors beyond the control of the Condominium Board.

The foregoing Budget, however, is not intended and should not be taken as a guarantee by anyone that the income or expenses for any year of Condominium Operation will be as set forth in said Budget, and it is likely that the actual maintenance charges and expenses will vary from the amounts shown in the Budget.

IN THE OPINION OF DOUGLAS ELLIMAN PROPERTY MANAGEMENT, SET FORTH IN "CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET,", THE PROJECTED RECEIPTS APPEAR REASONABLE AND ADEQUATE BASED ON PRESENT PRICES (ADJUSTED TO REFLECT CONTINUED INFLATION AND PRESENT LEVELS OF CONSUMPTION FOR COMPARABLE UNITS SIMILARLY SITUATED) TO MEET THE ESTIMATED EXPENSES OF CONDOMINIUM OPERATION, FOR THE YEAR COMMENCING JULY 1, 2014. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR ANY YEAR OF OPERATION OF THE PROPERTY BY THE BOARD OF MANAGERS WILL BE AS SET FORTH IN THE SAID PROJECTED BUDGET.

IT IS LIKELY THAT THE ACTUAL COMMON EXPENSES FOR CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE PROJECTED BUDGET. THE BOARD OF MANAGERS HAS THE RIGHT TO ENTER INTO THE SERVICE, MAINTENANCE, EMPLOYMENT, CONCESSIONAIRE AND OTHER AGREEMENTS THAT WILL BE BINDING ON CURRENT AND FUTURE CONDOMINIUM OPERATION.

SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET

SCHEDULE B-1
Projected Individual Energy Costs Budget

Glickman Engineering Associates, having an office at 545 Eighth Avenue, New York, New York 10018 provided the following estimate of annual electric energy costs for lighting and for operating the typical electrical appliances located in each Residential Unit. A schedule of estimated annual costs of electricity for the Residential Units follows on the next page.

The projected rates are not guaranteed and it must be expected that these rates will increase with the passage of time and may be affected by many factors which are beyond the control of Sponsor. Purchasers are advised that the projections are only estimates and actual consumption will be metered and will vary based on the personal needs of Residential Unit Owners and weather conditions.

SCHEDULE B-1

Residential Building
7 Harrison Street, NYC

ESTIMATED CHARGES

Architect:
DXA Studio
350 Broadway, Room 708
New York, NY 10013
Tel: (917)261-6566

Engineer:
GEA Consulting Engineers
545 Eighth Ave., 11th Floor
New York, NY 10018
Tel: (212) 643-8006

February 8th, 2013

I GENERAL

The charges indicated below are based on the following assumption:

1. Heating is based on 5,000 degree days. System shall maintain 70 degree Fahrenheit in the residential units when outdoor air temperature is 5 degree Fahrenheit.

2. Air conditioning system shall maintain 75 degree Fahrenheit when outdoor air temperature is 89 degree Fahrenheit. Windows to have curtains, Venetian blinds or other shading materials.

3. Each residential unit is calculated to have a gas range, and all other appliances included in the sale.

4. Construction of the building will begin in or about September 2012 and it is anticipated that the building will be sufficiently complete for issuance of a Temporary Certificate of Occupancy in or about July 1, 2014.

5. The estimated first year cost for water and sewer is based on the New York City rate, for 7/1/14 – 6/30/15 is an estimated rate of $8.78 per hundred cubic feet of water and the average of 60 gal. per day per person, for the projected first year of condominium operation. Master beds are assumed to have 2 people, and one additional person per additional bedroom. Charges for waste and storm sewer services are billed at 159% of applicable water charge or $5.39, for a combined water/sewer charge of $8:78 per 100 cf of water.

6. The estimated electric cost, as of February 2013, plus an inflation factor estimated at 3%, results in an estimated cost of $0.23/kWH, for the projected first year of condominium operation. This is an estimated rate which includes service charge, taxes and estimated increase. Note that the state of the electrical industry in New York City and State is extremely volatile due to various political and economic issues and the future electrical costs cannot be accurately predicted. However, the costs provided below should allow for an accurate order of magnitude estimate.

	$0.18
12% Increase (Est.)	$0.02
Sub-total	$0.20
16% Taxes	$0.03
Total	$0.23 (Estimated)

7. The estimated cost for gas consumption, as of February 2013, plus an inflation factor estimated at 3%, results in as estimated rate of $1.48/therm, for the

projected first year of condominium operation. This is an estimated rate which includes service charge, taxes and estimated increase. Note that the state of the natural gas industry in New York City and State is extremely volatile due to various political and economic issues and the future electrical costs cannot be accurately predicted. However, the costs provided below should allow for an accurate order of magnitude estimate.

	$1.14
12% Increase (Est.)	$0.14
Sub-total	$1.28
16% Taxes	$0.20
Total	$1.48 (Estimated)

The figures below can vary considerably depending on the severity of the weather, the efficiency of the actual equipment installed, occupants' personal habits as well as other operating parameters. These figures are not intended to be a guarantee.

II ESTIMATED UTILITY COMMON COSTS (does not include submetered components)

1. The estimated first year cost for electric consumption:

   64,069 kWh/yr x $0.23/kWh = $14,735/yr
   This includes common areas stairway, hallway, exterior, lobby, and mechanical rooms lighting, AC, pumps, elevators, and fans.

2. The estimated first year cost for water and sewer:

   Water and sewer: 140,525 cf/year x $8.78/100 cf = $12,338/yr

3. The estimated first year cost for gas consumption for heating is $18,728/yr.

4. The estimated first year cost for gas consumption for domestic hot water:
   11,500 therms/yr x $1.48/therm = $17,020/yr

5. The estimated first year cost for gas consumption for cooking:
   7,350 therms/yr x $1.48/therm = $10,878/yr

Estimated Total: $73,699 for the entire building's first year

III Estimated Commercial Unit Utility Costs:

1. A separate utility company meter will be provided for the Commercial Unit. The estimated first year cost for electric consumption:

   47,606 kWh/yr x $0.23/kWh = $10,949/yr
   This includes the retail space on the ground level.

2. Water and sewer service to the Commercial Unit will not be metered or submetered. The commercial unit's estimated first year cost for water and sewer, based on 80 gallons of toilet usage per day:

   Water and sewer: 3,903 cf/year x $8.78/100 cf = $343/yr

Estimated Total: $11,292 for first year for each commercial unit

IV ESTIMATED RESIDENTIAL UNIT ELECTRIC COSTS

Each residential unit will be metered separately for electric usage by utility provided electrical meters. This electric usage will include the power consumption of the roof mounted condensing unit that provides both heating and cooling to the residential unit.

1. The estimated first year cost for electric consumption:

UNIT	SF	Electric Usage (KWH)	Electric Cost per KWH	Electric Cost per Year
Atelier Unit	3,135	51,727.50	$0.23	$11,897.33
Unit 1	2,205	36,382.50	$0.23	$8,367.98
Unit 2	2,205	36,382.50	$0.23	$8,367.98
Unit 3	2,126	35,079.00	$0.23	$8,068.17
Unit 4	2,205	36,382.50	$0.23	$8,367.98
Unit 5	2,126	35,079.00	$0.23	$8,068.17
Unit 6	2,205	36,382.50	$0.23	$8,367.98
Unit 7	2,126	35,079.00	$0.23	$8,068.17
Unit 8	2,205	36,382.50	$0.23	$8,367.98
Unit 9	2,126	35,079.00	$0.23	$8,068.17
Unit 10	2,205	36,382.50	$0.23	$8,367.98
Penthouse	4,229	69,778.50	$0.23	$16,049.06

OPINION OF COUNSEL RE: REAL PROPERTY LAW SECTION 339-i

STARR ASSOCIATES LLP
ATTORNEYS AT LAW

245 FIFTH AVENUE
NEW YORK, NY 10016
TEL 212 620 2680
FAX 212 696 5013
www.starr-lawfirm.com

Dated: February 28, 2013

Harrison Street Residences LLC
7 Harrison Street
New York, New York 10013

Re: 7 Harrison Street Condominium
7 Harrison Street
New York, New York 10013 ("Property")

Ladies and Gentlemen:

You have requested our opinion regarding the allocation of Common Interests to the Units at the Property as required by NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion shall have the same meaning as set forth in the Condominium Offering Plan ("Plan") for the Property.

In connection with the rendering of this opinion we have reviewed the determination of Common Interests as shown on 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 also based upon the factual determinations made by Douglas Elliman. set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of Douglas Elliman. Accordingly, in the event that facts presented by Douglas Elliman were or prove incorrect in no event will Starr Associates LLP be liable.

Based upon our review of the foregoing, we have determined that the method selected by Douglas Elliman to calculate the percentage of Common Interests is permissible under Real Property Law ("RPL") Section 339-i(l) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

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 Sponsor, Starr Associates LLP, Selling Agent, Managing 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.

The opinion expressed herein is based solely on New York Law.

Very truly yours,

STARR ASSOCIATES LLP

By: _____
Name: Allan Starr
Title: Partner

REAL PROPERTY LAW SECTION 339-i COMPLIANCE LETTER

Douglas Elliman
Property Management

PART 20: LETTER TO ATTORNEY GENERAL
RE: REAL PROPERTY LAW SECTION 339-i(1) COMPLIANCE

February 19, 2013

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Attention: Real Estate Finance Bureau

Re: Condominium Offering Plan
7 Harrison Street
New York, New York 10011 ("Property")

Dear Sir/Madam:

Harrison Street Residences LLC ("Sponsor") of the Condominium Offering Plan ("Offering Plan") for the Property retained Douglas Elliman Property Management ("Firm") to review the percentage of Common Interest in the Common Elements allocated to each Unit in the Property set forth in Schedule A of the Offering Plan.

The Firm is licensed as a real estate brokerage firm in the State of New York. The principals of the Firm have been engaged in the real estate and brokerage business for over 20 years and have been actively associated with sale and management of condominium and cooperative buildings.

The Firm has been advised by Sponsor that the Common Interest of each Unit has been determined in accordance with Real Property Law Section 339-i(1) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

In the Firm's opinion, within the framework of Real Property Law Section 339-i(1), this method of determining Common Interest is reasonable and equitable.

The Firm certifies that it is not owned or controlled by Sponsor and that it has no financial interest in the offering other than its fee for services rendered in connection with the preparation of this letter (and acting as Selling Agent under the Offering Plan). The Firm understands that a copy of this letter is intended to be incorporated into the Offering Plan.

All capitalized terms not defined in this letter shall have the meaning ascribed to them in the Offering Plan.

Very truly yours,

DOUGLAS ELLIMAN
PROPERTY MANAGEMENT

By: _____
Name: Elly Pateras
Title: Vice President

RETAIL UNIT

As more particularly described in the Declaration and in the Description of Property and Improvements, each of which are contained in Part II of the Plan, the Condominium will contain 1 Retail Unit.

Retail Unit

The Retail Unit will consist of approximately 1,973 square feet and will be located on portions of the Ground Floor and Cellar floor.

General

The Retail Unit is being offered for sale pursuant to the Plan.

All or any part of the Retail Unit may be leased or subleased by the respective Retail Unit Owner, subject to compliance with Law.

Sponsor hereby offers the Retail Unit for sale pursuant to the Plan. The Purchase Prices for each of the Retail Unit are listed in the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information" ("Schedule A"). All terms of sale with respect to the Retail Unit are freely negotiable without resort to the form Purchase Agreement set forth in Part II of the Plan, including, but not limited to, the amount of the Deposit, payment of use and occupancy fees from the date of Closing until the Condominium Board's imposition of Common Charges, terms of sale and insurance coverage requirements. THIS PRICE HAS BEEN SET BY SPONSOR AND IS NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

The Retail Unit may be subdivided or combined by the Retail Unit Owner into two or more separate condominium units without amendment to the Plan, but only upon the consent of the Condominium Board, at the Condominium Board's sole discretion. Additionally, any Retail Unit created as a result of such subdivision will retain the same rights afforded the Retail Unit Owner as set forth herein.

The Retail Unit or any additional condominium units created as a result of a subdivision of a Retail Unit may be offered for sale at any time by a duly filed amendment to the Plan or pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law.

Residential Unit Owners will not have any interest in the rents, profits or revenues from the rental or use of any space in any of the Retail Unit.

No representation is made with respect to the ownership of all or any portion of the Retail Unit, or as to who the future owners or tenants of any portion of the Retail Unit may be at any time or as to the uses to which the Retail Unit may be put at any time except that the Retail Unit may be used for any purpose permitted by Law, including, without limitation, additional residential units, retail stores, banks, spas, health clubs, and commercial and professional office space which uses may result in increased noise and traffic. However, the Retail Unit may not be used as (a) a bar, restaurant, nightclub or café; (b) massage parlor, adult theater, peep show establishment, topless or bottomless bar; (c) a video arcade, betting parlor, gambling casino, or other gambling related establishment; (d) any use that is primarily concerned with lewd or prurient sexual activity; (e) an in-patient or out-patient drug, alcohol or mental health treatment; or (f) a homeless shelter or center offering food or other special services to the homeless shelter, and (g) any use involving cooking or on-site food preparation. No assurance, representation, or warranty is given that any of the tenants, occupants, or users of the Retail Unit will not be objectionable

to Residential Unit Owners or other parties. The uses of the Retail Unit may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control.

Each Retail Unit Owner will be obligated to pay its portion of the Common Charges in accordance with the Schedule B allocations. Certain budgeted items (See the "Notes to Schedule B" for details) are allocated between the Residential Units and the Retail Unit on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements. The Condominium Board may not modify these allocations without the consent of the Retail Unit Owner. In the opinion of Sponsor's budget expert, the allocated Common Charges payable by the Retail Unit are sufficient to cover the expenses fairly attributable to the Retail Unit.

The following is a summary of certain additional rights and obligations of the Retail Unit Owner relating to the use and ownership of the Retail Unit (see the Declaration and By-Laws for details):

(i) the Retail Unit Owner and its Permitted Users, shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or representatives of holders of mortgages on Units to make alterations, additions, improvements, or repairs in or to the interior or exterior portions of the Retail Unit, provided that such alterations, additions, improvements or repairs are in compliance with Law and the terms of the Declaration and By-Laws, and provided that any Structural Alterations and the subdivision and/or combination of such Retail Unit, may not be undertaken without receiving the prior written approval of the Condominium Board;

(ii) the Retail Unit Owner shall have the right to make all arrangements for the prompt repair and restoration of such Retail Unit to the extent the Retail Unit is damaged or destroyed by fire or other casualty;

(iii) the Retail Unit Owner shall have the right and easement for ingress and egress through all Common Elements for the sole purpose of accessing any portion of the Retail Unit or any portions of the Building servicing the Retail Unit, provided such access does not unreasonably interfere with the use of the Residential Units or Residential Common Elements. The Retail Unit Owner shall be entitled to utilize such rights and easements for its own account or the account of its respective Permitted Users;

(iv) The Retail Unit Owner shall only be permitted to install Signage which is in compliance with the Declaration and By-Laws. As an example of such restrictions, and without limitation, (i) all Signage on the exterior Façade of the Building must comply with applicable Law, including the restrictions imposed as a result of the Building's location in the Tribeca West Historic District, (ii) the Retail Unit Owner may not install canopies or awnings, and (iii) all Signage in the storefront windows will require the prior written approval of the Condominium Board;

(v) the Retail Unit Owner (subject to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, and the prior written consent of the Condominium Board in the case of any Structural Alterations) shall have the right, but not the obligation, at such Retail Unit Owner's sole cost and expense to alter, modify, and/or restore the exterior Façade of the Building appurtenant to such Retail Unit (including storefronts and windows of such Retail Unit) and to create additional means of egress and ingress to such Retail Unit, provided that such alterations, modifications and/or restorations are in compliance with Law, including any requirements resulting from the Building's location in the Tribeca West Historic District, and the terms of the Declaration and By-

Laws. Notwithstanding the foregoing, the Retail Unit Owner shall not be permitted to erect any lighting on the exterior Façade of the Building;

(vi) the Retail Unit Owner and its Permitted Users shall have the right and an easement (i) for ingress and egress through all Common Elements for the sole purpose of accessing such Retail Unit or any portion of the Building servicing such Retail Unit; (ii) to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Retail Unit in, over, under, through or upon the Common Elements or elsewhere on the Property; and (iii) to erect, maintain, repair and replace one or more signs and lighting of such size and content as shall be approved by the Condominium Board, in the storefronts and windows of such Retail Unit for the purposes of advertising the sale or rental of all or any portion of a Retail Unit or the operation of any business of a tenant or occupant of a Retail Unit.;

(vii) the Retail Unit Owner is not permitted to use the sidewalk adjacent to the Retail Unit, except for the purpose of regular foot traffic and deliveries to and from the Retail Unit for purposes consistent with the Retail Unit's commercial use, and otherwise as provided by Law.

(viii) the Condominium Documents may not be amended or modified so as to adversely affect a Retail Unit Owner without the prior written consent of the affected Retail Unit Owner;

(ix) the Retail Unit Owner shall have the right to sell or lease all or any portion of a Retail Unit without complying with any right of first refusal or transfer fee contained in the Declaration or By-Laws;

(x) notwithstanding any subdivision of any of the Retail Unit, the Retail Unit Owner shall have the right to designate 1 member to the four (4) member Condominium Board;

(xi) members of the Condominium Board designated by the Retail Unit Owner may only be removed by the Retail Unit Owner, who alone will have the right to elect or designate a replacement; and

(xii) any decisions by the Condominium Board which solely affect the Retail Unit may be made only by the Member of the Condominium Board designated by such Retail Unit Owner.

The Owner of any Retail condominium unit created as a result of the sub-division of a Retail Unit will retain the same rights afforded the Retail Unit Owner as set forth herein.

CHANGES IN PRICES AND UNITS

Purchase prices for the Units offered hereby are negotiable and Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without giving prior notice (except as otherwise provided herein) and without the consent of the Condominium Board, any Unit Owner or mortgagee, to change the price by a duly filed amendment to the Plan, including, without limitation, the manner of payment thereof and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect may be made without the consent of the Purchaser. However, 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 does not constitute a general offering or an advertised price but is rather the result of an individually negotiated transaction. If any such change is made, a Purchaser of a Unit affected thereby may pay more or less than other Purchasers under the Plan for similar Units, but this will not affect any prior or subsequent sale of Units which are not the subject of such change.

Sponsor reserves the right to negotiate with each Purchaser the following terms and conditions of the Purchase Agreement among other terms: Purchase Price; the amount and timing of the Deposit; 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 Purchase Agreement; the availability of use and occupancy agreements and the amount of interim use and occupancy fees thereunder; and the application of interim use and occupancy fees towards the Purchase Price, and upgrades on extras to the Unit finishes and equipment.

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. 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 right of rescission under a Purchase Agreement.

The location in the Building, approximate size and layout of the Units are shown on the Floor Plans set forth in Part II of the Plan. In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of 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 the Condominium Board, any Unit Owner or mortgagee, to (a) change an Unsold Residential Unit's number, size, layout or square footage of rooms, (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 without changing the percentage of Common Interest of such Unit, and (c) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b) or (c) above, such change shall be disclosed in a duly filed amendment to the Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Unit, will be made with respect to such Unsold Residential Unit for which a Purchase Agreement is then in effect which increases or decreases the square footage (excluding interior partitions) or Common Interest by more than 5%, or materially changes the Unsold Residential Unit size, the layout or Common Interest of such Unsold Residential Unit, unless the Purchaser consents to such changes. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in the Schedule A, by 5% or less (excluding interior partitions) is not a material and/or adverse change. Provided Purchaser's consent is not required, a

Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any such change and will not affect a Purchaser's obligations under the Purchase Agreement or the Plan. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon.

Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset or reduction in the Purchase Price for the Unit or otherwise be relieved from any obligations under the Purchase Agreement, by virtue of a non-material inaccuracy or error in the Floor Plans.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid or otherwise, nor may the Common Interest or Residential Common Interest of any Unit be changed, unless, in each such event, the Declaration and Floor Plans and the Plan are amended with the consent of each Unit Owner whose Unit is directly affected by such change. In the case of a material and adverse change in the size or quality of the Common Elements, no such change shall be made without the consent of every Unit Owner. In such event, Sponsor will have the right to amend or to cause the Condominium Board to amend the Declaration to reflect any such material and adverse change and to file such amendment and any necessary plans and specifications in connection therewith.

Sponsor reserves the right, in its sole and absolute discretion, to sell, lease, license or otherwise transfer to a Unit Owner, any non-material portion of the Common Elements for the exclusive use of such Unit Owner, provided that such Common Element was not offered in the Plan as an amenity for the shared use of the Unit Owners of the Condominium. Any such sale, lease, license or transfer will be disclosed in a duly filed amendment to the Plan and the Declaration and Floor Plans will be amended, if required.

PROCEDURE TO PURCHASE

A Purchaser desiring to purchase a Residential Unit will be required to execute a Purchase Agreement, which will be in the form set forth in Part II of the Plan. The purchase of a Residential Unit includes the exclusive right to use the designated Storage Room appurtenant to such Residential Unit.

Purchasers shall be afforded not less than 3 business days to review the Plan prior to executing a Purchase Agreement. A Purchaser may obtain the Plan upon payment of a $200 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition or (ii) the execution by the Purchaser of a Purchase Agreement subsequently accepted by Sponsor. If a Purchaser has not received the Plan at least 3 business days prior to executing a Purchase Agreement, a Purchaser shall have the right to rescind the Purchase Agreement within 7 days from the date Purchaser delivers an executed Purchase Agreement together with the required Deposit to Sponsor or Selling Agent. The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by Purchaser.

Although a Purchaser may obtain financing from any lending institution or other source, Purchaser's obligation to purchase a Residential Unit pursuant to a Purchase Agreement is not contingent on Purchaser obtaining such financing. Neither Sponsor nor Selling Agent makes any representation as to the availability or terms of any mortgage financing. Prospective Purchasers may want to finalize their financing arrangements before signing a Purchase Agreement. While the First Closing is projected to occur on or around July 1, 2014, neither Sponsor nor Selling Agent makes any representation as to the actual closing date for any particular Unit. In addition, as set forth in the Plan and the Purchase Agreement, Sponsor has the right to adjourn the Closing Date from time to time and prospective Purchasers should be aware that if the Closing Date is adjourned, Purchaser's financing terms may be adversely affected, the interest rate may increase and the loan commitment could expire. Sponsor shall have no liability as a result of any scheduling or adjournment of closing beyond the expiration of a loan commitment.

Purchase Agreements will not be binding on Sponsor until approved and executed by it, and delivered by Sponsor to the Purchaser. Sponsor reserves the right to request thorough identification and financial information (including credit reports and litigation searches) concerning any Purchaser, subject to any limitations and requirements imposed by Law.

Sponsor will have 30 days after delivery by Purchaser of an executed Purchase Agreement and the required Deposit, within which to accept or reject the Purchase Agreement. If a Purchase Agreement is not accepted by Sponsor within the 30 day period, the Purchase Agreement shall be deemed to have been rejected and cancelled and the Deposit shall be returned to Purchaser within 30 days thereafter. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, to refuse to approve and execute (a) a Purchase Agreement for any Residential Unit, except as prohibited by Law, and (b) a Purchase Agreement for more than one Residential Unit to any Person.

The signing of the Purchase Agreement signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan), including, but not limited to, the Unit, the Storage Rooms, the Building and all Common Elements contained therein. In the event of any inconsistency between the provisions of the Purchase Agreement and the Plan, the provisions of the Plan will govern and be binding. The Purchase Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23-A of the General Business Law of the State of New York.

At the time of execution of a Purchase Agreement, Purchaser will be required to make an initial Deposit ("Initial Deposit") in an amount equal to 15%of the Purchase Price and an additional Deposit ("Additional Deposit") in an amount equal to 10% of the Purchase Price upon the earlier to occur of (i) six (6) months after Purchaser executes the Purchase Agreement or (ii) within 15 days of the Presentation Date of

the amendment declaring the Plan effective. A Purchaser executing a Purchase Agreement after the date the Plan is declared effective is required to make the full Deposit in an amount equal to 25% of the Purchase Price by an official bank check drawn on or issued by a bank or trust company which is a member of The New York Clearinghouse Association. Sponsor may require that Purchasers of more than 1 Residential Unit deliver a Deposit in excess of that set forth in the Plan, which amount shall be on terms individually negotiated with each Purchaser. All Deposits must be made payable to the direct order of "Starr Associates LLP, as escrow agent." All checks delivered in payment of the Deposit shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be cancelled and of no further force or effect.

All Deposits made pursuant to a Purchase Agreement are subject to the requirements of Section 71a(3) of the State of New York Lien Law and 352-e(2)(b) and 352-h of the General Business Law of the State of New York. Pursuant to these laws, Sponsor will cause all Deposits received by it directly or by its agents or employees to be promptly deposited and held in accordance with the procedures set forth in the Section of the Plan entitled "Escrow and Trust Fund Requirements."

The Balance of the Purchase Price shall be payable simultaneously with the delivery of the deed to the Residential Unit by wire transfer (at Sponsor's sole option) or, official bank check drawn on or issued by a bank or trust company which is a member of The New York Clearinghouse Association and shall be payable to the direct order of Sponsor, or otherwise if Sponsor shall so notify Purchaser. Any wiring fees charged by the initiating and/or receiving bank shall be paid by Purchaser. The deed will be substantially in the form as set forth in Part II of the Plan. Interest, if any, on Purchaser's Deposit will be credited or paid to Purchaser at Closing.

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about July 1, 2014. Purchasers will not be excused from paying their full Purchase Prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the projected date or the time to complete or to close title to any Residential Unit is delayed or postponed by Sponsor. Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. If the First Closing does not occur within 12 months after the date set forth in Schedule B as the commencement date for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into an Purchase Agreement, Sponsor will offer those affected Purchasers only a right for 15 days from the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame, to rescind their Purchase Agreement. Any Purchasers electing rescission will have their Deposits returned together with any interest earned thereon. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

Following the Plan being declared effective, Sponsor will deliver to each Purchaser a written notice of the time and place of Closing at least 30 days prior to the Closing Date specified therein ("Scheduled Closing Date"). In the event a Purchaser defaults under the Purchase Agreement, time being of the essence with regard to the obligations of Purchaser thereunder, Sponsor, in its sole discretion, may elect by notice to Purchaser to either: (i) cancel the Agreement or (ii) seek specific performance. If Sponsor elects to cancel,

Purchaser shall have 30 days from the giving of the notice of cancellation to cure the specified default. If the default is not cured within such 30 days, TIME BEING OF THE ESSENCE, then the Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, the entire Deposit and any interest earned on the Deposit. Upon the cancellation of the Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though the Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance, then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close title to the Unit in accordance with the Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under this Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection).

If Purchaser fails for any reason to close title to the Residential Unit on the Scheduled Closing Date, other than due to Sponsor's failure or inability to Close: (a) the Closing apportionments described in the Section of the Plan entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the actual Closing occurs ("Actual Closing Date"), and (b) Purchaser will be required to pay to Sponsor an amount equal to .03 of the Purchase Price of the Residential Unit per day commencing with the Scheduled Closing Date through the Actual Closing Date, as a reimbursement of Sponsor's increased carrying costs for the Residential Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan. If through no fault of Purchaser, Sponsor postpones the 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.

TIME IS OF THE ESSENCE AS TO PURCHASER'S OBLIGATIONS UNDER THE PURCHASE AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF ALL DEPOSITS AND THE BALANCE OF THE PURCHASE PRICE. FUNDS DRAWN ON FOREIGN BANKS WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE.

If a Purchaser has entered into Purchase Agreements to purchase more than one Unit, a default by Purchaser in the payment or performance of any obligations under any of such Purchase Agreements, beyond any applicable grace periods, shall be deemed a default under the other Purchase Agreements. In the event of such a default, Sponsor may, at its option, cancel each such Purchase Agreements and retain, as liquidated damages, all of the entire Deposits made by Purchaser, together with any interest earned thereon, if any, under each of the Purchase Agreements.

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any Foreign Government Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Such Foreign Government Purchaser will be required at Closing to deposit with the Condominium an amount equal to two years' Common Charges with respect to the Residential Unit, based on the Condominium's budged in effect as of the Closing Date of the Residential Unit, which will be in addition to the required contribution to the Working Capital Fund.

Prior to the Closing of Title to a Residential Unit, the Purchase Agreement prohibit a Purchaser from listing the Residential Unit for sale or rental with any broker or placing or authorizing any listing in any

broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or rental, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed in Sponsor's sole and absolute discretion. Any such action by Purchaser in violation of the terms of the Plan will be deemed a material default under the Purchase Agreement, and Sponsor may, at its option, cancel the Purchase Agreement and retain, as liquidated damages, the entire Deposit made by Purchaser, together with interest earned thereon. In addition, a Unit Owner is prohibited from listing the Residential Unit for sale or rental with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or rental for 12 months after Closing without Sponsor's prior written consent, which consent may be withheld or delayed, in Sponsor's sole and absolute discretion.

If the Plan is withdrawn or abandoned, all Deposits previously paid to and actually collected by Sponsor together with any interest earned thereon, shall be returned to Purchaser in accordance with the provisions set forth in the Section of the Plan entitled "Effective Date."

From and after the Closing of each Residential Unit, Purchaser will become obligated for the payment of Common Charges (once Common Charges are assessed by the Condominium Board), real estate taxes and assessments whether or not separately assessed (including water charges and sewer rents, if separately assessed) and all other expenses with respect to the Residential Unit, whether or not Purchaser has taken possession of the Residential Unit, and whether or not all work required to be performed by anyone in or to the Residential Unit has been completed.

The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor, but without any obligation or liability by Sponsor to repair or restore any Residential Unit. In the event of damage or destruction of a Residential Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Residential Unit, the Purchase 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 Residential 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 Condominium Board and other Residential Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws"), the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Deposit, together with any interest earned thereon, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Sponsor is obligated to provide only the equipment, fixtures and furnishings set forth in the "Description of Property and Improvements" set forth in Part II of the Plan. If a Person desiring to purchase a Residential Unit requests that Sponsor perform special or additional work in the Residential Unit or provide extra or upgraded fixtures or finishes, including, but not limited to, any deviation from the materials or specifications described in the Description of Property and Improvements set forth in Part II of the Plan, and Sponsor agrees in writing to perform such work and/or provide such fixtures or finishes, then Sponsor may require such Person to deposit an amount greater than the Deposit required under the Purchase Agreement.

SPONSOR SHALL IN NO EVENT BE OBLIGATED TO PERFORM ANY WORK TO THE PROPERTY, THE BUILDING, THE UNITS OR THE COMMON ELEMENTS OTHER THAN AS REQUIRED BY THE TERMS OF THE PLAN AND THE "DESCRIPTION OF PROPERTY AND IMPROVEMENTS" SET FORTH IN PART II OF THE PLAN.

Each Purchaser shall be given an opportunity to examine the Residential Unit prior to the Closing during normal business hours and in the company of Sponsor's representative and is urged to make a careful inspection thereof, as more fully set forth in the Purchase Agreement set forth in Part II of the Plan. At the Closing, each Purchaser of a Residential Unit shall be required to sign and deliver to Sponsor an Inspection Statement in substantially the form set forth in Part II of the Plan wherein Purchaser acknowledges the condition in which Purchaser has inspected the Residential Unit. Under no circumstances shall any item included on an Inspection Statement (i) constitute grounds for a Purchaser to postpone or otherwise delay the date scheduled for the Closing nor (ii) obligate Sponsor to deposit any monies in escrow at Closing.

At Closing, each Purchaser will be required to execute and deliver a Unit Power of Attorney in favor of the Condominium Board and Sponsor, the failure of which shall be a default under the Purchase Agreement entitling Sponsor to all of the remedies set forth in the Plan and the Purchase Agreement.

Under applicable Federal and local law, lead-based paint can no longer be used in the construction of a building. 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. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of the 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 Purchase Agreement, Purchasers have the right to inspect their Residential Units for the presence of lead-based paint.

ESCROW AND TRUST FUND REQUIREMENTS

All deposits, down payments, advances and payments made by Purchasers prior to the Closing ("Deposits") will be held in escrow in conformity with the disclosure contained in this Section of the Plan and in accordance with the escrow provisions contained in the Purchase Agreement.

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in the escrow agreement or Purchase Agreement. 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. However, notwithstanding anything to the contrary set forth herein or anywhere else in the Plan, in the Event of Default by Purchaser, as that term is defined the Purchase Agreement, Purchaser shall be obligated to reimburse Sponsor for any legal fees, expenses and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or otherwise enforcing Purchaser's obligations thereunder.

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Starr Associates LLP, the escrow agent ("Escrow Agent"), whose address is 245 Fifth Avenue, Suite 1102, New York, New York 10016 and whose telephone number is (212) 620-2680. As of the Filing Date of the Plan, the attorneys who are signatories on these accounts authorized to withdraw funds, acting singly, are: Allan Starr, Esq., Andrea L. Roschelle, Esq., Samantha Sheeber, Esq. and Jane Rosenberg, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any Authorized Signatory is the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent has established a master escrow account entitled "Starr Associates LLP, Escrow Account" ("Master Escrow Account") at Doral Bank located at 623 5th Avenue, New York, New York 10022 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York. Deposits properly made payable to "Starr Associates LLP, as Escrow Agent" will be placed in the Master Escrow Account within 5 business days after tender by Purchaser to Sponsor or Selling Agent. Any subsequent Deposit tendered by Purchaser after the Initial Deposit will be placed in the Master Escrow Account within 10 business days after tender by Purchaser to Sponsor or Selling Agent. Escrow Agent shall execute the Purchase Agreement Escrow Rider with respect to its obligations in this Section.

All Deposits will be placed initially in the non-interest bearing portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status) in the forms set forth in Part II to the Plan, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and the Purchase Agreement. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow account in the name of Purchaser If a Purchaser does not deliver the Form W-9 or Form W-8, the Deposit will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow account to the non-interest bearing portion of the Master Escrow Account so that checks may be drawn thereon. The Master Escrow Account is not an IOLA account.

All Deposits, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, until such time as Sponsor is entitled to the Deposit as per GBL § 352-h.

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 business days after the tender of the Deposit. If Purchaser does not receive notice that the Deposit has been placed in the Master Escrow Account within 15 business days after tender of the Deposit, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 days after tender or crediting of the Deposit by notice delivered to Sponsor and 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, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. Escrow Agent will not be required to send the letter referred to above to each Purchaser in connection with any additional Deposits tendered by Purchaser after the Initial Deposit (or in connection with any changes in the interest rate).

Escrow Agent shall maintain the Master Escrow Account under its direct supervision and control. A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and as set forth in the Escrow Agreement Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

Under current Law, the sub-accounts at the Escrow Bank are insured by the Federal Deposit Insurance Corporation ("FDIC") to a maximum of $250,000 per individual Deposit. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Deposit in excess of $250,000 such Deposit will not be FDIC insured in excess of $250,000; and (ii) while the Deposit is in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be fully FDIC insured even if the Deposit does not exceed $250,000. No representation is made with respect to any further changes in Law which may increase or decrease such limit.

The Deposit 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 Deposit shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

Acceptance of the Deposit by Sponsor or Selling Agent and the Deposit thereof by Escrow Agent into escrow shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and Sponsor or Selling Agent executes a duplicate thereof and delivers the Purchase Agreement to Purchaser in accordance with the terms of the Plan. All Deposits made by check are subject to collection.

If a Purchaser tenders a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser: (i) within 5 business days after tender, if the Deposit has not been deposited into escrow, and (ii) within 10 business days, if the Deposit has been deposited into escrow and the Purchase Agreement has not yet been delivered by Purchaser. In the event a Deposit or portion thereof is delivered by wire transfer to Escrow Agent, any wiring fees charged by the initiating and/or receiving banks will be Purchaser's obligation.

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow 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 Purchase Agreement, or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to Sponsor only in the event there is a "consummation of

the Plan" (as such term is defined in the Attorney General's regulations) and Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts. As of December 31, 2012 , the interest rate for the Escrow Bank is 0.25% The interest rate is subject to change by the Escrow Bank. Sponsor makes no guarantee of, and shall have no liability to Purchaser for changes to, the interest rate. Interest will begin to accrue within: (x) 3 business days, if the Deposit is cash or cash equivalent, or (y) 5 business days, if the Deposit is other than cash or cash equivalent, of the transfer of the Deposit from the checking account portion of the Master Escrow Account into the sub-escrow account portion of the Master Escrow Account, as determined by whether and when the Deposit clears.

All instruments shall be made payable directly to the order of "Starr Associates LLP, as escrow agent." Endorsed instruments will not be accepted.

If a check delivered by a Purchaser fails for collection, the Purchase Agreement will be deemed void ab initio (as if the Purchase 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 10 business days of Sponsor receiving notice from Escrow Agent of such failure for collection.

Sponsor or its agents, including any selling agents, shall deliver to Escrow Agent all Deposits within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by Escrow Agent from time to time. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary and statutory obligations set forth in GBL §§ 352(e)(2-b) and 352(h) and the Department of Law's regulations promulgated thereto.

Under no circumstances shall Sponsor seek the release of the Deposits of a defaulting Purchaser until after consummation of the Plan (as such term is defined in the Attorney General's regulations).. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h.

Escrow Agent shall release the Deposits if so directed:

(i) pursuant to terms and conditions set forth in the Plan and Purchase Agreement upon closing of title to the Unit; 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.

If the Deposits are not released pursuant to this paragraph and Escrow Agent receives a request by Sponsor or Purchaser to release the Deposits, Escrow Agent shall give both parties prior written notice of not fewer than 30 days before releasing the Deposits. If Escrow Agent has not received notice of objection to the release of the Deposits at the expiration of the 30 day period, the Deposits shall be released and Escrow Agent shall provide further written notice to both parties informing them of the release of the Deposits. If Escrow Agent receives a written notice from either party objecting to the release of the Deposits within the 30 day period set forth in the notice, Escrow Agent shall continue to hold the Deposits until otherwise directed pursuant to subsections (i) through (iii) of this paragraph. However, Escrow Agent shall also have the right at any time to deposit the Deposits with the clerk of a court in the county in which the Unit is located and shall give written notice to both parties of such deposit.

Sponsor will not object to the release of the Deposits to:

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

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

The Purchase Agreement provides that Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under the Purchase Agreement.

If Sponsor elects to change the Escrow Bank and/or Escrow Agent, such change will be disclosed in a duly filed amendment to the Plan prior to transferring any Deposits.

Sponsor may, upon application approved by the Department of Law, elect to withdraw Deposits from the Master Escrow Account and secure all or any portion of the Deposits withdrawn by delivering to Escrow Agent or another escrow agent designated by Sponsor, one or more irrevocable letters of credit (collectively, "Letter of Credit") or other alternate security approved by the Department of Law, in accordance with the terms and conditions set forth below. All Deposits withdrawn from the Master Escrow Account shall be paid to the Construction Lender pursuant to a collateral assignment and pledge by Sponsor to the Construction Lender or disbursed to Sponsor subject to the approval by the Construction Lender of the amount of the withdrawal. The amount of the Letter of Credit will be at least 125% of the aggregate of all Deposits expected to be received from Purchasers, and not retained in escrow, during such period of time as the Letter of Credit will be needed. Sponsor reserves the right at any time and from time to time to increase or decrease the amount of the Letter of Credit, by a duly filed amendment to the Plan provided, however, the aggregate amount of the Letter of Credit shall at no time be less than the aggregate of all Deposits, if any, withdrawn by Sponsor for use in construction, less any sums returned to Purchasers or otherwise disbursed in accordance with the Plan. Deposits will cease to earn interest upon withdrawal from the Master Escrow Account.

PURCHASERS WILL EARN NO INTEREST ON DEPOSITS WHICH ARE DEPOSITED IN SPONSOR'S CONSTRUCTION FUND ACCOUNT, EXCEPT DURING SUCH PERIODS AS THE DEPOSITS ARE PLACED IN THE INTEREST BEARING PORTION OF THE MASTER ESCROW ACCOUNT.

The Letter of Credit shall name Escrow Agent as beneficiary to act as a fiduciary for the benefit of all Purchasers under the Plan. The Letter of Credit will provide that Escrow Agent shall have sole power to draw upon the Letter of Credit without the consent or despite the objection of Sponsor or the issuer bank, at such times or upon such events as set forth below.

The Letter of Credit will continue in effect, or shall be periodically renewed, until the Closing of Title to all Units for which Deposits have been placed in Sponsor's construction fund account.

Escrow Agent shall be entitled to release the Deposits to Sponsor provided that the Escrow Agent has documentation showing that the Letter of Credit or renewal or replacement Letter of Credit has been issued in accordance with this Section of the Plan and is in effect.

Escrow Agent, as the beneficiary of the Letter of Credit, acting as fiduciary for the benefit of Purchasers under the Plan whose Deposits were released from escrow, shall have the duty and the right to draw upon and collect the proceeds of the Letter of Credit, 10 business days after notice to Sponsor and Sponsor's failure or refusal to restore such Deposits to Escrow Agent, without the consent or despite the objection of Sponsor or the issuer bank, upon the following events or circumstances:

(a) timely rescission of a Purchase Agreement by a Purchaser pursuant to an offer of rescission contained in the Plan or an amendment to the Plan;

(b) acceptance for filing by the Department of Law of an amendment abandoning the Plan;

(c) pursuant to terms and conditions set forth in the Plan and Purchase Agreement upon closing of title to the Unit;

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

(e) by a final, non-appealable order or judgment of a court;

(f) failure by Sponsor to obtain a renewal or replacement Letter of Credit no later than 60 days prior to the expiration of the existing Letter of Credit;

(g) direction by Sponsor upon request of Purchaser; or

(h) notice of impending cancellation of the Letter of Credit has been given or received, or the issuer bank has filed a bankruptcy or insolvency petition or has been taken over by a federal or state authority, and no proper replacement of the Letter of Credit has been furnished.

Upon payment to Escrow Agent of a drawing under the Letter of Credit, to the extent that Escrow Agent has no further obligation to hold the proceeds of such Letter of Credit in accordance with this Section of the Plan, Escrow Agent shall remit the Deposits to the relevant Purchaser to the extent required by this Section of the Plan and shall remit the excess amount (if any) of such proceeds over the Deposit to the Construction Lender (or, if no Construction Lender shall exist, to Sponsor).

The sole obligation of the issuer bank under or in connection with the Letter of Credit is to pay to Escrow Agent the amount drawn under the Letter of Credit pursuant to a conforming drawing thereunder. In no event shall the issuer bank, or the Construction Lender be liable for the use of the proceeds of any drawing by Escrow Agent and no Purchaser shall have any recourse whatsoever to the issuer bank, or the Construction Lender with respect to the use of such Deposits, other than the issuer bank's liability on the fronting bank for such Letters of Credit.

Escrow Agent is acting merely as a stakeholder. Escrow Agent makes no representation with regard to and shall not be responsible for the maintenance by Sponsor of the Letter of Credit. Upon payment of the Deposit pursuant to the Plan, Escrow Agent shall be fully released from all liability and obligation with respect to the Deposit. Escrow Agent shall accept a Deposit made by check made payable subject to collection.

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 Attorney General's regulations. Purchaser's execution of the Purchase Agreement shall be deemed to constitute Purchaser's acceptance of the terms of the escrow provisions set forth herein and the escrow agreement set forth in the Plan. Escrow Agent shall be a signatory to the Purchase Agreement solely with respect to Escrow Agent's obligations as set forth herein and the escrow agreement set forth in the Plan

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

Escrow Agent may rely upon any document which may be submitted to it in connection with its duties under this Section 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.

Sponsor has agreed to indemnify Escrow Agent from all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, 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. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs and disbursements, either paid to retain attorneys or representing the value of all legal services rendered by Escrow Agent to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

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

Escrow Agent and all Authorized Signatories submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of their obligations with respect to this Section or otherwise concerning the maintenance of or release of the Deposits from escrow.

Escrow Agent will maintain all records concerning the Master Escrow Account for 7 years after the release of Deposits.

ASSIGNMENT OF PURCHASE AGREEMENTS

No Third-Party Assignment

Purchaser does not have the right to assign the Purchase Agreement without the prior written consent of Sponsor, which consent may be unreasonably withheld or delayed. Any purported assignment by Purchaser in violation of this Section will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, then Purchaser shall be required to pay to Starr Associates LLP a fee of $1,500, in advance, for preparation of an assignment and assumption agreement. Any purported assignment by Purchaser in violation of this Section shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase," and shall be voidable at the option of Sponsor.

EFFECTIVE DATE

The offering by Sponsor of the Residential Units under the Plan is contingent upon the Plan being declared effective. The First Closing shall not occur until the Plan has been declared effective. The Plan may be declared effective, at Sponsor's option by (i) an amendment to the Plan or (ii) notice to each Purchaser stating that the Plan is declared effective and submission of an amendment to the Department of Law within 5 days confirming that the Plan was declared effective on a specified date. The Plan may be declared effective, at Sponsor's option, at any time when bona fide purchasers, including investors, have executed Purchase Agreements with respect to not less than 15% of the Units offered for sale. The Plan must be declared effective at such time as Purchase Agreements have been executed and are in effect with respect to 80% of the Units offered for sale.

The Plan will not be declared effective based on Purchase Agreements: (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) signed by Purchasers who have not been afforded at least 3 business days to review the Plan and all filed amendments prior to executing a Purchase Agreement or, in lieu thereof, at least 7 days to rescind after executing a Purchase Agreement; or (iii) signed by any Purchaser who is Sponsor, Selling Agent, 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, Selling Agent, Managing Agent or a principal of either, except that such a Purchaser (other than Sponsor or a principal of Sponsor) may be counted only if Sponsor has submitted proof satisfactory to the Department of Law establishing that Purchaser is bona fide.

Once the Plan has been declared effective, it may not thereafter be abandoned, except that, prior to the First Closing, the Plan may, at the option of Sponsor, be abandoned in the event of: (1) the existence of one or more title defects (including violations of record or work orders of a mortgagee or insurance carrier) affecting any one or more Units or the Property that cannot be removed, complied with or cured without litigation or for less than ½ of 1% of the total offering amount in the aggregate, and which are not waived by the Purchasers thereof; (2) a substantial damage to or destruction of the Building (or any portion thereof) by fire or other casualty that cannot be repaired prior to the date set for the First Closing for less than ½ of 1% of the total offering amount in the aggregate; or (3) a taking of a material portion of the Property in condemnation proceedings or by eminent domain. Excluded from the dollar amounts set forth in (1) and (2) above are attorneys' fees and title defects (including violations of record or work orders) or determinations of any authority or regulatory association which existed on the Filing Date of the Plan and were either known to Sponsor or were a matter of public record.

If the Plan is abandoned and Sponsor has accepted Purchase Agreements, then Sponsor shall file an amendment with the Department of Law abandoning the Plan together with a form RS-3. If Sponsor has accepted Purchase Agreement, all Deposits, together with any interest earned thereon, will be returned to Purchasers 5 days after the Filing Date of the amendment abandoning the Plan. Upon the return of the Deposits, as aforesaid, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to Purchaser under the Plan or the Purchase Agreement. If the Plan is abandoned and Sponsor has not accepted Purchase Agreements, then Sponsor shall file a form RS-3 with the Department of Law without an amendment, which form RS-3 shall be served simultaneously by Sponsor on all commercial and professional tenants, if any.

TERMS OF SALE

The term "Closing" refers to the conveyance of title to a Residential Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the Purchase Price for such Residential Unit. The Closing to each Residential Unit shall be held at the office of Starr Associates LLP, 245 Fifth Avenue, Suite 1102, New York, New York or at such other place as Sponsor may designate.

Purchasers are required to close title upon the occurrence of the following events:

(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) a temporary or permanent Certificate of Occupancy for the Residential Unit is in effect. Issuance of a Temporary Certificate of Occupancy for the Residential Unit shall be deemed presumptive evidence of substantial completion of the Residential Unit and is the only construction-related prerequisite that must occur before Sponsor may require the closing of title. A Temporary Certificate of Occupancy is not required for the conveyance of Storage Rooms. Purchasers will be required to consummate the purchase of the Residential Unit even if a Temporary Certificate of Occupancy has not been issued for the area of the Cellar in which the Storage Room is located. In such event, Purchasers will not gain access to use the Storage Rooms until such time as a Temporary Certificate of Occupancy has been issued for the area in which such Storage Room is located.

(c) the recording or filing of the Declaration, By-Laws, Floor Plans and architect and tax authority certifications 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.

(d) the release of the Residential Unit and its appurtenant Common Interest from the lien of all mortgages, if any.

(e) the delivery to Purchaser of written notice of the time and place of the Closing at least 30 days prior to the Closing Date specified therein, including a reasonable opportunity for Purchaser to examine the Residential Unit, during normal business hours and in the company of Sponsor's representative, prior to Closing. So long as a Temporary Certificate of Occupancy for the Residential Unit is in effect, Purchaser will be obligated to close title irrespective of the nature of the items that may be included on Purchaser's Inspection Statement which Sponsor agreed to complete as part of its post-closing obligations. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details regarding the Inspection Statement and Sponsor's post-closing obligations following Closing).

(f) the installation by Sponsor of a smoke and carbon monoxide detector in the Residential Unit.

(g) the conveyance of title to the Residential Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions and (2) liens and encumbrances other than Permitted Encumbrances to which the Residential Unit's title is subject, either (a) which have been expressly accepted by Purchaser, or (b) for which the instrument required to remove it of record has been delivered to the Title Company for recording in the proper office, together with the requisite recording or filing fees or delivered to the representative of Purchaser's title insurance company (or, if none, to Purchaser's attorney); or (c) as to which the Title Company will insure (without additional premium to Purchaser) that such lien or encumbrance will not be collected out of or enforced against the Residential Unit; or (d) as to which Sponsor, at its sole option, pays and discharges from monies paid by Purchaser at Closing.

Sponsor shall be entitled to deliver a 30 day closing notice once the Plan has been declared effective and prior to meeting the remaining Closing prerequisites set forth in this section, including, but not limited to, the issuance of a Temporary Certificate of Occupancy.

At the Closing of Title to each Residential Unit, each Purchaser shall execute and deliver:

(a) a bargain and sale deed with covenant against grantor's acts, substantially in the form set forth in Part II of the Plan, in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law upon delivery to Sponsor of the Balance of the Purchase Price and such other checks and documents required pursuant to the Plan and the Purchase Agreement.

(b) a Unit Owner's Power of Attorney, substantially in the form set forth in Part II of the Plan.

(c) a notice to Managing Agent indicating whether a child under the age of eleven (11) will be living or residing (even temporarily) in the Residential Unit or if the Purchaser wants to have window guards installed on the windows of the Residential Unit even though no child under the age of eleven (11) will be living in the Residential Unit. In the event that window guards are to be installed in the Residential Unit, such installation shall be performed at the direction of Managing Agent and the cost thereof (for the window guards and installation and any additional equipment required by Law) shall be charged to and paid by the Purchaser of the Residential Unit.

(d) certificates or other evidence of property and liability insurance for the Residential Unit, in amounts determined by the Condominium Board.

(e) all other documents necessary and/ or customary in connection with the conveyance of a condominium unit as directed by Sponsor's attorney.

Purchaser's failure to execute and deliver at Closing, all documents necessary and/or customary or as directed by Sponsor's attorney in connection with the conveyance of a condominium unit, including without limitation, the documents listed in (a) through (e) above, shall constitute an event of default under the terms of the Purchase Agreement, entitling Sponsor to the default remedies set forth in the Purchase Agreement.

Ongoing construction in the Building or other Units and/or the absence of a Temporary Certificate of Occupancy or Permanent Certificate of Occupancy for any other Unit or portion of the Common Elements shall not constitute a basis for Purchaser's failure or refusal to close.

Sponsor may agree with a Purchaser to deliver a Residential Unit or Retail Unit to Purchaser as "raw space" and not as set forth in the Plan. In such event, the Purchaser of such "raw space" Unit shall not be permitted to occupy such Unit until such time as a Temporary Certificate of Occupancy has been issued for such Unit, although such Purchaser may take possession of the Unit solely for the purpose of completing a build-out of such Unit prior to occupancy. The Closing of Title to such "raw space" Unit shall not constitute the First Closing as defined herein, if such "raw space" Unit is delivered prior to the issuance of a Temporary Certificate of Occupancy for the Unit.

In the event of the existence of any lien, encumbrance or title defect other than Permitted Encumbrances, which Sponsor fails or refuses to correct, the sole remedy of Purchaser under the Plan, provided Purchaser is not then in default, will be to either (i) take title subject to the title defect or (ii) terminate the Purchase Agreement, within 15 days after receipt of notice or an amendment disclosing such lien, encumbrance or title defect. A Purchaser electing to proceed with the purchase of the Unit will not be entitled to any credit against, or abatement of, the Purchase Price set forth in the Purchase Agreement and will have no claim or right of action against Sponsor for damages or otherwise by reason thereof. Provided Sponsor is not the party responsible for creating the encumbrance or title defect, Sponsor has no obligation to institute any action or proceeding or to expend any sum of money in excess of ½ of 1% of the Purchase Price of the affected Unit to make title insurable or to eliminate any encumbrances or title defects. If Purchaser

elects to terminate the Purchase Agreement, Sponsor shall cause the Deposit together with any interest earned thereon to be returned to Purchaser, within 30 days after receipt of Purchaser's termination notice. Upon making such refund, Sponsor and Purchaser shall be relieved of all further obligations and liabilities under the Purchase Agreement and the Plan.

IF THE PURCHASER FAILS TO NOTIFY SPONSOR OF PURCHASER'S ELECTION WITHIN 15 DAYS AFTER SPONSOR NOTIFIED PURCHASER OF SPONSOR'S FAILURE TO REMEDY THE TITLE DEFECT, IT WILL BE CONCLUSIVELY DEEMED THAT PURCHASER ELECTED TO ACQUIRE TITLE SUBJECT TO THE TITLE DEFECT.

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 or otherwise enable the Title Company to omit such title exceptions from Purchaser's title insurance policy 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 or construction loans will not be satisfied at or prior to the First Closing, each mortgagee will (i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units; (ii) subordinate the lien of its mortgage to the Declaration; and/or (iii) release its lien on the Unit being conveyed and its interest in the Common Elements.

Sponsor shall be entitled to adjourn the Closing (without any credit or reduction in the Purchase Price) to remove or correct any title exception that cannot be dealt with as set forth above. Sponsor is not obligated to cause Purchaser's title company to omit any exception if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception. Purchaser will be responsible to pay to the Title Company the entire premium for Purchaser's title insurance. Purchaser may obtain title insurance from any title insurance company or abstract company or not obtain any title insurance at all, at Purchaser's sole discretion (unless Purchaser's lender shall require Purchaser to purchase title insurance covering such lender).

In the event of damage or destruction of a Residential Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Residential Unit, the Purchase 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 Residential 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 Condominium Board and other Residential Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit or if the Residential Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section of the Plan entitled "Rights and Obligations of the Boards/Summary of Condominium By-Laws and Residential By-Laws"), the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Deposit, together with any interest earned thereon, except for Unit Upgrade Funds, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Any personal property located within the Unit (if any) on the date the Purchase Agreement is executed 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 excluded in the Purchase Agreement or the Plan.

CLOSING COSTS AND ADJUSTMENTS

Closing Costs

As more particularly set forth in the Purchase Agreement, in addition to Purchaser's legal fees, Purchaser will pay the following estimated closing costs and expenses at the time of the Closing of Title. Purchasers are advised that the Storage Rooms are deemed personal property and accordingly, are not mortgageable, insurable for title insurance purposes, or otherwise subject to the imposition of transfer taxes detailed in this Section. In the event that transfer taxes are imposed on the sale of the Storage Rooms, payment of such taxes shall be the obligation of Purchaser. Recording charges, fees, title costs and taxes set forth below pertain to Residential Units only and are based on rates in effect on the Filing Date of the Plan and are subject to change without notice.

(a) A non-refundable contribution to the Working Capital Fund of the Condominium in an amount equal to two months' Common Charges with respect to the Residential Unit based on the Condominium budget at the time of Closing.

(b) If Purchaser elects to obtain fee title insurance, Purchaser will pay the premium therefor, which will vary depending upon the amount requested. Purchasers are advised that because the Building will contain 10 or more Units the premium will be calculated at a discounted rate of 70% of the standard fee policy rates. **Purchasers are free to use a title company of their choice without any penalty** Fidelity National Title, having an office at 1415 Kellum Place, Garden City, 11530 (telephone: (516) 394-5118, facsimile: (516) 741-5363) ("Title Company"), has provided Sponsor with the standard fee policy rates as set forth below:

FEE RATE SCHEDULE FOR INSURANCE UP TO AND INCLUDING $1,000,000

AMOUNT OF INSURANCE	PREMIUM
First $35,000 or less	$342.00
From $35,001 to $50,000	$5.67 per Thousand
From $50,001 to $100,000	$4.62 per Thousand
From $100,001 to $500,000	$3.71 per Thousand
From $500,001 to $1,000,000	$3.38 per Thousand

FEE RATE SCHEDULE FOR INSURANCE OVER $1,000,000

AMOUNT OF INSURANCE	PREMIUM
First $35,000 or less	$402.00
From $35,001 to $50,000	$6.67 per Thousand
From $50,001 to $100,000	$5.43 per Thousand
From $100,001 to $500,000	$4.36 per Thousand
From $500,001 to $1,000,000	$3.98 per Thousand
From $1,000,001 to $5,000,000	$3.66 per Thousand
From $5,000,001 to $10,000,000	$3.25 per Thousand
From $10,000,001 to $15,000,000	$3.07 per Thousand
From $15,000,001 and up	$2.76 per Thousand

(c) If Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance, the premium for the fee title insurance will be calculated as described in paragraph (b) above. The premium for the mortgage title insurance that does not exceed the fee policy will be calculated at a discounted

rate of 21% of standard mortgage policy rates. Title Company has provided Sponsor with the standard mortgage policy rates as set forth below:

SIMULTANEOUS MORTGAGE RATE SCHEDULE

AMOUNT OF INSURANCE	PREMIUM
First $35,000	$344.00
From $35,001 to $50,000	$5.55 per Thousand
From $50,001 to $100,000	$4.54 per Thousand
From $100,001 to $500,000	$3.64 per Thousand
From $500,001 to $1,000,000	$3.31 per Thousand
From $1,000,001 to $5,000,000	$3.05 per Thousand
From $5,000,001 to $10,000,000	$2.71 per Thousand
From $10,000,001 to $15,000,000	$2.55 per Thousand
From $15,000,001 and up	$2.31 per Thousand

A form of Unit Owner's Specimen Title Policy, if title insurance is ordered from the Title Company, is set forth in Part II of the Plan.

(d) A fee for recording the deed and Unit Owner's power of attorney, being $42 for each instrument plus $5 per page together with a fee of $125 for filing the New York City Real Property Transfer Tax return ("City Tax Return").

(e) New York State Real Estate Transfer Tax ("State Transfer Tax") currently equal to $2 per $500 of Purchase Price plus, if applicable, a New York State Additional Tax ("Mansion Tax") of 1% where the Purchase Price equals $1 million or more and the New York City Real Property Transfer Tax ("RPT Tax") currently equal to 1% of the Purchase Price where the Purchase Price is $500,000 or less and 1.425% of the Purchase Price where the Purchase Price is more than $500,000.

The New York City Department of Finance has taken the position that where the purchaser of property assumes the obligation for the payment of the State Transfer Tax and the RPT Tax, which are generally an obligation borne by a Seller, the amount of the tax which would otherwise be payable if the seller were to pay such taxes, will be treated as additional consideration for the transaction subject to tax. Consequently, the amount of the RPT Tax is computed as follows:

	Purchase Price $500,000 or less	Purchase Price Greater than $500,000
Tentative City Tax:		
Consideration	$400,000	$1,500,000
Tax Rate	x 1%	x 1.425%
Tentative tax	$ 4,000	$ 21,375
Tentative State Tax:		
Net Consideration	$400,000	$1,500,000
Rounded up to nearest $500	$400,000	$1,500,000
Tentative tax ($2 per $500)	$ 1,600	$ 6,000
City Tax:		
Consideration	$400,000	$1,500,000
Tentative taxes	+ 5,600	+ 27,375
Taxable Consideration	$405,600	$1,527,375
Tax Rate	x 1%	x 1.425%
City Tax	$ 4,056	$ 21,765
State Tax:		
Net Consideration	$400,000	$1,500,000
Tentative taxes	+ 5,600	+ 27,375
Taxable Consideration	$405,600	$1,527,375
Rounded up to nearest $500	$406,000	$1,527,500
State Tax ($2 per $500)	$ 1,624	$ 6,110

Thus, the effective RPT tax rate is approximately 1.014% of the Purchase Price where the Purchase Price is $500,000 or less and 1.451% where the Purchase Price is greater than $500,000. A similar position has been taken by the New York State Department of Taxation and Finance and as a result the effective tax rate for the State Transfer Tax is $4.06 per thousand dollars of the Purchase Price where the consideration is $500,000 or less and $4.074 per thousand dollars of the Purchase Price where the consideration is greater than $500,000. When the Purchase Price is equal to or in excess of $1,000,000, payment by Purchaser of the Mansion Tax is not considered additional consideration to Sponsor for purposes of the calculation of the State Transfer Tax.

Sponsor has been advised by the Title Company that the information set forth below reflects the current position of the New York City Department of Finance with respect to real property transfer taxes that are due and payable in connection with the transfer by a seller of one or more units to the same or related purchasers, whether pursuant to one or more Purchase Agreements:

(1) ***Purchase of a single Residential Unit:***

The tax on the Residential Unit is 1% if the consideration is $500,000 or less, or 1.425% if the consideration is greater than $500,000

(2) ***Purchase of multiple Residential Units:***

The tax on each Residential Unit is 1.425% if the consideration is $500,000 or less, or 2.625% if the consideration is greater than $500,000

The Department of Finance takes the position that: (i) the lower tax rate (either 1% if the consideration is $500,000 or less, or 1.425% if the consideration is greater than $500,000) applies only in the case of a transfer of "an individual residential condominium unit;" and (ii) the higher tax rate (either 1.425% if the consideration is $500,000 or less, or 2.625% if the consideration is greater than $500,000) applies if a purchaser acquires more than one individual Residential Unit (i.e., two Residential Units).

(f) If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording taxes, mortgage recording fees, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. Currently, the mortgage recording tax for mortgages under $500,000 is 2.05% of the face amount of the mortgage and 2.175% of the face amount of the mortgage if the mortgage is $500,000 or more. Of the total tax due, the mortgagee pays an amount equal to 0.25% of the face amount of the mortgage. In addition, there is a $30 exemption for residential property. 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.

In addition to the above-specified costs and expenses, a mortgage on a Residential Unit may provide that the Residential Unit Owner deposit monthly with the lender 1/12 of the estimated annual real estate taxes and tax assessments which are assessed or will be assessed against the Residential Unit, together with 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 the 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 the lender to pay the same when due.

(g) Closing fees payable to Starr Associates LLP, in accordance with the following schedule, all of which fees will be cumulative to the extent applicable to any individual closing:

(1) $2,500 for the preparation of closing documents, calculation of adjustments, attendance at Closing at the offices of Starr Associates LLP, or such other place as Sponsor may designate and supervision of execution of closing documents;

(2) $250 for the preparation of ACRIS transfer documents required by the City of New York.

(3) If Purchaser requires that the Closing occur other than at the office of Starr Associates LLP, or such other place as Sponsor may designate, and Sponsor consents to such change (in Sponsor's sole discretion), an additional attendance fee of $500 for each Closing held within Manhattan. No Closing will be held in any borough outside Manhattan.

(4) If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement (which request in all instances must be received by Sponsor's attorney no later than 7 business days prior to the Scheduled Closing Date), a fee of $1,500, payable in advance, for preparation of an assignment agreement.

(5) If through no fault of Sponsor, Purchaser fails to close on the date scheduled for Closing, then Purchaser shall pay an additional fee of $500 for <u>each</u> rescheduled

Closing granted at Purchaser's request to defray the cost of preparing and coordinating the Closing and recalculating the Closing apportionments.

Purchaser may pay more than one fee pursuant to (g) above with respect to a Unit. In addition to an attendance fee in connection with a completed Unit transfer, Starr Associates LLP shall also be entitled to an attendance fee in the amount set forth above if such firm's representative attends a scheduled Closing but the Closing is adjourned due to Purchaser's failure to comply with Purchaser's closing obligations. In addition, more than one assignment fee shall be payable if Sponsor consents to more than one assignment request.

(h) If Purchaser has dealt with any broker other than Selling Agent or any other broker engaged in writing by Sponsor in connection with the purchase, then Purchaser will be required to pay any commission due to such broker.

(i) If Purchaser obtains a mortgage loan, Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 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);

(j) If Purchaser is a Foreign Government Purchaser, Purchaser will be required to deposit with the Condominium an amount equal to two years' Common Charges with respect to the Residential Unit, based on the Condominium's budget in effect as of the Closing Date of the Unit.

All legal costs, fees and expenses of Starr Associates LLP, other than those specifically set forth above, will be the sole responsibility of Sponsor.

Example of Estimated Closing Costs for a Typical Residential Unit

A numerical example of estimated closing costs and expenses for a single Residential Unit with a Purchase Price of $5,000,000 and a mortgage of $2,500,000 are set forth below by way of illustration only. All tax rates, title insurance premiums and recording rates are subject to change:

ITEM	DESCRIPTION	AMOUNT
Fee Insurance Premium for $5,000,000 of owner's insurance	(70% first condo bulk sale rate)	$19,148.00
Mortgage Insurance Premium for $2,500,000 of lender's insurance	(21% first condo bulk sale simultaneous rate)	$2,502.00
NYC RPT Tax	NOTE: transfer taxes are based upon bulked-up consideration of $5,091,250.00. The NYC RPT rate is 1.425%.	$72,550.31
NYS Mansion Tax	1% of bulked-up consideration	$ 50,912.50
NYS Transfer Tax	The tax rate is $2 for every $500 of consideration or fraction thereof.	$20,366.00
Mortgage Recording Tax	The tax rate is 2.175%. The borrower pays 1.925% - $30. This does not include the lender's ¼ point of mortgage tax in the amount of $6,250.00	$48,095.00
Departmental and Bankruptcy Searches	Title Searches	$225.00+sales tax (Estimate)
Estimated Recording Fees	(one deed, one mortgage and one condo power of attorney)	$750.00
Estimated Lender's Title Endorsements	Three endorsements at $25 each.	$75.00
Closing fees to Starr Associates LLP	Basic closing fee and ACRIS document preparation fee	$2,750.00
Working Capital Contribution	two months' Common Charges	See Schedule A
Total Estimated Closing Costs	Excluding Working Capital Contribution	$242,048.81

This example does not include the following costs or fees, to the extent applicable: Purchaser's financing costs, legal fees of Purchaser's attorney, additional legal fees payable to Sponsor's attorney as set forth in paragraph (g) above, recording additional documents, penalty for late closing or adjustments with Sponsor (including mortgage recording tax reimbursement), apportionment of real estate taxes and insurance as described below.

Purchasers should note that adjustments for various closing items including Common Charges and real estate taxes will be made at Closing.

The foregoing projections assume that title insurance is purchased from the Title Company and that Purchaser closes without delays or the imposition of penalties. If Purchaser obtains a mortgage loan Purchaser can expect to incur additional fees for mortgage title insurance (with benefit of simultaneous rates), mortgage recording taxes and fees and other closing fees set forth above, plus the fee of Purchaser's attorney. Purchasers are advised to consult with prospective lenders for a detailed projection of related financing costs. Furthermore, the above example does not take into account possible new taxes, increases in tax rates or recording fees or increases in the cost of title insurance.

In the event Sponsor obtains a construction or acquisition loan which satisfies certain parameters and pays a mortgage recording tax thereon, it is specifically understood that, any mortgage tax credit shall inure to

the benefit of Sponsor. Accordingly, at Closing, each Purchaser may pay all or a portion of the mortgage recording tax to Sponsor, to the extent of any mortgage tax credit allowed as set forth in sub-paragraph (i).

Closing Adjustments

(i) Adjustments. At Closing, adjustments between Sponsor and Purchaser will be made as of midnight of the day preceding the Closing Date with respect to (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed) on the basis of the period for which assessed, and future real estate taxes and assessments in accordance with the terms of the subsection below entitled "Real Estate Taxes;" and (b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes.

(ii) Penalties. If Purchaser fails for any reason to close title to the Residential Unit on the Scheduled Closing Date, (a) the Closing adjustments described above will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the Actual Closing Date occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to .03 of the Purchase Price for each day starting from (and including) the Scheduled Closing Date to (and including) Actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally Scheduled Closing Date, these provisions shall apply to any new Scheduled Closing Date.

(iii) Real Estate Taxes. In the event the Units have not been separately assessed for real estate tax purposes by the New York City Department of Finance ("Finance Department") prior to the First Closing. Sponsor shall deliver at the First Closing to Escrow Agent, either cash, a letter of credit or a surety bond ("Tax Security") in the amount of the real estate taxes for the next ensuing tax period ("Future Taxes"). Escrow Agent shall hold the Tax Security in escrow for the benefit of the Condominium. At each Closing prior to the date the Units are separately assessed and billed, Purchasers will be obligated to pay to Sponsor an amount equal to the Unit's pro-rata share of the Future Taxes (computed by multiplying the Common Interest of the Unit by the amount of the Future Taxes) ("Unit Tax Payment"). The Future Taxes shall be paid to the Finance Department when due by Sponsor, or by Escrow Agent using the Tax Security, either at Sponsor's direction, or upon Sponsor's failure to make such payment. If Sponsor pays the Future Taxes directly, the Tax Security shall be released to Sponsor upon delivery to Escrow Agent of proof of payment from the Finance Department of the Future Taxes. If at the time the Future Taxes are paid, the amount of the Future Taxes has been reduced by the Finance Department as a result of the implementation of real estate tax benefits, Escrow Agent shall make appropriate refunds to Sponsor and Sponsor shall in turn make such appropriate refunds to Purchasers on account of Unit Tax Payments.

In the event the Units are separately assessed and individual tax bills are issued by the Finance Department prior to the date the Future Taxes are due, Escrow Agent shall release the Tax Security to Sponsor and Sponsor shall in turn make such appropriate refunds to Purchasers, as appropriate. In such event, Sponsor and Purchasers who closed title shall be required to pay their respective tax bills directly to the Finance Department.

With respect to subsequent Future Taxes, until the Units are separately assessed and individual tax bills are issued, the Condominium Board shall collect a Unit Tax Payment from each Unit Owner which Unit Tax Payment shall constitute additional Common Charges. Unit Tax Payments shall be payable by Unit Owners within 5 days of the date billed by the Condominium Board and shall be due and payable by such Unit Owner to the Condominium Board irrespective of whether such Unit Owner is required to escrow funds with a Lender in connection with a mortgage loan on such Unit. If any Unit Owner fails to make the Unit Tax Payment as set forth above, the Condominium will have a lien on the Unit for non-payment in the same manner as Common Charges (see the Section of the Plan entitled "Rights and Obligations of Unit Owners," subsection: " Common Charges: Collection and Lien for Non-Payment" for details).

Illustration. By way of illustration only, a Purchaser closing on a Unit in the middle of December (prior to separate assessment and individual billing of real estate taxes) is obligated to: (a) adjust with Sponsor for the first-half real estate taxes (July 1 to December 31) paid by Sponsor in July for the period from Closing through December 31; and (b) deliver to Sponsor a Unit Tax Payment for the second-half Future Taxes (January 1 to June 30). Thereafter, if the Units are not separately assessed and individual tax bills are not issued prior to the next ensuing tax payment, the Condominium will have the obligation to collect from each Unit Owner a Unit Tax Payment for first-half real estate taxes (July 1 to December 31) and pay such real estate taxes directly to the Finance Department on behalf of all Unit Owners.

In the event the amount of Future Taxes is increased (due to an increase in the tax rate or otherwise) prior to the separate assessment and issuance of individual tax bills by the Finance Department, the amount of such increase shall be payable by all Unit Owners, including Sponsor (with respect to its Units), in proportion to each Unit's Common Interest, adjusted for the period of ownership of each Unit by the respective Unit Owner. Such amount of increase shall be payable to Sponsor or the Condominium Board, as the case may be, within 5 days following written notice provided to such Unit Owner. Such increase shall be deemed additional Common Charges.

Other Costs

Except as specifically set forth in the Plan, Sponsor will pay all costs and expenses incurred in connection with the promulgation and consummation of the Plan and the sale of Units by Sponsor, including, but not limited to, all selling expenses and commissions payable to Selling Agent, 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 of the Plan entitled "Rights and Obligations of Sponsor" for details.)

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor shall have the following obligations and all Purchasers upon execution of their respective Purchase Agreements will be deemed to have accepted, approved and agreed to abide and be bound by the following:

(a) Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of the Units, or due to structural, architectural or mechanical considerations provided, however, that any such amendments, additions, or changes shall not materially and adversely affect a Unit Owner or Purchaser, increase any obligation of a Unit Owner or Purchaser to any adverse and material degree and any substitution of appliances, equipment or materials shall be of substantially equal or better quality. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in the Schedule A, by 5% or less (excluding interior partitions) is not a material and/or adverse change. Sponsor shall disclose, pursuant to a duly filed amendment to the Plan, all changes which materially and adversely affect a Unit Owner or Purchaser.

(b) Sponsor has procured financing for the substantial renovation of the Building from Doral Property Finance ("Construction Lender"). Sponsor will receive advances not more frequently than each month from Construction Lender provided Sponsor complies with the provisions of the construction loan regarding its responsibilities to use the funds advanced in the agreed manner and generally proceeds with the construction as agreed to in the loan documents. Pursuant to the terms of the construction loan documents, Sponsor must meet certain minimum release prices prior to Construction Lender's release of its lien against the Residential Unit. The construction loan documents do not require a specific minimum number of Purchase Agreements to be entered into prior to declaring the Plan effective.

(c) The offering by Sponsor under the Plan is contingent upon the Plan being declared effective and the First Closing shall not occur until the Plan has been declared effective. The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to its being declared effective (see the Section of the Plan entitled "Effective Date" for details).

(d) Sponsor will perform such work and supply such materials, or will cause the same to be performed and supplied, as is necessary in order to complete the Building with a quality of construction comparable to the currently prevailing local standards and substantially in accordance with the Plans and Specifications for the construction work filed with the Buildings Department and other appropriate governmental authorities.

(e) Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about July 1, 2014. Purchasers will not be excused from paying their full Purchase Prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the projected date or the time to complete or to close title to any Residential Unit is delayed or postponed by Sponsor, it being understood that nothing contained in this Section shall be construed so as to render Sponsor liable for money damages, nor shall Purchaser have against Sponsor any suit, claim, cause of action, or demand under any legal theory. Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. If the First Closing does not occur within 12 months after the date set forth in Schedule B as the commencement date for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into an Purchase Agreement, Sponsor will offer those affected Purchasers only a right to rescind their Purchase Agreement

for 15 days from the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame. Any Purchasers electing rescission will have their Deposits returned together with any interest earned thereon. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with any interest earned thereon.

(f) Sponsor is obligated to bear all costs and expenses incurred in connection with completing construction of the Building substantially in accordance with the Plans and Specifications. During the course of construction, Sponsor reserves the right, in its sole and absolute discretion, without prior notice to Purchasers or amendment to the Plan to (i) amend from time to time the Plans and Specifications (including changes in layouts and designs) in accordance with the Section of the Plan entitled "Changes in Prices and Units"; and/or (ii) substitute materials, appliances, equipment and fixtures that are of substantially equal or better quality in place of those described in the Plan and the Plans and Specifications. Notwithstanding the foregoing, 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 such Unsold Residential Unit for which a Purchase Agreement is then in effect which increases or decreases the square footage (excluding interior partitions) or Common Interest by more than 5%, or materially changes the unit size, layout or percentage of Common Interest of such Unsold Residential Unit, unless the Purchaser consents to such changes. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in the Schedule A, by 5% or less (excluding interior partitions) is not a material and/or adverse change. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Residential Unit and will not have any claim for damages or losses against Sponsor as a result of any such change and will not affect a Purchaser's obligations under the Purchase Agreement or the Plan, , it being understood that nothing contained in this Section shall be construed so as to render Sponsor liable for money damages, nor shall Purchaser have against Sponsor any suit, claim, cause of action, or demand under any legal theory. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon.

(g) First Closing, Sponsor will deliver, assign, or otherwise grant to the Condominium Board, on behalf of all Unit Owners, the right to proceed under any assignable warranties and other undertakings received by Sponsor from contractors, suppliers, or others in connection with the substantial renovation and equipping of the Building, except that assignable warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in any Unit shall be assigned to the Purchaser on the Closing Date, including the warranties and undertakings received by Sponsor which relate to appliances, equipment, or fixtures located in the Units and the Common Elements. Sponsor makes no representation as to which, if any, of the warranties and other undertakings will continue to remain in force upon the Closing of any particular Unit. Sponsor shall have no liability or responsibility in the event a warrantor is unable, unwilling or for any reason, fails to perform under its warranty.

(h) Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a Permanent Certificate of Occupancy covering the entire Building but with only a Temporary Certificate of Occupancy, and sometimes with several successive temporary certificates of occupancy. Certificates of Occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both Temporary Certificates of Occupancy and Permanent Certificates of Occupancy are issued by the Buildings Department. A Temporary Certificate of Occupancy is intended to indicate that the property is

safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All Temporary Certificates of Occupancy have an expiration date. A Temporary Certificate of Occupancy typically expires 90 days after the date of issuance. When a Temporary Certificate of Occupancy expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell Units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a Temporary Certificate of Occupancy rather than a Permanent Certificate of Occupancy. Sponsor anticipates this scenario will occur. Sponsor will undertake the responsibility for extending each Temporary Certificate of Occupancy received prior to expiration thereof, and will endeavor to obtain a Permanent Certificate of Occupancy covering the entire Building within two years from the date of the issuance of the first Temporary Certificate of Occupancy, subject, however, to (i) Force Majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or Sponsor-controlled Condominium Board have given their consent to a Unit Owner to perform alterations in such Unit Owner's Unit, (iv) work undertaken in Common Elements by the Board after Sponsor no longer controls the Board or (v) any other cause over which Sponsor has no control. Sponsor makes no representation or guarantee that the Buildings Department will issue the Permanent Certificate of Occupancy within such two-year period. Notwithstanding the foregoing, Sponsor is obligated to procure the Permanent Certificate of Occupancy for the entire Building, and shall exercise best efforts to obtain the Permanent Certificate of Occupancy within such two-year period while keeping the Temporary Certificate of Occupancy current. Unit Owners and the Condominium Board shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings. Sponsor shall not be responsible for any costs or liabilities suffered by Unit Owners on account of delays in obtaining the Permanent Certificate of Occupancy due to causes (i)-(v) listed above.

Furthermore, because Sponsor and the By-laws of the Condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a Permanent Certificate of Occupancy, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the Permanent Certificate of Occupancy. The Condominium Board may refuse to permit a Residential Unit Owner to perform alterations to its respective Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained.

(i) Purchasers are advised to visit the DOB website for further recommendations when purchasing a Unit in a building that does not have a Permanent Certificate of Occupancy. A Factsheet on Certificates of Occupancy is currently available on the DOB website at: http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)If Sponsor fails to obtain a Permanent Certificate of Occupancy for the Building prior to the First Closing, Sponsor will be obligated to: (i) direct the Escrow Agent to hold and maintain those monies received pursuant to all Purchase Agreements (see the Section of the Plan entitled "Escrow and Trust Fund Requirements") which would otherwise be payable to Sponsor in the special trust account required by the General Business Law of the State of New York, Sections 352-e(2)(b) and 352(h), provided, however, that if Sponsor's architect, engineer or other qualified expert (collectively, "Sponsors Representative") certifies that a lesser amount than the amount held in the special trust account is reasonably necessary to complete the work needed to obtain a Permanent Certificate of Occupancy, then the amount exceeding the sum so certified by Sponsor's Representative shall be released from the special escrow account to Sponsor; or (ii) Sponsor shall deposit with Escrow Agent cash or an unconditional, irrevocable letter of credit or post a surety bond in an amount Sponsor's Representative, from time to time, certifies is reasonably necessary to complete the work needed to obtain the Permanent Certificate of Occupancy. The Buildings Department advises Purchasers of houses and apartments who close title with only a Temporary Certificate of Occupancy in

place to consult with their attorneys or engineers for assurance that sufficient funds are escrowed or otherwise secured for Sponsor to obtain the Permanent Certificate of Occupancy.

(j) Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems. It is both customary and anticipated that certain issues will arise during the course of the construction process that warrant the taking of corrective action, including the repair or replacement of construction defects in order to satisfy Sponsor's obligations under the Plan.

(k) The Building will contain certain mechanical equipment, including, but not limited to, elevator machine rooms, fans, pumps, split system condensing units (collectively, "Equipment") located on the roof, Cellar and the Ground Floor. While Sponsor will endeavor to reduce excessive noise and vibration emanating from the Equipment, which noise and vibration levels will be in compliance with Law, it is impossible to eliminate such noise and vibration entirely. Purchasers should note that subsequent to the First Closing, the Condominium Board and/or the Retail Unit Owner, as applicable, will be responsible for the proper upkeep and maintenance of such Equipment in accordance with Law.

(l) No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. It is anticipated that during the first few years of Condominium operation, construction workers and related personnel will be at the Building from time to time, completing construction of the Building and the Units, making adjustments and corrections and performing various tasks relating to the completion of construction. During this period various building systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require substantial time to be completed after the First Closing. In addition, the presence of scaffolding, hoists or construction elevator shafts or similar temporary construction facilities, may delay the Closing of Title to certain Residential Units or lines of Residential Units until such scaffolding, hoists, elevators or temporary facilities are no longer needed and are removed and construction is completed. A Purchaser who closes title to his or her Unit during the course of construction of the Common Elements or other Units acknowledges that construction noise, vibration, fumes, odors, dust, debris, scaffolding and other temporary interruption of services may affect Purchaser's enjoyment of the Unit during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser whatsoever or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the Building. Furthermore, Sponsor makes no representation or warranty (express or implied) that any noise, odors, fumes or vibrations, if any, emanating from mechanical equipment belonging to the Condominium or the Retail Unit will not disturb occupants of the Residential Units, and Sponsor shall have no liability whatsoever for any such disturbance to any Unit Owner or occupant.

(m) Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Units, the Building or the Common Elements except as otherwise expressly provided in the Plan. Sponsor agrees to complete substantial renovation and to cause all mechanic's liens with respect to the substantial renovation of the Building to be promptly discharged or bonded or to deliver any and all requested documents to the title company necessary to insure title to the Unit at no additional cost to Purchaser, if such mechanics lien creates a defect in title (all subject to Sponsor's rights to abandon the Plan).

(n) Each Residential Unit and the fixtures and personal property contained therein, are being sold and delivered as described in the Plan, at the time of transfer of title to such Unit unless Sponsor and the Purchaser otherwise agree in writing. With respect to Residential Units, upon receipt of the Initial

Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Residential Unit within 7 days prior to the Closing Date and shall execute at such time an Inspection Statement acknowledging the Purchaser's acceptance of the Residential Unit in good condition and in accordance with the terms of the Plan. If Purchaser believes that the Unit has not been fully completed, then Sponsor or its designated representative and Purchaser will at the time of such execution agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed by Sponsor following the Closing without provision for escrow. Sponsor's obligation under the Inspection Statement shall survive delivery of the deed to the Purchaser. The failure of Sponsor to complete the work set forth in the Inspection Statement prior to Closing shall not be grounds for Purchaser to delay the Closing or to refuse to pay the full Balance of the Purchase Price at Closing. Purchaser shall be obligated to provide Sponsor and its contractors, subcontractors agents and employees, unfettered access to the Unit and any Residential Limited Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement. Notwithstanding anything set forth in this paragraph (n), at such time as a temporary certificate of occupancy for the Unit is issued, Purchaser shall be obligated to close title to the Unit and pay the Balance of the Purchase Price at Closing.

(o) Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") does not apply to this offering as the Building comprises more than 5 stories. Sponsor makes no other warranties, express or implied, in connection with this offering of the Units and all such warranties are excluded, except as provided in the limited warranty ("Limited Warranty") set forth in this Section. Sponsor will correct, repair, or replace any and all defects relating to substantial renovation of the Building, Common Elements or the Units or in the installation or operation of any appliances, fixtures, or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:

(1) such defects are due to substantially improper workmanship or construction practices or the use of materials that are substantially and materially at variance with the Plans and Specifications for the same; and

(2) Sponsor is notified by the Condominium Board or the affected Unit Owner, as the case may be, of the same in accordance with the following, which notice shall be by certified mail, return receipt requested:

(i) with respect to any latent defect (that is, a defect that is not visually ascertainable) in the construction of a Unit, within 1 year of the earlier to occur of the (a) the Closing of Title to the Unit or (b) the commencement date of any agreement by which a Purchaser is permitted to occupy the Unit prior to Closing;

(ii) with respect to any patent defect (that is, a defect that is ascertainable through inspection) in the construction of a Unit within 6 months of the earlier to occur of the (a) the Closing of Title to the Unit, or (b) the commencement date of any agreement by which a Purchaser is permitted to occupy the Unit prior to Closing, provided, in each instance such patent defect is not caused by the Unit Owner or other occupant of the Unit;

(iii) with respect to any defects (patent or latent) in the construction of the Common Elements, within 1 year from the date of substantial completion of the portion of the Common Elements claimed to be defective. The issuance of a Temporary Certificate of Occupancy shall be presumptive evidence that the construction of the Common Elements has been substantially completed.

The method of correcting any defect will be selected by Sponsor in its sole discretion. The quality of construction as to any such correction will be comparable to local standards customary in the particular trade or trades involved and will be in accordance with the Plans and Specifications.

Sponsor will be conclusively considered to have discharged any obligation that it may have with respect to the repair of a defect or replacement of a defective item, whether patent or latent, if:

a. Sponsor is not notified of the existence of such defect, in the manner and within the appropriate time period specified above;

b. The Condominium Board and/or Managing Agent and/or the Unit Owner fails to allow prompt access to the Unit in question by Sponsor or Sponsor's contractors; or

c. Sponsor has corrected, or caused the correction of, the defect in accordance with the practice of the industry, as determined by Sponsor's general contractor, architect, or engineer, in their sole judgment.

d. Purchaser, through any act or omission, is the cause of such defect or obstructs, delays, prevents or hinders Sponsor from gaining access to the Unit to repair a defect or replace a defective item.

(3) This Limited Warranty is only available to the first Purchaser of the Unit and Sponsor shall have no liability to any subsequent Purchaser with respect to any claimed defects relating to the construction of the Units, the Common Elements or the Building.

(4) Sponsor's obligations, regardless of any limitations in any warranty or in the Plan, cannot go below the duty to construct the Building in accordance with all applicable codes and the Plans and Specifications, and any conflict between any such disclaimers and Sponsor's obligation to construct the Building in accordance with all applicable codes and the Plans and Specifications shall be resolved in favor of the latter.

(p) Sponsor will not be obligated to correct, and will not be liable to the Condominium Board or any 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 appliances and bathroom fixtures) or any other condition:

(i) with respect to which assignable warranties or other undertakings (however denoted) from manufacturers, contractors, materialpersons, or others which are assigned to the Condominium Board and/or any Unit Owner;

(ii) resulting from normal wear and tear, natural deterioration, normal settling (including, without limitation, cracks in crown molding, minor gapping in the flooring, uneven ceilings or floors, and floor buckling) , deflection, expansion or shifting of the Building;

(iii) resulting from Purchaser's (i) failure to maintain such appliances, equipment, finishes, materials or fixtures in accordance with manufacturers' guidelines and specifications and (ii) renovations and/or alterations to a Residential Unit or its appurtenant Residential Limited Common Elements; or

(iv) that are not of a material nature, including, without limitation, the following:

a. death of trees or landscape improvements, cracks in roof ballast, or concrete cracks that do not impair the structural soundness of the Building, including cracks or discoloration in concrete walls and paving, leaching or color variation in colored mortar, tiles or pavers, and brick, dimensional variations in brick joints, mortar droppings on bricks, ponding, and/or controlled drainage on roof and terrace surfaces, terrace tiles or pavers not

laid flat, stained tiles or color variations in tiles or pavers, and cracks in pressure treated wood used, or intended for use, outside the Building;

b. protruding dry wall fastenings, nail pops, ridging on gypsum board, slight variations in gypsum board taping visible only under certain lighting conditions, walls not square, lumber shrinkage, painting defects, electrical plates not straight, slight separation between base and floor, variations in floor and ceiling levels, carpet or floor discoloring or stretching, variations in width, length, thickness, finish, or color range of wood floors, ceiling imperfections, and stains, runs, lumps, shags, or imperfections in weave in fabric panels;

c. door or window sticking due to weather, door warpage (including warpage of the main entrance door or Terrace door to a Unit within reasonable tolerances of doors of similar size, weight and quality), adjustment of bi-fold doors, and air and water infiltration from windows or Terrace doors in excess of industry standards;

d. variations in tone or color of interior and exterior natural materials or natural stone, including variations in tone or color of flooring, walls, countertops, backsplash, vanity tops or other natural stone, marble, ceramic or wood surfaces, slight scratches in plastic laminate, glass, metal, vitreous china, natural stone, wood, stainless steel, porcelain or other surfaces, discoloration to hardware and plumbing finishes, cracked bath tile grouting, variation in grouting thickness, and misalignment of bathroom finishes;

f. variations in wood floor stains and finishes;

g. noise, vibrations or odors from normal plumbing, heating, air-conditioning, ventilating, mechanical equipment operation and elevator operation, and floor noises and creaking;

h. repair of chips, scratches, mars, breaks, dents, cracks, and other defects in any windows and window sashes, sliding glass doors, shower doors, louvers, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, water closets, kitchen cabinets, backsplashes, and countertops, vanity tops and cabinets, tile or natural stone floors and walls, saddles, appliances, woodwork, millwork, doors, mirrors, and hardware;

i. normal wear, including chips, to passenger elevator cabs, cab doors, elevator door frames, cab panels, Unit doors and Unit door frames; and

j. pertaining to television, radio, internet or other telecommunication reception;

Notwithstanding the foregoing, Sponsor will be obligated to repair abnormal scratches in plastic laminate, vitreous china, natural stone, wood, porcelain and metallic surfaces by filing or refinishing the same not caused by the use of the Units by Unit Owners, but Sponsor will not be obligated to replace any such surfaces. Additionally, during the course of construction concrete cracks and/or chips of a material nature on the exterior Façade of the Building may be repaired by Sponsor by field patching.

THE ITEMS AND CONDITIONS DESCRIBED ABOVE IN (IV) ARE NOT DEFECTS AND MAY BE FOUND IN ANY SUBSTANTIALLY RENOVATED BUILDING. PURCHASERS WHO PURCHASE A UNIT IN THE BUILDING OR IN ANY OTHER SUBSTANTIALLY RENOVATED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE CONDITIONS IN THEIR UNITS OR THE COMMON ELEMENTS. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF SUCH ITEMS AND CONDITIONS AND SHALL NOT BE LIABLE TO ANY PURCHASER OR CONDOMINIUM BOARD THEREFOR. IF PURCHASER OR CONDOMINIUM BOARD DESIRES TO

CORRECT OR REPAIR ANY SUCH ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THE PURCHASER OR CONDOMINIUM BOARD MUST PROCEED AT ITS SOLE COST AND EXPENSE AND/OR UTILIZE ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO IT BY SPONSOR.

(q) NOTHING CONTAINED IN THIS SECTION WILL BE CONSTRUED SO AS TO RENDER SPONSOR LIABLE FOR MONEY DAMAGES NOR SHALL PURCHASER HAVE ANY SUIT, CLAIM, CAUSE OF ACTION, OR DEMAND (WHETHER BASED ON NEGLIGENCE, BREACH OF CONTRACT, BREACH OF WARRANTY, OR OTHERWISE), IT BEING INTENDED THAT SPONSOR'S SOLE OBLIGATION UNDER THE PLAN WILL BE TO REPAIR OR REPLACE ANY DEFECTIVE ITEM OF CONSTRUCTION UPON, AND SUBJECT TO, THE TERMS AND CONDITIONS SET FORTH ABOVE. ADDITIONALLY, EXCEPT AS EXPRESSLY SET FORTH ABOVE, SPONSOR WILL HAVE NO OBLIGATION TO CORRECT OR REPAIR ANY DEFECTIVE OR OTHER CONDITION IN THE BUILDING (INCLUDING IN THE UNSOLD RESIDENTIAL UNITS AND THE COMMON ELEMENTS) OR IN, OR WITH RESPECT TO, ITS INSTALLATIONS, APPARATUSES, FIXTURES, FINISHES, MATERIALS, AND APPURTENANCES. ASIDE FROM ANY SPONSOR WARRANTIES AND UNDERTAKINGS WITH RESPECT TO THE CONSTRUCTION AND COMPLETION OF THE BUILDING CONTAINED IN THIS SECTION, NO OTHER WARRANTIES OR UNDERTAKINGS SHALL BE IMPLIED. HOWEVER, NO SUCH DISCLAIMER OR LIMITATION OF LIABILITY ON SPONSOR'S PART SHALL APPLY TO SPONSOR'S OBLIGATIONS UNDER ALL APPLICABLE STATUTES, LAWS AND REGULATIONS.

(r) Except for those warranties or guarantees provided to Sponsor by contractors, manufacturers or suppliers, which Sponsor will assign to the Condominium Board and/or Unit Owners, as necessary, Sponsor does not make any warranty of any kind, express or implied, and Sponsor hereby disclaims any and all warranties, including but not limited to, implied warranties of merchantability and fitness for a particular purpose, with respect to the construction of the Units and the Common Elements and with respect to the personal property located within the Units, the Common Elements, and the Unit Owners assume all risk and liability from the use of this personal property.

(s) Prior to the Closing of Title for each Unit, Sponsor will cause such Unit and its Common Interest, benefits, rights and easements as described in the Declaration and By-Laws to be released from the lien of any mortgages or security agreements encumbering the Unit (other than any mortgage or security agreements obtained by Purchaser).

(t) Sponsor will bear all costs and expenses incurred by it in connection with the preparation of the Plan and all selling expenses and compensation payable to sales or other personnel of Sponsor.

(u) Sponsor will pay or cause to be paid all contractors, subcontractors and materialpersons and all others involved in the construction and equipping of the Building in accordance with the New York Lien Law, for work performed and fixtures, material and equipment supplied or installed during Sponsor's construction thereof.

(v) No Closing of a Unit will occur prior to the issuance of a Temporary or Permanent Certificate of Occupancy for the particular Unit unless such Unit is being sold as a "raw space" Unit as set forth in the Section of the Plan entitled "Terms of Sale." Sponsor will perform any work and/or supply any material necessary to obtain a Permanent Certificate of Occupancy.

(w) Sponsor shall be obligated to defend any suits or proceedings arising out of Sponsor's obligations as set forth in the Plan and shall be obligated to indemnify the Condominium Board and Unit Owners against any such action or proceeding.

(x) At or subsequent to the First Closing, Sponsor will deliver to the Condominium Board copies of the following documents, as applicable, and as otherwise in Sponsor's possession: (i) mechanical, electrical and plumbing drawings for the Building; (ii) operating and maintenance manuals for mechanical equipment; (iii) electronic system manuals; (iv) major equipment start-up sheets and control system as-built; and (v) original test and balance report for HVAC system.

(y) In accordance with Section 339-p of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans are an accurate copy of portions of the Plans and Specifications of the Building as filed with and approved by the municipal or other governmental authority having jurisdiction over the issuance of permits for the construction of the Building and, in addition, such architect or professional engineer shall make periodic inspections at various stages of construction to determine that the Building is built in accordance with the Plans and Specifications.

(z) Notwithstanding any other provision of the Plan, Sponsor is obligated to construct the Building in accordance with the terms of the Plan and in compliance with Law.

(aa) Sponsor will pay all Common Charges (once Common Charges have been assessed by the Condominium Board), Special Assessments and real estate taxes allocated to any Unsold Residential Units in accordance with the provisions of the By-Laws. Sponsor expects to have the financial resources to meet the aforesaid obligations and to fund same from income from projected sales, the rental or leasing of Unsold Residential Units and Sponsor's other financial resources. No bond or other security will be posted by Sponsor with respect to this obligation.

(bb) At or prior to the First Closing, the Condominium Board or Sponsor will procure 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, the types and cost of which insurance has been reflected in the First Year's Budget. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws.")

(cc) Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection, by prospective Purchasers and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of 6 years from the date of the recording of the Declaration. In addition, a set of Floor Plans showing the layout, location 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 in the Register's Office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

(dd) Sponsor will deliver to the Condominium Board copies of all books of account and records pertaining to the Building's operation which are in Sponsor's possession.

(ee) In the event of the dissolution or liquidation of Sponsor or the transfer by Sponsor of 20%or more of the total number of Residential Units in the Condominium to a single Purchaser, Sponsor will provide financially responsible entities or individuals who will assume the status and all obligations of Sponsor for those Residential Units under the Plan and Laws.

(ff) The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor, but without any obligation or liability by Sponsor to repair or restore any Residential 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 a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion as set forth in the Purchase Agreement) to repair or restore the Residential Unit, the Purchase 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 Residential 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 Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit or if the Residential Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws"), the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Deposit, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

(gg) Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Units and the Common Elements. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Unit or to the personal property or fixtures contained therein.

(hh) Sponsor intends, in good faith, to sell rather than rent Residential Units. However, under the Plan, Sponsor has reserved the unconditional right to rent Residential Units rather than sell Residential Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, Sponsor is not committed to sell more Residential Units than the 15% (i.e., 2 Units) necessary to declare the Plan effective and, therefore, owner-occupants may never gain effective control and management of the Condominium.

(ii) Sponsor intends to offer Unsold Residential Units for sale both to Purchasers for personal occupancy as well as to those who are purchasing for investment or resale. Provided a Permanent Certificate of Occupancy has been issued for the Building, purchasers for investment or resale may, in turn, rent such Units and accordingly, such Units will not be used for the personal occupancy of the owner thereof. As a result, some and possibly many Units may be occupied by renters instead of Unit Owners. Since the Condominium Board does not have the right to approve or disapprove potential purchasers of Units, the Condominium Board is unable to limit the number of purchasers who purchase Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Unit Owners who are not occupants. It is possible that those Unit Owners who occupy their Units may have different interests than those Unit Owners who purchased such Units as an investment.

(jj) All representations under the Plan, all obligations pursuant to the General Business Law Section 352-e, and such additional obligations under the Plan which are to be performed subsequent to the Closing Date shall survive delivery of the deed.

Obligations of Sponsor under the Plan with respect to the Building and the Units shall be enforceable by the Condominium Board on behalf of all Unit Owners. Obligations of Sponsor shall be enforceable by individual Unit Owners if either (i) the Condominium Board fails to take reasonable action to enforce such obligations within 120 days following the giving of notice of such claim by any Unit Owner to the Condominium Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Condominium Board will expire during the aforesaid 120-day period.

Obligations of Sponsor under the Plan shall inure solely to the benefit of Purchasers of Units directly from Sponsor and shall not inure to the benefit of any Purchaser or tenant upon the resale, assignment or subletting of a Unit.

To the best of Sponsor's knowledge, as of the Filing Date of the Plan, Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time it is called upon to perform. No representation is made that it will be financially able to perform any or all of such obligations. Unless expressly provided to the contrary herein, the obligations of Sponsor under the Plan shall survive the delivery of the respective deeds to the Units to Purchasers.

In the event Sponsor is unable to perform its material obligations under the Plan, all sales will cease, Sponsor will promptly submit an amendment to the Plan setting forth its inability to perform such material obligations under the Plan, and will offer all Purchasers the right to rescind their Purchase Agreements within 15 days after the Presentation Date of the amendment. Any Purchaser electing rescission pursuant to the offer will have their Deposit and any interest accrued thereon returned.

The foregoing sets forth the entire obligations of Sponsor hereunder and no others shall be implied, except that nothing contained herein shall be deemed to limit the rights of Unit Owners under their respective Purchase Agreements. Sponsor makes no representations or warranties other than as set forth in the Plan.

The terms of the Plan will govern in the event of a conflict between the Plan and any other document or advertisement used in connection with the Plan.

Use of Unsold Residential Units

Sponsor reserves the right, without prior notice or amendment to the Plan, to use any Unsold Residential Units as sales, rental offices and model units and in any other manner in compliance with Law. In the event Sponsor thereafter elects to sell any such Unsold Residential Unit, Sponsor may require Purchaser to purchase all or any of the furniture, furnishings, finishes, equipment or decorations (including wall coverings and carpeting) ("FFE") therein and pay, in addition to the Purchase Price for the Unit, such amounts as Sponsor may determine.

Loft Board Jurisdiction

The Building previously contained twenty-four apartments, twenty-one of which qualified as Interim Multiple Dwellings ("IMDs") subject to the provisions of the New York City Loft Law under the jurisdiction of the Loft Board. Pursuant to Sponsor's substantial renovation of the Building which was vacant, the IMD apartments have been eliminated and will be replaced by Condominium Units. Upon the issuance of a Permanent Certificate of Occupancy for the Building, Sponsor will apply to the Loft Board for a "final order" to formally remove the Building from the Loft Board's registry of buildings

("Application"). Sponsor will make the Application at its sole cost and expense, including the cost, if any, of renewal fees payable to the Loft Board, until such time as the Application is approved. Additionally, Sponsor will undertake all filings, submissions, applications, and like administrative acts required by the Loft Board and related to the Application (collectively, "Additional Filings"), and shall be solely responsible for the cost and expense of the Additional Filings, including filing fees, legal fees, and professional consultant fees. Notwithstanding anything to the contrary, in no event will Sponsor be responsible for any cost or expense, or be obligated to take any action, related to the Application or the Additional Filings after the fifth (5th) anniversary of the First Closing. While the Application should be a routine administrative request, Sponsor can make no guarantee or warranty as to when or whether the Loft Board will approve the Application. In the unlikely event that the Loft Board does not approve the Application, then the Condominium will be responsible for any subsequent costs, including renewal fees (presently, $500 per IMD), imposed by the Loft Board.

FFE

In no event shall the presence of any FFE in any model unit imply or represent that any Residential Unit will contain such FFE upon delivery of the Unit to Purchaser. The presence of FFE in any model unit and the location, size and quantity of such FFE therein are only illustrative and will not be installed by Sponsor in any Residential Unit. The layout, size and dimensions of the model rooms in sales any model unit are only illustrative of the style and feel of the Residential Units in the Building and may not correspond to the exact layout, size or dimensions of any particular Residential Unit.

In no event shall the presence of any FFE in any Common Elements of the Building (including, without limitation, the lobby) set forth in any marketing materials and/or advertisements, including, websites for the Condominium used in connection with the sales and marketing of the Units imply or represent that any such FFE will be located within any such Common Elements. The presence of FFE in such marketing materials are for illustrative purposes only.

Sponsor's Easement Rights

Sponsor shall have an exclusive right and easement (i) to erect, use, lease, maintain, repair, replace and operate any pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces appurtenant to Residential Units) and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith; and (ii) to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit. Sponsor shall be entitled to permit any one or more of such easements to be utilized by the Retail Unit Owner and/or Permitted Users. Sponsor reserves the right to install additional fireplace flues and mechanical equipment on the roof of the Building.

Condominium Name

Pursuant to the Declaration, Sponsor shall own and control all rights to the name of the Condominium and/or the Building. In addition, Sponsor shall have the right to utilize other names for the Building or portion thereof for marketing and/or promotional purposes, without the consent of the Condominium Board or the Unit Owners.

CONTROL BY SPONSOR

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor. Sponsor presently anticipates that the initial members of the Condominium Board shall be Scott Sabbagh, Doug Bowen, and Sean Zalka, who shall serve as President, Vice President and Secretary/Treasurer, respectively. Each of these individuals is a principal of, or is affiliated with, Sponsor. Sponsor reserves the right to designate different individuals to serve on the initial Condominium Board in lieu of the above mentioned individuals. The initial Condominium Board shall conduct all affairs of the Condominium.

The First Annual Meeting will be held approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% in number of all Residential Units offered for sale.

Sponsor will have voting control over the Condominium Board until the later to occur of (i) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 95% in number of all Residential Units offered for sale, or (ii) the issuance of a Permanent Certificate of Occupancy ("Initial Control Period"). Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Initial Control Period.

Commencing with the First Annual Meeting, the Condominium Board shall consist of four individuals, three of whom shall be elected and/or designated in accordance with the terms of the By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and one of whom shall be designated by the Retail Unit Owner ("Retail Member"). Except for members designated by Sponsor and/or the Retail Unit Owner, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult family members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees. The number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

At meetings of the Residential Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. When voting for members of the Condominium Board, each Residential Unit Owner shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Residential Unit per Residential Member to be elected. However, at elections of members to the Condominium Board held during the Initial Control Period, Sponsor shall have the right to designate 2 of the 3 Residential Members of the Condominium Board.

So long as Sponsor shall continue to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board, and shall have the right to vote its Common Interests attributable to the Unsold Residential Units for the remaining Residential Members of the Condominium Board.

Within 30 days after the expiration of the Initial Control Period, and assuming the First Annual Meeting has occurred, 1 of the 2 Residential Members of the Condominium Board who were designated by Sponsor shall resign and a replacement shall be filled by a vote of the Residential Unit Owners (including Sponsor) at a special meeting called for such purpose.

The number of members of the Condominium Board may not be increased or decreased without the consent of Sponsor for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

During the Initial Control Period, Sponsor will through its control of the Condominium Board have control of the maintenance and operation of, and the services to be provided by, the Condominium and will determine the Common Charges to be paid by all Unit Owners.

For so long as Sponsor continues to own at least 25% in number of all Residential Units, but in no event later than 5 after the First Closing, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit; or (b) assess any Common Charges or Special Assessments for the creation of, addition to, or replacement of all or part of a working capital, reserve, contingency or surplus fund; or (c) increase or decrease the number, or change the kind of employees from those described in the First Year's Budget; or (d) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's Budget, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business; or (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services, facilities or any line items set forth in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) 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 to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer; or (iv) to ensure the health and safety of the occupants of the Building.

CONDOMINIUM BOARD

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor. Sponsor presently anticipates that the initial members of the Condominium Board shall be Scott Sabbagh, Doug Bowen, and Sean Zalka, who shall serve as President, Vice President and Secretary/Treasurer, respectively. Each of these individuals is a principal of, or is affiliated with, Sponsor. Sponsor reserves the right to designate different individuals to serve on the initial Condominium Board in lieu of the above mentioned individuals.

The First Annual Meeting will be held approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% in number of all Residential Units offered for sale. Annual meetings of Unit Owners shall be held within approximately 30 days of each anniversary of the First Annual Meeting. At all meetings, each Unit Owner (or their proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit.

Commencing with the First Annual Meeting, the Condominium Board shall consist of four individuals, three of whom shall be elected and/or designated in accordance with the terms of the By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and one of whom shall be designated by the Retail Unit Owner ("Retail Member"). Except for members designated by Sponsor and/or the Retail Unit Owner, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult family members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees. The number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

The affairs of the Condominium shall be governed by the Condominium Board. The term of office of the members of the Condominium Board shall be for 1 year or until their successors are elected. Members of the Condominium Board shall serve without compensation. Any member of the Condominium Board may resign membership at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Condominium Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.)

A Residential Member of the Condominium Board may be removed with or without cause by an affirmative vote of a majority of Residential Unit Owners who are present at a meeting containing a quorum of Residential Unit Owners, provided, however, that any Residential Member designated by Sponsor may only be removed and replaced by Sponsor, and further provided, however, that the Retail Members of the Condominium Board may only be removed by the Retail Unit Owner, who alone shall have the right to designate a replacement. No member of the Condominium Board shall continue to serve on the Condominium Board if, during the term of office, such member shall cease to be a Unit Owner or an interested party as described in the By-Laws; provided, however, that these provisions respecting Unit Ownership and occupancy, and Condominium Board membership, shall not apply to members of the Condominium Board designated by Sponsor and/or the Retail Unit Owner.

A successor officer may be elected at any regular Condominium Board meeting or at any special Condominium Board meeting called for such purpose. The President may call a special meeting whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a

petition calling for such meeting signed by Unit Owners having in aggregate no less than 40% of the Common Interest of all Unit Owners.

All officers, and members of Condominium Board and employees of the Condominium will be insured at all times from and after the First Closing under directors and officers liability insurance in favor of the Condominium. The amount and cost of the insurance has been provided for in the First Year's Budget.

To the extent permitted by Law, members of the Condominium Board will have no liability to Unit Owners except for liability for bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any member of the Condominium Board, any Unit Owner, Sponsor, or any affiliate of any of them without incurring any liability for self-dealing, except in the cases of bad faith or willful misconduct. The Condominium Board has a fiduciary duty to act in the best interests of the Condominium. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests indemnify each member of the Condominium Board against any liability or claim except those arising out of the bad faith or willful misconduct of such member of the Condominium Board.

Purchasers should refer to the By-Laws set forth in Part II of the Plan for details concerning the eligibility requirements for members of the Condominium Board and the powers and duties of the Condominium Board and refer to the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of Condominium By-Laws" subsections "Meetings and Votes of Unit Owners" and "Amendments to Condominium Documents" for a discussion of voting rights and the procedures to amend the Condominium Documents.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Units

Each Residential Unit Owner may sell or lease the Residential Unit for terms of not less nor more than 1 year provided the Residential Unit Owner ("Offering Unit Owner") first gives the Condominium Board, on behalf of all Residential Unit Owners, notice of intention to sell or lease together with any and all application forms and documentation required by the Condominium Board, and an opportunity to purchase or lease such Residential Unit at the same price or rental and on the same terms as were offered in good faith by a prospective Purchaser or lessee, as more specifically provided in the By-Laws. If the Condominium Board does not elect to purchase or lease the Residential Unit within 30 days after receipt of notice, the Offering Unit Owner will have an additional 60 days to enter into a written agreement with the prospective Purchaser or lessee, as the case may be, embodying the terms set forth in such notice. In the event such written agreement is not executed by the Offering Unit Owner within such 60 day period or such sale or rental is not consummated within an additional 60 days following the expiration of such 60 day period, the Offering Unit Owner will be required to again first offer the same to the Condominium Board, provided that the Condominium Board shall be entitled to waive, or to permit an extension of, either or both of such 60 day periods. The Condominium Board may not exercise its option to purchase or lease any Residential Unit without prior approval of a majority in interest of all Residential Unit Owners. The By-laws permit the Condominium Board to (i) borrow money on behalf of the Condominium for the benefit of Residential Unit Owners, (ii) increase Common Charges assessed against all Residential Unit Owners and (iii) impose Special Assessments against all Residential Unit Owners, in the event the Condominium Board elects to exercise its right of first refusal. Purchaser should refer to Article 7 of the By-Laws for details concerning the Condominium Board's election to exercise its right of first refusal. Any such deed given by an Offering Unit Owner shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Condominium Documents, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign the lease or sublet the Residential Unit or any part thereof without the prior consent in writing of the Condominium Board, and that the Condominium Board, if permitted by Law, 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 default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

Any purported sale or rental of a Residential Unit in violation of this Section shall be voidable at the election of the Condominium Board. The Condominium Board may not discriminate against any person on the basis of color, race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

A Residential Unit Owner may lease, sell or convey the Residential Unit to a Family Member, may convey the Residential Unit by gift, may devise the 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 the 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.

A Residential Unit Owner may only sell or lease the 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, the Unit Owner's undivided interest in (a) the Common Elements, (b) the Residential Common

Elements (with respect to Residential Units); (c) any Unit or Units acquired by the Condominium Board on behalf of all Unit Owners, or any proceeds of the sale or rental thereof and (d) any other assets of 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.

A Residential Unit may not be sold or leased unless all unpaid Common Charges and liens against the Unit (other than Permitted Mortgages) and Resale Fee (as hereinafter defined) are paid and/or satisfied at or prior to the sale or rental. In addition, the Condominium Board and the Managing Agent may (i) establish reasonable restrictions with respect to the sale or rental of Residential Units and (ii) implement fees in connection with the sale or rental of Residential Units, which shall be payable by the Offering Residential Unit Owner. The Condominium Board has the right, in its sole discretion, to terminate a lease, if the tenant has violated the terms of the Condominium Documents, including the Residential Rules and Regulations beyond all applicable notice and grace periods. If the tenant fails to vacate after receipt of the termination notice from the Condominium Board, the Condominium Board shall have the right to commence summary eviction proceedings against the tenant.

Prior to the first anniversary of the Sponsor Sale (defined below), Purchaser may not list the Residential Unit for sale with any broker or place or authorize any listing in any broker's listing system or other listing service or to advertise or otherwise offer, promote or publicize the availability of the Residential Unit for sale, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed in Sponsor's sole and absolute discretion

The restrictions upon the sale and lease of Residential Units shall not apply to Sponsor with respect to any Unsold Residential 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 Condominium Board, without payment of any fees, and without payment of any fees, including the Resale Fee.

Retail Unit Owner are free to sell or lease all or any portion of the Retail Unit without first notifying or obtaining the approval of the Condominium Board and without payment of any fee or charge to the Condominium Board or Managing Agent.

Notwithstanding anything contained herein to the contrary, prior to the Closing of Title to a Residential Unit, the Purchase Agreement prohibits a Purchaser the Residential Unit for sale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or rental, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed in Sponsor's sole and absolute discretion.

If the Owner of a Residential Unit leases such Residential Unit prior to the Building's receipt of a Permanent Certificate of Occupancy, the Residential Unit, and only that Residential Unit, may become subject to the restrictions of New York's rent stabilization laws and regulations.

Resale Fee

Each Residential Unit Owner who acquired a Residential Unit from Sponsor ("Sponsor Sale") and subsequently enters into an agreement, written or oral ("Resale Agreement") to resell the Residential Unit prior to the first anniversary of the Closing of the Sponsor Sale ("Resale") shall be obligated to pay Sponsor a portion of the proceeds of the Resale ("Resale Fee"). A Residential Unit Owner will be required to send Sponsor a copy of the Resale Agreement within 10 days after agreement of the Resale. The Resale Fee paid to Sponsor shall be equal to 50% of the difference between: (A) the sales price of the Residential Unit per the Resale Agreement less the following expenses actually paid for by Residential Unit Owner (to the extent

applicable): (1) brokerage commissions not exceeding 6% in the aggregate; (2) transfer taxes imposed by Law and (3) actual legal fees not exceeding $5,000; and (B) the Purchase Price paid to Sponsor in connection with the Sponsor Sale. Set forth below is an example of the calculation of a Resale Fee:

Resale:	$6,000,000
Sponsor Sale	($4,500,000)
Gross Profit	$1,500,000
Broker	($ 360,000)
Transfer Tax	($ 110,000)
Legal Fees	($ 5,000)
Net Profit	$1,025,000
Resale Fee	$ 512,500

The Resale Fee shall be paid to Sponsor by wire transfer on the date the closing occurs pursuant to the Resale Agreement. Any deductions for allowable expenses paid by Residential Unit Owner must be supported by documentation acceptable to Sponsor. The obligation to pay a Resale Fee shall survive the closing of the Sponsor Sale.

Storage Rooms

Storage Rooms constitute Residential Limited Common Elements and may not be owned independently of the ownership of the Residential Unit to which it is appurtenant. Each Residential Unit Owner will be required to maintain insurance for the Storage Room in amounts sufficient to cover the property located therein.

Use of Units and Common Elements and Storage Rooms

A Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution of the City of New York as may be amended from time to time, and not more than one family may occupy a Residential Unit at one time. A Residential Unit may not be used for any "dormitory," "bed and breakfast" or other transient hotel-type use. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments) may only be occupied by such individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, a member of such limited liability company, the fiduciary or beneficiary of such fiduciary, a principal or employee or such other entity, respectively, or by Family Members and guests of any of the foregoing. A Residential Unit may be used for any other purpose, provided such use is permitted by, and complies with Law does not violate the then existing Temporary or Permanent Certificate of Occupancy covering the Building, and the Condominium Board, in its sole discretion, grants permission for such use.

A Storage Room may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item (excluding sealed wine and alcohol bottles), or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein, nor may they be used for sleeping, dining or other occupancy uses (collectively, "Prohibited Uses"). The use of the Storage Rooms for Prohibited Uses can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or other Residential Unit Owners as a result of such Prohibited Uses shall be borne by the Residential Unit Owner of the Residential Unit to which such Storage Room is appurtenant.

Use and occupancy of the Residential Units and the Storage Rooms shall be subject to the Rules and Regulations of the Condominium, which may be amended by the Condominium Board from time to time.

All or any portion of the Retail Unit may be used for any purpose permitted by Law, subject however to the provisions of the By-Laws. However, the Retail Unit may not be used as (a) a bar, restaurant, nightclub or café; (b) massage parlor, adult theater, peep show establishment, topless or bottomless bar; (c) a video arcade, betting parlor, gambling casino, or other gambling related establishment; (d) any use that is primarily concerned with lewd or prurient sexual activity; (e) an in-patient or out-patient drug, alcohol or mental health treatment; or (f) a homeless shelter or center offering food or other special services to the homeless shelter, and (g) any use involving cooking or on-site food preparation. No assurance, representation, or warranty is given that any of the tenants, occupants, or users of the Retail Unit will not be objectionable to Residential Unit Owners or other parties. No assurance, representation, or warranty is given that any of the tenants, occupants, or users of the Retail Unit will not be objectionable to Residential Unit Owners or other parties. The uses of the Retail Unit may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control.

Notwithstanding the foregoing, Sponsor may, without the permission of the Condominium Board or any Unit Owners: (a) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing Temporary or Permanent Certificate of Occupancy for the Building or any other governmental regulations; (b) retain ownership of one or more Unsold Residential Units for use as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or the Retail Unit, or for any other purpose, subject only to compliance with Law; and (c) lease any Unsold Residential Unit.

The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and capable and which are incident to the use and occupancy of Units.

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 Condominium Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Condominium Board shall have the right to adopt a no-pet policy for the Building.

Each Unit Owner shall keep the 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 the Unit in accordance with the provisions of the By-Laws and Law. The Residential Rules and Regulations concerning the use of Residential Units may be amended from time to time by the Condominium Board provided that copies thereof are furnished to each Residential Unit prior to the time that they become effective (except that no amendment thereof affecting the Unsold Residential Units may be made unless agreed to in writing by Sponsor).

Mortgage of Residential Units by Residential Unit Owners

Each Residential Unit Owner may mortgage the Residential Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with. 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, except for such changes or additions as may be required to permit a lender to make the loan, (b) the Condominium 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 the Residential Unit, other than Permitted Mortgages. Sponsor shall have the right to mortgage any Unsold Residential Unit and Retail Unit without any restriction or limitation.

As more particularly set forth in the Section entitled "Amendments to Condominium Documents," in certain instances the consent of the Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Residential Rules and Regulations. The By-Laws provide that no more than 3 Residential Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor, or (ii) Institutional Lenders.

Common Charges: Determination and Assessment

Common Expenses, which are payable by Unit Owners and are included in their Common Charges, are allocated among Unit Owners either based on actual usage of services and facilities or in proportion to their respective Common Interest (in the case of the Retail Unit) and in proportion to their respective Residential Common Interest (in the case of Residential Units). Common Expenses include, among other things, (a) all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, (b) water charges and sewer rents in connection with the Building; and (c) amounts for certain other items as the Condominium Board may deem proper, such as amounts for reserves for capital expenditures or in connection with the purchase or lease by the Condominium Board of any Unit.

At least annually, the Condominium Board will prepare a budget for Common Expenses and allocate, as aforesaid, and assess among all Unit Owners, Common Charges to meet Common Expenses. During the Initial Control Period, the Condominium Board shall have the right, in its sole discretion, to waive Unit Owner obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided the basic operating costs of the Condominium (exclusive of reserves) are paid by Sponsor.

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

Common Charges: Collection and Lien for Non-Payment

Under the provisions of Section 339-z of the New York Real Property Law and the By-Laws, the Condominium Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit in proportion to the respective Common Interests. Pursuant to the provisions of Section 339-aa of the New York Real Property Law, during the Initial Control Period, Sponsor shall cause the Condominium Board to file a lien for unpaid Common Charges against any Unit owned by Sponsor in which Sponsor is more than 30 days in arrears. All such liens, however, to the extent permitted by 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. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until 6 years from the date of filing (unless foreclosure of such lien is started within such 6 year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing such lien. In addition, the Condominium Board may assess Unit Owners a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, and interest at the rate of 1.5% per month of such unpaid amounts (less any "late charges" theretofore collected), plus all expenses of collection, including but not limited to attorneys' fees and costs.

No Unit Owner may become exempt from liability for Common Charges by waiving use of any of the Common Elements or by abandonment of the Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges subsequent to a permissible sale, transfer or other conveyance of the Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying the Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, become exempt from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to the Unit and such Unit being free and clear of all liens and encumbrances other than Permitted Mortgages. However, in no event shall Sponsor be permitted to convey any Unsold Residential Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unsold Residential Unit thereafter accruing, unless: (i) the aggregate Residential Common Interests appertaining to the Unsold Residential Units constitutes 15% or less of the total Residential Common Interests then appertaining to all Residential Units; (ii) at least 5 years have elapsed from the date of the First Closing; and (iii) at the time of conveyance, Sponsor shall pay the Condominium Board a sum equal to the product of the then current monthly Common Charges for the Unsold Residential Units being conveyed multiplied by 24.

On a resale of a Unit, the purchaser thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to acquisition. Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser shall be entitled to a statement from the Condominium Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor such 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 the Condominium 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 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 Condominium Board will have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

Set forth in Part II of the Plan is a copy of §339-kk of the Real Property Law of the State of New York, which provides, among other things, for the ability of the Condominium to serve a notice to any tenant occupying a Unit to pay its rent directly to the Condominium if the Unit Owner has failed to pay Common Charges, assessments or late fees within 60 days after the expiration of any grace period.

Repairs to, and Maintenance of, Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, (a) in or to any Unit (other than to the Common Elements contained therein), including all mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), the plumbing, appliances in the Units, the fireplace, firebox, dampers, mantel and flue, if any, and the interior side of entrance doors thereto, and the Terrace doors, shall be performed by the Unit Owner at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a General Common Expense (c) in or to the Residential Common Elements shall be performed by the Condominium 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 Residential Limited Common Elements shall be performed (i) by the Condominium Board and the cost and expense thereof will be charged to all Residential

Unit Owners as a Residential Common Expense, if involving structural or extraordinary maintenance, repair or replacement, (except if necessitated by the negligent act or omission of the Unit Owner) or (ii) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating, and non-structural ordinary maintenance, repairs and replacement (including the skylight located in the PH Unit).

In addition, all maintenance and repairs to the reflecting pool located on the PH Terrace, including the pool liner, electrical and mechanical equipment, as well as all pipes servicing the reflecting pool, shall be performed by the Owner of the PH Unit, at such Residential Unit Owner's sole cost and expense.

Any Residential Unit Owner having access to a Terrace shall keep such Terrace free of snow, ice and accumulation of water. In order to promote a consistent appearance of the Building from the outside, no Residential Unit Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Residential Unit in such a way that will alter the conformity of the Building, without the prior written approval of the Condominium Board. Additionally, the type, size and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior written approval of the Condominium Board and shall be in compliance with Law.

The exterior and interior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and are to be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Unit Owner thereof at the sole cost and expense of the Unit Owner (unless such breakage is caused by 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 Condominium Board or such Unit Owner), including the expense of an exterior hoist if the replacement window does not fit into the service elevator. Notwithstanding the foregoing, prior to the replacement of any glass window the Unit Owner must obtain the prior written approval of the Condominium Board, with respect to the type of replacement windows installed.

In order to preserve the architectural harmony of the Building, the By-Laws provide that all Residential Unit Owners shall be obligated, regardless of the type of window treatment they use, to provide for a white backing on the window treatment so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance.

If any repairs or replacements to the Common Elements, whether structural or non-structural, ordinary or extraordinary, are either (x) necessitated by the negligence, misuse or abuse of a Unit Owner or such Unit Owner's agents, workers, guests, etc., or (y) required as a result of special or custom work performed in the Unit by the Unit Owner, such maintenance, repairs or replacements will be made by the Condominium Board, and any portion of the cost thereof attributable to such Unit Owner's acts or omissions shall be paid by such Unit Owner.

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof. In the event any Unit Owner fails to keep the Unit in such condition, the Condominium 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 of the Plan entitled "Rights of Access" for details.)

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 the Condominium Board, be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof pursuant to the Condominium Documents.

Alterations, Additions and Improvements of Units and Common Elements

No Residential Unit Owner may make any Structural Alteration, addition, improvement or repair in or to the Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior written approval of the Condominium Board but, as more fully set forth in the By-Laws, this provision does not apply to an Unsold Residential Unit. Except as otherwise permitted in the By-Laws, no Residential Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the Condominium Board.

To the extent that any alterations are commenced in a Unit by a Residential Unit Owner prior to Sponsor's completion of any unfinished work Sponsor agreed to perform after the Closing of the Unit, Sponsor shall be relieved of completing all such work.

The Retail Unit Owner and its Permitted Users, shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or representatives of holders of mortgages on Units to make alterations, additions, improvements, or repairs in or to the interior portions of the Retail Unit, provided that such alterations, additions, improvements or repairs are in compliance with Law and the terms of the Declaration and By-Laws, and provided that any Structural Alterations and the subdivision and/or combination of such Retail Unit, may not be undertaken without receiving the prior written approval of the Condominium Board;

Prior to, and as a condition of, the granting of its consent to the making of a Structural Alteration, addition, improvement or repair in or to a Residential Unit, or its appurtenant Residential Limited Common Elements each Residential Unit Owner is required by the By-Laws to (i) obtain the written approval of the Condominium Board, (ii) obtain the written approval of the Condominium Board of the Unit Owner's contractors and suppliers, (iii) obtain such insurance as the Condominium Board may require, (iv) agree to indemnify Sponsor, the Condominium Board, Managing Agent and the other Unit Owners against any liability arising from such alterations, additions, improvements or repairs, (v) agree to pay and reimburse the Condominium Board for all architectural, engineering, legal and other fees incurred in connection with such alterations, additions, improvements or repairs, (vi) execute and enter into an alteration agreement, in form and substance prepared by the Condominium Board, setting forth the terms and conditions under which such alterations, additions, improvements or repairs, may be made, including without limitation, the days and hours during which any work may be performed, and (vii) agree to pay a fee to the Managing Agent for processing such alteration applications. In connection with such alterations, additions, improvements and/or repairs, each Residential Unit Owner shall employ only such laborers and other workers as shall not conflict with any other workers employed in the Building or otherwise cause disharmony with any Building service union as determined by the Condominium Board in its sole and absolute discretion. Residential Unit Owners shall not be permitted to engage any Building staff or any contractors or sub-contractors engaged by either the Condominium Board or Sponsor unless expressly agreed to in writing by the Condominium Board or Sponsor unless expressly agreed to in writing by the Condominium Board or Sponsor. Under no circumstances shall a Residential Unit Owner be allowed to commence any work until all of the conditions set forth above have been complied with. Any failure to meet these conditions shall be a default by Residential Unit Owner under the Condominium Documents.

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.

No application or other document shall be filed with any governmental authority for a permit covering an addition, alteration, improvement or repair to be made in a Unit, unless approved and executed, if necessary, by the Condominium Board. 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

Structural Alterations, additions, improvements or repairs, provided that the Condominium Board and the Residential Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to any contractor, subcontractor, materialperson, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Residential Unit, or the Retail Unit provided any alteration to such Unsold Residential Unit or Retail Unit shall be in accordance with, and only as permitted by, the Condominium Act and Law.

Insurance

The Condominium Board is required to obtain and maintain the forms of insurance described in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." The Condominium Board is not required to obtain or maintain any insurance with respect to any property contained in any Unit or any liability with respect to occurrences in or about each Unit or its Residential Limited Common Elements. Consequently, all Unit Owners are required to obtain casualty insurance with respect to the Unit, including, without limitation, the flooring, fixtures, furniture, furnishings and personal property located within the Unit, any Residential Limited Common Elements appurtenant thereto, and liability insurance with respect to occurrences in or about the Unit, any Residential Limited Common Elements appurtenant thereto. In addition, the Owner of the PH Unit will be required to deliver at closing insurance covering the reflecting pool located on the PH Terrace in such amounts as shall be determined by the Condominium Board. All such certificates of insurance shall name the Condominium Board, the Condominium and Sponsor as additional insureds and shall be delivered to the Condominium at the Closing of Title to the Unit. All such policies shall contain waivers of subrogation, if available, and the liability of the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of such additional insurance carried by any Unit Owner.

Rights of Access

As more fully set forth in the By-Laws, the Condominium Board and any Managing Agent, manager, and other persons authorized by the Condominium Board, will have a right of access to any Unit and Storage Room for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit and Storage Room or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit Storage Room and threatening another Unit or any Common Element or Storage Room, 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 occupants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Condominium Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements (including Storage Rooms) for purposes of performing certain alterations and repairs in or about Unsold Residential Units or Non-Residential Unit or Storage Rooms and in fulfilling Sponsor's obligations under the Plan, provided that access to any Unit or Storage Room may not be exercised in such a manner as will unreasonably interfere with the use of such Unit or Storage Room for its permitted purposes.

Compliance with Condominium Documents

Each Unit Owner must strictly comply with the provisions of the Condominium Documents. 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 Residential Rules and Regulations, will be recorded with the Declaration in the Register's Office.

Examination of Books and Records

Each Unit Owner and each mortgagee of a Unit shall be permitted upon prior request, to examine the books of account of the Condominium and other records of the Condominium during normal business hours on business days at the office of the Condominium or the Managing Agent.

Self-Help

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

General

All restrictions and prohibitions, set forth herein with regard to the use of a Residential Unit and its appurtenant Residential Limited Common Elements shall not apply to Sponsor or any principal of Sponsor owning or leasing such Residential Unit.

Purchasers should refer to the Section of the Plan entitled "Retail Unit" for a summary of additional rights and obligations of the Retail Unit Owner.

RIGHTS AND OBLIGATIONS OF THE CONDOMINIUM BOARD/ SUMMARY OF BY-LAWS

Condominium Board

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor (collectively, the "Members"). The Condominium Board will call the First Annual Meeting to elect a new Condominium Board approximately 30 days after the later to occur of (i) the second anniversary of the First Closing or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% in number of all Residential Units offered for sale. At such meeting, the incumbent Condominium Board shall resign and, subject to the rights of Sponsor and the Retail Unit Owner to designate members of the Condominium Board, the Residential Unit Owners (including Sponsor) shall elect and/or or designate a new Condominium Board consisting of four (4) members. (See the subsection below entitled "Meetings and Votes of Unit Owners" and the Section of the Plan entitled "Control by Sponsor" for details.) Thereafter, at each annual meeting, members of the Condominium Board shall be elected and/or designated and shall serve until the next annual meeting thereof and until a successor has been elected and/or designated.

Except for the Members of Condominium Board designated by Sponsor and/or the Retail Unit Owner, all Members of the Condominium Board must be either Residential Unit Owners or certain interested parties as described in the By-Laws. No member of the Condominium Board shall continue to serve on the Condominium Board if, during such members term of office, such member shall cease to be a Residential Unit Owner or an interested party. All Members of the Condominium Board shall serve without compensation.

Powers and Duties of and Determinations by the Condominium Board

The Condominium Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. Generally, all determinations with respect to the administration of the affairs of the Condominium shall be made by the Condominium Board.

As more fully set forth in the By-Laws, all determinations required to be made by the Condominium Board shall be by majority of the votes cast at any meeting at which a quorum is present.

Notwithstanding anything to the contrary contained herein, so long as Sponsor continues to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent: (a) make any addition, alteration, or improvement to the Common Elements or to any Unit; (b) assess any Common Charges or Special Assessment for the creation of, addition to, or replacement of, all or part of a working capital, reserve, contingency, or surplus fund; (c) increase or decrease the number, or change the kind of employees from that described in the First Year's Budget; (d) enter into any service or maintenance contract for work or otherwise contract for work or services in excess of those set forth in the First Year's Budget, except as is required to reflect normal annual increases in operating services; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services or facilities or any line items set forth in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such action is necessary, and no alternatives is available, to enable the Condominium Board to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer; or (iv) to ensure the health and safety of the occupants of the Building.

Meetings and Votes of Unit Owners

Annual meetings of Unit Owners shall be held within approximately 30 days of each anniversary of the First Annual Meeting. At such meetings, the Residential Unit Owners shall elect the three (3) Residential Members to the Condominium Board, subject to any rights of Sponsor to designate Residential Members to the Condominium Board, and there shall also be transacted such other business as may properly come before such meetings. One (1) member of the Condominium Board shall be designated by the Retail Unit Owner. In addition, the President may call a special meeting whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such meeting signed by Unit Owners having in aggregate not less than 40% of the total Common Interest. The Secretary of the Condominium Board shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice, which will be given at least 10 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 40% of the total Residential Common Interests 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.

At all meetings, each Unit Owner (or their proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit.

Officers

The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Condominium Board. The Condominium Board may appoint additional officers. None of the officers of the Condominium need be Unit Owners or have any interest therein or be Condominium Board members until the first organizational meeting of the Condominium Board following the First Annual Meeting. Thereafter, the President and Vice President must be members of the Condominium Board. No officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Condominium are to be executed by any officer thereof or by such other person or persons as may be designated by the Condominium Board.

Repair or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Condominium Board will, except as set forth below, arrange for the prompt repair and restoration thereof (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit).

If the Building 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 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 the 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.

If 75% or more of the Building is destroyed or substantially damaged by fire or other casualty and if 75% or more in Common Interest of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for

partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of the Unit Owner's share of such funds such amounts as may be necessary to discharge all unpaid liens on the Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. Any action to terminate the legal status of the Condominium after substantial destruction or a Taking shall require the written consent (which consent shall not be unreasonably withheld or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

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 Condominium Board 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 a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

The Condominium Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent obtainable and to the extent determined by the Condominium Board to be appropriate, the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, and all Unit Owners and 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); (b) rent insurance in an amount equal to General Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all the Condominium Board and all officers, directors and employees of the Condominium; (i) directors and officers liability coverage; and (j) such other insurance as the Condominium Board may determine.

The fire insurance 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 described in the By-Laws.

The amount of fire insurance and all risk extended coverage to be maintained until the first Condominium Board meeting following the First Annual Meeting shall be in at least the sum set forth in the First Year's Budget.

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 cancelled or substantially modified without at least 30 days' prior written notice to the Condominium Board and to all of the insureds, including all Unit Owners and Permitted Mortgagees who have requested the same from the Condominium Board in writing. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees, who have requested the same from the Condominium Board in writing. Renewals shall be obtained at least 10 days prior to the expiration of the then current policies.

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Condominium Board may from time to time determine, covering (1) the Condominium Board, Managing Agent or agents thereof, each Condominium Board member and each officer and employee of the Condominium, and (2) each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owners Unit or within the Common Elements, if any, exclusive to such Unit Owners Unit. 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, 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.

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

All Unit Owners are required to obtain casualty and liability insurance for their own benefit covering their Units, any Residential Limited Common Element appurtenant thereto, including Storage Rooms. All such policies shall contain waivers of subrogation, if available, and the liability of the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of such additional insurance carried by any Unit Owner.

Liability of the Condominium Board and Unit Owners

Every contract made by the Condominium Board or by any Managing Agent or manager thereof shall state that (a) it is made only as agent for all Unit Owners and the members of the Condominium Board, Managing Agent or manager thereof shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contract shall be limited to such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners. To the extent permitted by Law, the members of the Condominium Board shall have no liability to Unit Owners except that a member of the Condominium Board shall be liable for such members own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each member of the Condominium Board against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Condominium Board may contract or effect any transaction with any member of the Condominium Board, any Unit Owner, Sponsor, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

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 Condominium Board to all Unit Owners approximately 4 months after the end of each fiscal year.

Amendments to Condominium Documents

Generally, subject to certain exceptions concerning, among other things, Sponsor and the Retail Unit Owner , and provided that required consents of the Mortgage Representatives, if any, are obtained (if applicable), any provision of the Declaration, By-Laws or Residential Rules and Regulations affecting the (i) General Common Elements or all Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66 2/3% in number and in Common Interest of all Unit Owners, and (ii) the Residential Common Elements or all Residential Unit Owners may be amended, modified, added to or

deleted by the affirmative vote of at least 66 2/3% in number and Residential Common Interest of all Residential 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.

No amendment, modification, addition or deletion of the Declaration, By-Laws or Residential Rules and Regulations, other than those required by Law, shall be effective (a) against Sponsor or any Unsold Unit unless Sponsor has given its written consent thereto, or (b) against the holder of any mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto, or (c) against any Retail Unit Owner and/or any Retail Unit without the prior written consent of the affected Retail Unit Owner.

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 the Retail Unit Owner and at least 80% in number and in Residential Common Interest of all Residential Unit Owners. Such vote shall not be effective, however, without the written consent (which consent shall not be unreasonably withheld or delayed) of the Permitted Mortgagees representing at lease fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

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 the Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

Residential Units Acquired by Condominium Board

All Residential Units acquired or leased by the Condominium Board or its designee shall be held by the Condominium Board, or its designee, on behalf of all Residential Unit Owners and the rent or Purchase Price, closing costs and adjustments payable in connection therewith shall be assessed against all Residential Unit Owners. No Residential Units held by the Condominium Board shall carry any voting rights.

The purchase of any Residential Unit by the Condominium Board on behalf of the Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Condominium Board. If the funds in such account are insufficient to effectuate any such purchase, the Condominium Board may levy an assessment against each Residential Unit Owner in proportion to the Common Interest, as a Common Charge and/or the Condominium Board may, in its discretion, 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 Unit to be purchased together with its Common Interests.

Procedure to Review Real Estate Tax Assessments

The Condominium 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 the Residential Unit reduced by bringing a separate certiorari proceeding, the Condominium 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 Condominium Board from all claims, costs and expenses (including, without limitation, attorneys' fees and costs) resulting from such proceedings.

Mechanics' Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners affected thereby. Liens may arise or be created against only the several 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 Common Elements shall be the basis for a lien thereon but all Common Charges received by the Condominium Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Condominium Board or Managing Agent for the Common Elements.

Easements

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 Condominium Board. 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 their appurtenant Residential Limited Common Elements and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In addition, as set forth in Articles 10 and 11 of the Declaration, Sponsor and the Retail Unit Owner have been granted certain easements with respect to the use and operation of their respective Units.

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

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.

INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

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 income tax opinion of Olshan Frome Wolosky LLP, tax counsel to Sponsor ("Tax Counsel"), a copy of which is set forth in Part II of the Plan.

TAX COUNSEL IS COUNSEL TO SPONSOR AND NOT THE RESIDENTIAL UNIT OWNERS. EACH PURCHASER SHOULD CONSULT PURCHASER'S OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF RESIDENTIAL UNIT OWNERSHIP UNDER THE PLAN.

Income Tax Deductions to Residential Unit Owners

Each Residential Unit Owner will own fee simple title to the Residential Unit together with an undivided interest in the Common Elements. Each Residential Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. As a result, each Residential Unit Owner will be individually liable for the real estate taxes and assessments levied against the Residential Unit. Additionally, each Residential Unit Owner may mortgage the Residential Unit, and thereby become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Tax Counsel that a Residential Unit Owner who uses the Residential Unit as a personal residence 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 deductions, if applicable, may vary in future years due to changes in the interest rate or the Residential Unit Owner's mortgage or from changes in the allocation of the 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. Purchasers who are individuals should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire, construct or substantially improve a principal or second residence (or which constitutes a refinancing of such debt) (up to a total indebtedness of $1 million, $500,000 for married tax payers filing separately) 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 these limitations would not be deductible. In addition, Residential Unit Owners should note that special limitations may apply to the deductibility of points and prepaid interest, if any, on their mortgage loans and to the overall allowance of itemized deductions.

Tax Status of the Condominium

As discussed in the Attorney's Income Tax Opinion, the Condominium should meet the requirements for qualification as a "homeowners association," under Internal Revenue Code Section 528 and accordingly, may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from 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 interest earned on any reserve fund (less expenses directly connected with the production of such income).

If the Condominium does not qualify as a "homeowners association," or if it does but chooses not to make the necessary election, it will be taxable as a partnership or corporation for Federal and New York State

income tax purposes. Tax Counsel recommends that the Condominium file Form 8832 within 75 days of its formation so it will be taxable as a corporation for federal income tax purposes.

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.

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 Tax Counsel bases its opinion, will not change. In addition, none of the aforesaid give any warranties with respect to the tax consequences of the Plan or the tax consequences of ownership of any Residential Units offered under the Plan, and no one has been authorized to give any warranties.

REAL ESTATE TAXES

Prospective purchasers are advised to review Footnote (6) of "Schedule A – Purchase Prices of Units and Related Information" for details concerning real estate taxes for the First Year of Condominium Operation. The information contained therein is based on the real estate tax projection opinion prepared by Marcus & Pollack set forth in Part II of the Plan.

It is estimated that the aggregate real estate taxes payable with respect to all Units for the First Year of Condominium Operation will be approximately $296,953 assuming (a) an estimated assessed valuation for the Property of $2,252,890 for fiscal year 2014/2015 reflecting a building in the course of renovation, based on the real estate tax projection opinion prepared by Marcus & Pollack dated January 22, 2013 set forth in Part II of the Plan, and (b) estimated tax rates of 13.181% for 2014/2015; the specified tax rate is applied per $100 of assessed valuation. Purchasers should note that once the Building is assessed as being fully constructed, it is estimated that the real estate taxes for the Units for 2015/2016 will total approximately $334,485 assuming no change in the above-listed tax rates or assessments.

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. This overall assessment is then apportioned among the respective Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Floor Plans are filed with the Register's Office. For purposes of Schedule A, the projected real estate taxes for the Units were based on Common Interest percentages. It is possible that the apportionment will be based in part upon the proportion the projected selling price presented in the Plan for each Unit bears to the gross sellout price for all Units available for purchase in the Condominium and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units. There is no assurance that the City of New York tax assessor will allocate taxes among Units based upon Common Interest percentages.

At such time as the Units have been separately assessed for real estate tax purposes, 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 subjected to, any lien arising from the non-payment of real estate taxes assessed against other Units.

Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, apportionment or taxes among the Units and tax rates, when actually established by the City of New York, may be lesser or greater. Accordingly, these estimates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or the actual real estate taxes to be assessed. In no event will Sponsor, Tax Counsel, Real Estate Tax Counsel or Selling Agent be liable to any Purchaser nor will any Purchaser have the right to rescind the Purchase Agreement if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater than that projected herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. Please refer to the Section of the Plan entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium" for more details.

The Unit Power of Attorney which each Purchaser shall be required to sign at Closing, the form of which is set forth in Part II of the Plan, authorizes the Condominium Board to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to the Residential Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate, in accordance with Section 2.4(A)(xxiii) of the By-Laws.

As of the Filing Date of the Plan, there are no tax certiorari proceedings pending for the reduction of real estate taxes with respect to the Property for the 2013/2014 tax year.

WORKING CAPITAL FUND AND APPORTIONMENTS

Each Purchaser of a Residential Unit shall be required to make a non-refundable contribution at the Closing to the working capital fund of the Condominium ("Working Capital Fund") in an amount equal to two month's Common Charges with respect to the Residential Unit based on the Condominium budget in effect at the time of Closing. The payment of the Working Capital Fund contribution shall be required of all Purchasers of Residential Units, whether purchased from Sponsor or on a resale.

At or subsequent to the First Closing, Sponsor will apportion with the Condominium the following items as of midnight of the day preceding the First Closing, to the extent applicable:

(1) employees' wages, vacation and severance pay, pension and welfare benefits and accruals and all other payments or obligations relative to the employees of the Condominium.

(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 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) janitorial service fees, if any.

(10) management fees.

(11) building supplies (including, but not limited, to uniforms, cleaning supplies, carts, luggage).

(12) other customary closing adjustments.

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 set forth above, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and the other matters mentioned above.

If the result of the Closing adjustments is a net credit in favor of the Condominium, Sponsor will contribute the amount of such net credit to the Working Capital Fund. If the result of the Closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be evidenced by an unsecured, negotiable promissory note, without interest, to be executed by the Condominium Board and delivered to Sponsor at the First Closing to be repaid on the first anniversary of the First Closing. The promissory note may be prepaid by the Condominium in full at any time, or in part from time to time, without penalty.

The Working Capital Fund will be used for working capital, a reserve for repairs or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented by allocations from the monthly Common Charges. While Sponsor controls the Condominium Board, the

Working Capital Fund will not be used to reduce Common Charges. (See the Section of the Plan entitled "Control By Sponsor" for details.)

The Condominium Board will be able to utilize the funds 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 Common Charges attributable to Unsold Residential Units.

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, including repairs, replacements or major improvements, for the first or any subsequent year of Condominium operation. If additional funds are required over and above the Working Capital Fund to cover expenses of the Building operation, it may be necessary to increase Common Charges or make Special Assessments. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

RESERVE FUND

No provision has been made to establish a reserve fund for capital replacements or repairs, because the Building, upon completion of the substantial renovation to be performed by Sponsor will be predominantly new construction. While Sponsor does not anticipate the imminent need for capital repairs, replacements and/or improvements, no warranty or guaranty is given that such needs will not arise in the future. Therefore, Unit Owners will be obligated to pay their share of the cost of repairs, replacements and/or improvements to the Common Elements as the need for such arises, unless there are sufficient Working Capital Funds or other funds available. The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by Special Assessment or by increases in Common Charges.

MANAGEMENT AGREEMENT

At the First Closing, Sponsor will assign, and the Condominium Board will assume, the Management Agreement for the Condominium between Sponsor and Douglas Elliman Property Management ("Managing Agent"), having an office at 675 Third Avenue, New York, New York 10017 ("Management Agreement"). Sponsor may, in the alternative, have the Condominium Board enter into the Management Agreement directly with Managing Agent.

The Management Agreement will provide for an initial term of two years commencing on the date of the First Closing ("Commencement Date"). Thereafter, the Management Agreement will be automatically renewed from year to year, but may be cancelled by either party without cause, upon not less than 60 day's prior written notice.

Managing Agent will receive an annual fee, payable in equal monthly installments during the term of the Management Agreement as follows: $30,000 in year one, $35,000 in year two per annum. The management fee is comparable to the rate for similar services in comparable buildings. In addition, for services rendered to Residential Unit Owners (other than Sponsor), in connection with processing applications to (i) sell, lease or otherwise transfer Residential Units and obtaining necessary waivers of the right of first refusal by the Condominium Board, (ii) mortgage or refinance of an existing mortgage on a Residential Unit and (iii) alter or renovate a Residential Unit, Managing Agent shall receive a fee from the Residential Unit Owner in such amounts as shall be determined, time to time, by the Condominium Board.

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

(1) billing and collecting Common Charges.

(2) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board.

(3) contracting for necessary services and repairs and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements.

(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, discharging and paying employees necessary for the proper maintenance and operation of the Building.

(6) rendering monthly statements of receipts and disbursements to Sponsor 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 meetings of the Condominium Board and Unit Owners, and preparing agendas and sending notices relating to such meetings.

(11) causing to be obtained and maintained insurance for the Condominium in amounts deemed advisable by the Condominium Board.

(12) processing applications of Unit Owners for permission to alter the Residential Units.

(13) processing applications for waivers of the right of first refusal.

(14) generally, doing all things deemed reasonably necessary or desirable by the Condominium Board for the proper management of the Building.

Managing Agent, at the expense of the Condominium, will be insured during the term of the Management Agreement under a fidelity insurance policy in favor of the Condominium for any loss resulting from fraudulent or dishonest acts committed by Managing Agent, its directors, officers or employees.

The Management Agreement provides that the Condominium Board shall indemnify Managing Agent with respect to claims in connection with Managing Agent's carrying out the provisions of the Management Agreement or acting under the express or implied directions of the Condominium Board, unless arising from the gross negligence, bad faith or willful misconduct of Managing Agent in carrying out its duties.

Sponsor reserves the right during the Initial Control Period to designate any other reputable managing agent to perform all of the duties and services to be performed by Managing Agent under the Plan and if Sponsor does so, Sponsor will cause such other managing agent to accept employment on terms substantially similar to the terms specified above. The Management Agreement may not be assigned by Managing Agent without the prior written consent of the Condominium Board. The Condominium Board may not assign the Management Agreement.

There are presently no contracts or leases binding on the Condominium.

IDENTITY OF PARTIES

Sponsor

Harrison Street Residences LLC is a limited liability company organized under the laws of the State of Delaware, with an office at 7 Harrison Street, New York, New York 10013 ("Sponsor"). The entity comprising Sponsor actively involved in this offering is Matrix Harrison LLC.

The principals of Sponsor who will be actively involved in this offering are Scott Sabbagh. Sean Zalka, Shane Neuringer, Doug Bowen and Bohdy Hedgcock.

Scott Sabbagh is the owner of Matrix Development, LLC, a developer of predominately luxury housing in New York City since 1988. Prior to founding Matrix Development, Mr. Sabbagh was Senior Vice President of Real Estate for Global Crossing, Ltd. Prior to joining Global Crossing, Mr. Sabbagh was Director of Development for Colony Capital LLC., which included the oversight of Colony's operating partners and management of principal developments undertaken by the firm. Mr. Sabbagh is a trustee of Grace Church School.

Sean Zalka is a principal of Matrix Harrison LLC, the managing member of the Sponsor. Mr. Zalka is also a co-founder and managing principal of GRC Realty Capital, LLC, a private real estate finance company based in New York City. Prior to his role in GRC, Mr. Zalka was a co-founder and principal of Matrix Real Estate Advisors LLC, a real estate investment and advisory firm focused on distressed debt acquisitions and recapitalizations, as well as providing advisory services to institutional investors in distressed debt and banks. Mr. Zalka earned a master's degree in real estate finance from New York University.

Shane Neuringer has over 16 years of real estate acquisitions, finance, development and asset management experience and has been involved in over $3 billion worth of residential and commercial acquisitions and development projects nationally with a primary focus in New York City. Mr. Neuringer has held senior positions at some of the top real estate development and investment firms based in Manhattan. Mr. Neuringer holds a M.S. in real estate investment and development from New York University and received his B.A. from the University of Colorado at Boulder.

Doug Bowen is an equity partner and Managing Director of Clarion Partners, a real estate investment management firm with more than $25 billion in assets under management. Doug is also a member of the Firm's Investment Committee. During his 27 years at the Firm, Doug has managed both separate accounts and funds (Clarion Development Ventures). Earlier in his career, he was responsible the acquisition and portfolio management of properties totaling approximately $5.0 billion. He joined Clarion Partners in 1986 and began working in the real estate industry in 1982. He earned a B.S. from Lafayette College and a M.S.I.A. (MBA) degree from Carnegie Mellon University.

Bohdy Hedgcock is a Vice President with Clarion Partners, a real estate investment management firm with more than $25 billion in assets under management. He joined the firm in 2007. Prior to Clarion, he worked as a real estate consultant and urban planner beginning in 2001. He earned a B.A. from Southwestern University, a M.U.R.P (Urban Planning) from the University of Colorado, and a M.S.R.E (Real Estate) from New York University.

Prior Offerings

There have been no prior offerings of Sponsor or its principals which were initially offered during the past five years.

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

Sponsor and those principals of Sponsor who reside outside of the State of New York have designated the Secretary of State for service of process.

Attorneys for Sponsor

Sponsor has retained the law firm of Starr Associates LLP, having an office at 245 Fifth Avenue, Suite 1102, New York, New York 10016 to represent it in connection with the Plan and to serve as Escrow Agent. Allan Starr, Esq. participated in and supervised the preparation of the Plan. Starr Associates LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to the sale and closing of Residential Units.

Sponsor has retained the law firm of Starr Associates LLPS having an office at 245 Fifth Avenue, Suite 1102, New York, New York 10016 to represent it in connection with matters relating to Closings.

Sponsor has retained the law firm of Olshan Frome Wolosky LLP, having an office at Park Avenue Tower, 65 East 55th Street, New York, New York 10022 to prepare the Income Tax Opinion for the Condominium and Unit Owners under the direction of Warren Gleicher.

Sponsor has retained the law firm of Marcus & Pollack, having an office at 708 3rd Avenue, 11th Floor, New York, New York 10017, to provide the Real Estate Tax Opinion set forth in Part II of the Plan.

Selling Agent

Selling Agent for the Condominium will be Douglas Elliman, having an address at 26 West 17th Street, New York, New York 10011. Selling Agent is a licensed real estate broker whose principals have been engaged in the sale of real estate for many years.

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 15years prior to the submission of the Plan.

Managing Agent

Managing Agent for the Condominium will be Douglas Elliman Property Management, having an office at 675 Third Avenue, New York, New York 10017. Managing Agent is licensed as a real estate brokerage firm in the State of New York, and has been involved in the management of a significant number of cooperatives, condominiums and rental properties in the greater New York metropolitan area, consisting of approximately 250 properties containing approximately 42,000 residential units. Douglas Elliman Management and its predecessors have been engaged in the management of cooperatives, condominiums and rental properties for more than 20 years.

There have been no prior felony convictions of Managing Agent, or any principals of Managing Agent, and no prior convictions, injunctions and judgments against Managing Agent, or any principals of Managing Agent that may be material to the Plan or any offering of securities generally that occurred within 15years prior to the submission of the Plan.

Construction Professionals

Sponsor has retained the following professionals in connection with the construction of the Building:

a) Architect of Record

DXA Studio, having an office at 350 Broadway, Suite 708 New York, New York 10013 is the architect of record for the Building ("Architect"). The Architect prepared the Floor Plans of Units set forth in Part II of the Plan and the Floor Plans which will be filed with the New York City Real Property Assessment Department required in order to create the Condominium. Architect has also examined the physical condition of the Building and has rendered its report thereof and a Certification which is set forth in Part II of the Plan. Architect has been providing architectural services for 3 years, while the careers of principals Jordan Rogove and Wayne Norbeck collectively span 25 years, including senior positions at Morris Adjmi Architects and Gluckman Mayner Architects. Architect's experience include a mixed-use, residential project at 21-27 Mercer Street, as well as large-scale public spaces including the Prudential Center in Newark, New Jersey, neighborhood scale projects like the High Line Building, as well as sustainable and health-focused housing, exemplified by an award-winning project under construction in St. Marc, Haiti.

b) Design Architect

Steven Harris Architects LLP having an office at 50 Warren Street, New York, New York 10007, is the design architect for the Building ("Design Architect"). The Design Architect has been providing architectural services since 1985 and has been the design architect on 54 Bond Street and 560 West 24th Street (under construction). In addition, they have designed over 60 townhouses in New York City, including 92 Jane Street and 26 West 76th Street

c) Structural Engineer

GACE Consulting Engineers PC, having an office at 1 West 27th Street, New York, New York 10001, is the structural engineer for the Building ("Structural Engineer"). The Structural Engineer has been providing structural engineering services since 1979 and was the structural engineer on 200 11th Avenue, 250 West Street and 225 Fifth Avenue

d) Mechanical Engineer

Glickman Engineering Associates, having an office at 545 Eighth Avenue, New York, New York 10018, is the mechanical engineer for the Building. The Mechanical Engineer has been providing engineering services for many years and has been involved with the following buildings: 345 West 14th Street, New York, New York; 75 Clinton Street, Brooklyn, New York; 50 Franklin Street, New York, New York; 82-84 Bedford Street, New York, New York; One Fulton Square Condominium, Flushing, New York.

Condominium Budget Expert

Sponsor has engaged Douglas Elliman Property Management, having an address at 675 Third Avenue, New York, New York 10017, as Sponsor's Budget Expert. The Budget Expert estimated all amounts of income and expenses in "Schedule B - Estimated Budget for Projected First Year of Condominium Operation" in consultation with Sponsor. The Budget Expert has rendered a certification as to

the adequacy of the First Year's Budget and a certification as to the adequacy of the Common Charges payable by the Retail Unit Owner, which may be found in Part II of the Plan.

Title Company

Fidelity National Title, having an office at 1415 Kellum Place, Garden City, 11530, phone: (516) 394-5118, facsimile: (516) 741-5363, has reviewed the Plan and the Condominium Documents and has committed to insure that a valid condominium will be created pursuant to the Condominium Act and is prepared to issue fee and/or mortgage title insurance policies to those Purchasers who request them. A form of Residential Unit Owner's Specimen Title Policy, if title insurance is ordered from the Title Company is set forth in Part II of the Plan.

Related Parties

Sponsor and its principals have no affiliation with Selling Agent, Managing Agent, Sponsor's Attorneys, the Architects/Engineers or the Budget Expert, the Construction Professionals, or any person or firm who will provide services to the Condominium subsequent to the First Closing. Neither the Condominium Budget Expert, the Construction Professionals nor the Attorneys have any financial interest in the Property, the Units, the Condominium, or this offering, except for their fees for services rendered.

No Pre-Sales

Neither Sponsor nor its principals have entered into contracts or agreements, written or oral, or accepted any Deposits or advances of funds for the purchase of Units as of the Filing Date of the Plan.

REPORTS TO UNIT OWNERS

It is the obligation of the Condominium Board to give all Unit Owners annually:

1. A financial statement of the Condominium prepared by a certified public accountant or public accountant, within approximately 120 days after the end of each fiscal year of the Condominium. Such statement shall be certified while Sponsor is in control of the Condominium Board.

2. At least 30 days' prior notice of the annual Unit Owners' meeting.

3. A copy of the proposed annual budget of the Condominium at least 30 days prior to the date set for adoption thereof by the Condominium Board. While Sponsor is in control of the Condominium Board, such budget shall be certified in compliance with Section 20.4 of the Regulations of the Department of Law.

DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan, all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan shall be kept on file and available for inspection by Purchasers and their attorneys without charge, and for copying at a reasonable charge, at Sponsor's office for a period of 6 years after the First Closing. In addition, a set of 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 in the Register's Office following the recording of the Declaration, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in the Register's Office in advance of or concurrently with the First Closing. The recording of all deeds conveying individual Units will also be recorded in the Register's Office.

GENERAL

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. Copies are contained in Part II of the Plan of the forms of Declaration, By-Laws, Purchase Agreement, Unit Deed, Power of Attorney and other documents (which forms may be revised prior to their recordation or the First Closing, as applicable). Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to in the Plan, copies of which are on file with Sponsor, are not necessarily 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.

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 Units, the Property, the Condominium or the operation thereof, which are not covered by insurance.

Since the Building involves substantial renovation there are neither commercial nor residential tenants occupying the Building as of the date of the Plan.

No party other than 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.

Sponsor reserves the right, from time to time prior to the First Closing, 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 and Purchasers. However, Sponsor may not unilaterally cancel a Purchase 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 Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a substantial amendment to the Plan that materially and adversely affects Purchasers, except as otherwise provided herein, Purchasers will have a right of rescission which may only be exercised within 15 days from the Presentation Date of such amendment. Sponsor shall promptly return any Deposit, together with any interest earned thereon to Purchasers who rescind, except that Sponsor shall retain the Deposit of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period.

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 Residential Units because of such person's race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

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

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

The Property has not been the subject of a prior public offering.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the "Description of Property and Improvements" set forth in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Building except as set forth in the Description of Property and Improvements or as contemplated to be made as described therein.

Under applicable Federal and local law, lead-based paint can no longer be used in the construction of a building. 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. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of the 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 Option Agreement, Purchasers have the right to inspect their Units for the presence of lead-based paint.

PART II

CONDOMINIUM OFFERING PLAN

7 HARRISON STREET CONDOMINIUM
7 HARRISON STREET
NEW YORK, NEW YORK 10013

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

DESCRIPTION OF THE PROPERTY AND SPECIFICATIONS

September 13, 2013

7 Harrison Street
New York, New York 10013

A. Location and Use of Property:

1. Address:	7 Harrison Street New York, New York 10013
2. Block / Lot Number:	Block 180 Lot 29
3. Zoning:	TMU - Tribeca Mixed Use District: Area A-1 C6-2A District Property complies with all zoning and use requirements
4. Permissible Uses:	Use Groups 1-12 as per New York City Zoning Resolution, which permits residential, community, and commercial facility uses.
5. Permits:	New York City Department of Buildings issued Building Permit 102956785 (Transfer the information from previously approved Alt #1382/88 as per PPN #4/00. Change use from warehouse to loft dwelling. Install partitions, plumbing, etc.) 104367007 (Filing for the mechanical ventilation.) 110101185 (Demolish and construct interior partitions and finishes for sales office) 120494474 (Build new street light foundation in the same location of existing foundation in the vault inside basement for the street light pole at the corner of the property.) 102956785 (Post approval amendment for 01) 121045573 (Installation of automatic smoke detection & sprinkler fire alarm system.) 121043780 (Installation of sprinkler and standpipe system throughout building.) 121094902 (Removal of sprinkler heads and conversion of existing sprinkler riser to temporary dry standpipe riser.) 102956785 (Post approval amendment for 01) 121116096 (Structural framing of all floors and foundation for new elevator pit, ejection pit and sump pit.) 102956785-01-AL (Alt Type 1 -Change Use) 102956785-01-PL (Alt Type 1 -Change Use) and based on plans dated May 16, 2012 prepared by DXA Studio, LLC. DOB drawings will be amended and approved to match OP book plans in a future post approval amendment.

B. Status of Construction:

1. Year built:	The original masonry exterior walls, which will remain, from the cellar through the 7th floor, were built in 1893. New portions of the building are currently under construction. See Section B.6 for current condition.

2. Class of Construction:

Construction Classification Type III . Class III is non-fireproof construction made of incombustible materials or assemblies of materials inadequate to meet the fire resistive rating required of Class I or Class II.

3. Certificate of Occupancy:

There is presently no Certificate of Occupancy on file for this address.
The Building previously contained twenty-four apartments, twenty-one of which qualified as Interim Multiple Dwellings ("IMDs") subject to the provisions of the New York City Loft Law under the jurisdiction of the Loft Board. Pursuant to Sponsor's substantial renovation of the Building which was vacant, the IMD apartments have been eliminated and will be replaced by Condominium Units. Upon the issuance of a Permanent Certificate of Occupancy for the Building, Sponsor will apply to the Loft Board for a "final order" to formally remove the Building from the Loft Board's registry of buildings

A Certificate of Occupancy will be applied for following substantial completion in June 2014, which Permanent Certificate of Occupancy will provide for residential and retail use.

Alteration is filed under 1968 New York City Building Code.

4. Description of Work:

The work encompasses the renovation of an existing residential building in a Landmark district to create a condominium consisting of 12 Residential Units and 1 Retail Unit at street level.

Exterior work includes the addition of a roof-top penthouse (eighth floor), bulkheads for stairs and elevator, and mechanical screens, as well as the replacement of windows. Remedial work will be performed on the existing masonry walls. Portions of the existing masonry parapets will be rebuilt.

The interior scope of work includes new composite concrete floors on the third through eighth floors and new sub-flooring on the ground and second floors. Other new elements include finish flooring, stairs, traction elevator, non-load bearing gypsum board partitions, mechanical, electrical, and plumbing fixtures. A new fire alarm and sprinkler system will be installed. Plumbing, mechanical, and electrical systems will be described further in this report.

5. Floor Area

Formerly existing gross floor area : 41, 382 GSF.
Formerly existing Zoning Floor Area : 33,596 sf
Proposed Zoning Floor Area : 33,383.7 sf

Gross Floor Area : 41,382 sf

Cellar: 6567 sf
Ground (Retail): 1831 sf
Ground (Residential): 2756 sf
2nd Flr.: 4105 sf
3rd Flr.: 4745 sf
4th Flr.: 4745 sf
5th Flr.: 4745 sf
6th Flr.: 4745 sf
7th Flr.: 4745 sf
PH : 2398 sf

Mechanical Deductions :1431.3 sf

Cellar: N/A
Ground (Retail): 196.2 sf
Ground (Residential): 39.5 sf
2nd Flr.: 210.8 sf
3rd Flr.: 187.1 sf
4th Flr.: 187.1 sf
5th Flr.: 187.1 sf
6th Flr.: 187.1 sf
7th Flr.: 169.4 sf
PH : 67sf

Zoning Floor Area : 33,383.7 sf

Cellar: N/A
Ground (Retail): 1634.8 sf
Ground (Residential): 2716.5 sf
2nd Flr.: 3894.2 sf
3rd Flr.: 4557.9 sf
4th Flr.: 4557.9 sf
5th Flr.: 4557.9 sf
6th Flr.: 4557.9 sf
7th Flr.: 4575.6 sf
PH : 2331 sf

6. Site Inspection

As of 8/31/2013 Demolition and Structural Steel and Steel Decking has been erected from the Cellar to the roof. Concrete has been poured on the 1st -5th Floors

C. Site:

The site is not within a flood zone per FEMA map c.5/2013.

1. Size:

The size of the lot is approximately 5,098 square feet. Site property dimensions are 100'- 5 1/4" x 50'- 10 1/2"

2. Number of Buildings and Use: The project will consist of one 8 story building including 12 Residential Units on floors Ground through 8 and one Retail Unit on the ground floor. There will be one residential entrance via a lobby on Harrison Street. The secondary entrance is on Staple Street.

3. Streets: The property is abutted by Harrison Street and Staple Street which are owned and maintained by the City of New York.

i. Paving: Staple Street is asphalt topping, Harrison Street is cobblestones. Both adjacent streets are in good condition.

ii. Curbing: The sidewalks adjacent to the property are stone and in good condition with no large cracks, or inconsistencies. There are no curb cuts adjoining the property.

iii. Catch basins, drainage: The streets are pitched to drain through existing cast iron catch basins into the New York City storm water drainage system.

iv. Street lighting: The street lighting will be provided by the City of New York.

v. Conformity with local fire district, town, or municipal building codes: N/A

4. Drives, Sidewalks and Ramps: There are two sidewalks abutting the property at Harrison and Staple Streets. There is a curb ramp at the corner of these streets.

Sidewalks provided access to the building shall be free of tripping hazard & ponding, and the condominium shall be responsible for maintaining the sidewalks per the requirements of DOT. Existing sidewalk to remain complies with DOB and DOT requirements.Sidewalks are ADA compliant.
Sidewalk vaults exist and shall be repaired and maintained per DOT revocable consent.Sidewalks are sloped to drain away from buildings into streets.

D. Utilities:

1. Electricity: The building will be provided with a new incoming service rated at 800A for residential, 400A for house, 200A for the Retail Unit and 200A fire pump of 208V/120V AC, three phase 4 wire 60 hz service. This new service will supply all base building mechanical loads, lighting, and Residential Units. The electricity to each Residential Unit will be direct metered by the local utility. The cost of the electricity consumed for the common elements will be borne by the all Unit Owners as a common expense. The cost of the electricity consumed from heating and air conditioning to the Residential Units will be based upon actual usage.

2. Gas:

Gas will be supplied via an existing low pressure gas main entering below grade from Harrison Street. There will be 4 meter rigs, of which two are for the Retail space, one is for cooking, domestic hot water and the boilers, and the final is for the penthouse. The cost of the gas consumed by the cooking, heating, hot water and the boilers will be borne by all Residential Unit Owners as a Common Expense.

Gas charges are separate; one (1) twin set meter for building domestic water heating and cooking. One (1) meter for the Penthouse apartment only. The Penthouse use of gas is in excess of the other residential units. including additional appliances and a Boiler. There will be two (2) bills for the building gas usage.

3. Water:

Water will be provided by a new New York City DEP 3" domestic water main to Harrison Street. A new backflow preventer and a new pressure booster pump shall be provided. Water for fire protection use will be provided by a new New York City DEP 6" fire service to Harrison Street. A new backflow preventer shall be provided. A new fire and jockey pump set shall be provided to provide for the required pressure. Water usage will be metered in accordance NYCDEP requirements.

4. Telephone / Internet:

The telephone service will enter the building below grade from Harrison Street to a demarcation panel in the cellar Telecom Room. Conduit, wires and NID boxes will be installed for distribution to each Residential Unit. Individual Residential Unit Owners will arrange for service directly with the telephone company, if desired.

5. Cable Television:

The cable television (CATV) service will enter the building below grade from Harrison Street to a demarcation panel in the cellar Telecom Room. Conduit, cable and outlet boxes will be installed for distribution to each Residential Unit. Individual owners will arrange for service directly with the cable television company, if desired.

E. <u>Sub-Soil Conditions:</u>

There is a crack at the south end of the center bearing wall which may be the result of settling and has undergone remedial repairs. No other evidence of movement or settling has been observed.
The two vaults below the sidewalks may leak during heavy rain and therefore appropriate drainage is provided for these spaces.
Floor drains to be installed at vaults for water drainage.
There is a chance of ground water infiltration. Ground water elevation has not been determined at the site. FEMA maps indicated a less than 1% annual chance of flooding which correlates to a moderate to low risk area.

F. Landscaping and Enclosures:

1. Grass cover:	None
2. Planting (type, location):	The ground floor terrace will have Ivy at the west and south garden walls and Wintercreeper at the exposed tree soil. The penthouse terrace will have Ivy at the south garden wall, Boxwoods at the north, east and south parapets, and Wintercreeper at the exposed tree soil.
3. Trees (location):	The Penthouse terrace will include twelve trees of three different varieties suitable to placement in the roof planters.
4. Fencing (type, location):	None
5. Gates (type, location):	None
6. Garden walls (type, location):	The ground floor terrace will have wire trellis "green screen" walls with ivy, at the west and south walls to a height of approximately 20'-0" above the terrace elevation. The portions above 8 feet high will be demountable without the use of tools per NYC zoning and building code requirements for trellises. The penthouse terrace will have wire trellis with ivy on portions of the parapet walls. "Green Screen" walls will be fixed to demountable aluminum channels anchored to structural steel.
7. Retaining walls (type,location):	None
8. Reflecting pools and fountains (location, materials):	The penthouse terrace will have a reflecting pool of approximately 225 square feet along the east parapet. The pool water depth will be 8". The pool will be filled through a hose bib connected to a re-circulating pump. An electric heating element in conjunction with the pump will maintain use of the feature year round. The pool has a drain with threaded plug that will be manually removed to drain the pool as required. Equipment specification is In progress and will be added to this report prior to final distribution.

G. Building Size:

1. Total height:	Total height from ground level to mechanical roof is approximately 106'-0". Parapet height is measured from walking surface; Parapet is min 3'-8" above walking surface per New York City Building Code.
2. Crawl spaces (floor to ceiling):	There are no crawl spaces.
3. Number of sub-cellars and cellars:	There will be a full cellar with Electrical Service, Gas Service, Fire Pump, Domestic Water Pump, Mechanical and Sprinkler rooms, residential gym, storage, and a trash room.
4. Number of floors (actual including penthouse):	The building will contain nine (9) stories (including the Cellar and the Eighth Floor Penthouse) plus an elevator and stair bulkhead on the roof.
5. Equipment rooms (location and use):	The electric room, gas and water, and mechanical room are located on the Cellar Floor. There will be one mechanical room on the Ground Floor.

6. Parapet (height above roof): The roof parapet will be three feet eight inches (3'-8") above the roof.

7. Vaults: There are two vaults in the Building on the cellar floor. The East Vault runs the length of the Building beneath the sidewalk adjacent to Staple Street. The North Vault, along with the Gas Service and Sprinkler Rooms, run the length of the building beneath the sidewalk adjacent to Harrison Street. The vaults may leak during heavy rain and therefore drainage is provided.

H. Structural System: The existing foundations observed are masonry strip footings bearing on soil composed of coarse to medium sand with some gravel. Method of installation is not applicable. New foundations are limited to the new cast in place reinforced concrete elevator pit and ejector pits. Underpinning was required adjacent to the new elevator pit. Majority of existing slab on grade to remain in place. Slab to be patched/replaced as necessary to install new MEP and adjacent to new pits. New slab is composed of a 5" cast in place reinforced concrete slab.

Typical floor construction:
The First Floor is a combination of three systems. Reference structural plan for locations. First system; existing wood joists, typically 4x13 joists at 12" on center supporting wood planks. Second system; new concrete on light gauge composite metal deck slabs supported by steel beams. Third system; (at sidewalks): Existing brick masonry arches and granite slabs framing to steel beams.

The Second Floor is a combination of two systems. Reference structural plan for locations. First system; existing wood joists, typically 4x13 joists at 12" on center supporting wood planks. Second system; new concrete on light gauge composite metal deck slabs supported by steel beams.

The Third thru Roof Floors are composed of new concrete on light gauge composite metal deck slabs supported by steel beams.

All floors meet min STC 50 per New York City Building Code.

1. Exterior of building:

i. Walls: Multiple wythes brick masonry. Walls are composed of load bearing brick masonry with terra cotta accents and steel lintels. Exterior walls are existing; Min 4" width brick + 1 1/2" 20 guage metal stud with 1 1/2" rigid board insulation(R value = 7.5) w/ vapor barrier with 5/8" type X GWB. Facades of building are subject to Local Law 11- see Local Law 11 report included in Part II of the Offering Plan. The masonry walls are currently being restored and repaired to address any hazardous items listed in the Local Law 11 report. Local Law 11 inspections are required by the NYC DOB every 7 years

Purchasers should refer to the "Special Risks" and "Description of Property and Improvements" Sections of the Offering Plan for additional information.

ii. Windows: Wood double hung windows with insulated glass at north, east and south facades provided by Dynamic Windows. Manufacturer's warranty attached.; Metal-framed windows with insulated glass at ground floor facades on Staple and Harrison Streets (existing steel-framed storefront windows and entrances will remain in the Retail Unit); metal-framed thermally enhanced window system with insulated glass at ground floor rear terrace provided by Bilss Nor-Am. Warranty information TBD; aluminum-framed thermally broken window wall system at the eighth floor penthouse on north, east and south facades provided by Skyframe. Warranty information TBD. There are seven (7) Lot Line windows on the projecting south facade on floors four through seven. Units affected by lot line windows: South units 4- 7; 7 total windows on south property line abutting 4 Staple street. Lot line windows do not provide legal light and air. Purchasers should refer to the "Special Risks" and "Description of Property and Improvements" Sections of the Offering Plan for additional information. Local laws for child safety window guards; regulator on bottom sash limits opening to 4".

iii. Landmark Status: The Building is in the Landmark District: Tribeca West Historic District. Purchasers should refer to the "Special Risks" and "Description of Property and Improvements" Sections of the Offering Plan for additional information.

2. Parapets and copings: Roof parapet construction is existing and new masonry block and brick with stone cap. All coping stones will be repaired or replaced.

3. Chimneys and caps: The Penthouse Unit and Atelier Unit each will have a gas fireplace that can be converted to wood burning.

- Boiler:
  Manufacturer: Heat-fab
  Material: Stainless Steel AL-294C
  Dimension: 3" diameter
  Double Wall

- Domestic Hot Water Heater:
  Manufacturer: Heat-fab
  Material: Stainless Steel AL-294C
  Dimension: 8" diameter
  Double Wall

- Waste - Recycling System: Wilkinson-Hi-Rise (or equal) waste/recycling system. A 24" aluminized 16 gauge steel rubbish chute with intakes at the common hall on each level, discharges in an extruder waste compactor with hydraulic diverter and bag filling turntable.

- Fireplace to be Isokern model Standard 42 with tan / yellow firebrick. Chimney to be ICC brand model RIS 10" I.C. / 12" O.D. Draft Induction Fan to be Exhausto model RSV-012 with relay control model BDC-8

4. Balconies and Terraces:

Doors to Ground Floor Terrace to be metal-framed thermally enhanced window system with insulated glass provided by Bilss Nor-Am. Warranty information TBD; Doors to Penthouse Terrace to be aluminum-framed thermally broken window wall system at the eighth floor penthouse on north, east and south facades provided by Skyframe - Series 3. Warranty information TBD. Doors to decks/ terraces;

All Exterior metals (including fasteners) shall be corrosion resistant.

i. Apts which have balconies: None.

ii. Apts which have terraces: The Atelier Unit has a terrace of 288 square feet on the ground floor. The Penthouse Unit has a terrace of 2,351 square feet on the eighth floor.

iii. Deck and finish: Stone pavers on adjustable pedestals over rigid insulation and waterproofing membrane.

iv. Balustrade: The terrace belonging to the Penthouse Unit terminates at the masonry parapet and at a wire trellis "green screen" on a metal guardrail.

v. Railings: The penthouse terrace terminates at the masonry parapet and a painted steel guardrail at the east wall.

vi. Copings: The building parapet has a stone cap.

vii. Soffits: There are no soffits.

viii. Doors to balconies and terraces: The doors to the ground floor terrace will be hinged within a steel door and window system on the south wall and will be wood or steel on the west wall. The doors to the roof terrace are floor-to-ceiling sliding insulated glass doors.

ix. Ground Cover: Limestone paver hardscape.

5. Exterior entrances:

All entrances shall be free of tripping hazards.
ADA compliant entrances are provided
Existing diamond plate stairs are in excellent condition and will be repainted. Steps are shown on plans

i. Exterior doors and frames: Lobby entrance (north facade) and secondary entrance will be painted wood or steel swing doors with transom and insulated glass in a metal-framed opening. Retail entrances are existing steel swing doors which will remain.
ii. Vestibule doors and frames: No Vestibule at the street entrance.

iii. Exterior stairs: Steps to the sidewalk will be steel diamond plate over concrete.

iv. Railings: None

v. Mailboxes: Resident's mailboxes will be located in the Common Gallery on the ground floor, of finished wood with keyed locks. Mail will be delivered to the boxes by building staff from the adjacent Package Room.

vi. Lighting: Recessed halogen fixtures in common element spaces such as ground floor Lobby, Gallery, Stroller Room and Gym. There will be a hanging fixture in the Lobby

6. Common area doors:

i. Doors and frames: Hollow-metal doors and frame, 90-minute rated.

ii. Gates: There are no gates in common element areas.

iii. Exterior stairs: Existing steps to the sidewalk will be steel diamond plate over concrete.

iv. Railings: Railings in common areas and stairs will be painted metal.

7. Roof and roof structures:

All exposed exterior metals and fasteners shall be corrosion resistant.

The roof warrenty is a limited warrenty for 20 years. The final warrenty document will be provided as part of the document transfer. See Section ee.

Shop prime coat for dunnage: N/A
LIghtning protection : N/A
i. Roof types for all areas: American Hydrotech

a. Materials: The roof will consist of an impermeable membrane system applied under rigid insulation.
b. Insulation: Minimum 1-1/2" rigid extruded insulation (60 psi board min.)
c. Surface finish: 24"x36" limestone roof pavers
d. Bond or guarantee: Attached.
e. Flashing materials including counter flashing: All flashings to be stainless steel.

ii. Drains:

a. Storm Drainage: Storm water will be collected by means of a series of roof-mounted drains and cast iron no-hub piping system that are located in the building interior, and combined with the public sewer system. Drains shown on site plan. Water is drained away by internal roof drains- no gutters or leaders on exterior.

iii. Skylights:

a. Location and type: Above Stair 5 on the eighth floor. One amenity metal-framed skylight with insulated glazing, approx. 100 square feet in size. There are no skylights in the scissor stairs bulkhead- they are not required.

iv. Bulkheads:

a. Stairs (material): Painted insulated corrugated metal panels.
b. Elevator (material): Painted insulated corrugated metal panels.

v. Other:

a. Metal work at roof levels:

1. Exterior metal stairs : painted metal
Vertical ladders, including gooseneck : non-corrosive materials
2. Railings (material): Painted steel guardrail at parapet with corrosive resistant fasteners.
3. Hatches to roof (type, material): Fire rated hollow-metal doors at stair bulkheads.
4. Other: No Dunnage is required. Mechanical equipment is mounted on acoustical isolation pedestals

b. Rooftop facilities: The penthouse terrace will have a reflecting pool of approximately 225 square feet along the east parapet. The pool water depth will be 8". The pool is constructed with 8" poured in place concrete walls with a UV resistant waterproofing membrane applied. The pool will be filled through a hose bib connected to a re-circulating pump. An electric heating element in conjunction with the pump will maintain use of the feature year round. The pool has a drain with threaded plug that will be manually removed to drain the pool as required. Equipment specification is In progress and will be added to this report prior to final distribution.

8. Fire escapes: There are no fire escapes. All fire exits will be through two enclosed fire stairs located at the West side of the building which exit at Harrison and Staple Streets.

i. Location: N/A

ii. Floors covered: N/A

iii. Drop ladder: N/A

iv. Type: N/A

9. Yards and courts: There are no yards or courts. The rear yard is referred to as the Ground Floor Terrace of the Atelier Unit in this document. The terrace consists of 2'x3' stone pavers on pedastals on a new concrete slab with roofing membrane and drain connected to sewer. Lighting provided at masonry wall and planters. Lighting controls are located inside unit.

i. Paving (material): 2'x3' Stone paver on pedestal

ii. Drainage: An area drain is provided on slab under pavers.

iii. Railing: N/A

iv. Stairs: N/A

v. Fencing: N/A

vi. Walls: N/A

10. Interior stairs:

i. Number of stairs of each type:
Stair 1 and Stair 2: Common Building egress from cellar floor to roof, exit at Harrison Street.
Stair 3: Common Building egress from cellar to ground floor, exit at Staple Street.
Stair 4: Residential Unit convenience stair from the ground to the second floor in Unit 1.
Stair 5: Residential Unit convenience stair from the seventh to the eighth floor in the Penthouse Unit.

ii. Enclosure:
Stair 1 and Stair 2: Metal-framed gypsum wall board, 2 hour rated
Stair 3: Metal-framed gypsum wall board, 2-hour rated.
Stair 4: Metal-framed gypsum wall board on two sides.
Stair 5: Metal-framed gypsum wall board on three sides.

iii. Stair construction:
Stair 1 and Stair 2: Steel-pan and concrete non combustible
Stair 3: Steel-pan and concrete non combustible
Stair 4: Metal-framed and wood combustible
Stair 5: Metal-framed and wood combustible

iv. Stringers:
Stair 1 and Stair 2: Steel
Stair 3: Steel
Stair 4: Metal-framed
Stair 5: Metal-framed

v. Treads:
Stair 1 and Stair 2: Concrete
Stair 3: Concrete
Stair 4: Wood
Stair 5: Wood

vi. Risers:
Stair 1 and Stair 2: Steel
Stair 3: Steel
Stair 4: Wood
Stair 5: Wood

i. Guard rails:
Stair 1 + Stair 2: Painted steel
Stair 3: Painted steel
Stair 4: Wood
Stair 5: Wood

vi. Balustrade:
Stair 1 + Stair 2: N/A. Metal-framed gypsum wall board
Stair 3: N/A. Metal-framed gypsum wall board
Stair 4: N/A. Metal-framed gypsum wall board
Stair 5: N/A. Metal-framed gypsum wall board

11. Interior doors and frames:	i. Unit entrance and interior doors and frames: Wood (MDF) doors and wood (MDF) frames shop painted, 90-min fire rated assemblies at entrance from elevator Hall to meet NYC fire codes. ; 'Nanz' knob/lever with polished nickel finish. ii. Corridor doors and frames: Wood (MDF) doors and wood (MDF) frames shop painted, 90-min fire rated assemblies to meet NYC fire codes. 'Nanz' knob/lever with polished nickel finish iii. Stair hall doors and frames: Wood (MDF) doors and wood (MDF) frames shop painted, 90-min fire rated assemblies.; 'Nanz' knob/lever with polished nickel finish iv. Roof door, basement doors and frames: Metal doors and hollow-metal frames shop painted, 90-min rated at entrance from stair to doors to roof to meet NYC fire codes.
12. Elevators	A maintenence contract will be provided in the 1st Year Budget i. Number of passenger and service elevators: One (1) passenger elevator - PE1 ii. Manufacturer, age of each and capacity (in pounds and number of passengers): The elevator system shall be new, by Thyssen Krupp, Synergy 300S Traction elevator with 3000 lbs capacity (18 passengers). iii. Type of operation for each elevator by number or location: PE1- Traction. iv. Automatic: Yes v. Floors served: Cellar through eighth floors vi. Type: Traction vii. Doors: Horizontal sliding, brushed stainless steel. viii. Location of machine rooms: Cellar floor ix. DC motor: N/A x. AC motor-generator set: Permanent magnet synchronous (PMSM) xi. Other: N/A
13. Elevator cabs:	i. Kind: Two doors (for north and south Residential Units) with one car operating panel, manufacturer's deluxe cab finishes. ii. Floor: Coco synthetic mat iii. Walls: Wall tile iv. Ceiling: Leather wrapped panel v. Lighting: Recessed halogen lamps, emergency lighting per code.

vi. Alarm, safety system: Car alarm button rings hoistway alarm bells and operates remote distress signals. Spring-applied automatic braking system in event of power interruption, safety circuits

I. Auxiliary Facilities:

1. Refuse disposal:

i. Incinerators: N/A

ii. Compactors: There will be a Wilkinson-Hi-Rise (or equal) waste/recycling system. A 24" aluminized 16 gauge steel rubbish chute with intakes at the common hall on each level, discharges in an extruder waste compactor with hydraulic diverter and bag filling turntable.

iii. Approvals by authorities having jurisdiction: Required approvals are to be determined but shall be in place before occupancy.

iv. Initial storage location: Located in the Trash Room on the cellar floor.

v. Pick up schedule, whether public or private provider: Refuse will be collected multiple times a week. The provider has not yet been determined.

2. Laundry rooms:

There will be no common laundry room. Each Unit has a room equipped with separate washer and dryer machines (refer to Appliance Schedule).

3. Resident's fitness center:

There will be a new fitness center (gym) for residents which will be located on the cellar floor; 29'-6"x 21'-6" Exercise equipment provided will consist of treadmills, exercise machines and benches. The gym will contain one toilet room. The flooring will be rubber resilient flooring, mirror wall panels. Lighting: semi recessed fluorescent fixtures by Louis Poulsen.

Room ventilation is provided by the Fan Coil unit located in the Room.

Persons accommodated: TBD

Number of machines by type: TBD

4. Resident's storage rooms: There will be twelve (12) storage rooms, one for each Residential Unit in the Building, located on the cellar floor. Each storage Room is secured with keys provided to residents. Partitions between storage rooms are metal mesh. Storage spaces are all sprinklered.
Sizes or individual rooms range from 41sf - 70sf.
Combustible materials are prohibited to be stored.

For additional information on permitted uses of Storage Rooms, Purchasers should refer to the "Special Risks" and "Description of Property and Improvements" Sections of the Offering Plan for additional information.

5. Resident's bicycle storage: There will be a common storage room (accessed by resident keys) for resident's bicycles located on the cellar floor and accessed from street level by the adjacent elevator

J. Plumbing and Drainage

Under-building-slab, combined domestic water, building-service, and fire-service-main piping, NPS 6 to NPS 12 is plain-end, ductile-iron pipe; grooved-joint, ductile-iron-pipe appurtenances; and grooved joints or equivalent.

Aboveground domestic water piping, NPS 2 and smaller is galvanized-steel pipe and nipples; galvanized, gray-iron threaded fittings; and threaded joints. Aboveground domestic water piping, NPS 2-1/2 to NPS 4 is hard copper tube, ASTM B 88, Type L or ASTM B 88, Type M ; cast- or wrought-copper, solder-joint fittings; and brazed joints or equivalent.

Aboveground domestic water piping, NPS 5 to NPS 8, is hard copper tube, ASTM B 88, Type L or ASTM B 88, Type M; cast-or wrought-copper, solder-joint fittings; and brazed or soldered joints or equivalent.

Aboveground, combined domestic water-service and fire-service-main piping, NPS 6 to NPS 12, is plain-end, ductile-iron pipe; grooved-joint, ductile-iron-pipe appurtenances; and grooved joints or equivalent.

Location for main shut-off valve;
The main domestic water shut-off valve is located in the North Vault Cellar 01. The fire protection service valve is located in the Sprinkler room C03.

Location(s) for backflow preventer;
Fire Service backflow preventer is located in the Sprinkler Service Room Cellar C03. Domestic backflow preventer is located in the cellar North Vault C01.

All Hot and Cold water piping shall be insulated throughout.
Material and thickness of insulation for hot & cold water piping.

Domestic Hot and Recirculated Hot Water: Insulation shall be the following:
Flexible Elastomeric: 1 inch thick.
Mineral-Fiber, Preformed Pipe Insulation, Type I: 1 inch thick.
Polyolefin: 1 inch thick.

2. Fire protection:

i. The building will be sprinkled throughout in accordance with the New York City Building Code. The building will be protected by a wet-pipe system. A combined standpipe and sprinkler riser is located in the stair enclosure. Drain risers will be provided as required by code. Water for the system will be provided through one (1) 6" dedicated fire water service connected to an automatic fire pump. The fire water service will be equipped with double deflector check valves with bypass meters.
ii. Sprinkler system will be black steel schedule 10 or schedule 40 with malleable iron fittings. Sprinkler heads will be Reliable Sprinkler Company Model 'G5' or equivalent in concealed pendant, sidewall or upright configuration as required meeting space conditions. 2 siamese connections will be provided one on Harrison Street, the other on Staple Street.

3. Water storage:

There is no water storage tank provided for this project.

4. Water pressure:

Water pressure in the building shall be provided as per code requirements and do not exceed 85psi
The water pressure is maintained via a Federal Pump Company duplex water booster pump Type SP-6060-2 (Duplex) with 80 gallon cushion tank.

5. Sanitary sewage:

i. Sanitary Drainage: Sanitary waste from all the buildings fixtures located at the ground floor and above will be collected through a series of vented stacks and will be conveyed to the street sewer via a gravity drainage system. Sewage size of service 4"

ii. Sewage disposal: Sanitary waste from the building fixtures located at cellar level will be conveyed to the street sewer via a duplex sewage ejector pump system similar to Federal Model VSA 4F – 1 ½ - 4.

Sewage pumps warranty; 1 year
Size of storm sewer service: 6" (combined storm/sanitary)
All drains are shown on plans set forth as part 2 of the offering plan.

6. Permits required:

Permits shall be required as per NYC DOB regulations.

7. Storm drainage system:

i. Storm Drainage: Storm water will be collected by means of a series of roof-mounted drains and cast iron no-hub piping system that are located in the building interior, and combined with the public sewer system

ii. Yard and roof drains: (1) area drain at ground floor terrace, (5) roof drains at eighth floor, (4) roof drains on ninth floor.

iii. Eject or sump pumps: There are no storm sump pumps in this project

K. Heating:

1. Method:

Each Residential Unit will be provided with variable speed refrigerant type split system heating and fan coil units. There will be multiple large condensing units (CUs) located on the roof. Each of these condensing units will be connected to multiple fan coil units (FCUs) located within an apartment (one CU per apartment), typically one per bedroom and one or two per living/ dining/kitchen area. Operation of each FCU will be controlled by a 7-day programmable wall mounted thermostat with automatic change over to provide heating or air conditioning.

The heating systems are Mitsubishi CITY MULTI split VRF systems. Nominal capacity of each unit will vary from 40,000 Btu/H to 108,000 Btu/h depending on the size and exposure of the Residential Unit served. The Coefficient of Performance (COP) of the systems varies from 3.56 to 3.84

Air conditioning and heating in common spaces and the lobby will be provided with similar split type systems as the apartments, with CUs on the roof and FCUs within the spaced provided. Operation of each FCU will be controlled by a 7-day programmable thermostat.

All systems will be controlled by an automatic temperature control system(s) with capability of assigning heating or air conditioning service to each of the condensing units.

Other common areas will be provided with electric type baseboard heating elements.

The insulation for Air Distribution Ducts is installed in accordance with New York City Building Code, New York City Mechanical Code, ASTM, UL, NFPA, NYCECC (ASHRAE 90.1-2007). Insulation is 1 ½" thick 6 lb. rigid board, 1 ½" thick ¾ lb. density glass fiber blanket, and NFPA 96 compliant fire resistant duct wrap.

The Operation and Maintenance (O&M) manuals and original balancing report for all equipment and associated ductwork shall be provided.

2. Fuel: The VRV system uses electricity as a fuel source as do the electric baseboard heating elements. The RTU uses natural gas to fuel its furnace.

L. Gas supply: There is a new 4" gas piping connection to existing 4" main. There are existing twin set gas meters for cooking and DWH's and a new gas meter for the penthouse apartment. Penthouse gas supply serves a boiler, fireplace, cooking & grill.

1. Type: Natural gas from the city will be provided for this project.

2. Meters: Gas for cooking will be distributed to each Residential Unit (except penthouse, which has a dedicated gas meter) from common gas meters located in the cellar gas meter room.

3. Piping: All gas piping will be schedule 40 black steel with malleable iron fittings.

M. Air Conditioning:

1. Type of system: Each Residential Unit will be provided with variable speed refrigerant type split system heating and fan coil units.

The air conditioning systems are Mitsubishi CITY MULTI split VRF systems. Nominal capacity of each unit will vary from three (3) tons to eight (8) tons, depending on the size and exposure of the Residential Unit served. The Energy Efficiency Ratio (EER) of the systems varies from 11.6 to 12.8.

2. Central System N/A

3. Cooling towers, condensers: There will be multiple large condensing units (CUs) located on the roof. Each of these condensing units will be connected to multiple fan coil units (FCUs).

Piping which is exposed to weather is covered with a PVC plastic jacket similar to Johns-Manville "Zeston 2000" or equal, including all fittings in addition to insulation and finishes specified for piping exposed to outdoors.

Outdoor Units are installed on a Bridge-bearing Neoprene pad over the complete floor area of the equipment. The pad in installed with the weight distribution to ensure adequate deflection and vibration isolation. Neoprene pad provide a minimum static deflection of 0.15".

All outdoor units and exterior metals including fasteners will be corrosion resistant materials.

4. Individual units: Each of these condensing units will be connected to multiple fan coil units (FCUs) located within an apartment (one CU per apartment), typically three per apartment. Operation of each FCU will be controlled by a 7-day programmable wall mounted thermostat with automatic change over to provide heating or air conditioning. Nominal capacity of each unit will vary from three (3) tons to eight (8) tons, depending on the size and exposure of the Residential Unit served.

5. Common areas: Air conditioning and heating in common spaces and the lobby will be provided with similar split type systems as the apartments, with CUs on the roof and FCUs within the space provided. Operation of each FCU will be controlled by a 7-day programmable thermostat.

N. Ventilation:

1. Description: An air register in each kitchen will be connected to duct risers passing through the residential levels. The risers will then be connected to numerous rooftop exhaust fans. All kitchen exhausts will be discharged directly to the outdoors and constitute a pressure actuated fan system. A variety of mushroom fans and utility fans have been chosen to ventilate the kitchens and bathrooms at roof level.
Corridors at all levels will be mechanically ventilated via a rooftop heating and air conditioning unit. The Roof Top Unit for fresh air for the corridor is supplied by a 15 Ton R410A packaged Gas/Electric rooftop unit with outside air energy recovery at the Roof level.
Local ventilation systems will also be provided for utility service rooms and Elevator Control Room, electric room, and other mechanical spaces.

O. Electrical System:

1. Electrical service from street: Service from Con Edison: Main service is being reused and is nominally rated at 1600 Amps. Ratings at 208/120V, 3-ph, 4-w.
Service from main service switchgear;
•Apartment Main Service Switch – 800A, 120/208V, 3Ph., 4W
•House Main Service Switch - 400A, 120/208V, 3Ph., 4W
•Retail Space Main Service Switch - 200A, 120/208V, 3Ph., 4W

2. Service to individual Units: Residential Units will be directly metered.
All units are provided with a 100A, 120/208V, 3Ph., 4W meter and disconnect switch including 100A fuses with exception of the Penthouse which is provided with a 400A, 120/208V, 3Ph., 4W, fused at 250A.

3. Compartment switchgear:

The electrical room is provided with one house distribution board with switch and fuse provisions with a total of 7 switches. The switches serve house panels and the elevator. The switches are set up as follows.

Switch	Fuse
400A	400A
200A	150A
200A	150A
100A	100A
100A	30A
100A	SPARE

Trans `S' cabinets sized 200A serve the Retail Unit. Additional disconnect switches are provided with meters to serve all apartments.
Disconnect switches are also provided for the fire pump and fire alarm system.
The meters for each Residential Unit, Common Elements and the Retail space are located in the cellar electrical room. There is no switchgear and no transformers. Electrical panels, disconnect switches and meters only.

4. Unit service:

Electrical system will be adequate to support modern usage and appliances such as air conditioners, microwaves, dishwashers and dryers.
All unit services are sized to handle up to 20% spare capacity.

5. Adequacy:

i. Service: Average number of circuits per Residential Unit and capacity to support modern appliances - air conditioners, microwaves, dishwashers, and dryers. Residential Unit service has been designed to accommodate appliances, air conditioners, lighting and miscellaneous household electrical requirements. The service meets or exceeds code requirements

The average number of circuits per apartment is 48, based on 1 or 2 pole circuit breakers. These are mounted into two section panelboards located in each apartment. There is approximately 20% spare capacity in the panelboards for additional branch circuitry if needed.

ii. Lighting and Fixtures: Bathrooms, some halls and foyers will have ceiling or wall mounted incandescent or LED fixtures. The lighting meets or exceeds code requirements.

Lighting fixtures to be provided:
FA: Fluorescent downlight/ Louis Poulsen
FA/EM: Fluorescent downlight/ Louis Poulsen
FB: Halogen sconce/ Modulightor
FC: Linear Fluorescent/ Bartco
FD: Halogen/ CMH downlight/ Element
FE: Halogen/ CMH downlight/ Element
FF: Incandescent pendant/ Louis Poulsen
FG: Under-cabinet LED/ Color Kinetics
FJ: Halogen/ CMH wall washer/ Element
FK: Halogen sconce/ Bega
FL: Halogen sconce/ Modulightor
FM-1: Downlight/ Louis Poulsen
FM-2: Incandescent downlight/ Louis Poulsen
FN: Halogen/ CMH downlight / Element
FP: LED Cove/ Color Kinetics
FQ: Halogen downlight/ Louis Poulsen
FR: LED strip/ Acolyte
FS: LED strip/ Acolyte
FT: Halogen landscape spot ligh/ B-K
FU: Halogen landscape spot light/ B-K
FV: Halogen landscape uplight/ B-K
FX: Halogen landscape spot light/ B-K

iii. Convenience outlets, applicable outlets: There will be one outlet per appliance and each room having an average of three convenience outlets except bathrooms and kitchens, which have at least one each. The outlets meet or exceeds code requirements.

Receptacles in kitchens and bathrooms are provided per National Electrical Code requirements. Arc fault circuit breakers in apartments are indicated on panel schedules. Tamper resistant receptacles shall be noted on shop drawings.

P. Intercom, Telephone, Security, Television and Internet:

1. Description: An Intercom system with video will provide communication between the front desk and each residential unit.

Manufacturer: Siedle
Model: idor
Warranty: 1 Year

Telephone cable is distributed to each Unit and Owners will arrange for service directly with the provider company if desired.

The building will be secured at the lobby with a 24 hour doorman. Both the entrance on Harrison Street and secondary entrance on Staple street will have electrified locks for use when the staff is not present. Both entrances as well as various common areas will be monitored with cameras and the activity will be recorded on a digital video recorder.

The cable television (CATV) service will enter the building below grade from Harrison Street to a demarcation panel in the cellar Telecom Room. Conduit, cable and outlet boxes will be installed for distribution to each Residential Unit. Individual owners will arrange for service directly with the cable and internet company, if desired.

Internet cabling will be provided in most of the rooms in each unit and will connect to a network interface demarcation. Internet service can be arranged by the individual unit owners.

Q. Public Lighting:

1. Description: Bathrooms, some halls and foyers will have ceiling or wall mounted incandescent or LED fixtures. The lighting meets or exceeds code requirements. Emergency lighting is provided per code requirements in Common Element corridors and stairways.

R. Garages: N/A

S. Swimming Pools: N/A

T. Tennis Courts, Playgrounds, and Recreational Facilities: N/A

U. Permits and Certificates: New York City Department of Buildings issued Building Permit. See page 1 for complete list.
and based on plans dated May 16, 2012 prepared by DXA Studio, LLC.
A Certificate of Occupancy will be applied for following substantial completion in June 2014.

V. Violations: There are no active DOB violations that will affect Certificate of Occupancy.

W. Unit Information:

1. Type and grade of finish material used: Refer to Finish Schedule below for Residential Units and Common Element areas. Finishes in the Retail Unit will be by the yet to be determined future occupant.

FINISH SCHEDULE

LOCATION	WALL	FLOOR	BASE	CEILING

UNITS 1 - 10				
GALLERY	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
LIVING/DINING ROOM	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
MASTER BEDROOM	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
SECONDARY BEDROOMS	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
KITCHEN	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
MASTER BATHROOM	STONE OR CORIAN	STONE	STONE OR CORIAN	DRYWALL WITH FULL SKIM COAT, PAINTED
SECONDARY BATHROOMS	STONE	STONE	STONE	DRYWALL WITH FULL SKIM COAT, PAINTED
CLOSETS	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
UTILITY ROOM	CERAMIC TILE	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
ATELIER UNIT				
FOYER/GALLERY	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
SALON	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
PARLOR/KITCHEN	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
MASTER BEDROOM	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
SECONDARY BEDROOMS	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
MASTER BATHROOM	STONE OR CORIAN	STONE	STONE OR CORIAN	DRYWALL WITH FULL SKIM COAT, PAINTED
SECONDARY BATHROOMS	STONE	STONE	STONE	DRYWALL WITH FULL SKIM COAT, PAINTED
POWDER ROOM	DRYWALL WITH FULL SKIM COAT, PAINTED	STONE	STONE	DRYWALL WITH FULL SKIM COAT, PAINTED
CLOSETS	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
UTILITY ROOM	CERAMIC TILE	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
PENTHOUSE				
FOYER	WOOD	STONE	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
GALLERY	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED

LIVING ROOMS	DRYWALL WITH FULL SKIM COAT, PAINTED	STONE	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
DINING ROOM	DRYWALL WITH FULL SKIM COAT, PAINTED	STONE	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
MASTER BEDROOM	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
SECONDARY BEDROOMS	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
KITCHEN	DRYWALL WITH FULL SKIM COAT, PAINTED	STONE	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
CATERING KITCHEN	DRYWALL WITH FULL SKIM COAT, PAINTED	STONE	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
MASTER BATHROOM	STONE OR CORIAN	STONE	STONE OR CORIAN	DRYWALL WITH FULL SKIM COAT, PAINTED
SECONDARY BATHROOMS	STONE	STONE	STONE	DRYWALL WITH FULL SKIM COAT, PAINTED
POWDER ROOM	DRYWALL WITH FULL SKIM COAT, PAINTED	STONE	STONE	DRYWALL WITH FULL SKIM COAT, PAINTED
CLOSETS	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
UTILITY ROOM	CERAMIC TILE	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
COMMON AREAS				
LOBBY	DRYWALL WITH FULL SKIM COAT, PAINTED	STONE	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
ELEVATOR VESTIBULE	DRYWALL WITH FULL SKIM COAT, PAINTED	STONE	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
LOBBY CORRIDOR	DRYWALL WITH FULL SKIM COAT, PAINTED	STONE	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
ELEVATOR CAB	CERAMIC TILE	COCO MAT	NA	LEATHER-WRAPPED PANELS
GYM	MIRROR OR DRYWALL WITH FULL SKIM COAT, PAINTED	RUBBER FLOORING	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
GYM RESTROOM	CERAMIC TILE	CERAMIC TILE	CERAMIC TILE	DRYWALL WITH FULL SKIM COAT, PAINTED
CELLAR CORRIDORS	DRYWALL WITH FULL SKIM COAT, PAINTED	CERAMIC TILE OR CONCRETE W/ CLEAR COAT	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
SERVICE CORRIDORS	DRYWALL WITH FULL SKIM COAT, PAINTED	CONCRETE W/ CLEAR COAT	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
MAIL ROOM	DRYWALL WITH FULL SKIM COAT, PAINTED	FLOORING TILE	NA	DRYWALL WITH FULL SKIM COAT, PAINTED
FIRE STAIR CORRIDOR	DRYWALL WITH FULL SKIM COAT, PAINTED	WOOD	WOOD	DRYWALL WITH FULL SKIM COAT, PAINTED
RETAIL UNIT				
	EXPOSED BRICK, UNTREATED	WOOD SUBFLOOR	NA	EXPOSED WOOD BEAMS

Wood floor:
5/8" x5" x 3' to 10' random lengths in select and better grade of white oak with 4mm veneer as manufactured by Ashway Bay over Plitec 5mm recycled rubber underlayment installed in a glue down method.

Stone Floor: 3/4" stone slabs cut to size on floors typ.

Stone Countertops: 1 1/4" Marble slabs cut to size for countertops.

Stone Tiles: 6x12 marble tiles.

Paint: Level 5 finish typical throughout; Benjamin Moore paints equal or better.

Ceramic Tile: Tiles by Ann Sacks/ Lanka

2. Bathroom Fixtures and Appliances:

Refer to Fixture and Appliance Schedule below.

-PLUMBING FIXTURE SCHEDULE- BATHROOMS

LOCATION	FIXTURE	MANF.	MODEL
Atelier Unit			
POWDER ROOM	Sink	Kohler	Kathryn / K2330
	Sink Fitting	Barber Wilson & Co	MC 6455 with GA Side Valves
	Toilet	Toto	Vespin II
BATHROOM	Sink Fitting	Barber Wilson & Co	MC 6455 with GA Side Valves
	Sink	Kohler	Kathryn / K2330
	Toilet	Toto	Vespin II
	Bathtub	Zuma	C6632
	Bathtub fitting	Barber Wilson & Co	MC 3470 WN
	Shower Fitting	Barber Wilson & Co	Thermostatic Valve / RML PS 53 C
	Volume Control Fittings	Barber Wilson & Co	MC 3470 WS (Pair)
	Shower Head	Speakman	Anystream / SD-02-AF
BATHROOM	Sink Fitting	Barber Wilson & Co	MC 6455 with GA Side Valves
	Sink	Kohler	Ladena / K2214
	Toilet	Toto	Vespin II
	Shower Fitting	Barber Wilson & Co	Thermostatic Valve / RML PS 53 C
	Shower Head	Speakman	Anystream / SD-02-AF
MASTER BATHROOM	(2) Sink Fitting	Barber Wilson & Co	MC 6455 with GA Side Valves (Pair)
	(2) Sink	Kohler	Ladena / K2214 (Pair)
	Toilet	Toto	Vespin II
	Bathtub	Zuma	CD7236
	Bathtub fitting	Barber Wilson & Co	MC 3490 DN & GA 3480 DV with Mastercraft Handles
	Shower Fitting	Barber Wilson & Co	Thermostatic Valve / RML PS 53 C
	Shower Head	Speakman	Anystream / SD-02-AF
Units 1-10			

MASTER BATH	(2) Sink Fitting	Barber Wilson & Co	MC 6455 with GA Side Valves (Pair)
	(2) Sink	Kohler	Ladena / K2214 (Pair)
	Toilet	Toto	Vespin II
	Bathtub	Zuma	CD7236
	Bathtub fitting	Barber Wilson & Co	MC 3470 WN & MC 3470 WS
	Shower Fitting	Barber Wilson & Co	Thermostatic Valve / RML PS 53 C
	Volume Control Fitting	Barber Wilson & Co	MC 3470 WS
	Shower Head	Speakman	Anystream / SD-02-AF
POWDER/ BATHROOM	Sink Fitting	Barber Wilson & Co	MC 6455 with GA Side Valves
	Sink	Kohler	Ladena / K2214
	Toilet	Toto	Vespin II
	Shower Fitting	Barber Wilson & Co	Thermostatic Valve / RML PS 53 C
	Shower Head	Speakman	Anystream / SD-02-AF
BATHROOM	Sink Fitting	Barber Wilson & Co	MC 6455 with GA Side Valves
	Sink	Kohler	Kathryn / K2230
	Toilet	Toto	Vespin II
	Bathtub	Zuma	C6632
	Bathtub fitting	Barber Wilson & Co	MC 3470 WN
	Shower Fitting	Barber Wilson & Co	Thermostatic Valve / RML PS 53 C
	Volume Control Fittings	Barber Wilson & Co	MC 3470 WS (Pair)
	Shower Head	Speakman	Anystream / SD-02-AF
Penthouse Unit			
BATHROOM	Sink Fitting	Barber Wilson & Co	MC 6455 with GA Side Valves
	Sink	Kohler	Ladena / K2214
	Toilet	Toto	Vespin II
	Shower Fitting	Barber Wilson & Co	Thermostatic Valve / RML PS 53 C
	Volume Control Fitting	Barber Wilson & Co	MC 3470 WS
	Shower Head	Speakman	Anystream / SD-02-AF
BATHROOM	Sink Fitting	Barber Wilson & Co	MC6455 with GA Side Valves
	Sink	Kohler	Kathryn / K2330
	Toilet	Toto	Vespin II
	Bathtub	Zuma	C6632
	Bathtub fitting	Barber Wilson & Co	MC 3470 WN
	Shower Fitting	Barber Wilsons & Co	Thermostatic Valve / RML PS 53 C
	Volume Control Fittings	Barber Wilson & Co	MC 3470 WS (Pair)
	Shower Head	Speakman	Anystream / SD-02-AF
BATHROOM	Sink Fitting	Barber Wilson & Co	MC 6455 with GA Side Valves
	Sink	Kohler	Ladena / K2214
	Toilet	Toto	Vespin II
	Shower Fitting	Barber Wilson & Co	Thermostatic Valve / RML PS 53 C
	Volume Control Fitting	Barber Wilson & Co	MC 3470 WS
	Shower Head	Speakman	Anystream / SD-02-AF
MASTER BATHROOM	(2) Sink Fitting	Barber Wilsons & Co	MC 6455 with GA Side Valves (Pair)
	(2) Sink	Kohler	Ladena / K2214 (Pair)
	Toilet	Toto	Vespin II
	Bathtub	Zuma	CD7236
	Bathtub fitting	Barber Wilson & Co	MC 3470 WN & MC 3470 WS
	Shower Fitting	Barber Wilson & Co	Thermostatic Valve / RML PS 53 C
	Volume Control Fitting	Barber Wilson & Co	MC 3470 WS

	Shower Head	Speakman	Anystream / SD-02-AF
POWDER ROOM	Sink	Kohler	Kathryn / K2330
	Sink Fitting	Barber Wilson & Co	MC 6455 with GA Side Valves
	Toilet	Toto	Vespin II

3. Kitchen and Laundry Fixtures and Appliances: Refer to Fixture and Appliance Schedule below.

PLUMBING / APPLIANCE SCHEDULE - KITCHENS + UTILITY ROOMS

LOCATION	FIXTURE	MANF.	MODEL
Atelier Unit			
KITCHEN	Sink Fittings	Vola	590 & 500T1
	Sink	Elkay	Avedo Undmnt. Double Bowl Sink EFRU311810
	43" Dual Fuel Range	La Cornue	CornuFé 110
	42" Exhaust Hood & 280 CFM Blower	Best	U10242SBE / ILB3
	(2) 27" Refrigerator / Freezer	Sub Zero	700TCI - Refrigerator/Freezer (Pair)
	24" Fully Integrated Dishwasher	Miele	Diamond G 5975 SCVi
	Garbage Disposal	Insinkerator	Evolution Essential
UTILITY	Washing Machine	LG	WM3470HVA
	Dryer	LG	DLEX3470V
Units 1-10			
KITCHEN	Sink Fittings	Vola	590 & 500T1
	Sink	Elkay	Avedo Undmnt. Double Bowl Sink EFRU311810
	43" Dual Fuel Range	La Cornue	CornuFé 110
	42" Exhaust Hood & 280 CFM Blower	Best	U10242SBE / ILB3
(Units 1, 2, 4, 6, 8 & 10)	(2) 27" Refrigerator / Freezer	Sub Zero	700TCI - Refrigerator/Freezer (Pair)
(Units 3, 5, 7 & 9)	27" Refrigerator	Sub Zero	700TR - All Refrigerator
(Units 3, 5, 7 & 9)	(2) 27" Freezer Drawers	Sub Zero	700BFI – Freezer (Pair)
	24" Fully Integrated Dishwasher	Miele	Diamond G 5975 SCVi
	Garbage Disposal	Insinkerator	Evolution Essential
UTILITY	Sink	Custom	Acrylic Polymer, integrated
	Sink Fitting	Vola	590
	Washing Machine	LG	WM3470HVA
	Dryer	LG	DLEX3470V
Penthouse Unit			
UTILITY	Sink	Custom	Acrylic Polymer, integrated
	Sink Fitting	Vola	590
	Washing Machine	LG	WM3470HVA
	Dryer	LG	DLEX3470V
CATERING KITCHEN	Sink	Elkay	Avedo Undmnt. Double Bowl Sink EFRU311810
	Sink Fittings	Vola	590 & 500T1

	24" Fully Integrated Dishwasher	Miele	Diamond G 5975 SCVi
	Garbage Disposal	Insinkerator	Evolution Essential
KITCHEN	Sink Fittings	Vola	590 & 500T1
	Sink	Elkay	Avedo Undmnt. Double Bowl Sink EFRU311810
	(2) 27" Refrigerator / Freezer	Sub Zero	700TCI - Refrigerator/Freezer
	60" Dual Fuel Range	Wolf	DF606DG
	60" Exhaust Hood & 1200 CFM Blower	Wolf	PW602418 / 814423
	24" Fully Integrated Dishwasher	Miele	Diamond G 5975 SCVi
	Garbage Disposal	Insinkerator	Evolution Essential
TERRACE GRILL AREA	Sink Fitting	Vola	590
	Sink	Just Sinks	USX-1414-A
	Outdoor Grill	Wolf	OG36 & CART36
	Outdoor Refrigerator & Ice Maker	Sub-Zero	UC-24RO/PH / IC-15IPO

X. Substitutions: Where materials, appliances, equipment, fixtures and other construction and design details are specified in this report, the Sponsor has reserved the right to substitute, in their place materials, appliances, equipment, fixtures and other construction and design details of equal or better quality and efficiency based on industry and market standards.

Y. Safety and Warning Devices: All new Residential Units will be fitted with individual ceiling mounted hard-wired combination carbon monoxide/ smoke detectors per New York City Code, with battery back up. Smoke detectors shall be installed at each elevator vestibule connected to the elevator recall and fire protection system.

Z. Further Development: No further development is anticipated by the Sponsor due to current zoning regulations.

aa. Additional Information:

1. Area map: Refer to Part 2 of the Plans for Site Plan.

2. Floor plans: Refer to Part 2 of the Plans for Unit and Common area Floor Plans.

3. Floor to ceiling heights of units: The Residential Unit ceiling heights from finished floor to finished painted gypsum board are typically 10'-1 1/2" but vary per room and unit from 8-6" to 10'-7 1/2". The Atelier Unit has a double height space with a ceiling at 23'-6" above finished floor.

4. Approximate square footage of each unit: The approximate square footage of each unit is measured horizontally from the exterior side of the exterior walls at the building line and/or property line to the midpoint of the interior walls and partitions separating one unit from the another unit, or the midpoint of the interior walls separating a unit from public corridors, stairs, elevators, and other mechanical spaces. Columns and mechanical pipes and chases within the Unit are not deducted from the square foot area of the Unit.

bb. Asbestos: Asbestos Project Completion Form- ACP21 and required documentation is submitted to NYC Department of Environmental Protection pursuant to section 1-22(b) of the DEP Asbestos Rules (15 RCNY Chapter 1). The abatement has been performed in accordance with the DEP Asbestos Rules.

cc. Energy Conservation: This is an existing building located in the TriBeCa West Historic District. Per Section 101.4.3 of the Energy Conservation Code of New York State, this project is exempt from the envelope and exterior lighting requirements.

dd. Lead Based Paint: The units in this pre-1960 building will be in compliance with Local Law 1 per the Department of Housing Preservation and Development and lead safe upon turnover to occupants. Remediation of lead hazards encountered during construction will be performed in compliance with Local Law 1 as well as EPA renovation rules.

Sponser has provided an excerpt of the phase I environmental site assesment regarding lead paint will be included in this report.

ee. Document Transfer: At or subsequent to the First Closing, Sponsor will deliver to the Condominium Board copies of the following documents, as applicable, and as otherwise in Sponsor's possession:

(i) mechanical, electrical and plumbing drawings for the Building;
(ii) operating and maintenance manuals for mechanical equipment;
(iii) electronic system manuals;
(iv) major equipment start-up sheets and control system as-built; and
(v) original test and balance report for HVAC system.
(vi) Warranty information for requested equipment and common elements will be provided as part of the document transfer.

9.23.13

Jordan Rogove, AIA
Partner, DXA Studio

Date

LOCAL LAW 11 REPORT

NEW YORK CITY LOCAL LAW 11 OF 1998
INITIAL CYCLE INSPECTION REPORT
Cycle No.7

7 Harrison Street
New York, NY 10013

August 3, 2012

Prepared by:

GACE consulting engineers pc

31 West 27th Street, 6th Floor, New York, New York 10001
t: 212 545 7878 f: 212 545 8222 www.gace.net

REPORT OF CRITICAL EXAMINATION

A. PROPERTY INFORMATION

ADDRESS AND LOCATION RELATIVE TO NEAREST STREETS:	7 Harrison Street New York, NY 10013
A.K.A.:	7-9 Harrison Street
BLOCK #:	180
LOT #:	29
BUILDING IDENTIFICATION # (BIN):	1002037

B. BUILDING OWNERSHIP/MANAGEMENT INFORMATION:

1. OWNER (NAME, ADDRESS, PHONE #):	Mr. Scott Sabbagh Harrison Street Residences LLC 7 Harrison Street New York, NY 10013 P# (212) 775-8290
2. AGENT FOR OWNER (NAME, ADDRESS, PHONE #):	Mr. Shane Neuringer Harrison Street Residences LLC 7 Harrison Street New York, NY 10013 P# (212) 775-8290
3. SUPERINTENDENT (NAME, PHONE #):	Keith Moses P# (646) 772-8237

C. DETAILED DESCRIPTION OF THE INSPECTED BUILDING

1. TYPE OF EXTERIOR WALL CONSTRUCTION:	Brick Masonry facade
2. APPROXIMATE AGE OF BUILDING:	112 years
3. INDIVIDUAL LANDMARK STATUS OR IF WITHIN LANDMARK DISTRICT:	Yes – Landmark building located in the Tribeca West Historic District.
4. NUMBER OF STORIES:	7 Stories

5. Usage: Mixed – use (C6-2A)

6. APPROXIMATE PLAN DIMENSIONS: 51'-0" x 100'-0"

7. ALL APPURTENANCES: No flagpoles or window mounted A/C units. Existing fire escapes at the north and south facades are safe.

8. OCCUPANCY AND CERTIFICATE OF OCCUPANCY # (IF AVAILABLE): None Available

9. FRONTAGES: North – Hester Street
East – Staple Street

10. STRUCTURAL SYSTEM: Existing masonry walls are load bearing, with timber beams.

11. SETBACKS: None

12. PENTHOUSES AND BULKHEADS: Elevator bulkhead at the Main Roof

13. EXTERIOR FIRE ESCAPES: Yes – At the north and south facades.

14. BALCONIES: None

15. MARQUEES: None

16. SIGNS: None

17. PARAPETS: Yes – At the Main Roof

18. WINDOW A/C UNITS: None installed

19. POTTED PLANTS: None

20. WATER TABLE – CORNICE: Yes – Tin cornice at the Main Roof parapet, north and east facades. There are terra cotta water tables at the north and east façades: 7th, 6th, 3rd and 2nd floors.

a: Repair History: According to the Department of Buildings website, under the Job Overview link, no façade repairs have been made to this building since the LL 11/98 cycle 6 report was filed. All the maintenance conditions listed within this report (see 4b) are new SWARMP conditions.

D. No façade repairs were made since the LL 11/98 cycle 6 report was filed (February 20th 2007). Within the LL 11/98 cycle 6 report the two (2) listed SWARMP conditions are not considered SWARMP conditions (per the DOB examiners notes within the report). See item 4a within this report for a list of the "SWARMP" conditions listed within the cycle 6 report.

E. The critical examination consisted of two (2) drops (via fire escape) at the east façade (Staple Street) and at the north façade (Hester Street). Visual inspections were made with the use of high powered binoculars from the street.

F. DETAILED DESCRIPTION OF HOW THE PHYSICAL EXAMINATION OF A REPRESENTATIVE SAMPLE OF A STREET FRONT WALL WAS CONDUCTED:

1. THE EXACT IDENTIFICATION OF WHERE ON THE BUILDING THE PHYSICAL EXAMINATION WAS PERFORMED: The required critical examination from the existing fire escapes was made at the east facade (Staple Street) and north façade (Hester Street). See SK-080312-02 for exact locations.

2. NAME OF THE PROFESSIONAL RESPONSIBLE FOR THE INSPECTION: Michael Guilfoyle
   GACE consulting engineers, PC
   31 West 27th Street
   New York, NY 10001
   P# (212) 545-7878
   Lisc. # 063292

3. NAME, ADDRESS AND PHONE # OF ANY RIGGER, TESTING LAB OR OTHER CONSULTANT INVOLVED IN INSPECTION AND USED IN DEVELOPING THIS REPORT: The critical examination was done from the two (2) existing fire escapes (north and south facades). Therefore no suspended scaffolding was required.

4. DATES OF ALL INSPECTIONS: Binocular Inspections: 7/25/12 & 8/01/12
   Critical Examination: 8/01/12

G. REPORT OF FINDINGS

1. REPORT OF REVIEW

   a. AVAILABILITY OF PREVIOUS CYCLE REPORT: We were provided the LL 11/98 cycle 6 report from the building Owner.

   b. STATUS OF PREVIOUS REPORT: SWARMP

   c. EXTERIOR ALTERATIONS, REPAIRS OR MAINTENANCE WORK SINCE THE DATE OF PREVIOUS CYCLE REPORT: No repairs were made to the façade since the LL 11/98 cycle 6 report was filed (Feb. 20th 2007).

2. BUILDING FEATURES:

   a. SIGNIFICANT DETERIORATION AND MOVEMENT: Significant vertical cracking within the brick masonry at the south west corner of the chimney was observed.

   b. APPARENT WATER TIGHTNESS OF EXTERIOR SURFACES: No water leaks were reported to us by building management during our critical examination.

   c. DELETERIOUS EFFECT OF EXTERIOR APPURTENANCES: The existing fire escapes at the north and south facades are not contributing to the SWARMP conditions listed within this report.

3. UNSAFE CONDITIONS: No Unsafe conditions were observed.

4. SWARMP (SAFE WITH A REPAIR AND MAINTENANCE PROGRAM) CONDITIONS:

a. COMPARE TO PREVIOUS CYCLE REPORT:

South Façade:

- Paint fire escape.
- Paint windows, floors 2-7

Note: Per the DOB's comments within the LL 11/98 cycle 6 report, the conditions listed above are not SWARMP conditions.

b. SWARMP CONDITIONS:

East Façade:

1st floor (Ground):

- Brick re-pointing at window line 2.
- Stone spall at window lines 1-5
- Brick spall at window lines 5 & 6
- Stone re-pointing at window line 9
- Damaged tin water table at window line 7
- Rout and re-point damaged stone water table vertical joints 100%
- Rout and reseal water table head joints 100%

2nd floor:

- Brick re-pointing at window lines 1, 2, 5, 7, 8 & 9
- Brick spalling at window line 1
- Brick missing at window lines 7-9

3rd floor:

- Brick spalling at window lines 7 & 8
- Stone spall at window line 9
- Missing stone at window line 7
- Brick crack at window line 7
- Existing anchors in brick masonry at window line 9
- Brick re-pointing at window lines 7-9
- Rout and re-point damaged stone water table vertical joints 100%
- Rout and reseal water table head joints 100%

4th floor:

- Brick re-pointing at window lines 7-9
- Brick spall at window line 1
- Stone window sill spall at window line 4
- Brick crack at window line 6

5th floor:

- Brick crack at window line 6
- Brick re-pointing at window lines 7-9
- Rout and re-point damaged stone water table vertical joints 100%
- Rout and reseal water table head joints 100%

6th floor:

- Brick spall at window line 3
- Stone spall at water table, at window line 9

7th floor:

- Stone spall between window lines 5 & 6
- Rout and re-point damaged stone water table vertical joints 100%

- Rout and reseal water table head joints 100%

Exterior of Main Roof parapet:
- Brick re-pointing at window lines 1-5
- Brick spall at window lines 1-5 & 7
- Brick crack at window line 2
- Rout and re-point damaged stone water table vertical joints 100%
- Rout and reseal water table head joints 100%

North Façade:

1st floor (Ground):
- Stone re-pointing at window lines 10, 12 & 15

2nd floor
- Brick missing at window lines 10-15
- Brick re-pointing 100% (include all returns and reveals)
- Existing anchors in brick masonry at window lines 10-15
- Brick spall between window lines 12 & 13
- Brick crack at window line 12

3rd floor:
- Rout and re-point damaged stone water table vertical joints 100%
- Rout and reseal water table head joints 100%
- Stone spall at window lines 10-13
- Existing anchors in brick masonry at window lines 10-15
- Brick re-pointing 100% (include all returns and reveals)
- Brick crack at window line 12
- Stone crack at window line 15

4th floor:
- Brick re-pointing 100% (include all returns and reveals)
- Existing anchors in brick masonry at window line 10
- Brick spall at window lines 11, 12 & 15
- Brick crack at window lines 12 & 13

5th floor:
- Brick re-pointing 100% (include all returns and reveals)
- Brick spall at window lines 11-15
- Brick crack at window lines 12 & 13

6th floor:
- Rout and re-point damaged stone water table vertical joints 100%
- Rout and reseal water table head joints 100%
- Brick re-pointing 100% (include all returns and reveals)
- Stone spall at window line 11
- Brick crack at window line 13
- Stone crack at window sill at window line 14
- Brick spall at window line 15

7th floor:
- Rout and re-point damaged stone water table vertical joints 100%
- Rout and reseal water table head joints 100%
- Brick re-pointing 100% (include all returns and reveals)
- Stone spall at window lines 10, 13-15

- Brick crack at window lines 10, 13-15
- Stone crack at window lines 11 & 12
- Brick spall at window line 14

South Façade:

2nd floor:
- Stucco crack at window line 16

3rd floor:
- Stucco crack at window lines 16 & 18
- Brick spall at window line 18

4th floor:
- Stucco crack at window lines 17 & 18

5th floor:
- Stucco crack at window lines 16-18

6th floor:
- Stucco crack at window lines 16-18 & 20

7th floor:
- Stucco crack at window lines 16-18 & 20
- Stucco spall at window line 20
- Brick re-pointing at window line 20
- Brick spall at window line 20
- Brick re-pointing at existing chimney 100%

West Façade:

2nd floor:
- Brick crack at window line 19
- Existing anchors in brick masonry at window line 19

3rd floor:
- Brick crack at window line 19
- Existing anchors in brick masonry at window line 19
- Stucco crack at window line 19

4th floor:
- Existing anchors in brick masonry at window line 19
- Stucco crack at window line 19
- Brick spall at window line 19

5th floor:
- Brick crack at window line 19
- Existing anchors in brick masonry at window line 19
- Stucco crack at window line 19
- Stone spall at window line 19

6th floor:
- Stone crack at window line 19
- Brick crack at window line 19
- Existing anchors in brick masonry at window line 19

- Stucco crack at window line 19
- Brick spall at window line 19

7th floor:

- Stone crack at window line 19
- Brick crack at window line 19
- Existing anchors in brick masonry at window line 19
- Stucco crack at window line 19
- Brick re-pointing at existing chimney 100%

H. ANALYSIS OF SWARMP CONDITIONS LISTED ABOVE: To the best of our knowledge without performing probes the new SWARMP conditions were caused by weathering / normal wear and tear.

I. MAINTENANCE WORK PERFORMED TO DATE: No façade repairs were done since the report was filed, 2/20/2007.

J. EXTERIOR ALTERATIONS, REPAIRS OR MAINTENANCE WORK SINCE THE DATE OF PREVIOUS CYCLE REPORT:

1) No façade repairs were done since the report was filed, 2/20/2007.
2) No ECB violations were issued for the façade since the filing of the cycle 6 LL 11/98 report (2/20/2007).

a. RECOMMENDED TIME FRAME TO REPAIR SWARMP CONDITIONS AND PROJECTED COMPLETION DATE (MONTH/YEAR): The brick crack at the south west corner of the chimney is to be repaired by August 2013. The remaining SWARMP conditions listed within this report can be completed by July 2017.

L. PERMITS REQUIRED: Yes – Work and Sidewalk Shed permits are required for re-pointing the brick mortar joints, terra cotta crack/spall repairs and brick crack/replacement repairs.

M. APPENDICES

- Appendix A – Photos of new SWARMP Conditions
- SK-080312-01 – Representative façade photo
- SK-080312-02 – Roof plan denoting window lines, drop locations & Site Plan.

N. CLASSIFICATION OF BUILDING

1. SUMMARY OF FINDINGS AND RECOMMENDATIONS

In accordance with New York City Building Code Section 27-129, and Rules and Regulations Section 32-03, the building is classified as SWARMP. No work was done to the façade since the LL 11/98 cycle 6 report was filed (2/20/07). The SWARMP conditions listed within the cycle 6 report were deemed not to be SWARMP conditions by the Department of Buildings. All maintenance conditions found during our inspection of the façade are considered new SWARMP conditions.

O. PROFESSIONAL SEAL AND SIGNATURE WITH DATE

GENERAL NOTES

The condition of the balance of the exterior walls not covered by Local Law 11/98 was excluded from this report.

The accuracy of this report is limited to what can reasonably be inspected utilizing binocular surveillance from the easily accessible ground and roof areas as well as from the representative scaffold inspection drops. Conditions of the wall backup and/or structural framing and fastenings are not covered in this report. We have been retained in accordance with section 27-129 of the New York City Administrative Building Code, which allows critical examination using the above techniques. This report was not intended for the determination of causes of the conditions noted above. This engineer has been retained exclusively for the critical examination of the building walls and appurtenances thereof, preparation and filing of this report, all in compliance with Section 27-129 of the Administrative Building Code of New York City, i.e. Local Law 11/98.

This engineer's responsibility is limited solely to that of critical examination, preparation and filing of this report. No statement in this report is intended to extend the engineer's liability beyond that required by Local Law 11/98.

The owner shall immediately commence work to remove unsafe conditions and shall undertake such measures as may be required to secure public safety and to make the building exterior walls or appurtenances thereof conform to the code.

The owner is advised to prepare and implement a maintenance program for the correction of those conditions noted for which safe conditions with repair and maintenance program work is recommended.

Descriptions of the building in this report are not guaranteed for survey type accuracy or for legal use.

The actual condition of the glass in this examination has been included, only if it is obviously cracked or in danger of falling from the building, or permitting penetration of water into the building.

The details of this report cannot be used to determine the extent of, or to contract for, maintenance work.

Conditions of the building noted and identified in this report are limited to those observed on the date of inspection.

The building manager should continually examine the premises and monitor conditions of this nature and require the removal or correction of any potentially unsafe items

The engineer assumes no responsibility for the adequacy of the design or construction of the original building; nor for the adequacy of installations, alteration, maintenance or repair work either performed in the past, present or future by contractors or maintenance personnel; nor

for any construction not visible. Nothing in this report should be construed as indicating that the engineer has offered an opinion regarding the adequacy of the building's construction or appurtenances or their suitability or availability to furnish support for scaffolds, washing equipment or other devices.

END OF REPORT

APPENDIX A – PHOTOS

Photo #1: Typical deteriorated mortar joint at window lintel

Photo #2: Typical deteriorated stone vertical joint

Photo #3: Existing anchor at brick façade

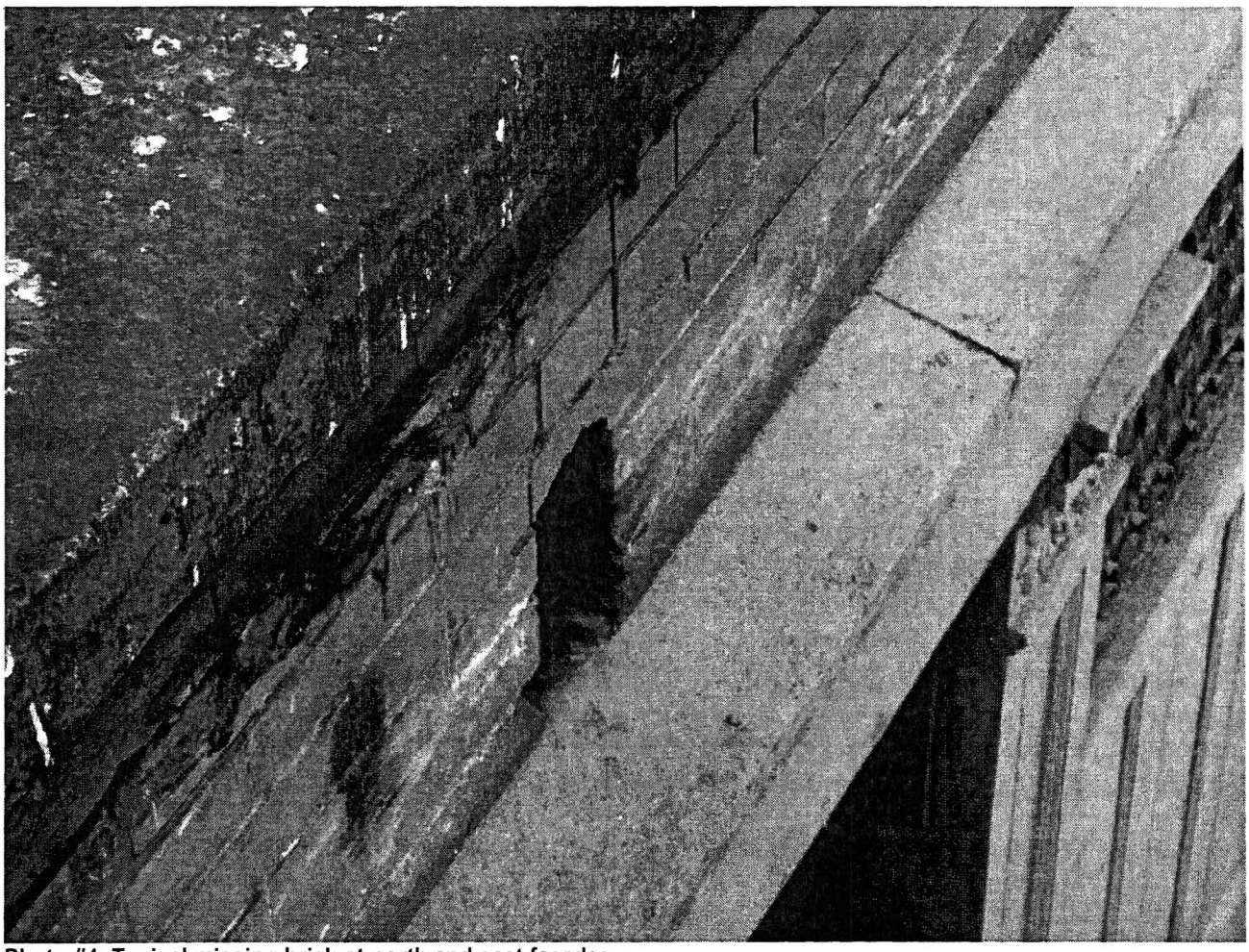

Photo #4: Typical missing brick at north and east facades

Photo #5: Typical stone spall at water table

Photo #6: Typical stone cracks

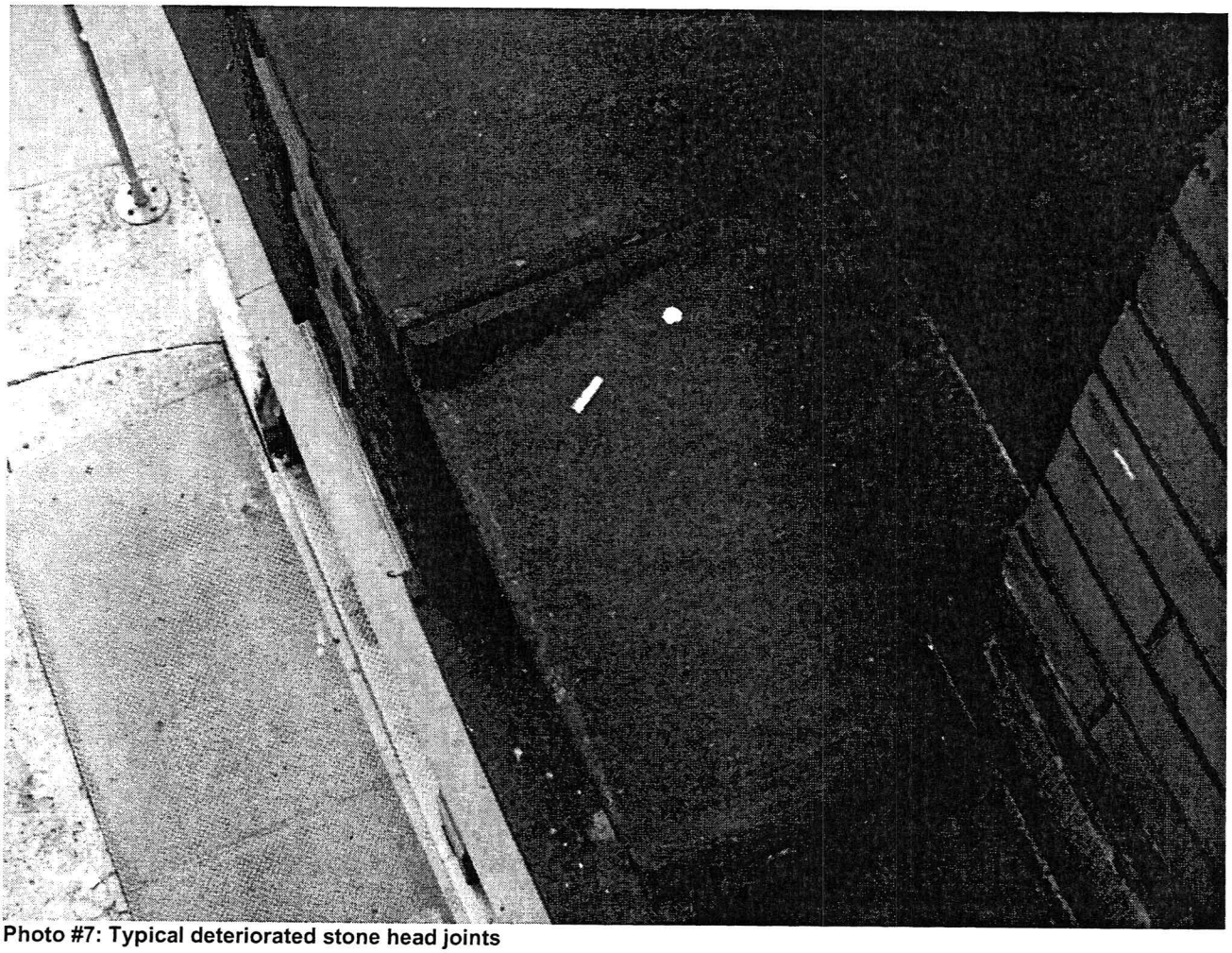

Photo #7: Typical deteriorated stone head joints

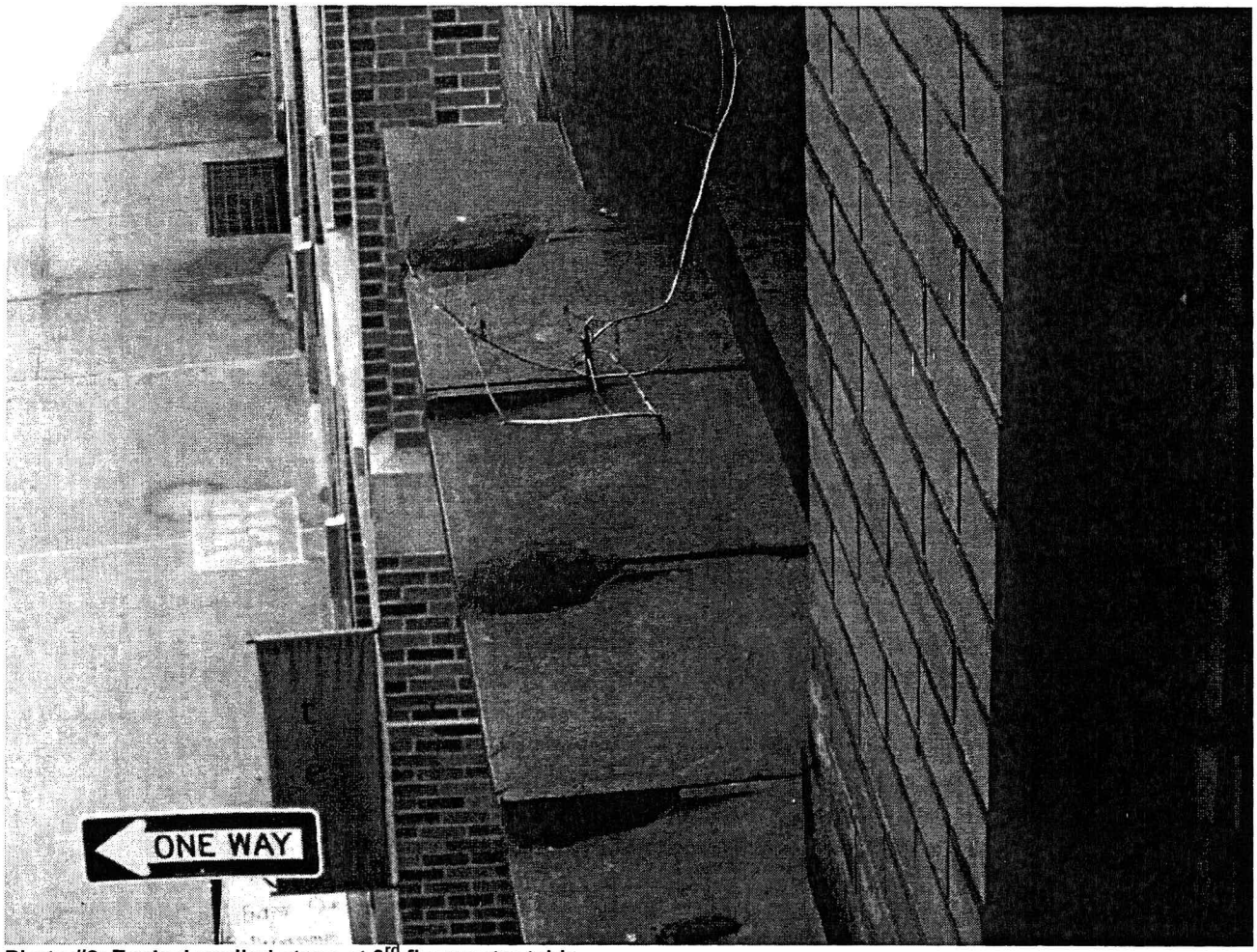

Photo #8: Typical spalled stone at 3rd floor water table

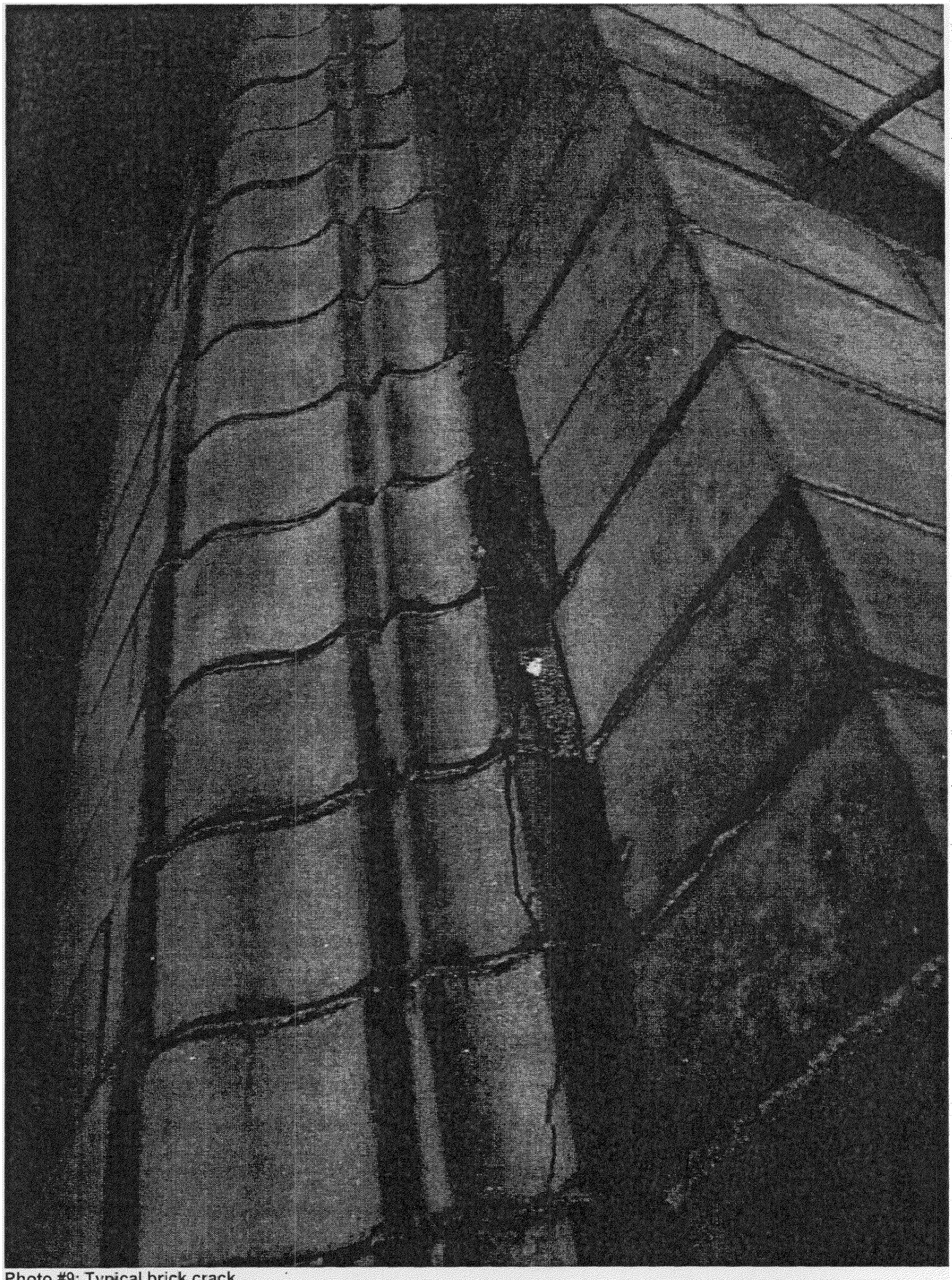

Photo #9: Typical brick crack

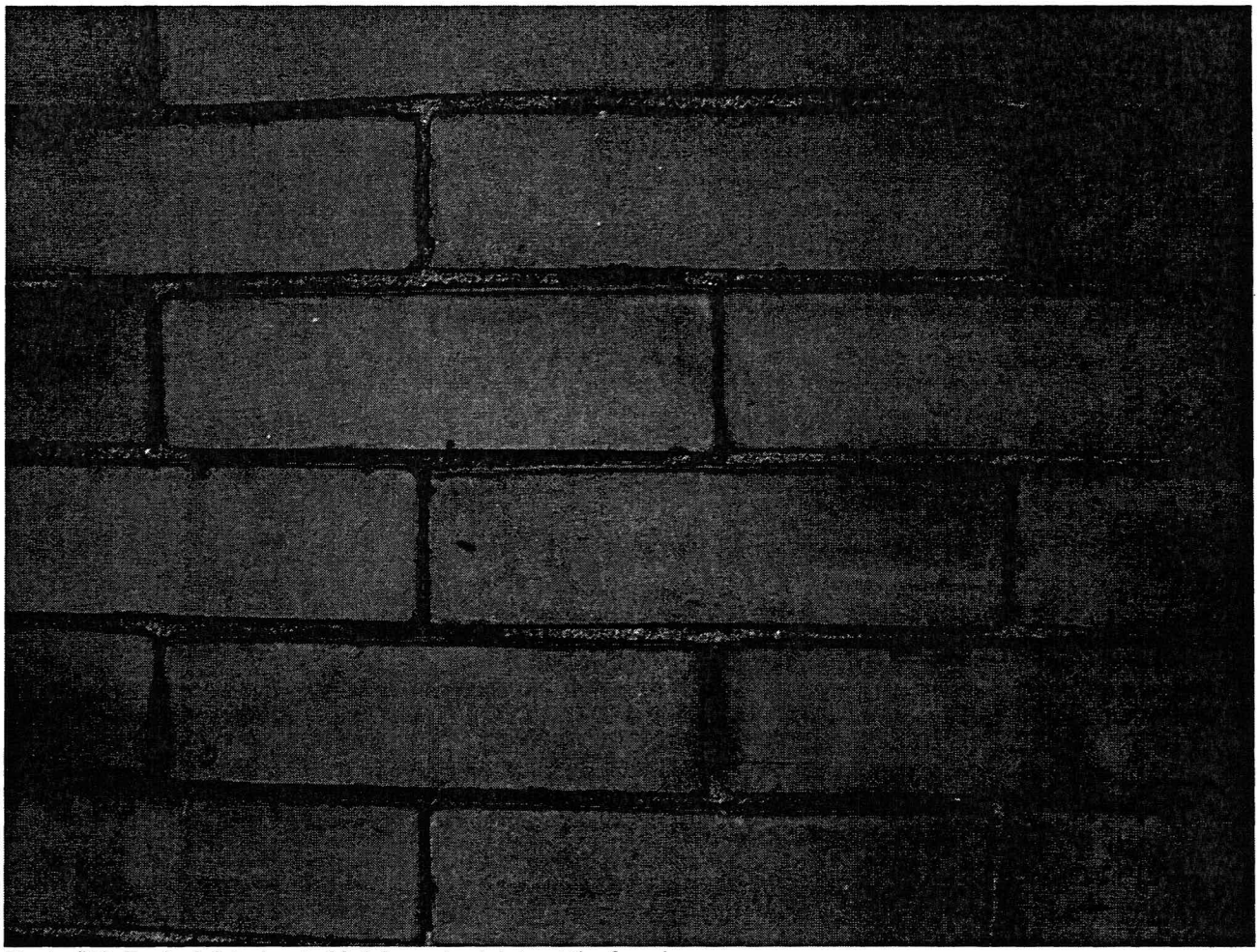

Photo #10: Typical deteriorated brick mortar joints at the façade

Photo #11: Typical brick spalling at an existing window arch.

Photo #12: Typical stone crack at existing window sill.

Photo #13: Typical spalled/cracked stucco at south façade

Photo #14: Missing portion of stone water table at east façade, 3rd floor.

Photo #15: Stone spall at east façade, 3rd floor water table.

ACP-21

NYC Environmental Protection

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

ASBESTOS PROJECT COMPLETION FORM- ACP21

TRU0807MN12

Premise Address 7 Harrison Street Borough Manhattan Zip 10013

DEP Asbestos Control Program is in receipt of the following document (s)

- [x] Project Monitor's Report
- [ ] A-TR1 form filed by Registered Design Professional

Based on the above submitted documentation the Department is issuing the

- [ ] Project Completion Form (entire project)
- [X] Project Completion Form (partial project)

(See next page for the list of closed-out location(s) of abatement)

DEP hereby acknowledges that it has received the above documentation required pursuant to section 1-22(b) of the DEP Asbestos Rules (15 RCNY Chapter 1) for the completion of this project. Please note that the issuance of this Form is not a certification that the asbestos project was performed in accordance with the DEP Asbestos Rules or that the building is free of asbestos containing material. This Form is issued based on representations contained in documentation submitted by the applicant, or other relevant party.

Date: July 18, 2012

Signature

NYC Environmental Protection

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

ASBESTOS PROJECT COMPLETION FORM- ACP21

TRU0807MN12

Premise Address 7 Harrison Street Borough Manhattan Zip 10013

CLOSED-OUT LOCATION(S) OF ABATEMENT

Floor	Section of Floor	Type of Asbestos Containing Material	Amount of ACM		DOB Job Number(s) (if applicable)
			Square Feet	Linear Feet	
Roof	Bulkhead Walls	Tar Waterproofing	260		
Roof	Coping Stone	Tar Waterproofing	20		
		TOTAL ACM	280		

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NYC Environmental Protection

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

ASBESTOS PROJECT COMPLETION FORM- ACP21

TRU0807MN12

Premise Address 7 Harrison Street Borough Manhattan Zip 10013

CLOSED-OUT LOCATION(S) OF ABATEMENT

Floor	Section of Floor	Type of Asbestos Containing Material	Amount of ACM		DOB Job Number(s) (if applicable)
			Square Feet	Linear Feet	
Roof	Parapet Wall	Tar Waterproofing	970		
		TOTAL ACM	970		

NYC Environmental Protection

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

ASBESTOS PROJECT COMPLETION FORM- ACP21

TRU0807MN12

Premise Address 7 Harrison Street Borough Manhattan Zip 10013

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- [X] Project Completion Form (partial project)

(See next page for the list of closed-out location(s) of abatement)

DEP hereby acknowledges that it has received the above documentation required pursuant to section 1-22(b) of the DEP Asbestos Rules (15 RCNY Chapter 1) for the completion of this project. Please note that the issuance of this Form is not a certification that the asbestos project was performed in accordance with the DEP Asbestos Rules or that the building is free of asbestos containing material. This Form is issued based on representations contained in documentation submitted by the applicant, or other relevant party.

Date: July 18, 2012

Signature

NYC Environmental Protection

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

ASBESTOS PROJECT COMPLETION FORM- ACP21

TRU0807MN12

Premise Address 7 Harrison Street Borough Manhattan Zip 10013

CLOSED-OUT LOCATION(S) OF ABATEMENT

Floor	Section of Floor	Type of Asbestos Containing Material	Amount of ACM		DOB Job Number(s) (if applicable)
			Square Feet	Linear Feet	
Roof	Perimeter	Flashing Membrane	480		
		TOTAL ACM	480		

NYC Environmental Protection

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

ASBESTOS PROJECT COMPLETION FORM- ACP21

TRU0807MN12

Premise Address 7 Harrison Street Borough Manhattan Zip 10013

DEP Asbestos Control Program is in receipt of the following document (s)

- [x] Project Monitor's Report
- [ ] A-TR1 form filed by Registered Design Professional

Based on the above submitted documentation the Department is issuing the

- [ ] Project Completion Form (entire project)
- [X] Project Completion Form (partial project)

(See next page for the list of closed-out location(s) of abatement)

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Date: July 18, 2012

Signature

7/19/2012 8:42:14 AM

NYC Environmental Protection

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

ASBESTOS PROJECT COMPLETION FORM- ACP21

TRU0807MN12

Premise Address 7 Harrison Street Borough Manhattan Zip 10013

CLOSED-OUT LOCATION(S) OF ABATEMENT

Floor	Section of Floor	Type of Asbestos Containing Material	Amount of ACM		DOB Job Number(s) (if applicable)
			Square Feet	Linear Feet	
Roof		Roofing Membrane	4,318		
		TOTAL ACM	4,318		

NYC Environmental Protection

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

ASBESTOS PROJECT COMPLETION FORM- ACP21

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NYC Environmental Protection

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Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

ASBESTOS PROJECT COMPLETION FORM- ACP21

TRU0807MN12

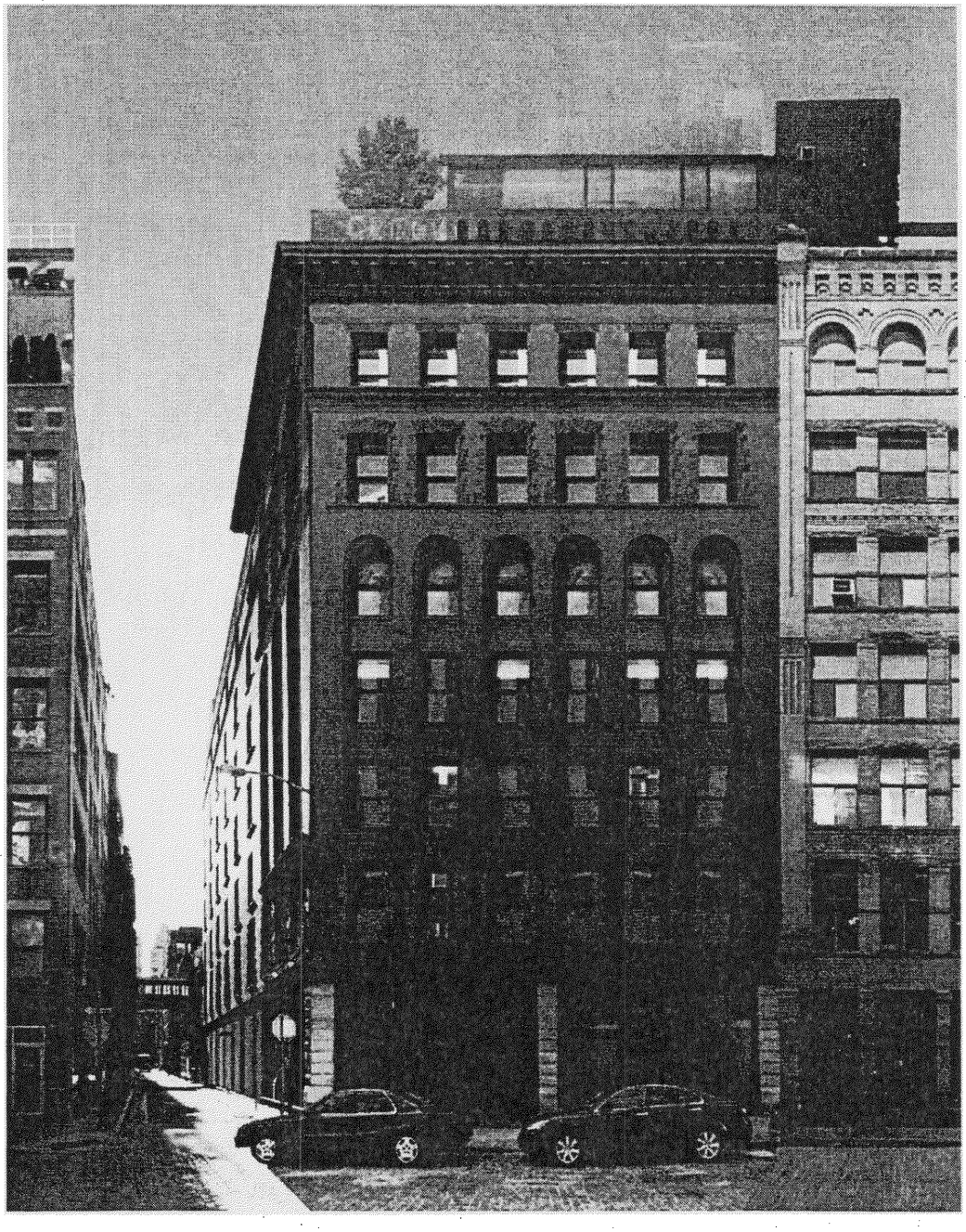
Premise Address 7 Harrison Street Borough Manhattan Zip 10013

CLOSED-OUT LOCATION(S) OF ABATEMENT

Floor	Section of Floor	Type of Asbestos Containing Material	Amount of ACM		DOB Job Number(s) (if applicable)
			Square Feet	Linear Feet	
2nd	Apartment 2D	Vinyl Floor Tiles	528		
		TOTAL ACM	528		

FLOOR PLANS

7 HARRISON STREET
NEW YORK, NY 10013

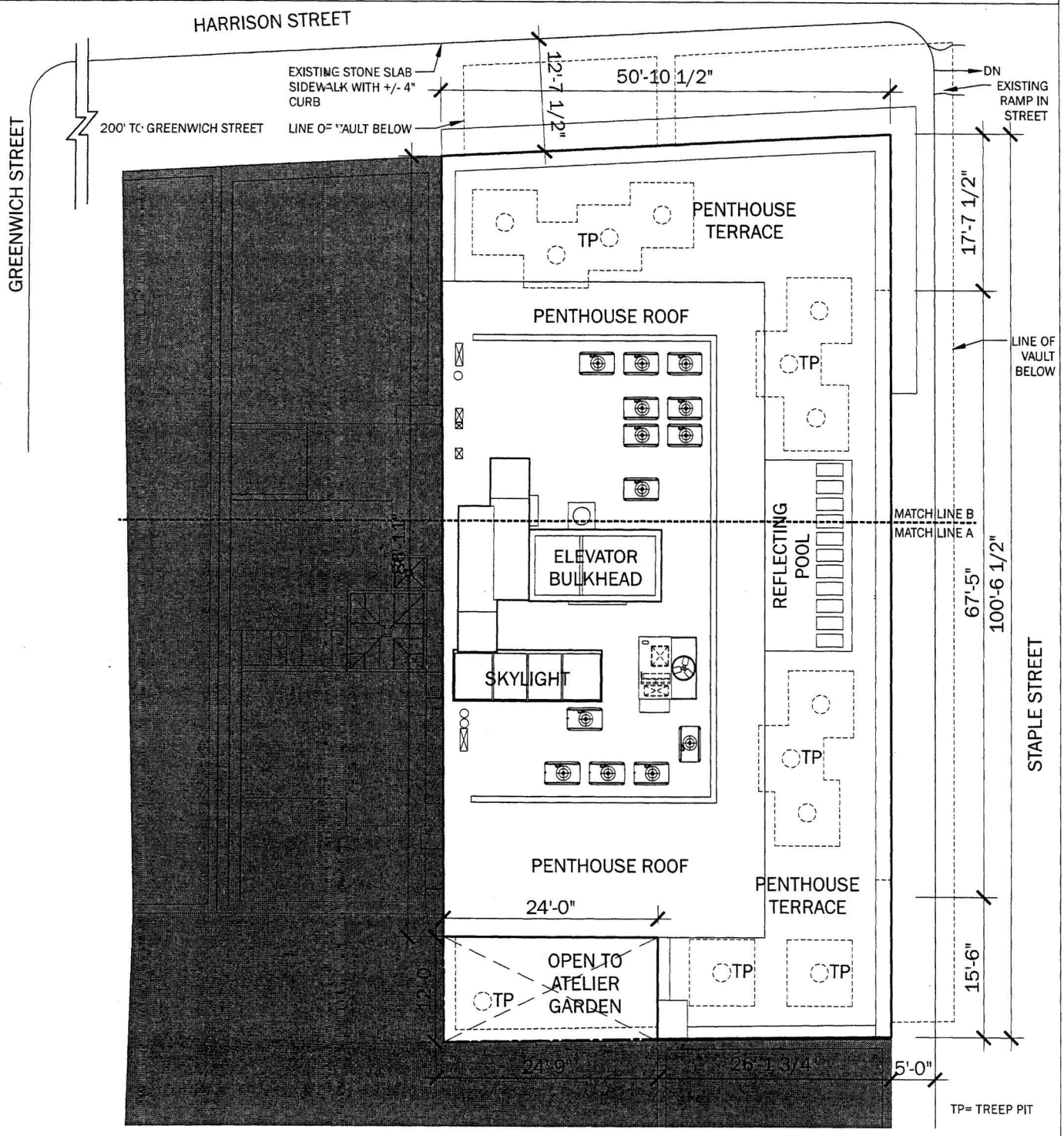


UNIT FLOOR PLANS

HARRISON STREET RESIDENCES LLC

DXA studio
Architecture PLLC

7 HARRISON STREET
NEW YORK, NY 10013



SITE PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.

HARRISON STREET RESIDENCES LLC

DXA studio
Architecture PLLC

SCALE: 1/16" = 1' - 0"

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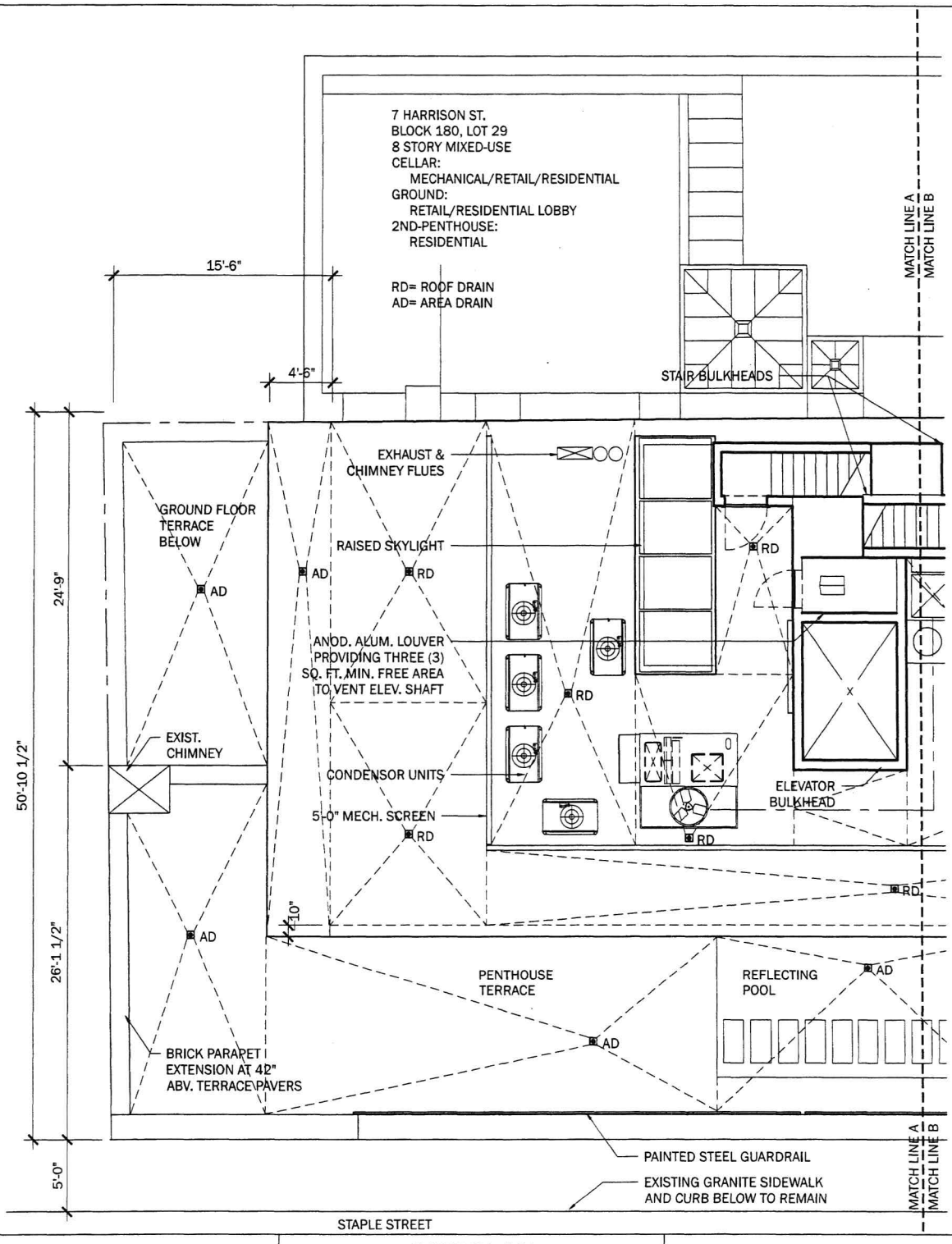
N

7 HARRISON STREET
NEW YORK, NY 10013



SITE PLAN
HARRISON STREET

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HARRISON STREET RESIDENCES LLC

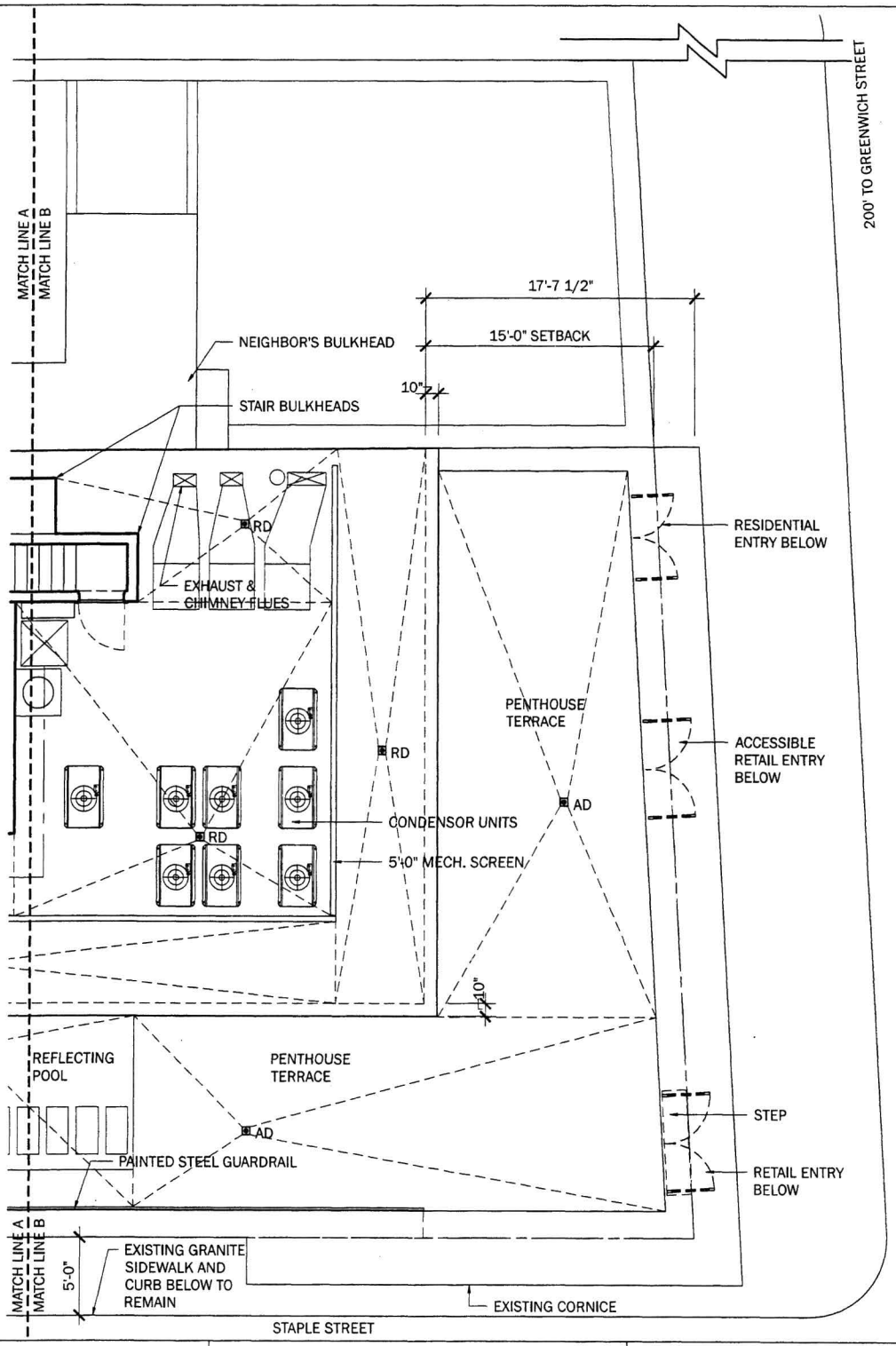
DXA studio
Architecture PLLC

SCALE: 3/32" = 1' - 0"

0 2 6 10

N

7 HARRISON STREET
NEW YORK, NY 10013



SITE PLAN
HARRISON STREET

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HARRISON STREET RESIDENCES LLC

DXA studio
Architecture PLLC

SCALE: 3/32" = 1' - 0"

0 2 6 10

N

7 HARRISON STREET
NEW YORK, NY 10013

EAST FACADE ELEVATION
STAPLE STREET

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.

HARRISON STREET RESIDENCES LLC

DXA studio
Architecture PLLC

SCALE: 1/16" = 1' - 0"

0 4 8 12 20

7 HARRISON STREET
NEW YORK, NY 10013

NORTH FACADE ELEVATION
HARRISON STREET

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.

HARRISON STREET RESIDENCES LLC

DXA studio
Architecture PLLC

SCALE: 1/16" = 1' - 0"

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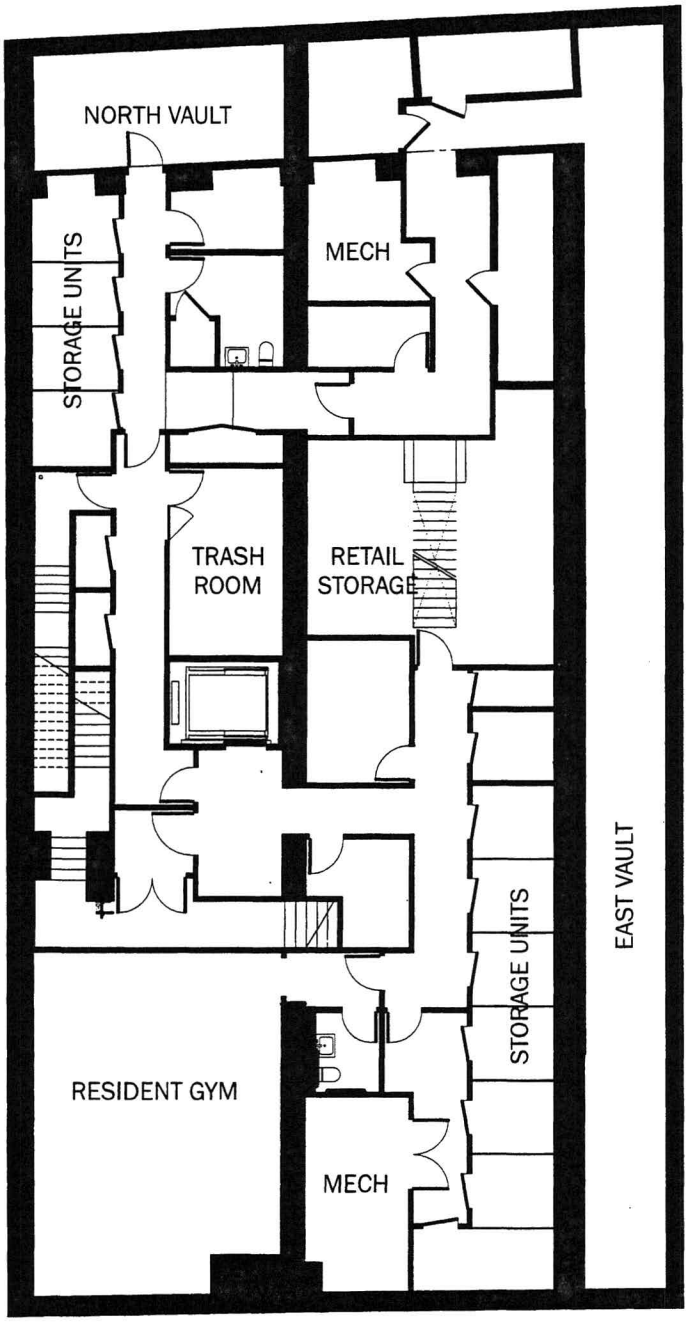
7 HARRISON STREET
NEW YORK, NY 10013



CELLAR FLOOR

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DXA studio
Architecture PLLC

SCALE: 1/16" = 1' - 0"

0 4 8 12 20

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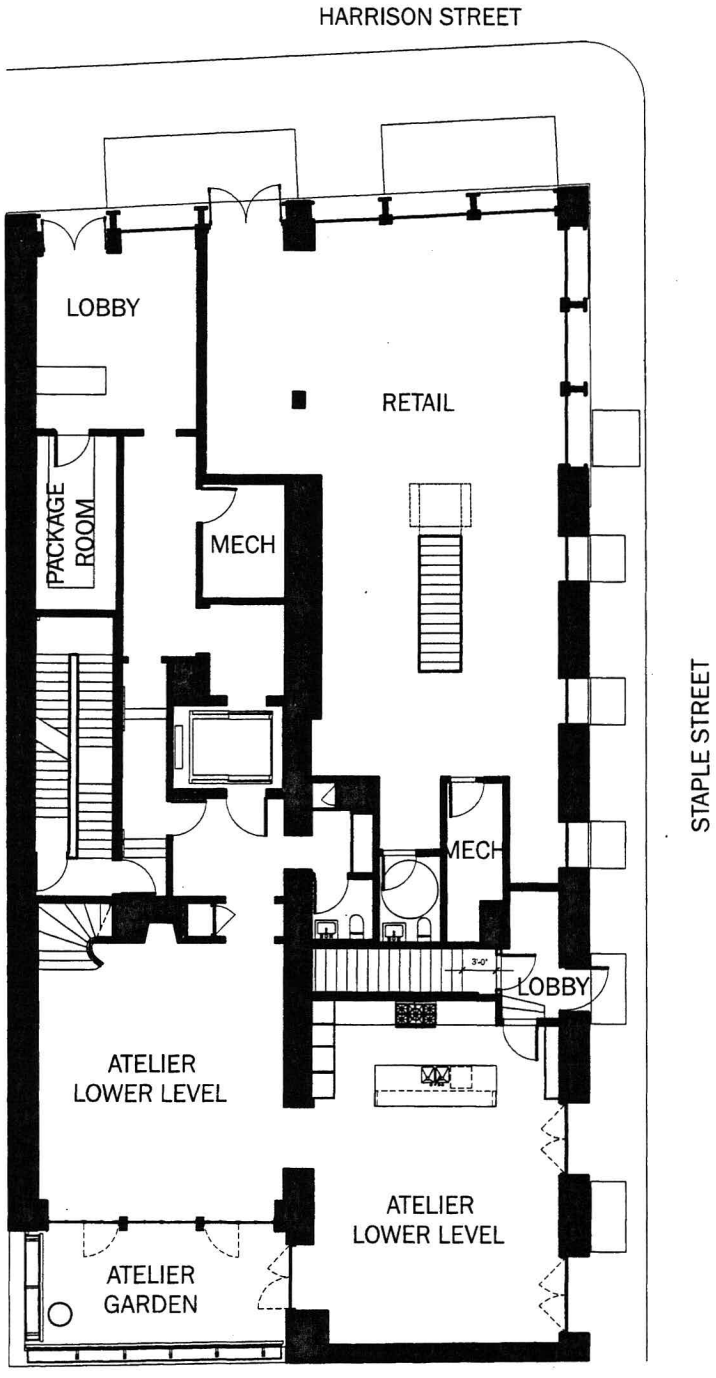
7 HARRISON STREET
NEW YORK, NY 10013



GROUND FLOOR

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.

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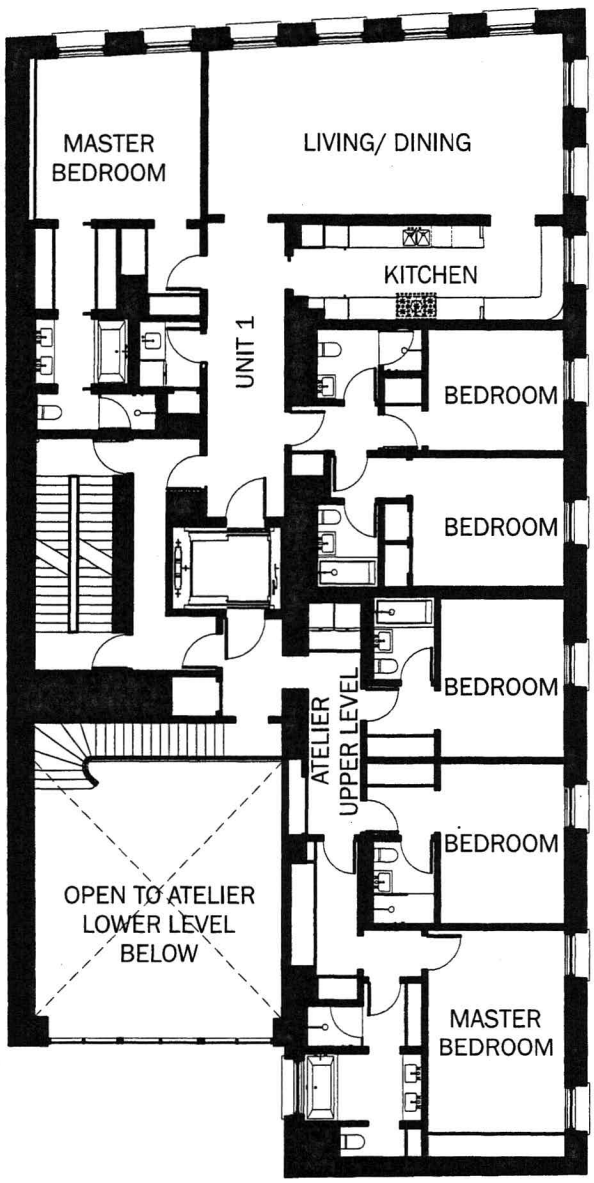
7 HARRISON STREET
NEW YORK, NY 10013



SECOND FLOOR

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.

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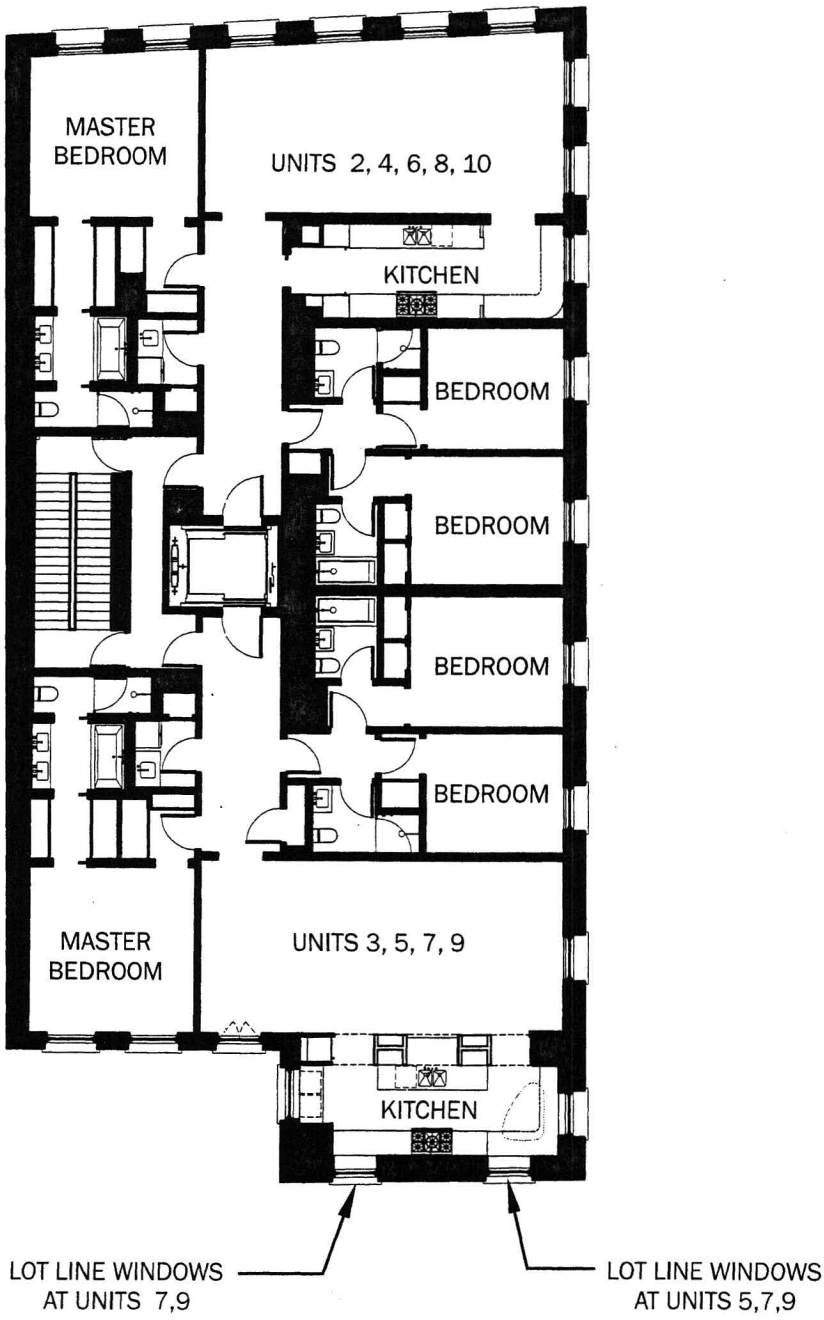
DXA studio
Architecture PLLC

SCALE: 1/16" = 1' - 0"

0 4 8 12 20

N

7 HARRISON STREET
NEW YORK, NY 10013



TYPICAL FLOOR
THIRD THROUGH SIXTH FLOORS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.

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Architecture PLLC

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0 4 8 12 20

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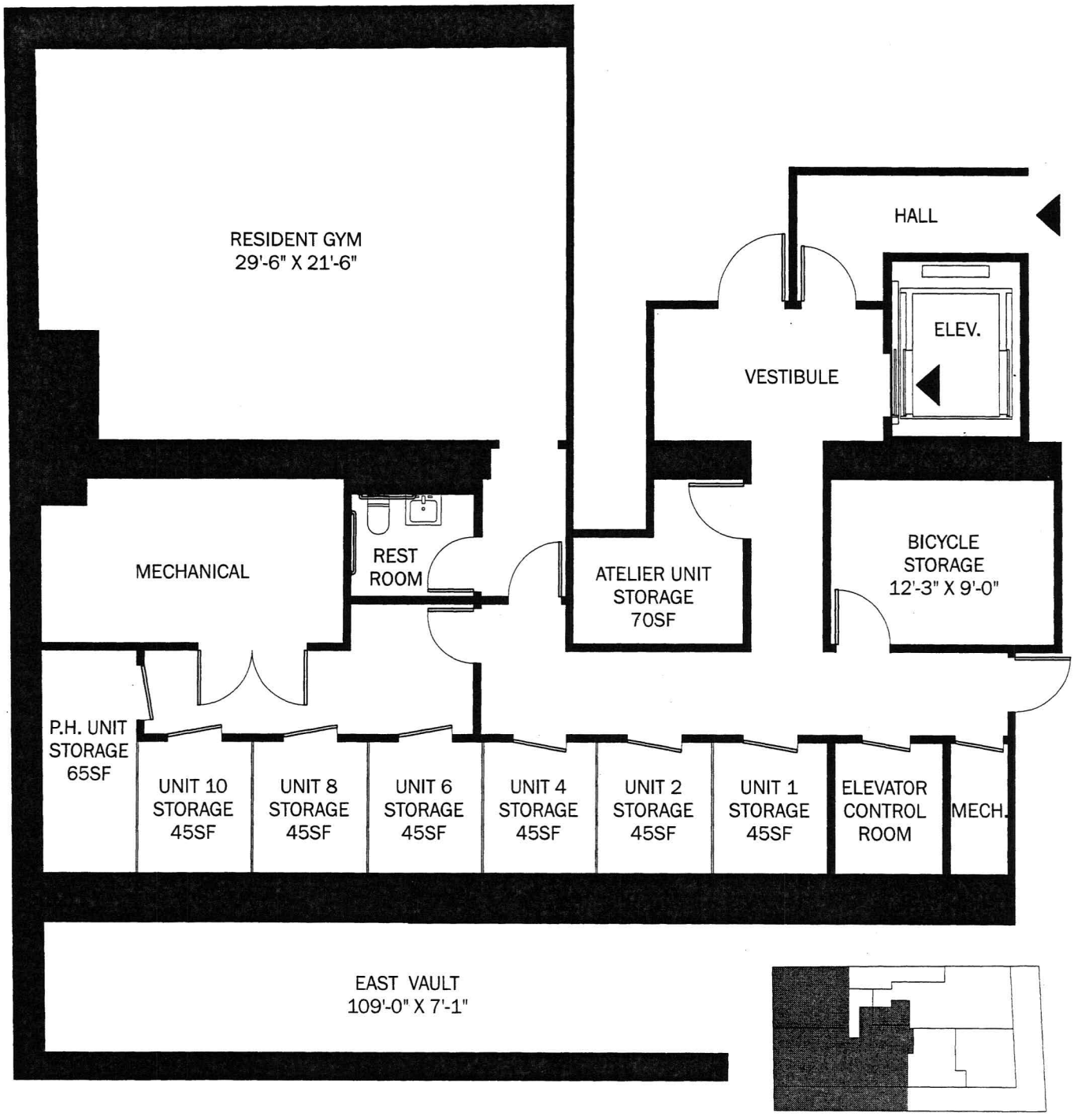
7 HARRISON STREET
NEW YORK, NY 10013



COMMON SPACES
CELLAR FLOOR SOUTH

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.

HARRISON STREET RESIDENCES LLC

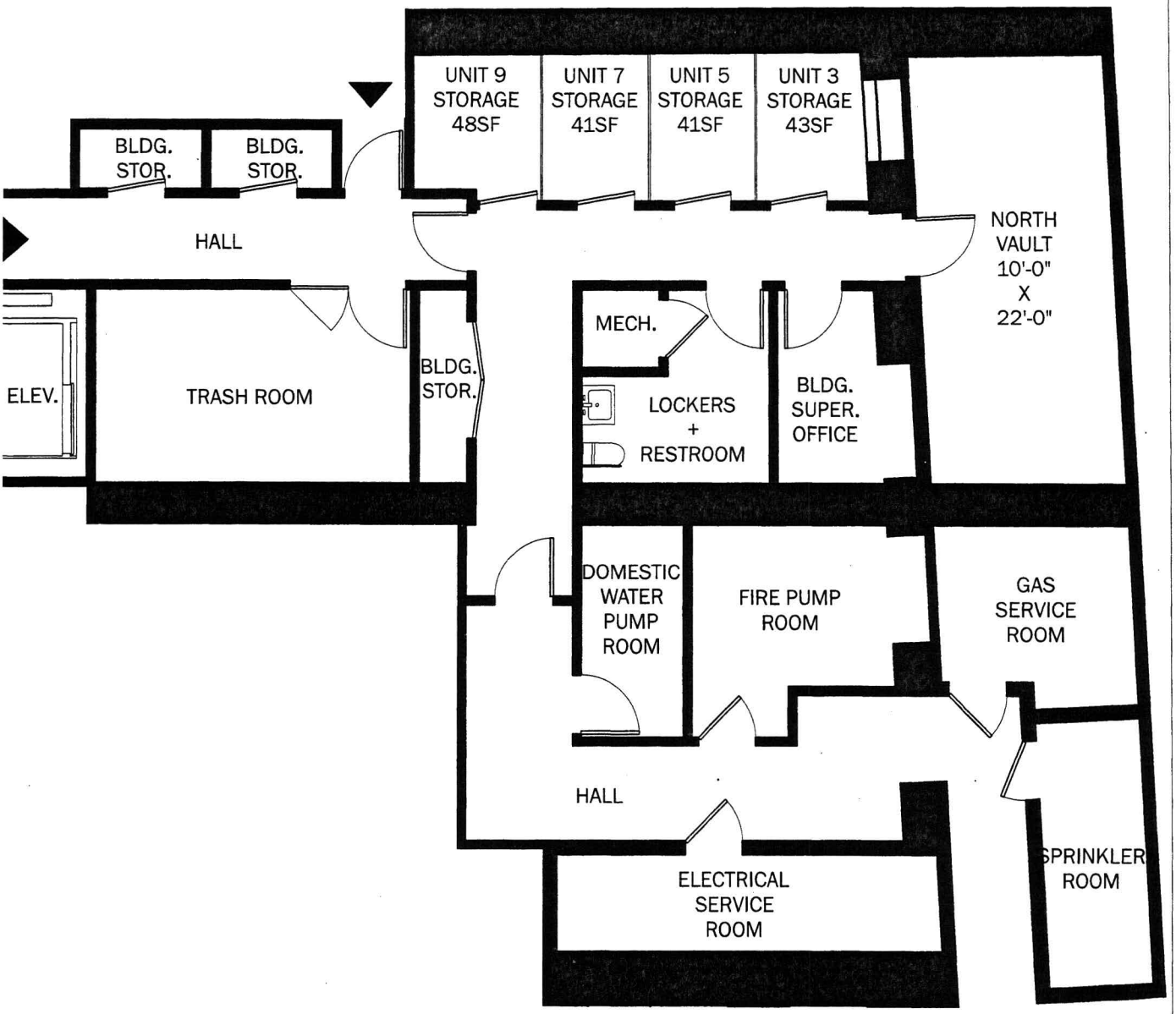
DXA studio
Architecture PLLC

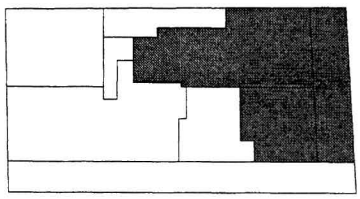
SCALE: 1/8" = 1' - 0"

0 2 4 6 10

N

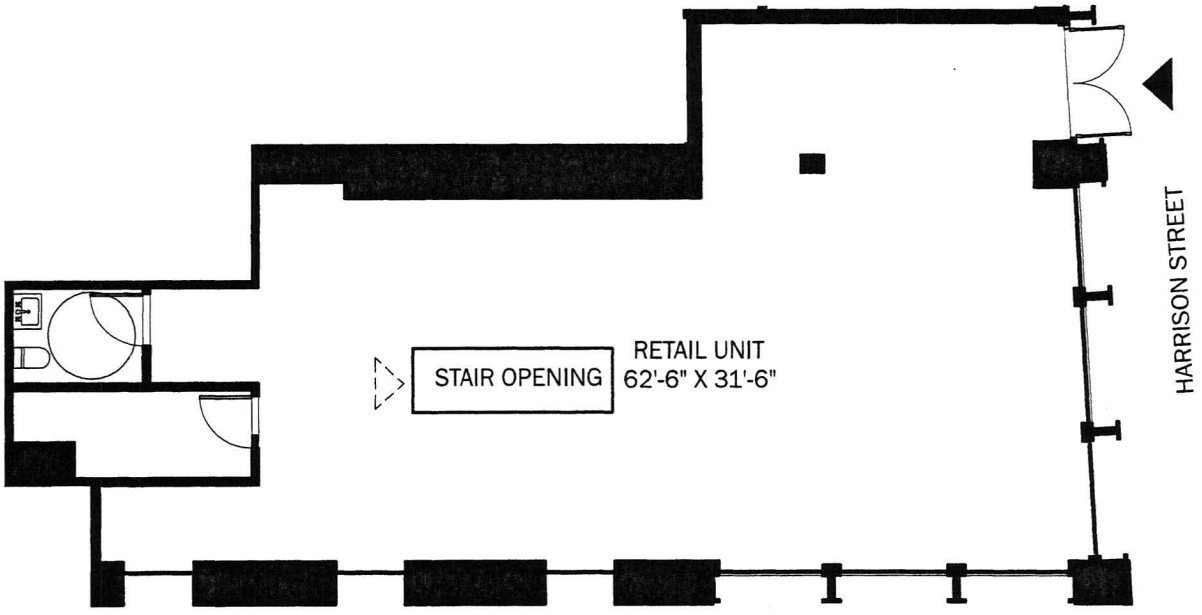
7 HARRISON STREET
NEW YORK, NY 10013



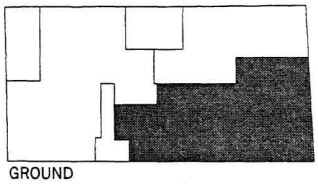


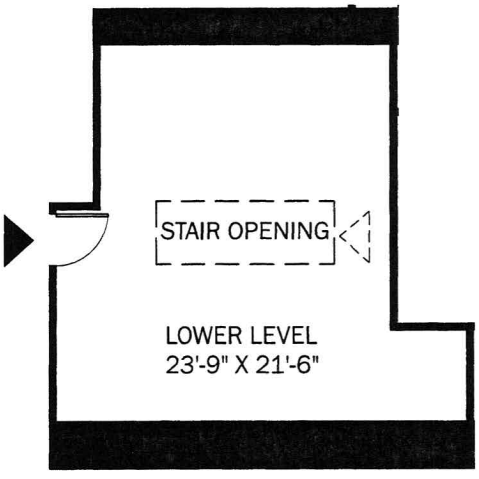
		COMMON SPACES CELLAR FLOOR NORTH
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.	**HARRISON STREET RESIDENCES LLC** **DXA studio** Architecture PLLC	SCALE: 1/8" = 1' - 0" 0 2 4 6 10 N

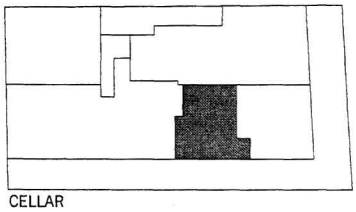
7 HARRISON STREET
NEW YORK, NY 10013



STAPLE STREET

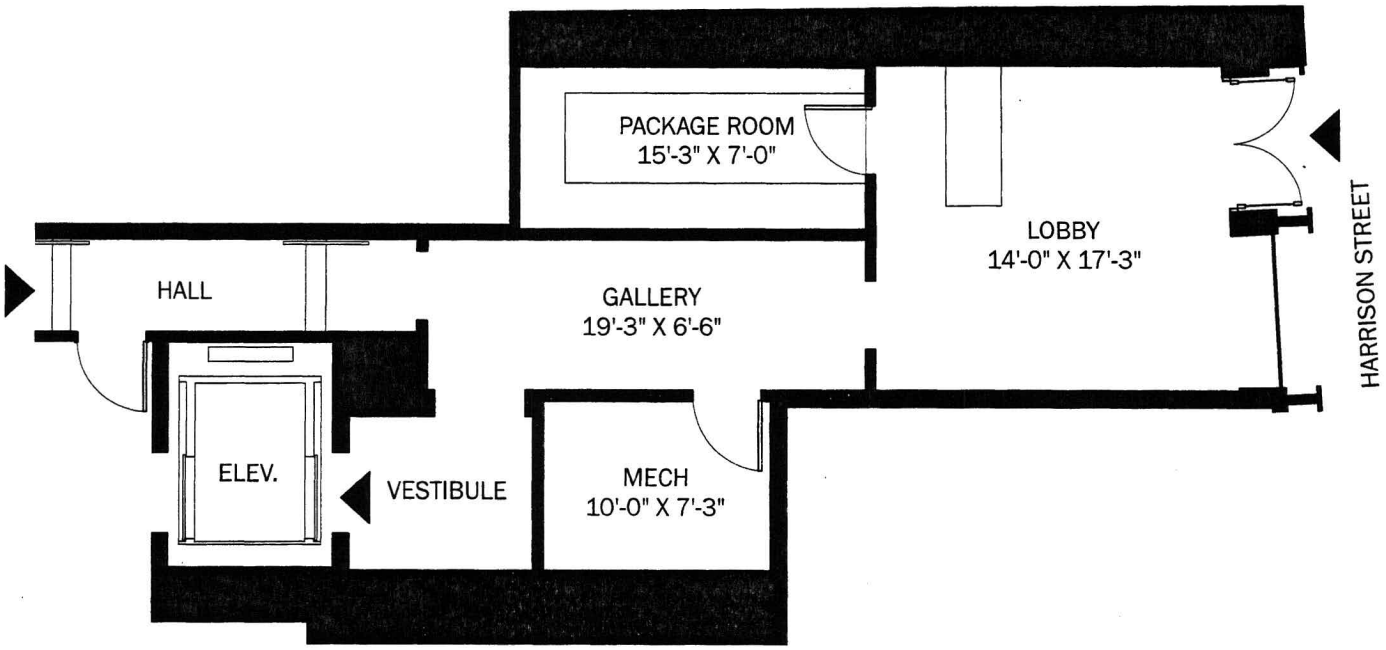

GROUND

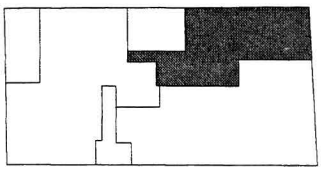



CELLAR

RETAIL AREA: 1,973 SF CELLAR: 369 SF, GROUND: 1,604 SF		RETAIL UNIT GROUND FLOOR & CELLAR
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.	**HARRISON STREET RESIDENCES LLC** **DXA studio** Architecture PLLC	SCALE: 3/32" = 1' - 0" 0 4 8 14 N

7 HARRISON STREET
NEW YORK, NY 10013





COMMON SPACES
GROUND FLOOR

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HARRISON STREET RESIDENCES LLC

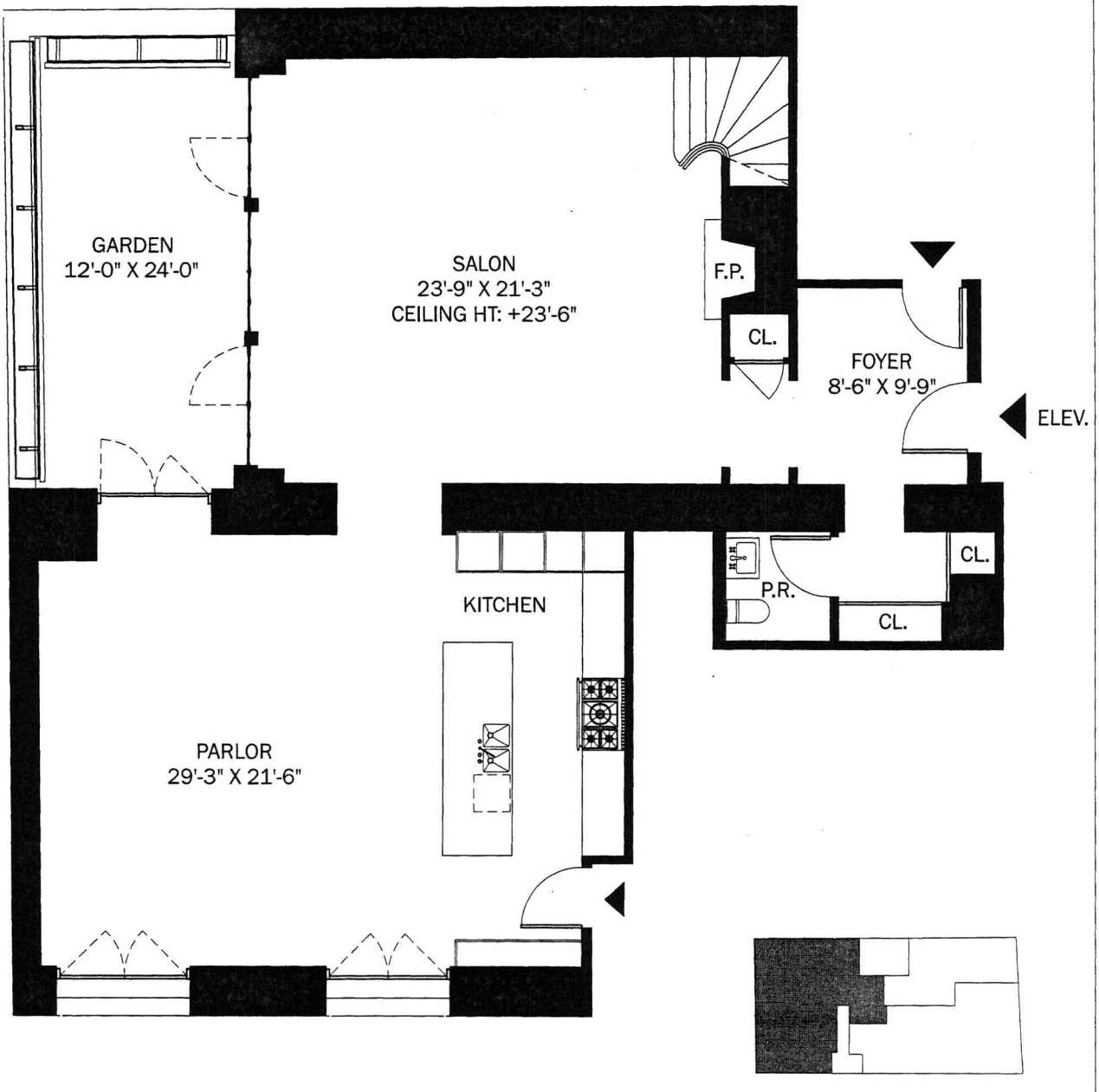
DXA studio
Architecture PLLC

SCALE: 1/8" = 1' - 0"

0 2 4 6 10

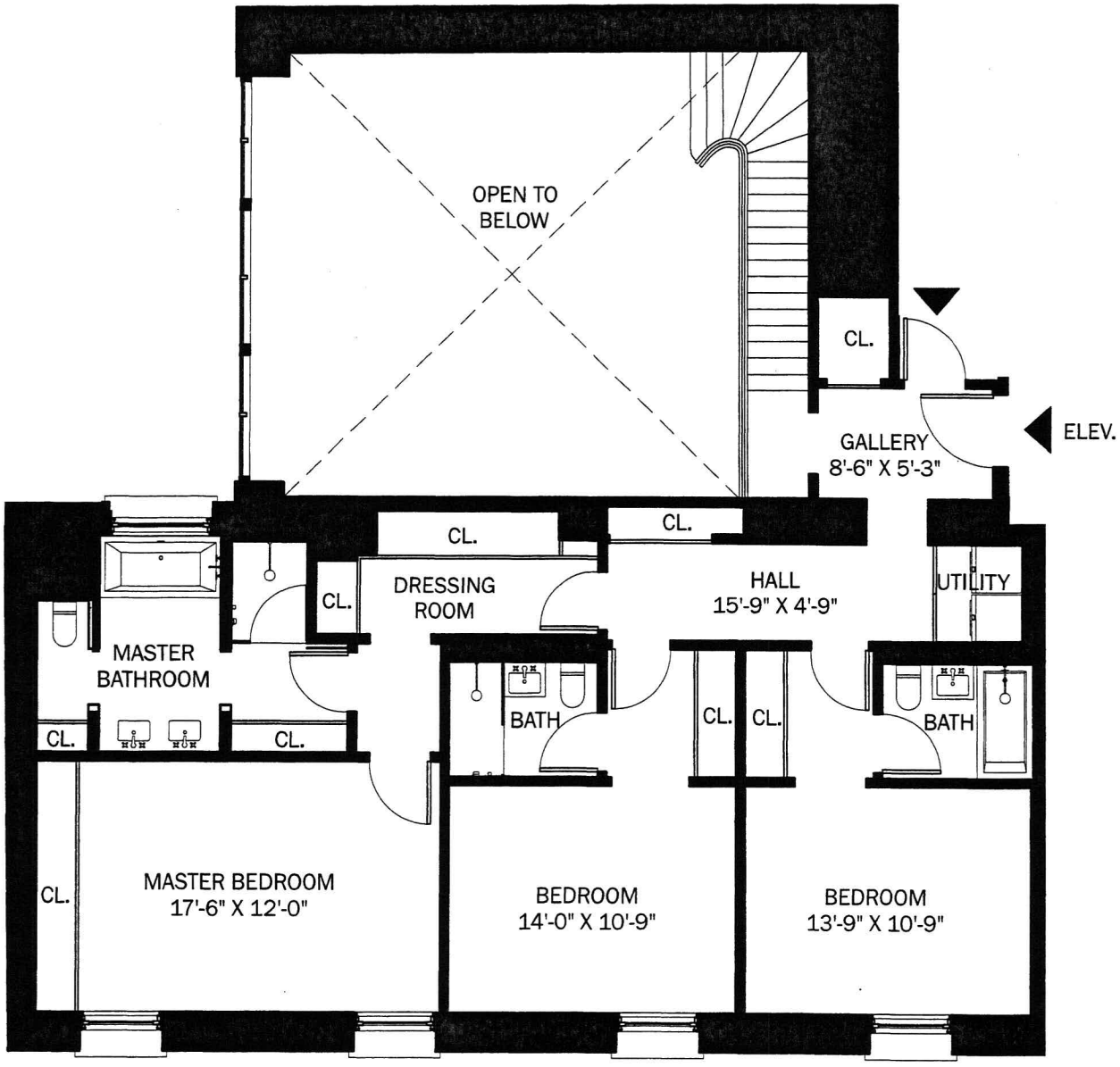
N

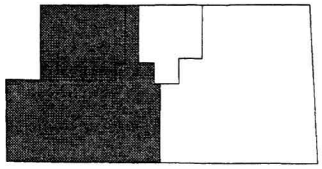
7 HARRISON STREET
NEW YORK, NY 10013



APARTMENT AREA: 3,135 SF GROUND: 1,681 SF, 2ND FLR: 1,454 SF	3 BEDROOM - 3.5 BATH GARDEN: 288 SF	ATELIER UNIT DUPLEX - LOWER LEVEL
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.	**HARRISON STREET RESIDENCES LLC** **DXA studio** Architecture PLLC	SCALE: 1/8" = 1' - 0" 0 2 4 6 10 N

7 HARRISON STREET
NEW YORK, NY 10013





APARTMENT AREA: 3,135 SF GROUND: 1,681 SF, 2ND FLR: 1,454 SF	3 BEDROOM - 3.5 BATH GARDEN: 288 SF	ATELIER UNIT DUPLEX - UPPER LEVEL
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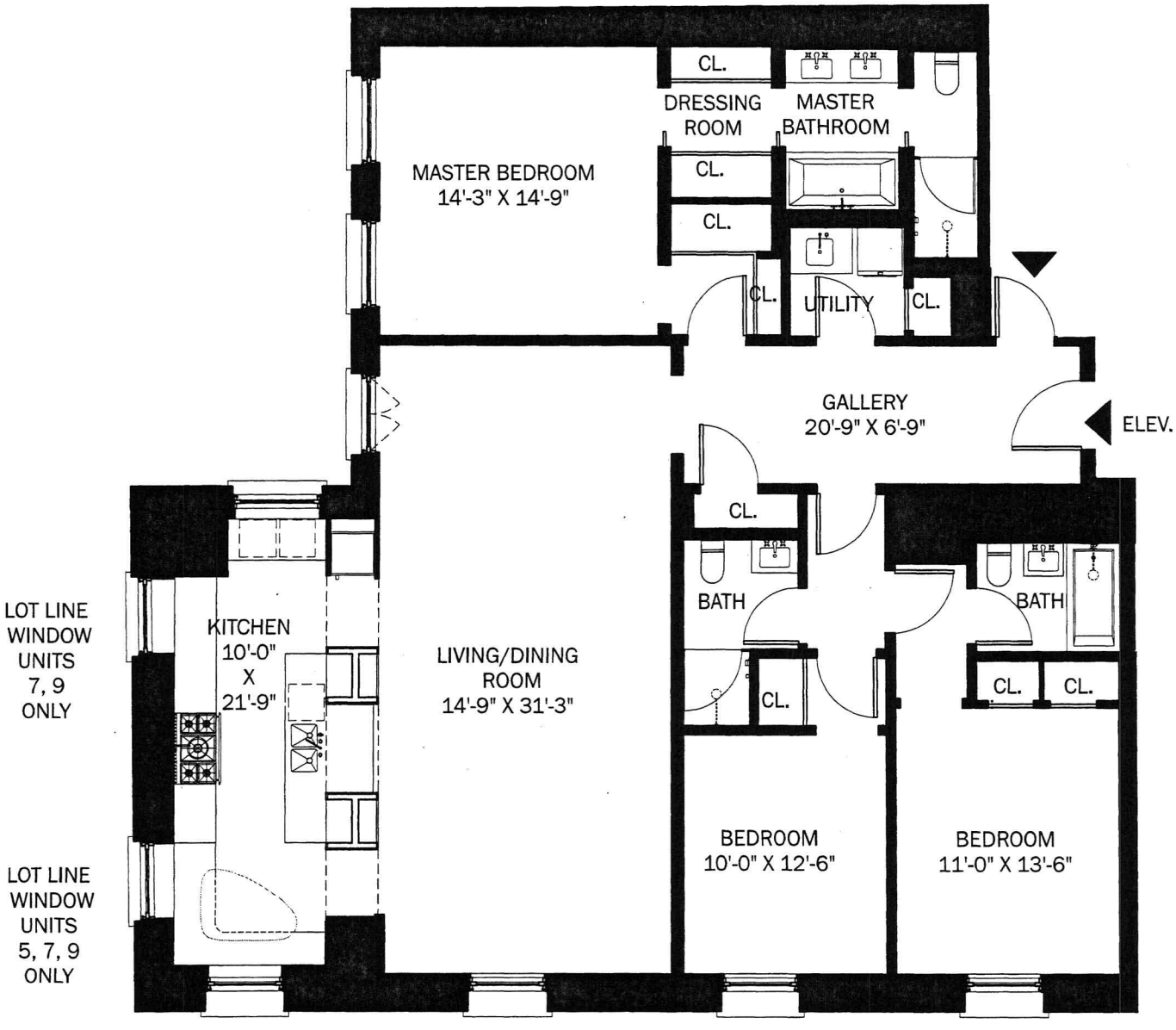
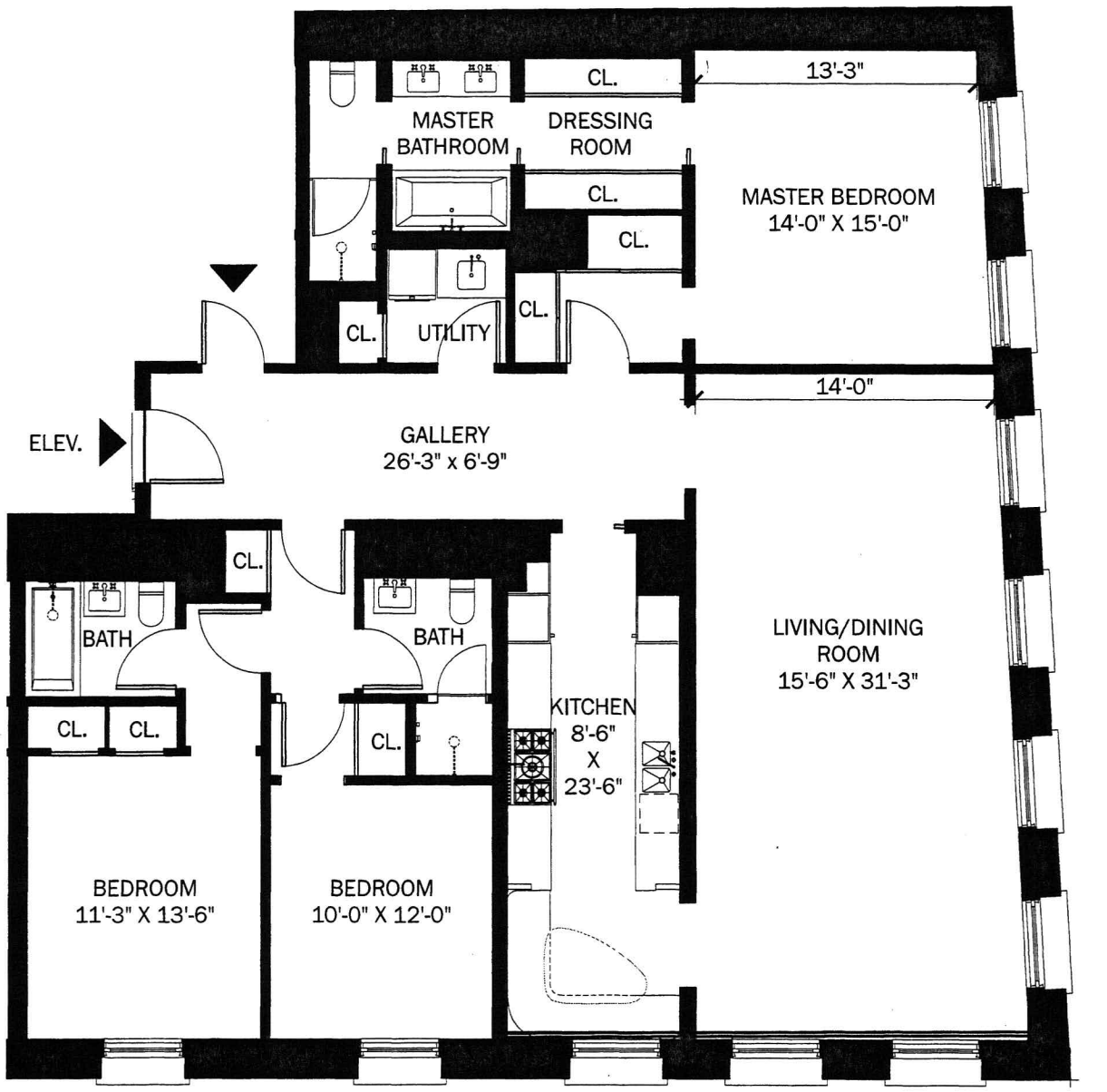
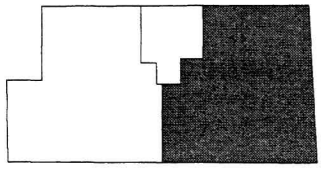
7 HARRISON STREET
NEW YORK, NY 10013



APARTMENT AREA: 2,126 SF	3 BEDROOM - 3 BATH	UNITS 3, 5, 7, 9 THIRD THROUGH SIXTH FLOORS
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.	**HARRISON STREET RESIDENCES LLC** **DXA studio** Architecture PLLC	SCALE: 1/8" = 1' - 0" 0 2 4 6 10 N

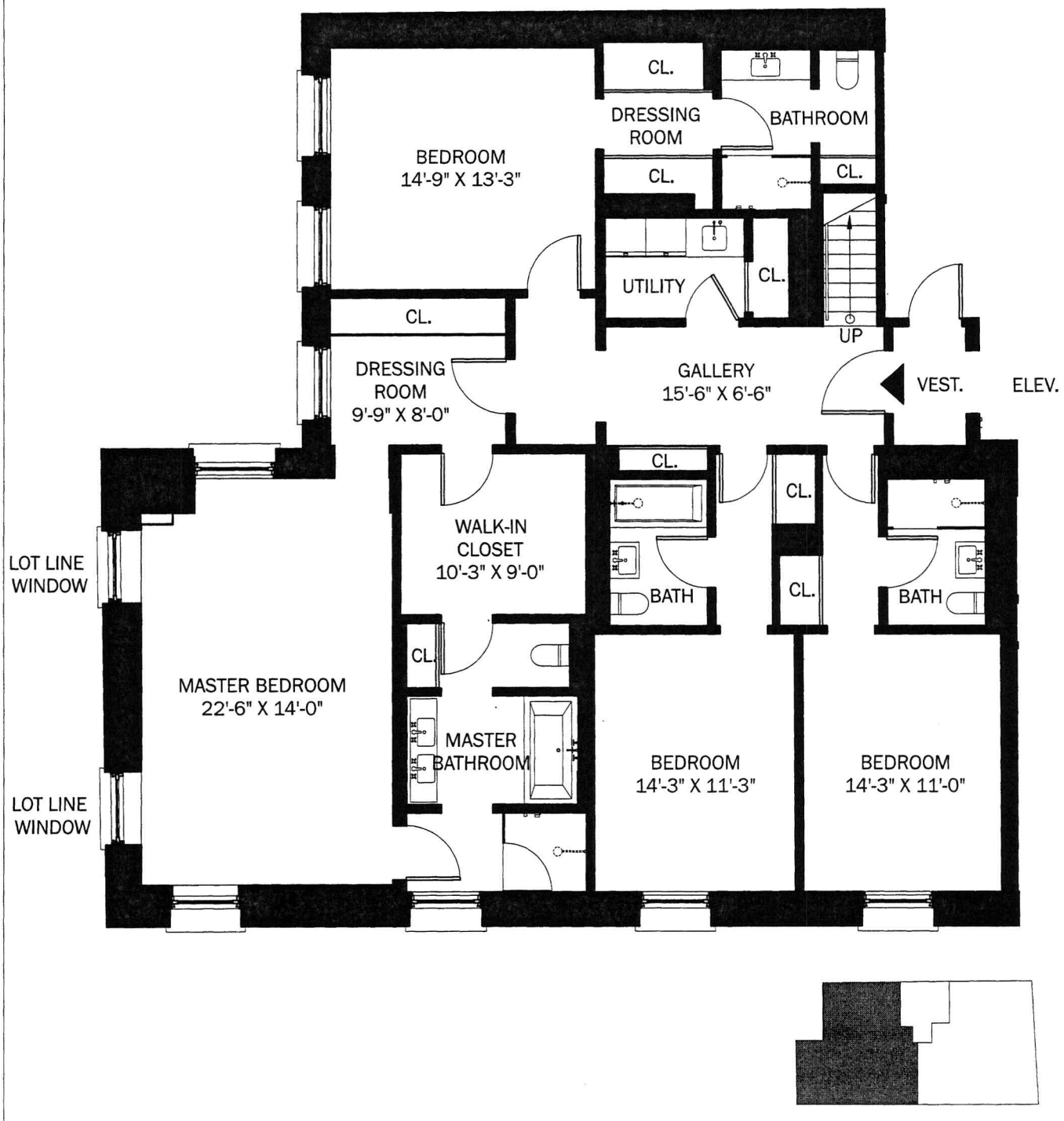
7 HARRISON STREET
NEW YORK, NY 10013





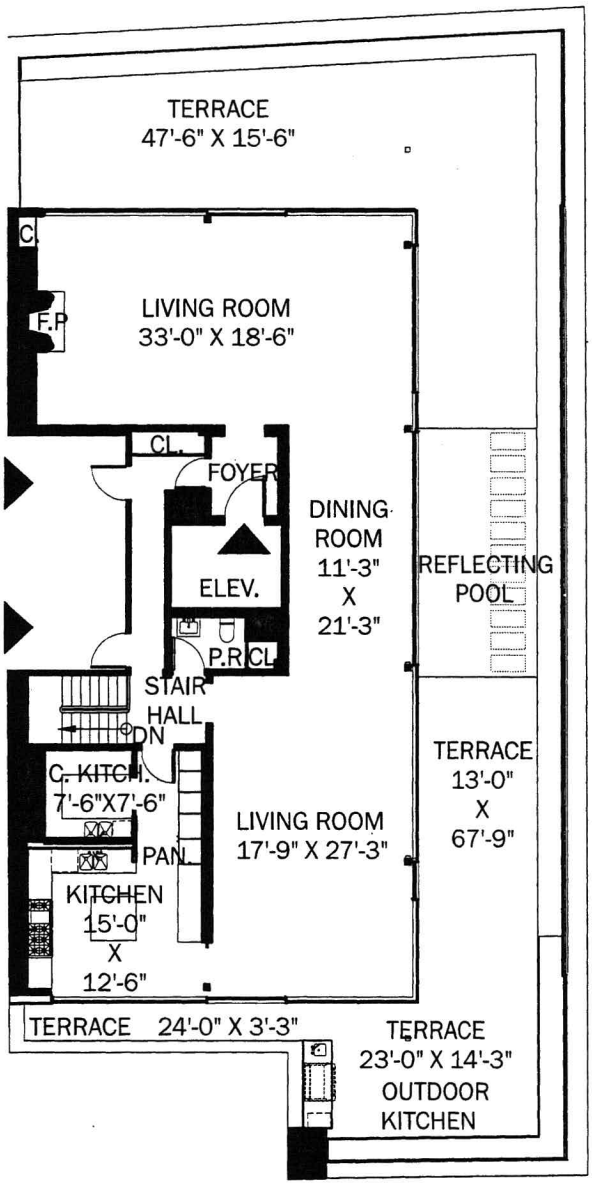
APARTMENT AREA: 2,205 SF	3 BEDROOM - 3 BATH	UNITS 1, 2, 4, 6, 8, 10 SECOND THROUGH SEVENTH FLOORS
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.	**HARRISON STREET RESIDENCES LLC** **DXA studio** Architecture PLLC	SCALE: 1/8" = 1' - 0" 0 2 4 6 10 N

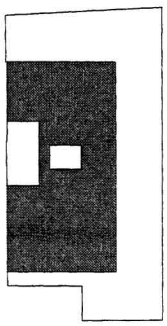
7 HARRISON STREET
NEW YORK, NY 10013



APARTMENT AREA: 4,229 SF 7TH FLR: 2,129 SF, 8TH FLR: 2,100 SF	4 BEDROOM - 4.5 BATH TERRACE: 2,351 SF	PENTHOUSE UNIT DUPLEX - LOWER LEVEL
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM THE SPONSOR.	**HARRISON STREET RESIDENCES LLC** **DXA studio** Architecture PLLC	SCALE: 1/8" = 1' - 0" 0 2 4 6 10 N

7 HARRISON STREET
NEW YORK, NY 10013





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PURCHASE AGREEMENT

PURCHASE AGREEMENT

HARRISON STREET RESIDENCES LLC

Sponsor

With

_____

Purchaser

Residential Unit Number _____

7 HARRISON STREET CONDOMINIUM
7 HARRISON STREET
NEW YORK, NEW YORK 10013

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PURCHASE AGREEMENT

RESIDENTIAL UNIT NUMBER ____

7 HARRISON STREET CONDOMINIUM
7 HARRISON STREET
NEW YORK, NEW YORK 10013

AGREEMENT, made as of _____, _____, between Sponsor and Purchaser (defined below).

W I T N E S S E T H :

1. THE PLAN

Purchaser acknowledges having received and read a copy of the Offering Plan for the 7 Harrison Street Condominium and all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") at least 3 business days prior to Purchaser's signing this Agreement. If Purchaser has not received and read the Plan and all amendments thereto at least 3 business days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement, by sending written notice of such rescission to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within 7 days from the date Purchaser delivers an executed Purchase Agreement together with the required Deposit to Selling Agent. 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. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-laws and Residential Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

2. DEFINITIONS

Terms used herein which are also used in the Plan shall have the same meanings as they do in the Plan, unless the context requires otherwise.

2.1 "Sponsor" means Harrison Street Residences LLC, having an office at 7 Harrison Street, New York, New York 10013. Sponsor's taxpayer identification number is 45-3845134.

2.2. "Purchaser" means _____ having an address at _____, _____, _____. Purchaser's social security number is _____.

2.3 "Attorney for Sponsor" means Starr Associates LLP, having an address at 245 Fifth Avenue, Suite 1102, New York, New York 10016; Attention: Allan Starr, Esq. Telephone number: (212) 620-2680. Fax number: (212) 696-5013. E-mail address: astarr@starr-lawfirm.com.

2.4 "Attorney for Purchaser" means _____, having an address at _____, _____, _____. Attention: _____, Esq. Telephone number: (____) _____. Fax number: (____) _____. E-mail address: _____.

2.5 "Selling Agent" means Douglas Elliman, having an address at 26 West 17th Street, New York, New York 10011. Telephone number: (212) 727-6164.

2.6 "Co-Broker" means _____having an address at _____, _____, _____. Attention: _____. Telephone number: (_____) _____. Fax number: (_____) _____. E-mail address: _____.

2.7 "Escrow Agent" means Attorney for Sponsor.

2.8 "Title Company" means Fidelity National Title, having and office at 1415 Kellum Place, Garden City, NY 11530. Telephone number: (516) 394-5118. Fax number: (516) 741-5363.

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 designated as Unit _____ in the Declaration, ("Unit"), together with its undivided _____% interest in the Common Elements appurtenant to such Unit.

4. PURCHASE PRICE

4.1 The Purchase Price for the Residential Unit ("Purchase Price") is $_____.

The Purchase Price is payable as follows:

(a) $_____ ("Initial Deposit"), due upon Purchaser's signing and delivering this Agreement, by check (subject to collection), receipt of which is hereby acknowledged;

(b) $_____ ("Additional Deposit"), the term "Deposit," as used herein, refers to both the Initial Deposit and, if the same has been paid at the time in question, the Additional Deposit), is due upon the earlier to occur of (i) 6 months after Purchaser executes this Agreement, or (ii) within 15 days of the Presentation Date of the amendment declaring the Plan effective.

(c) $_____ ("Balance of Purchase Price"), by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

(d) If Purchaser is signing this Agreement after the Plan is declared effective, the Initial Deposit and Additional Deposit shall be due upon Purchaser's signing this Agreement.

4.2 All checks shall represent United States currency, be drawn on or issued by a United States Bank or trust company which is a member of the New York Clearing House Association and shall be unendorsed. The Deposit shall be made payable to the direct order of "Starr Associates LLP, as Escrow Agent." The Balance shall be made payable to the direct order of "Harrison Street Residences LLC"(or such other party as Sponsor directs to Purchaser, in writing, at least 1 business day prior to the date of Closing of Title). If any check is returned for insufficient funds or any other reason, such return shall be deemed to be a default by Purchaser under this Agreement and shall entitle Sponsor to exercise any of the remedies set forth in Article 13 hereof. Notwithstanding the foregoing, if the check representing the Initial Deposit is returned for insufficient funds or any other reason, such return shall be deemed to be a non-curable default by Purchaser and this Agreement shall automatically be deemed cancelled. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

5. DEPOSIT TO BE HELD IN TRUST

All Deposits made pursuant to this Agreement are subject to the requirements of Sections 352-e(2) (b) and 352-h of the New York General Business Law and the Attorney General's regulations promulgated pursuant thereto. All monies received from Purchaser towards the Deposit shall be delivered to Escrow Agent and shall be held in accordance with the Section of the Plan entitled "Escrow and Trust Fund

Requirements", a copy of which is annexed hereto as Schedule D and made a part hereof. 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 Deposit to Sponsor in the event Sponsor and Purchaser close title under this Agreement. In the event Sponsor cannot convey title to the Unit to Purchaser by reason other than Purchaser's default, the Deposit shall be returned to Purchaser, within 30 business days of Sponsor's notification to Purchaser that it cannot convey title.

6. CLOSING DATE AND PLACE

6.1 The Closing of Title shall be held at the offices of Starr Associates LLP, 245 Fifth Avenue, Suite 1102, New York, New York (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than 30 days' prior notice ("Initial Closing Notice"). After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for Closing at any time on notice to Purchaser, which new Closing notice shall fix a new date, hour and place for the Closing. The rescheduled Closing shall not be earlier than: (a) the date set forth in the Initial Closing Notice or, (b) 5 days from the date of Sponsor's Closing adjournment notice. These notice provisions may be modified or waived by an agreement signed by Sponsor and Purchaser. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Attorney for Sponsor at Closing an extra fee as set forth in the Plan.

6.2 The term "Closing Date" "Closing" "Closing of Title" or words of similar import, whenever used herein, shall mean the conveyance of title to the Unit from Sponsor to Purchaser.

6.3 The Closing of Title shall only occur with or after compliance with the prerequisites to Closing and the Section of the Plan entitled "Terms of Sale."

7. CLOSING DOCUMENTS

7.1 At the Closing of Title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying fee simple title to the Unit to Purchaser, subject only to the liens, encumbrances, and title conditions set forth on Schedule A annexed hereto and made a part hereof. The deed shall be prepared by Sponsor substantially in 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, and Sponsor and Purchaser shall duly complete and execute before a notary public the New York City and New York State Transfer Tax Return Forms and any other forms then required by Law, all of which shall be prepared by Sponsor.

7.2 At the Closing of Title, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board prepared by Sponsor substantially in the form set forth in Part II of the Plan.

7.3 At the Closing of Title, Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in compliance with IRS Section 6045(e) as amended, or any successor provision or regulation promulgated thereunder.

7.4 At the Closing of Title, Sponsor and Purchaser shall execute and acknowledge in form for recording such other documents that are reasonably necessary or customary in connection with the conveyance of a condominium unit, including, but not limited to, title affidavits, transfer tax forms, reporting information in respect of real estate transactions, smoke detector affidavit and window guard notices.

7.5 The executed deed, transfer tax forms and power of attorney shall be delivered at the Closing to the representative of the Title Company insuring Purchaser's title (or, if no such representative is present, then to the Attorney for Sponsor) for recording in the Office of the City Register, 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 returned to the Condominium Board.

7.6 Purchaser's payment of the Balance of the Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of the rights of purchasers under Article 23-A of the General Business Law, the Plan, and Part 20 of the Regulations issued by the Department of Law.

8. STATUS OF TITLE

8.1 At the Closing of Title, Sponsor shall convey to Purchaser and Purchaser shall accept such fee simple title to the Unit as the Title Company will approve and insure without additional premium to Purchaser, provided that the only liens and encumbrances affecting title shall be those set forth in Schedule A annexed hereto and made a part hereof and those expressly agreed to by Purchaser. Any lien and encumbrance or condition which is not set forth in Schedule A annexed hereto shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the Title Company, together with the attendant recording or filing fee, if any, or (b) the Title Company (or such other title insurance company Purchaser may utilize), is or would be willing, in a fee policy issued by it to 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. Sponsor shall not be obligated to cause Purchaser's title company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception.

8.2 Sponsor shall be entitled to adjourn the Closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least 10 days prior to the Closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least 10 days prior to the Closing of Title, then, for purposes of Article 13 below, Purchaser shall be deemed at fault for not having sent timely notice, and the Closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

8.3 If, subsequent to the Closing of Title, Purchaser claims that Sponsor did not convey fee simple title to the Unit in accordance with the Plan, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by Purchaser's title insurance company. If Purchaser did not obtain title insurance at the Closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from Purchaser's title insurance company shall be deducted from the loss or damage collectable against Sponsor. Nothing contained in this subparagraph shall be construed to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Plan or Article 23-A of the General Business Law. This provision shall survive Closing.

9. CLOSING ADJUSTMENTS

9.1 The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

(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; and

(b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes; and

9.2 If the Unit has been separately assessed for real estate taxes but the Closing of Title occurs before the tax rate is fixed, adjustment of real estate taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for real estate tax assessments due after the Closing, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been separately assessed for real estate taxes as of the Closing Date for the then current tax period, the adjustment under subsection 9.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit. In addition, Purchaser shall pay the Unit's proportionate share of real estate taxes for the next ensuing tax period and Sponsor or the Condominium will pay such real estate taxes directly to the City of New York. Sponsor shall not be obligated to reimburse Purchaser after the Closing on account of any difference between the amount of real estate taxes for the then current tax period paid by Purchaser at Closing calculated according to the above formula and the amount of real estate taxes subsequently billed by the City of New York to such Purchaser (as Unit Owner).

9.3 Purchaser agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such real estate 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 shall survive the Closing of Title.

9.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date subject to Sponsor's rights under Section 13.2 of this Agreement, (a) the Closing apportionments described in Section 9.1 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 increased 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 .03 of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) 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.

9.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. 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 in the Plan.

9.6 Any errors or omissions calculating apportionments at Closing shall be corrected and, any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing of Title.

10. MORTGAGE TAX CREDIT

In the event a mortgage recording tax credit becomes available pursuant to Section 339- ee(2) of the New York Condominium Act, it is specifically understood that such credit shall enure to the benefit of Sponsor. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At the Closing of Title, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

11. CLOSING COSTS

In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in

the Section of the Plan entitled "Closing Costs and Adjustments." All such Closing Costs shall be paid by Purchaser, at Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn upon a bank that is a member of the New York Clearing House Association.

12. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder, except as hereinafter set forth. 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 heretofore or hereafter made, including, but not limited to, any construction or Building loan mortgage, and 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 the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

13. DEFAULT BY PURCHASER

13.1 The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to close title to the Unit on the scheduled Closing Date; or

(ii) Purchaser's failure to pay when due the Additional Deposit, the Balance of the Purchase Price, any closing adjustment, closing cost or fee, including, without limitation, attorneys' fees required to be paid by Purchaser as set forth in the Plan or in this Agreement, or the dishonor of any check given by Purchaser to Sponsor; or

(iii) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Plan; or

(iv) if Purchaser is permitted to become the tenant or occupant of the Unit, Purchaser's failure to pay rent or to otherwise comply with some other lease or occupancy obligation; or

(v) Purchaser's assignment or transfer 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 judgment or lien; or

(viii) Purchaser's assignment or transfer of this Agreement without the prior written consent of Sponsor; or

(ix) Purchaser's listing the Unit for sale or rental with any broker or placing or authorizing any listing in any broker's listing system or any other listing service or advertising or

otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without Sponsor's prior written consent; or

(x) an Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit at the Property.

13.2 **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Additional Deposit, the Balance of the Purchase Price and to pay, perform or comply with Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion, may elect by notice to Purchaser to either: (i) cancel this Agreement or (ii) seek specific performance. If Sponsor elects to cancel, Purchaser shall have 30 days from the giving of the notice of cancellation to cure the specified default. If the default is not cured within such 30 days, TIME BEING OF THE ESSENCE, then this Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, the entire Deposit and any interest earned on the Deposit. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance, then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close title to the Unit in accordance with this Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under this Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection).

14. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason this Agreement shall be deemed cancelled and the Deposit, together with interest earned thereon, shall be returned to Purchaser within 30 days from the filing date of the amendment abandoning the Plan. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. SPONSOR'S INABILITY TO CONVEY THE UNIT

If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election or inability to cure such title defect Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within 30 days after receipt of notice of termination from Purchaser, return to Purchaser all sums Deposits and all other sums deposited by Purchaser hereunder, together with interest earned thereon, if any. Upon making such payment, this Agreement shall be terminated and neither party hereto shall 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 15 days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in this sale. No portion of the Purchase Price shall be attributable to such items.

17. SUBSTANTIAL RENOVATION

17.1 The substantial renovation of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the Plans and Specifications, subject to the right of Sponsor to amend the Plan and the Plans and Specification in order to substitute materials, equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a Permanent Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

17.2 The substantial renovation of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and Plans and Specifications as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

17.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Terms of Sale" in Part I of the Plan. As a result, if all such prerequisites are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow), notwithstanding any construction items noted on Purchaser's Inspection Statement (as herein defined) remaining for Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building or the Unit.

17.4 The actual date for the First Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in the Section of the Plan entitled "Closing of Title to Residential Units." Purchaser acknowledges that construction may be delayed by late delivery of material or equipment, labor difficulties, unavailability of Building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

18. INSPECTION OF THE UNIT

18.1 Upon receipt of the Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the interior of the Unit within the 7 days prior to the Closing Date fixed by the Closing Notice. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule B to this Agreement) and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to

arrange such appointment or to inspect the interior of the Unit within 7 days prior to the Closing Date fixed by the Closing Notice or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from appearing at the Closing, paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

18.2 Any work set forth on the Inspection Statement shall be completed by Sponsor as agreed in writing and shall not be grounds for delaying the Closing. Purchaser will be obligated to provide Sponsor and its contractors, subcontractors agents and employees, unfettered access to the Unit and any Residential Limited Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement. Sponsor has no obligation under the Plan to deposit any monies in escrow at Closing as a result of any work set forth on the Inspection Statement.

19. DAMAGE TO THE UNIT

If between the date of this Agreement and the Closing of Title the Unit is damaged by fire or other casualty, the following shall apply:

19.1 The risk of loss to the Unit by fire or other casualty until the earlier of Closing of Title or possession of the Unit by Purchaser is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the Closing of Title.

19.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-laws, this Agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to Purchaser all Deposits and other sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all Deposits and other such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

20. 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 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 has relied solely on 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. Except as otherwise set forth in the Plan, Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, and (b) that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article shall survive the Closing of Title.

21. PROHIBITION AGAINST ADVERTISING

21.1 Prior to the Closing of Title, Purchaser agrees not to list the Unit for sale or rental with any broker or place or authorize any listing in any broker's listing system or other listing service or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or rental, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed in Sponsor's sole and absolute discretion. Any such action by Purchaser prior to Closing of title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

21.2 Prior to the first anniversary of the Closing of Title, Purchaser agrees not to list the Residential Unit for sale with any broker or place or authorize any listing in any broker's listing system or other listing service or to advertise or otherwise offer, promote or publicize the availability of the Residential Unit for sale, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed in Sponsor's sole and absolute discretion

22. BROKER

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than the Selling Agent and the Co-Broker, if any, named in this Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Selling Agent and the Co-Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent or the Co-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 legal fees. The provisions of this Article shall survive the Closing of Title.

23. AGREEMENT MAY NOT BE ASSIGNED

Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor, which consent may be unreasonably withheld or delayed. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of 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. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser shall have such right, provided that (i) Purchaser designates such assignee at least 10 business days prior to the Closing Date; (ii) Purchaser delivers to Attorney for Sponsor the fee set forth in the Plan for its services required in connection with the preparation of the assignment and assumption agreement; (iii) the Closing is not delayed as a result of such assignment , (iv) the assignee of this Agreement assumes in writing, by an instrument prepared by Attorney for Sponsor, the obligations of Purchaser under this Agreement and (v) the assignment is made without consideration. Any purported assignment by Purchaser in violation of this Agreement shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement, and shall be voidable at the option of Sponsor.

24. CERTIFICATION OF SPONSOR AND PRINCIPALS

Consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al, 2013 N.Y. Slip Op 03574 (1st Dept. May 16,2013).

25. BINDING EFFECT

The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been delivered to Purchaser or the Attorney for Purchaser. If this Agreement is not accepted within 30 days from the delivery to Sponsor of this Agreement executed by Purchaser together with the Deposit by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and cancelled and the Deposit shall be returned to Purchaser within 30 days thereafter. Upon such refund being made, neither party shall have any further rights, obligations liability to or against the other hereunder or under the Plan. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

26. NOTICES

26.1 Any notice, election, demand, request, letter, consent or other communication hereunder or under the Plan shall be in writing and either delivered in person, via electronic transmission (e-mail) or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed to the Attorney for Purchaser at the address given at the beginning of this Agreement with a copy by regular mail delivered to Purchaser at the address given at the beginning of this Agreement and to the Attorney for Sponsor at the address given at the beginning of this Agreement, with a copy by regular mail delivered to Sponsor at the address given at the beginning of this Agreement. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Except as otherwise expressly provided herein, a notice shall be deemed given on the date when personally delivered, when sent via electronic transmission (e-mail), when delivered to the overnight courier, or in the case of mailing, on the date mailed in a prepaid sealed wrapper, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself.

26.2 Sponsor hereby designates and empowers both the Selling Agent and Attorney for Sponsor, as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself.

26.3 Purchaser hereby designates and empowers the Attorney for Purchaser, as Purchaser's agent to give any notice to Sponsor under this Agreement in Purchaser's name, which notice so given shall have the same force and effect as if given by Purchaser.

27. 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.

28. LIABILITY OF SPONSOR

Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, governmental restrictions, preemptions or approvals, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the control of Sponsor. Sponsor's time to perform such obligations or undertaking shall be tolled for the length of the period during which such performance was excused.

29. 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.

30. 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), 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 the 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 and Sponsor shall have no liability as a result of any scheduling or adjournment of the Closing beyond the expiration of the loan commitment.

31. 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.

32. 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.

33. STRICT COMPLIANCE

Any failure by either party to insist upon the strict performance by the other of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such party.

34. 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.

35. WAIVER OF JURY

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

36. ENTIRE AGREEMENT

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

37. 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.

38. 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.

39. SUCCESSORS AND ASSIGNS

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

40. CONFIDENTIALITY

Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential, except that Sponsor shall be permitted to disclose that a Purchase Agreement has been executed for the Unit and the purchase price thereunder, but not the identity of Purchaser or its principals. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties

respective lawyers, brokers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

41. LETTER OF CREDIT IN LIEU OF DEPOSITS IN ESCROW

Purchaser acknowledges and agrees that Sponsor has the right, in its sole discretion, to elect to withdraw the Deposit and secure it with a Letter of Credit as more fully set forth in the Plan and Purchaser hereby consents to such withdrawal of the funds from escrow.

42. 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.

43. PERFORMANCE

Where this Agreement by its terms requires the payment of money or the performance of a condition on a Saturday, Sunday or public holiday, such payment may be made or condition performed on the next business day succeeding such Saturday, Sunday or such public holiday, with the same force and effect as if made or performed in accordance with the terms of this Agreement.

44. COUNTERPARTS

This Agreement may be executed in any number of original, email, pdf or facsimile counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Agreement.

45. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY.

45.1 The provisions of this Article shall survive the Closing of Title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement or the Condominium Documents.

45.2 If Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to diplomatic or sovereign immunity, Purchaser expressly and voluntarily waives such immunity and consents to any suit, action or proceeding arising out of or relating to this Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or the Condominium Documents, and hereby designates and authorizes a lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or the Condominium Documents.

45.3 If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. Section 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

46. LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS DISCLOSURE

46.1 The Environmental Protection Agency and the Department of Housing and Urban Development promulgated Federal regulations under 24 CFR Part 35 and 40 CFR Part 746 ("Federal Regulations") regarding the disclosure of lead-based paint and/or lead-based paint hazards to prospective purchasers of Units. In accordance with the provisions of the Federal Regulations, annexed to this Purchase Agreement as Schedule C is a "Lead Warning Statement" and "Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" to be signed by Sponsor and Purchaser. Set forth in Part II of the Plan is a pamphlet entitled "Protecting Your Family from Lead in Your Home."

46.2 In the event Purchaser exercises Purchasers' right to conduct a risk assessment or inspection ("Inspection") for the presence of lead-based paint and/or lead-based paint hazards, such Inspection shall be performed within 10 calendar days following the date of this Agreement on the following terms and conditions:

46.2.1 Purchaser and Purchasers' consultant ("Consultant") will be given reasonable access to the Unit and the public areas of the Building.

46.2.2 The Inspection shall be held at a mutually convenient time and date on a business day between 9 a.m. and 5 p.m.

46.2.3 The Inspection shall be performed in a reasonable manner so as not to disturb or interfere with the use, operation, security or occupancy of the Residential Unit or the Building.

46.2.4 Purchaser shall be liable for any damages to the Residential Unit or the Building, injuries, and all claims and lawsuits caused by Purchaser or the Consultant during the Inspection.

46.2.5 Purchaser or the Consultant will not probe, penetrate or disturb any painted or covered surface during the Inspection without Sponsor's approval.

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

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

HARRISON STREET RESIDENCES LLC

By: Matrix Harrison LLC, Managing Member

By: MH Realty Services, Managing Member

By: _____
Name: _____
Title: Authorized Signatory

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 or personal inspection of the Property would show, provided such state of facts would not render title uninsurable without additional premium to Purchaser and would not prevent the use of the Unit for dwelling purposes.

3. The terms, burdens, covenants, restrictions, conditions, easements and Residential Rules and Regulations, all as set forth in the Declaration, the By-laws (and the Residential Rules and Regulations made thereunder), the Power of Attorney from the Purchaser to the Condominium Board, and the Floor Plans as all of the same may be amended from time to time.

4. Consents by Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the 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. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended Certificate of Occupancy for the Building or any part of same.

8. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations.

9. Leases and service, maintenance, employment, and concessionaire, if any, of other Units or portions of the Common Elements.

10. 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.

11. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that 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.

12. Any declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

13. Any encumbrance as to which the Title 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 (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.

14. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

15. Any lease covering the Unit(s) made from Sponsor to the Purchaser.

16. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.

17. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company.

18. Any Temporary or Permanent Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

19. Any encumbrance, covenant, easement, agreement, or restriction against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Plan, as the same may be updated from time to time prior to the Closing.

SCHEDULE B

INSPECTION STATEMENT

Date: _____

Harrison Street Residences LLC
7 Harrison Street
New York, New York 10013

Re: Residential Unit No: _____ ("Unit")
7 Harrison Street Condominium
7 Harrison Street
New York, New York 10013 ("Condominium")

Ladies and Gentlemen:

1. On the date hereof, the undersigned purchaser(s) ("Purchaser") inspected the Unit which Purchaser is acquiring from Sponsor and have found the Unit to be in good condition, except as otherwise noted below:

_____

_____

_____

2. Purchaser acknowledges that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to the date Purchaser moves into the Building. Purchaser agrees to sign-off each item requiring adjustment, or repairs, if any, as they are completed.

3. In the event Purchaser performs work in the Unit of any kind affecting any of the areas or items listed above after the Closing, Sponsor will be relieved of any and all obligations related to the items listed herein.

PURCHASER(S):

_____
(signature)

_____
(signature)

_____
Sponsor's Representative

SCHEDULE C

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

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 buyer with 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 hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

SPONSOR'S DISCLOSURE

(a) Presence of lead-based paint and/or lead-based paint hazards. (check (i) or (ii) below):

(i) _X_ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain on attached sheet).
See Section dd. of the Property Report set forth in Part II of the Offering Plan for details.

(ii) ___ Sponsor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to Sponsor (check (i) or (ii) below):

(i) _X_ Sponsor has provided Purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below on attached sheet).
See Section dd. of the Property Report set forth in Part II of the Offering Plan for details.

(ii) ___ Sponsor has no records or reports pertaining to lead-based paint and/or lead-based paint hazards in the housing.

PURCHASER'S ACKNOWLEDGMENT (initial)

(c) _X_ Purchaser has received copies of all information listed above.

(d) ____ Purchaser has received the pamphlet Protecting 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.

SELLING AGENT'S ACKNOWLEDGMENT (initial)

(f) _X_ Selling Agent has informed Sponsor of Sponsor's obligation under 42 U.S.C. 4852d and is aware of Selling Agent's independent responsibility to ensure compliance.

CERTIFICATE 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.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

HARRISON STREET RESIDENCES LLC

By: Matrix Harrison LLC, Managing Member

By: MH Realty Services, Managing Member

By: _____
Name: _____
Title: Authorized Signatory

SCHEDULE D

ESCROW RIDER TO PURCHASE AGREEMENT

This Rider is made as of _____, ____ between Sponsor, Purchaser and Escrow Agent.

Re: Residential Unit No: _____ ("Unit")
7 Harrison Street Condominium
7 Harrison Street
New York, New York 10013 ("Condominium")

1. ESCROW AND TRUST FUND REQUIREMENTS

All deposits, down payments, advances and payments made by Purchasers prior to the Closing ("Deposits") will be held in escrow in conformity with the disclosure contained in this Section of the Plan and in accordance with the escrow provisions contained in the Purchase Agreement.

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in the escrow agreement or Purchase Agreement. 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. However, notwithstanding anything to the contrary set forth herein or anywhere else in the Plan, in the Event of Default by Purchaser, as that term is defined the Purchase Agreement, Purchaser shall be obligated to reimburse Sponsor for any legal fees, expenses and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or otherwise enforcing Purchaser's obligations thereunder.

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Starr Associates LLP, the escrow agent ("Escrow Agent"), whose address is 245 Fifth Avenue, Suite 1102, New York, New York 10016 and whose telephone number is (212) 620-2680. As of the Filing Date of the Plan, the attorneys who are signatories on these accounts authorized to withdraw funds, acting singly, are: Allan Starr, Esq., Andrea L. Roschelle, Esq., Samantha Sheeber, Esq. and Jane Rosenberg, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any Authorized Signatory is the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent has established a master escrow account entitled "Starr Associates LLP, Escrow Account" ("Master Escrow Account") at Doral Bank located at 623 5th Avenue, New York, New York 10022 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York. Deposits properly made payable to "Starr Associates LLP, as Escrow Agent" will be placed in the Master Escrow Account within 5 business days after tender by Purchaser to Sponsor or Selling Agent. Any subsequent Deposit tendered by Purchaser after the Initial Deposit will be placed in the Master Escrow Account within 10 business days after tender by Purchaser to Sponsor or Selling Agent.

All Deposits will be placed initially in the non-interest bearing portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status) in the forms set forth in Part II to the Plan, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and the Purchase Agreement. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow account in the name of Purchaser If a Purchaser does not deliver the Form W-9 or Form W-8, the Deposit will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow account to the non-interest bearing portion of the Master Escrow Account so that checks may be drawn thereon. The Master Escrow Account is not an IOLA account.

All Deposits, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, until such time as Sponsor is entitled to the Deposit as per GBL § 352-h.

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 business days after the tender of the Deposit. If Purchaser does not receive notice that the Deposit has been placed in the Master Escrow Account within 15 business days after tender of the Deposit, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 days after tender or crediting of the Deposit by notice delivered to Sponsor and 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, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. Escrow Agent will not be required to send the letter referred to above to each Purchaser in connection with any additional Deposits tendered by Purchaser after the Initial Deposit (or in connection with any changes in the interest rate).

Escrow Agent shall maintain the Master Escrow Account under its direct supervision and control. A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and as set forth in the Escrow Agreement Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

Under current Law, the sub-accounts at the Escrow Bank are insured by the Federal Deposit Insurance Corporation ("FDIC") to a maximum of $250,000 per individual Deposit. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Deposit in excess of $250,000 such Deposit will not be FDIC insured in excess of $250,000; and (ii) while the Deposit is in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be fully FDIC insured even if the Deposit does not exceed $250,000. No representation is made with respect to any further changes in Law which may increase or decrease such limit.

The Deposit 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 Deposit shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

Acceptance of the Deposit by Sponsor or Selling Agent and the Deposit thereof by Escrow Agent into escrow shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and Sponsor or Selling Agent executes a duplicate thereof and delivers the Purchase Agreement to Purchaser in accordance with the terms of the Plan. All Deposits made by check are subject to collection.

If a Purchaser tenders a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser: (i) within 5 business days after tender, if the Deposit has not been deposited into escrow, and (ii) within 10 business days, if the Deposit has been deposited into escrow and the Purchase Agreement has not yet been delivered by Purchaser. In the event a Deposit or portion thereof is delivered by wire transfer to Escrow Agent, any wiring fees charged by the initiating and/or receiving banks will be Purchaser's obligation.

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow 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 Purchase Agreement, or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to Sponsor only in the event there is a "consummation of the Plan" (as such term is defined in the Attorney General's regulations) and Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts. As of December 31, 2012 , the interest rate for the Escrow Bank is 0.25% The interest rate is subject to change by the Escrow Bank. Sponsor makes no guarantee of, and shall have no liability to Purchaser for changes to, the interest rate. Interest will begin to accrue within: (x) 3 business days, if the Deposit is cash or cash equivalent, or (y) 5 business days, if the Deposit is other than cash or cash equivalent, of the transfer of the Deposit from the checking account portion of the Master Escrow Account into the sub-escrow account portion of the Master Escrow Account, as determined by whether and when the Deposit clears.

All instruments shall be made payable directly to the order of "Starr Associates LLP, as escrow agent." Endorsed instruments will not be accepted.

If a check delivered by a Purchaser fails for collection, the Purchase Agreement will be deemed void ab initio (as if the Purchase 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 10 business days of Sponsor receiving notice from Escrow Agent of such failure for collection.

Sponsor or its agents, including any selling agents, shall deliver to Escrow Agent all Deposits within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by Escrow Agent from time to time. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary and statutory obligations set forth in GBL §§ 352(e)(2-b) and 352(h) and the Department of Law's regulations promulgated thereto.

Under no circumstances shall Sponsor seek the release of the Deposits of a defaulting Purchaser until after consummation of the Plan (as such term is defined in the Attorney General's regulations).. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h.

Escrow Agent shall release the Deposits if so directed:

(i) pursuant to terms and conditions set forth in the Plan and Purchase Agreement upon closing of title to the Unit; 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.

If the Deposits are not released pursuant to this paragraph and Escrow Agent receives a request by Sponsor or Purchaser to release the Deposits, Escrow Agent shall give both parties prior written notice of not fewer than 30 days before releasing the Deposits. If Escrow Agent has not received notice of objection to the release of the Deposits at the expiration of the 30 day period, the Deposits shall be released and Escrow Agent shall provide further written notice to both parties informing them of the release of the Deposits. If Escrow Agent receives a written notice from either party objecting to the release of the Deposits within the 30 day period set forth in the notice, Escrow Agent shall continue to hold the Deposits until otherwise directed

pursuant to subsections (i) through (iii) of this paragraph. However, Escrow Agent shall also have the right at any time to deposit the Deposits with the clerk of a court in the county in which the Unit is located and shall give written notice to both parties of such deposit.

Sponsor will not object to the release of the Deposits to:

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

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

The Purchase Agreement provides that Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under the Purchase Agreement.

If Sponsor elects to change the Escrow Bank and/or Escrow Agent, such change will be disclosed in a duly filed amendment to the Plan prior to transferring any Deposits.

Sponsor may, upon application approved by the Department of Law, elect to withdraw Deposits from the Master Escrow Account and secure all or any portion of the Deposits withdrawn by delivering to Escrow Agent or another escrow agent designated by Sponsor, one or more irrevocable letters of credit (collectively, "Letter of Credit") or other alternate security approved by the Department of Law, in accordance with the terms and conditions set forth below. All Deposits withdrawn from the Master Escrow Account shall be paid to the Construction Lender pursuant to a collateral assignment and pledge by Sponsor to the Construction Lender or disbursed to Sponsor subject to the approval by the Construction Lender of the amount of the withdrawal. The amount of the Letter of Credit will be at least 125% of the aggregate of all Deposits expected to be received from Purchasers, and not retained in escrow, during such period of time as the Letter of Credit will be needed. Sponsor reserves the right at any time and from time to time to increase or decrease the amount of the Letter of Credit, by a duly filed amendment to the Plan provided, however, the aggregate amount of the Letter of Credit shall at no time be less than the aggregate of all Deposits, if any, withdrawn by Sponsor for use in construction, less any sums returned to Purchasers or otherwise disbursed in accordance with the Plan. Deposits will cease to earn interest upon withdrawal from the Master Escrow Account.

PURCHASERS WILL EARN NO INTEREST ON DEPOSITS WHICH ARE DEPOSITED IN SPONSOR'S CONSTRUCTION FUND ACCOUNT, EXCEPT DURING SUCH PERIODS AS THE DEPOSITS ARE PLACED IN THE INTEREST BEARING PORTION OF THE MASTER ESCROW ACCOUNT.

The Letter of Credit shall name Escrow Agent as beneficiary to act as a fiduciary for the benefit of all Purchasers under the Plan. The Letter of Credit will provide that Escrow Agent shall have sole power to draw upon the Letter of Credit without the consent or despite the objection of Sponsor or the issuer bank, at such times or upon such events as set forth below.

The Letter of Credit will continue in effect, or shall be periodically renewed, until the Closing of Title to all Units for which Deposits have been placed in Sponsor's construction fund account.

Escrow Agent shall be entitled to release the Deposits to Sponsor provided that the Escrow Agent has documentation showing that the Letter of Credit or renewal or replacement Letter of Credit has been issued in accordance with this Section of the Plan and is in effect.

Escrow Agent, as the beneficiary of the Letter of Credit, acting as fiduciary for the benefit of Purchasers under the Plan whose Deposits were released from escrow, shall have the duty and the right to draw upon and collect the proceeds of the Letter of Credit, 10 business days after notice to Sponsor and

Sponsor's failure or refusal to restore such Deposits to Escrow Agent, without the consent or despite the objection of Sponsor or the issuer bank, upon the following events or circumstances:

(a) timely rescission of a Purchase Agreement by a Purchaser pursuant to an offer of rescission contained in the Plan or an amendment to the Plan;

(b) acceptance for filing by the Department of Law of an amendment abandoning the Plan;

(c) pursuant to terms and conditions set forth in the Plan and Purchase Agreement upon closing of title to the Unit;

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

(e) by a final, non-appealable order or judgment of a court;

(f) failure by Sponsor to obtain a renewal or replacement Letter of Credit no later than 60 days prior to the expiration of the existing Letter of Credit;

(g) direction by Sponsor upon request of Purchaser; or

(h) notice of impending cancellation of the Letter of Credit has been given or received, or the issuer bank has filed a bankruptcy or insolvency petition or has been taken over by a federal or state authority, and no proper replacement of the Letter of Credit has been furnished.

Upon payment to Escrow Agent of a drawing under the Letter of Credit, to the extent that Escrow Agent has no further obligation to hold the proceeds of such Letter of Credit in accordance with this Section of the Plan, Escrow Agent shall remit the Deposits to the relevant Purchaser to the extent required by this Section of the Plan and shall remit the excess amount (if any) of such proceeds over the Deposit to the Construction Lender (or, if no Construction Lender shall exist, to Sponsor).

The sole obligation of the issuer bank under or in connection with the Letter of Credit is to pay to Escrow Agent the amount drawn under the Letter of Credit pursuant to a conforming drawing thereunder. In no event shall the issuer bank, or the Construction Lender be liable for the use of the proceeds of any drawing by Escrow Agent and no Purchaser shall have any recourse whatsoever to the issuer bank, or the Construction Lender with respect to the use of such Deposits, other than the issuer bank's liability on the fronting bank for such Letters of Credit.

Escrow Agent is acting merely as a stakeholder. Escrow Agent makes no representation with regard to and shall not be responsible for the maintenance by Sponsor of the Letter of Credit. Upon payment of the Deposit pursuant to the Plan, Escrow Agent shall be fully released from all liability and obligation with respect to the Deposit. Escrow Agent shall accept a Deposit made by check made payable subject to collection.

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 Attorney General's regulations. Purchaser's execution of the Purchase Agreement shall be deemed to constitute Purchaser's acceptance of the terms of the escrow provisions set forth herein and the escrow agreement set forth in the Plan. Escrow Agent shall be a signatory to the Purchase Agreement solely with respect to Escrow Agent's obligations as set forth herein and the escrow agreement set forth in the Plan

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

Escrow Agent may rely upon any document which may be submitted to it in connection with its duties under this Section 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.

Sponsor has agreed to indemnify Escrow Agent from all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, 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. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs and disbursements, either paid to retain attorneys or representing the value of all legal services rendered by Escrow Agent to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

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

Escrow Agent and all Authorized Signatories submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of their obligations with respect to this Section or otherwise concerning the maintenance of or release of the Deposits from escrow.

Escrow Agent will maintain all records concerning the Master Escrow Account for 7 years after the release of Deposits.

2. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Purchase Agreement to which this Rider is annexed or in the Plan.

3. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

4. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Purchase Agreement remain unchanged and in full force and effect.

* * * * *

5. COUNTERPARTS

This Rider may be executed in any number of original, e-mail, pdf or facsimile counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Rider.

PURCHASER(S)

_____

(signature)

_____

(signature)

SPONSOR:

HARRISON STREET RESIDENCES LLC

By: Matrix Harrison LLC, Managing Member

By: MH Realty Services, Managing Member

By: _____
Name: _____
Title: Authorized Signatory

ESCROW AGENT:

Executed solely in connection with the provisions set forth in this Escrow Rider.

STARR ASSOCIATES LLP

By: _____
Name:
Title:

UNIT DEED

UNIT DEED

THIS INDENTURE, made the ____ day of _____, ____, between Harrison Street Residences LLC, having an office at 7 Harrison Street, New York, New York 10013 ("Grantor") and _____ having an address at _____ ("Grantee").

W I T N E S S E T H :

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 ("Unit") known as Residential Unit No. ____ in the building ("Building") known as the 7 Harrison Street Condominium ("Condominium") and by the street number 7 Harrison Street, Borough of Manhattan, County of New York, City and State of New York, said Unit being designated and described by the above Unit number in a certain declaration dated _____ made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York ("Condominium Act") establishing a plan for condominium ownership of the Building and the land ("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 Office of the Register of The City of New York of the County of New York ("Register's Office") on _____, as CRFN# _____ ("Declaration"). The Unit is also designated as Tax Lot 29 in Block 180 the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of the Building, certified by DXA Studio on _____, and filed with the Real Property Assessment Department of The City of New York on _____, as Condominium Plan No. _____ and also filed in the Register's Office on _____, as Condominium Map No. _____;

TOGETHER with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration);

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

TOGETHER with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-laws of the Condominium ("By Laws"), as the same may be amended from time to time, all of which constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

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

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

If any provision of the Declaration or the By-laws is invalid under, or would cause the Declaration or the By-laws to be insufficient to submit the Property to, the provisions of the 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 Condominium Board or provided in the Declaration or the By-laws, the Unit is intended for residential use only.

Grantor represents that the Grantor is the same party as the Grantee of the Property under deed dated _____ and recorded in the Register's office on _____ as CRFN _____.

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

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.

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

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

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

All capitalized terms used herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or the By-laws of the Condominium.

* * * * *

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

GRANTOR:

Harrison Street Residences LLC

By: Matrix Harrison LLC, Managing Member

By: MH Realty Services, Managing Member

By: _____
Name: _____
Title: Authorized Signatory

GRANTEE:

_____

_____

(ACKNOWLEDGEMENTS)

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

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

_____
Notary

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

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

_____
Notary

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

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

_____
Notary

EXHIBIT A
TO RESIDENTIAL UNIT DEED

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point formed by the intersection of the southerly side of Harrison Street and the westerly side of Staple Street;

RUNNING THENCE westerly along the southerly side of Harrison Street 50 feet 10-1/2 inches to the westerly face of the Westerly wall of the building on premises herein;

THENCE southerly along the westerly side face of the westerly wall of building on premises herein and on a line in continuation hereof and along a line which on its westerly side forms an angle of 87 degrees 28 minutes 20 seconds with the southerly side of Harrison Street 98 feet 5-1/2 inches to the southerly face of the brick area wall on premises herein described;

THENCE along the southerly face of the brick area wall and along the southerly face of the southerly wall of the one story brick building on premises herein and on a line in continuation thereof and along a line forming an angle on its northerly side of 89 degrees 28 minutes 10 seconds with the last mentioned course 25 feet ½ inch;

THENCE along a line running to and along the southerly face of the southerly wall of the 7 story brick building on premises herein and which line forms an angle of 90 degrees 41 minutes 20 seconds on its northerly side with the westerly side of Staple Street 25 feet ¾ inches on the westerly side of Staple Street; and

THENCE northerly along the westerly site of Staple Street, 100 feet 5-1/4 inches to the corner of aforesaid, at the point or place of BEGINNING.

DECLARATION OF CONDOMINIUM

DECLARATION

Establishing a Plan for Condominium Ownership of the Premises Known as

7 HARRISON STREET CONDOMINIUM

and having a street address of

7 HARRISON STREET
NEW YORK, NEW YORK 10013

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

Name:	**7 Harrison Street Condominium**
Sponsor:	**Harrison Street Residences LLC** **7 Harrison Street** **New York, New York 10013**
Date of Declaration:	_____, _____

Prepared by:

STARR ASSOCIATES LLP
Attorneys At Law
245 Fifth Avenue
New York, New York 10016
(212) 620-2680

The land affected by the within instrument lies in Block 180 F/K/A Lot 29, N/K/A Lots _____ - _____ on the Tax Map of the Borough of Manhattan, County of New York, City and State of New York

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Exhibits

A – DESCRIPTION OF THE LAND

B – DESCRIPTION OF THE UNITS

C – DEFINITIONS

D – BY-LAWS OF THE CONDOMINIUM

E – UNIT POWER OF ATTORNEY

DECLARATION

OF

7 HARRISON STREET CONDOMINIUM

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

Harrison Street Residences LLC, a limited liability company organized under the laws of the State of Delaware, having an office at 7 Harrison Street, New York, New York 10013 ("Sponsor"), does hereby declare as follows:

ARTICLE 1

DEFINITIONS

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

ARTICLE 2

SUBMISSION OF THE PROPERTY

Sponsor hereby submits the Property to the provisions of the Condominium Act and pursuant thereto, does hereby establish a regime for the condominium ownership of the Property as more particularly set forth herein and in the By-Laws.

ARTICLE 3

NAME OF THE CONDOMINIUM

The Condominium shall be known as the 7 Harrison Street Condominium.

ARTICLE 4

THE LAND

Included in the Property is the Land which is more particularly described in Exhibit A annexed hereto.

ARTICLE 5

THE PROPERTY AND THE BUILDING

5.1 Included in the Property are: 12 Residential Units and 1 Retail contained in an eight story structure above grade (including roof and penthouse level) with 1 Cellar.

5.1.1 The Residential Units will be located on the ground through Eighth Floors.

5.1.2 The Retail Unit will be located in the Cellar and on the Ground Floor.

5.2 The Building structural system consists of multiple wythes brick masonry. The roof consists of an impermeable membrane system applied under rigid insulation.

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate location in the Building; approximate square footage; number of rooms; the portions of the Common Elements to which such Unit has immediate access; and the Common Interest appurtenant to such Unit. The precise location of each Unit is shown on the Floor Plans.

6.2 The approximate square footage of each Unit is measured horizontally from the exterior side of the exterior walls, at the building line and/or property line 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 from public corridors, stairs, elevators and other mechanical equipment spaces or common elements. Columns and mechanical pipes (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. Measured vertically, each Unit consists 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.

6.3 Each Unit includes, and each Unit Owner shall be responsible for, the front entrance door and any other entrance doors to the Unit including Terrace doors (including, without limitation, all locks, peepholes, doorknobs and hardware), hallway exclusively serving such Unit, the interior walls, partitions, floors and floor coverings and ceilings affixed, attached or appurtenant to the Unit, smoke/carbon monoxide detectors, window panes, fireplace, firebox, dampers, mantel and flue, all mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), all plumbing, gas and heating fixtures and equipment, including but not limited to, refrigerators, dishwashers, washers and dryers, heating, ventilating and air conditioning Units (including the fans inside the Units), heating equipment, ranges and other appliances, sinks, bathtubs, waterclosets and all other Facilities as may be affixed, attached or appurtenant to the Unit and serving the Unit exclusively, including each Residential Unit's dedicated condensing unit located on the Roof ("Rooftop Equipment"). In addition, the PH Unit shall including the electrical, mechanical equipment and water pipes servicing or operating the reflecting pool located on the roof and the liner of such reflecting pool. Plumbing, gas and heating fixtures and equipment as used in the preceding sentences shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, water spigots located on Terraces, and any special pipes or equipment which a Unit Owner may install within the walls, ceilings, or floors, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors, unless such installations were made by the Unit Owner after the Unit Owners acquired title to the Unit, in which event Unit Owner shall be responsible for such installations. Each Unit shall also include all lighting and electrical fixtures and appliances within the Unit, including those located on Terraces and any special equipment, fixtures or Facilities affixed, attached or appurtenant to the Unit, to the extent located within a Residential Unit from the electrical panel (including electrical branch wiring but excluding electrical service riders) and serving or benefiting only that Unit. The elevator lobby to the PH Unit on the Eighth Floor shall be considered part of such Residential Unit.

6.4 Each Retail Unit also includes, in addition to the items listed in Section 6.3 above, to the extent located in such Retail Unit, and each Retail Unit Owner shall be responsible for, any freight or service entrance, driveway, ramp, canopy and all related Facilities servicing such Retail Unit exclusively including,

outdoor signage for such Retail Unit, the exterior side of all windows in or opening from such Retail Unit and loading docks exclusively servicing such Retail Unit.

6.5 Any Common Elements located within a Unit shall not be considered a part of such Unit.

6.6 Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, subject to the provisions of the By-Laws, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and (with respect to Residential Units) to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the consistent exterior appearance, the structural integrity, sound integrity and mechanical and electrical systems of such Unit or of the Building or violate Law.

6.7 As of the date of the filing of this Declaration with the Register's Office, fee simple absolute title shall automatically vest in Sponsor in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

THE COMMON ELEMENTS

7.1 The Common Elements consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements are comprised of the General Common Elements, the Residential Common Elements, and the Residential Limited Common Elements.

7.2 The General Common Elements consist of the Land and those rooms, areas, corridors and other portions of the Building (other than the Units), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intending to limit the generality of the foregoing in any respect, the General Common Elements include:

(i) the Land (including the landscaping appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto;

(ii) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, exterior walls , interior walls, partitions, floor slabs and ceilings, window casements and frames, roofs and ceilings in, on, or under the Building, separating a Unit from a General Common Element, and that portion of all such interior walls, partitions, floors and ceilings separating a General Common Element or the Retail Unit from a Residential Unit and/or Residential Common Element and/or a Residential Limited Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element or the Retail Unit, as the case may be, to the extent that the same are not expressly included as part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems, which service both the Residential Units and the Retail Unit and/or both the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements, to the extent that

the same are not expressly included as a part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iv) the fire pump room, domestic water pump room, gas service room, electrical service room, sprinkler room, elevator pit, elevator control room, mechanical rooms, vestibule adjacent to Stair 2, and hallway adjacent to elevator control room, each of which are located in the Cellar.

(v) stair 3 and entrance adjacent to Staple Street, located on the Ground Floor

(vi) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

(vii) the two vault spaces in the Cellar shall be treated as General Common Elements.

7.3 The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently or hereafter existing for the exclusive common use of the Residential Units or of the Residential Unit Owners only. Without intending to limit the generality of the foregoing in any respect, the Residential Common Elements include:

(i) stair 1, stair 2 from the Ground to Eighth Floors, passenger elevator and their respective bulkheads, shafts, pits and equipment rooms and the residential hallways.

(ii) trash room located in the Cellar and its respective shafts and equipment.

(iii) storage rooms, bicycle storage room, superintendent's office, staff locker room, hallway adjacent to the trash room, each of which are located on the Cellar Floor.

(iv) residential lobby and hallway, exit corridors, doorman station, package room, gallery with residential mail boxes, and elevator vestibule, each of which are located on the Ground Floor.

(v) fitness center and all equipment, finishings and furniture contained therein, located on the Cellar Floor.

(vi) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Residential Unit from another Residential Unit or a Residential Common Element and that portion of all such masonry walls, partitions, floors and ceilings separating a Residential Common Element from a General Common Element or a Retail Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element.

(vii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements only.

(viii) all interior portions of the Building and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to the existence, maintenance or safety of the Property, to the extent that the same are not expressly included as part of the General Common Elements pursuant to the terms of

Paragraph 7.2 above or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

7.4 The Residential Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Residential Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Residential Limited Common Elements include: the Storage Rooms located on the Cellar Floor, and the Terraces adjoining certain Residential Units more particularly set forth on Exhibit "B" to this Declaration entitled "Description of Units".

7.5 The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.7 of the By-laws.

ARTICLE 8

DETERMINATION OF COMMON INTEREST AND RESIDENTIAL COMMON INTEREST

8.1 The undivided percentage interest of each Unit in the Common Elements is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

8.2 The percentage interest of all Residential Units in the Residential Common Elements is apportioned in the same proportion that the Residential Unit at the date of this Declaration bears to the then aggregate Common Interests of all of the Residential Units in the Condominium.

ARTICLE 9

USE OF UNITS AND STORAGE LOCKERS

9.1 As more particularly set forth in, and subject to the provisions of, the By-laws, the Residential Units shall be used for residential purposes only (excluding "dormitory," "bed and breakfast" or other transient hotel-type use). A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity (including, but not limited to, the federal or state government and any instrumentality thereof and foreign governments and any embassy, consulate, or other instrumentality thereof, may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder or employee of such corporation, or by an individual partner or employee of such partnership, or by such individual fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries and partners or employees of partnership fiduciaries) or by an individual beneficiary of said fiduciary, or an individual principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing; however, the foregoing restrictions shall not apply to Unsold Residential Units.

Upon the prior written consent of Sponsor (1) (with respect to Unsold Residential Units) or the Condominium Board (with respect to sold Residential Units), any Residential Unit may be used for any other lawful purposes, subject, however, to (2) the terms and conditions of the then existing Temporary or Permanent Certificate of Occupancy for the Building and the By-laws, and (3) applicable Law.

9.2 The Retail Unit may be used for any purpose permitted by Law, including, without limitation, additional residential units, retail stores, banks, spas, health clubs, and commercial and professional office space which uses may result in increased noise and traffic. However, the Retail Unit may

not be used as (a) a bar, restaurant, nightclub or café; (b) massage parlor, adult theater, peep show establishment, topless or bottomless bar; (c) a video arcade, betting parlor, gambling casino, or other gambling related establishment; (d) any use that is primarily concerned with lewd or prurient sexual activity; (e) an in-patient or out-patient drug, alcohol or mental health treatment; or (f) a homeless shelter or center offering food or other special services to the homeless shelter, and (g) any use involving cooking or on-site food preparation. No assurance, representation, or warranty is given that any of the tenants, occupants, or users of the Retail Unit will not be objectionable to Residential Unit Owners or other parties.

9.3 The Storage Rooms may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item (excluding sealed wine and alcohol bottles), or any flammable or explosive item, or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein, nor may they be used for sleeping, dining or other occupancy uses (collectively, "Prohibited Uses"). The use of the Storage Rooms for Prohibited Uses can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or other Residential Unit Owners as a result of such Prohibited Uses shall be borne by the Residential Unit Owner of the Residential Unit to which such Storage Room is appurtenant.

9.4 Notwithstanding the foregoing or anything contained in the By-laws or the Residential Rules and Regulations to the contrary, Sponsor may, without the permission of the Condominium Board, (1) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations, (2) use any Unsold Residential Units as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or for any other purpose, subject only to compliance with Law, (3) use any Storage Room for any purpose permitted by Law, and (4) lease any Unsold Residential Unit to third parties for either long term or short term stays.

ARTICLE 10

EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS

10.1 Subject to the terms of this Declaration, the By-laws and the Residential Rules and Regulations, if applicable, Sponsor, the Unit Owners, Selling Agent, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the General Common Elements, and the General Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

10.2 Subject to the terms of the By-laws and the Residential Rules and Regulations, if applicable, Sponsor, the Residential Unit Owners, Selling Agent, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Residential Common Elements, and the Residential Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no person shall use or enjoy the Residential Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so.

10.3 Each Retail Unit Owner and its Permitted Users shall have the right and easement (i) for ingress and egress through all Common Elements for the sole purpose of accessing such Retail Unit or any

portion of the Building servicing such Retail Unit, and (ii) to erect, maintain, repair and replace, from time to time, one or more signs, of such size and content as shall be approved by the Condominium Board pursuant to Section 5.3(h) of the By-Laws, in the storefronts and windows of such Retail Unit for the purpose of advertising the sale or lease of all or any portion of such Retail Unit and the operation of any business of a Permitted User of all or any portion of such Retail Unit. Subject to Sponsor's prior written consent for so long as Sponsor owns any Unsold Unit, each Retail Unit Owner shall have the right, but not the obligation, at such Unit Owner's sole cost and expense, to alter, modify, and/or restore the exterior Façade of the Building appurtenant to such Retail Unit (including storefronts and windows of such Retail Unit) and to create additional means of egress and ingress, provided that such alterations, modifications and/or restorations are in compliance with Article 12.2 of this Declaration. Notwithstanding the foregoing, the Retail Unit Owner shall not be permitted to erect any lighting on the exterior Façade of the Building.

10.4 Each Residential Unit Owner whose Residential Unit has one or more appurtenant Residential Limited Common Elements shall have an exclusive easement for the use thereof. The Residential Units having the same are indicated on Exhibit B.

10.5 Sponsor and its Permitted Users shall have an easement in, over, under, through and upon the General Common Elements and Residential Common Elements (including but not limited to, residential lobbies, hallways and corridors), to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Residential Units including, without limitation, the right to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit.

ARTICLE 11

OTHER EASEMENTS

11.1 Subject to the terms of the By-laws and to the Residential Rules and Regulations, if applicable, each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all Common Elements located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit, including an easement to connect to existing utilities, including without limitation, utilities for gas, electricity, steam and ventilation. Each Unit (including any Common Elements located therein) shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace all Common Elements located in such Unit or elsewhere on the Property which serve other Units. All easements and rights of access described in this Section shall be exercised by the Condominium Board on behalf of all Unit Owners. The Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements contained therein and appurtenant thereto to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. Such easements and rights of access shall be exercised by the Condominium Board and/or Sponsor, and each of their Permitted Users, as the case may be, to the extent practicable, in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on reasonable prior notice based on the nature of the repair or replacement but in no event on less than two days' notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building). Plans and specifications with respect to any such proposed work shall be submitted by the Unit Owner who has requested that the Condominium Board exercise any such easement or right of access, to the Unit Owner whose Unit is to be accessed and all work is to be prosecuted diligently to completion. Notwithstanding any

other provision of this Declaration, the By-laws or the Residential Rules and Regulations, if applicable, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

11.2 Sponsor for so long as it shall own any Unsold Residential Unit, any Retail Unit Owner with respect to a Retail Unit and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor, the Retail Unit Owner or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the Unit Owners and their Permitted Users, provided that the granting of such additional utility easements or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business carried on within the Retail Unit 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 utility company and its employees and agents shall have the right of access to each Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business or with the use of the Units for their permitted purposes. Notwithstanding any other provision of this Declaration, the By-laws or the Residential Rules and Regulations, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected. In addition, Sponsor reserves the right to install additional fireplace flues and mechanical equipment on the roof of the Building.

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

11.4 Each Unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

11.5 Sponsor, and its Permitted Users shall have an exclusive right and easement for so long as the Condominium shall remain in existence to erect, use, lease, maintain, repair, replace and operate any pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces) and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith. The exercise of the easement and these rights do not require the consent of the Condominium Board or the Unit Owners and shall be without charge to Sponsor. Any obligations of Sponsor under any lease, license or other right of use granted by Sponsor with respect to the roof and/or the façade of the Building shall be the obligation of Sponsor and not of the Condominium, and any rights of Sponsor, including, without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right of Sponsor, and not of the Condominium or any other Unit Owner. In connection with such easement and related rights, Sponsor and its Permitted Users shall each have, to the extent necessary or advisable for such erection, use, lease, maintenance, repair, replacement and operation, an easement in common with all Unit Owners for ingress, egress and the use of any Common Elements. The Units shall each be subject to such easement.

11.6 Subject to the terms of the By-laws, each Retail Unit Owner shall have an easement to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Retail Unit in, over, under,

through or upon the Common Elements or elsewhere on the Property; provided that access to the Common Elements or other portions of the Property in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Common Elements and such other portions of the Property for their permitted purposes. Additionally, the Retail Unit Owner is not permitted to use the sidewalk adjacent to the Retail Unit, except for the purpose of regular foot traffic and deliveries to and from the Retail Unit for purposes consistent with the Retail Unit's commercial use, and otherwise as provided by Law.

11.7 The Condominium and Building shall be designated and known as the 7 Harrison Street Condominium. Sponsor shall own and control all rights and interest, appurtenant to the name of the Condominium and/or the Building and any intellectual property relating thereto, including without limitation, any logos, marks, websites, trademarks, copyrights or names relating to or referring to the name of the Condominium or the Building, unless otherwise prohibited by Law. Only Sponsor shall have the right to change or assign the name of the Condominium. In addition, Sponsor shall have the right to utilize other names for the Building or portions thereof for marketing and promotional purposes without the consent of the Condominium Board or the Unit Owners. Sponsor shall have an exclusive easement for so long as the Condominium shall remain in existence to erect, maintain, repair and replace, from time to time, a plaque and/or sign ("Plaque"), without charge, on the exterior portion of the Building setting forth the name and address of Sponsor, or such other information as Sponsor desires in its sole discretion. Only Sponsor shall the right to remove the Plaque, unless mandated by Law.

11.8 If (a) any portion of the Common Elements encroaches upon any Unit or upon any other portion of the Common Elements, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachment shall hereafter occur as a result of (i) the settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-laws) of the Condominium Board, or made by Sponsor 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 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.

11.9 In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements made with the City of New York or with any utility companies or other Persons in effect prior to the recording of this Declaration.

ARTICLE 12

ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND RETAIL UNIT

12.1 Except to the extent prohibited by Law, Sponsor shall have the right, without the vote or consent or approval of the Condominium Board, other Unit Owners, Selling Agent, the Managing Agent or the Mortgage Representatives, if any, to:

(a) make alterations, additions, improvements, or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Residential Units and their appurtenant Residential Limited Common Elements, if any;

(b) change the layout of, or number of rooms in, any Unsold Residential Units;

(c) amend the Certificate of Occupancy for the Building as it relates to the Unsold Residential Units;

(d) change the size and/or number of Unsold Residential Units by (w) subdividing one or more Unsold Residential Units into two or more separate Residential Units, (x) combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, (y) altering the boundary walls between any Unsold Residential Units, or (z) otherwise, including incorporating Residential 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 into such Unsold Residential Unit without changing the percentage of Common Interest of such Unit; and

(e) if appropriate, reapportion among the Unsold Residential Units affected by such change in size or number pursuant to the preceding clauses their Residential Common Interests and Residential Common Interest;

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon any Unsold Residential Unit:

(i) no physical modifications shall be made to any other Unit and the Common Interest and Residential Common Interest (other than Unsold Residential Units), as the case may be, or interior dimensions of any other Units (other than Unsold Residential Units) shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) Sponsor shall comply with Law;

(iii) Sponsor shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness, mechanical systems or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

Notwithstanding the foregoing, however, the aggregate amounts of both the Common Interests of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest or Residential Common Interest appurtenant to any Unit, as the case may be, shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest and, if applicable, Residential Common Interest of the affected Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by Sponsor or any other Person reasonably acceptable to the Condominium Board. By written permission of the Condominium Board, which permission shall not be unreasonably withheld or delayed, any other Residential Unit Owner may be given with respect to such Residential Unit the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Residential Units. Notwithstanding the other provisions of this Article, no reapportionment of the Common Interests appurtenant to any Residential Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest of the affected Residential Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by the Residential Unit Owner or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of Sponsor.

12.2 Except to the extent prohibited by Law, the Retail Unit Owner shall have the right, without the consent or approval of the Condominium Board, the Unit Owners, Selling Agent, the Managing Agent, or the Mortgage Representatives, if any, to:

(a) make non-structural alterations, additions, improvements, or repairs in, to and upon the interior or exterior of the Retail Unit (including, without limitation, to the storefronts and windows in such Retail Unit);

(b) change the use or layout of, or number of rooms in the Retail Unit;

(c) amend the Certificate of Occupancy for the Building as it relates to the Retail Unit; and

(d) if appropriate, reapportion among the Units affected by such change in size or number pursuant to the preceding clauses their respective Common Interests.

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon the Unit:

(i) no physical modification shall be made to any other Unit, and the Common Interest and Residential Common Interest, as the case may be, or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) the Retail Unit Owner shall comply with Law;

(iii) the Retail Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom;

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness, mechanical systems or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property; and

(v) no Structural Alterations shall be made, except in accordance with Section 5 of the By-Laws.

(vi) any change in the size of the Retail Unit by (w) subdividing the Retail Unit into 2 or more separate Units, (x) combining 2 or more separate Units resulting from such subdivision into 1 or more Units, (y) altering the boundary walls of 2 or more separate Units resulting from such subdivision or combination, or (z) otherwise, shall be approved by the Condominium Board, at the Condominium Board's sole discretion.

In the event of the subdivision of a Retail Unit into separate Retail Unit, the owner of each such newly created Retail Unit shall have all the rights, privileges and benefits, and shall be subject to all the obligations of the original Retail Unit Owner, as provided in this Declaration, the By-laws and the Residential Rules and Regulations; provided, however, that the owners of such newly created Retail Unit shall collectively continue to be entitled to designate 1 Member to the Condominium Board.

Notwithstanding the foregoing, however, the aggregate amounts of the Common Interest of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to the Retail Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered, at the Retail Unit Owner's election, by the Retail Unit Owner, Selling Agent, the Managing Agent, or any other Person reasonably acceptable to the Condominium Board. The provisions of

this Article may not be added to, amended, modified, or deleted without the prior written consent of the Retail Unit Owner.

ARTICLE 13

ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD

If (a) any Residential Unit Owner surrenders the Residential Unit, together with its Appurtenant Interests to the Condominium Board pursuant to the terms of the By-laws or Section 339-x of the Condominium Act, or (b) the Condominium Board, pursuant to the By-laws or otherwise, either acquires or leases a Unit, together with its Appurtenant Interests, purchases, a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title to any such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 14

POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD

14.1 Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, Sponsor, to amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents.

14.2 Each Residential Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Residential Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners;

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Residential Unit so acquired or to sublease any Residential Unit so leased; and

(d) acquire, mortgage, lease, sublease, license, convey or otherwise deal with the Resident Manager's Unit, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners; and

(e) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

14.3 In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Power of Attorney, substantially in the form set forth as Exhibit E to this Declaration.

ARTICLE 15

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 more particularly provided in the By-laws) until such time as the Property is withdrawn from the provisions of the Condominium Act is authorized by a vote of the Retail Unit Owner and 80% in number and in Residential Common Interest of all Residential Unit Owners. No such vote shall be effective, however, without the written consent (which consent shall not be unreasonably withheld or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any. In the event the withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of Unit Owner's share of such net proceeds all liens on the Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 16

COVENANT OF FURTHER ASSURANCES

16.1 Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a Member or officer of the Condominium Board or a Permitted User of either or otherwise, shall, upon prior reasonable written request at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request 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.

16.2 If any Unit Owner, the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which the Condominium Board, Unit Owner or other Person is required to execute, acknowledge and deliver or to take pursuant to this Declaration, or (ii) to deliver a written notice to the Person requesting such execution, acknowledgement or delivery, and to the Condominium Board stating the reasons why such Unit Owner, Condominium Board or other Person refuses to execute, acknowledge or deliver such instrument or take such action, then the Condominium Board or other Person is hereby authorized as attorney-in-fact for such Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver

such instrument, or to take such action in the name of such Unit Owner, Condominium Board or other Person and such document or action shall be binding on such Unit Owner, Condominium Board or other Person.

16.3 If any Unit Owner, the Condominium Board or other Person that is subject to the terms of this Declaration fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge or deliver pursuant to this Declaration at the request of Sponsor or a Retail Unit Owner, as the case may be, then Sponsor, or a Retail Unit Owner, is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner, Condominium Board or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in this Declaration which requires the consent or approval of the Condominium Board.

ARTICLE 17

COVENANTS RUNNING WITH THE LAND

17.1 All provisions of this Declaration, the By-laws and the Residential 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 owner of all or any part thereof, or interest therein, and 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. 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 Residential Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-laws and the Residential Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

17.2 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 and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-laws to be sufficient to submit the Property to the provisions of the 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.

17.3 Subject to Section 17.2, 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 19

AMENDMENTS TO THIS DECLARATION

19.1 Subject to the provisions contained herein or in the By-laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Retail Unit Owner, any provision of this Declaration affecting the (i) General Common Elements or all Unit Owners may be added to, amended, modified or deleted by the affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners and (ii) Residential Common Elements or all Residential Unit Owners may be added to, amended, modified or deleted by affirmative vote of at least 66-2/3% in number and Residential 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 Unit as expressed in this Declaration 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 Sponsor or the Retail Unit Owner, no amendment, modification, addition or deletion shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives (as defined in the By-laws), if any. No such amendment, modification, addition or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Retail Unit Owner, any such amendment, modification, addition or deletion shall be executed by either the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, and the Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor set forth herein, this Section 19.1 of the Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby, approve such amendment, modification, addition or deletion in the manner set forth above.

19.2 Sponsor, shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record (or, at Sponsor's 's sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans of the Condominium as Sponsor, deems appropriate to effectuate the same:

(i) to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interest of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by Sponsor to make a loan secured by a mortgage on any Unsold Residential Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unsold Residential Unit; or

(iii) to correct any inconsistencies or scrivener's errors in the Declaration, the By-Laws and/or Floor Plans; or

(iv) to relinquish any rights granted to Sponsor hereunder.

Provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this Section shall not (1) change the Common Interest of any Unit other than a Unit owned by Sponsor, or (2) require a material, physical modification of any Unit other than a Unit owned by Sponsor, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in (1) or (2) of this Section) or the holder of such mortgage (in the event described in (3) of this Section) shall consent thereto by joining in the execution of such amendment.

19.3 The Retail Unit Owner shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record in the Register's Office or elsewhere, if required by Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such documents, plans and maps as the Retail Unit Owner deems appropriate to effectuate the same:

(i) to reflect any changes in the Retail Unit and/or the reapportionment of the Common Interest of the affected Retail Unit resulting therefrom made by the Retail Unit Owner in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by the Retail Unit Owner to make a loan secured by a mortgage on the Retail Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by the Retail Unit Owner to insure title to any Retail Unit, as such requirements relate solely to the Retail Unit; or

(iii) to correct any inconsistencies or scrivener's errors in the Declaration, By-Laws and/or Floor Plans.

(iv) to reflect any changes that solely affect the Retail Unit and do not materially and adversely affect the Residential Units and/or the Residential Unit Owners; provided, however, that any such amendment shall not (1) change the Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in subparagraph (1) or (2) of this Section) or the holder of such mortgage (in the event described in subparagraph (3) of this Section) shall consent thereto by joining in the execution of such amendment.

19.4 Any amendment to this Declaration may be executed; (i) if on behalf of Sponsor pursuant to the terms of Section 19.2 hereof, by Sponsor, , (ii) if on behalf of a Retail Unit Owner pursuant to the terms of Section 19.3 hereof, by the Retail Unit Owner, or (iii) if on behalf of the Unit Owners or by the Condominium Board, by any officer of the Condominium. If the amendment requires the approval of a specific percentage of Unit Owners pursuant to the terms of this Declaration or the By-laws, then there shall be attached to such amendment an original executed Secretary's Certificate, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-laws) in writing without a meeting, in which Certificate shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

19.5 Notwithstanding anything contained in the Condominium Documents to the contrary, if any Unit Owner, with the prior written approval of the Condominium Board changes the size and/or number

of Units owned by such Unit Owner by either (i) subdividing a Unit(s) into two or more separate Units, (x) combining a Unit into one or more Units, (y) altering the boundary walls between any adjacent Units owned by such Unit Owner, or (z) otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the owner of such Unit) which exclusively benefit a Unit into such Unit, then the Condominium Board on behalf of such Unit Owner and at the Unit Owner's sole cost and expense, shall have the right 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 to reflect the changes made by the Unit Owner, all without the approval of the other Unit Owners, provided, however, that any such amendment shall not (1) change the Common Interest or Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender, unless the owner of such affected Unit (in the event described in (1) or (2)) or the holder of such mortgage (in the event described in (3)) shall consent thereto by joining in the execution of such amendment.

19.6 Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be effective in any respect against Sponsor or the Retail Unit Owner, if the same would (i) unreasonably interfere with the sale, lease, or other disposition of any Unit owned by either of them, as the case may be, (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit granted to Sponsor or the Retail Unit Owner, unless Sponsor or the Retail Unit Owner shall consent to such amendment in writing, or (iii) impose any discriminatory charge or fee against Sponsor or the Retail Unit Owner, unless Sponsor or the Retail Unit Owner shall consent to such amendment in writing.

19.7 The provisions of this Article may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or the Retail Unit Owner if the same relate to Sponsor or the Retail Unit Owner.

19.8 No amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 20

CONSENTS BY SPONSOR

When the consent, approval, satisfaction, or permission of Sponsor is required under this Declaration or the By-laws, such consent, approval, satisfaction, or permission shall not be required when (i) Sponsor no longer owns any Units; (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan and (iii) a Permanent Certificate of Occupancy has been issued for the Property.

ARTICLE 21

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.

ARTICLE 22

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-laws annexed hereto as Exhibit D; (v) the Unit Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if set forth at length in the text hereof.

ARTICLE 23

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 24

SEVERABILITY

Subject to the provisions of Section 17.2 and 17.3 of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provisions of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

ARTICLE 25

SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor and the Retail Unit Owner as set forth in this Declaration and the By-laws shall inure to the benefit of and be binding upon any successor or assignee or designee of Sponsor and the Retail Unit Owner. Sponsor and the Retail Unit Owner shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their interest therein, whether by merger, consolidation, lease, assignment, or otherwise.

ARTICLE 26

CAPTIONS

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

ARTICLE 27

CERTAIN REFERENCES

26.1 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.

26.2 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.

26.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 28

GENERAL

Except as required by Law, neither Sponsor nor any of its principals shall be subject to any of the restrictions and/or prohibitions with regard to the Units and/or the Storage Rooms set forth in this Declaration or the By-laws annexed hereto.

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

* * * * *

SPONSOR:

Harrison Street Residences LLC

By: Matrix Harrison LLC, Managing Member

By: MH Realty Services, Managing Member

By: _____
Name: _____
Title: Authorized Signatory

(ACKNOWLEDGEMENT)

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

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

_____
Notary

EXHIBIT A TO THE DECLARATION

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point formed by the intersection of the southerly side of Harrison Street and the westerly side of Staple Street;

RUNNING THENCE westerly along the southerly side of Harrison Street 50 feet 10-1/2 inches to the westerly face of the Westerly wall of the building on premises herein;

THENCE southerly along the westerly side face of the westerly wall of building on premises herein and on a line in continuation hereof and along a line which on its westerly side forms an angle of 87 degrees 28 minutes 20 seconds with the southerly side of Harrison Street 98 feet 5-1/2 inches to the southerly face of the brick area wall on premises herein described;

THENCE along the southerly face of the brick area wall and along the southerly face of the southerly wall of the one story brick building on premises herein and on a line in continuation thereof and along a line forming an angle on its northerly side of 89 degrees 28 minutes 10 seconds with the last mentioned course 25 feet ½ inch;

THENCE along a line running to and along the southerly face of the southerly wall of the 7 story brick building on premises herein and which line forms an angle of 90 degrees 41 minutes 20 seconds on its northerly side with the westerly side of Staple Street 25 feet ¾ inches on the westerly side of Staple Street; and

THENCE northerly along the westerly site of Staple Street, 100 feet 5-1/4 inches to the corner of aforesaid, at the point or place of BEGINNING.

EXHIBIT B TO THE DECLARATION

DESCRIPTION OF THE UNITS

7 Harrison Street Condominium
7 Harrison Street
New York, New York 10013

UNIT	NUMBER OF BEDROOMS/ BATHS	APPROXIMATE TOTAL SQ. FT. UNIT	APPROXIMATE TOTAL SQ. FT. BALCONY/ TERRACE	BLOCK 180 TAX LOT NO.	PERCENTAGE OF COMMON INTEREST	LOCATION IN PORTION OF BUILDING FACING DIRECTION SET FORTH BELOW	COMMON ELEMENTS TO WHICH UNIT HAS IMMEDIATE ACCESS

To be completed prior to Recording of the Declaration.

EXHIBIT C

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, the By-Laws and the Condominium Act. They include the following:

"Adverse Effect," or "adverse effect" shall mean any action or proposed change with respect to any Unit Owner(s), that such action or change could, if realized, (i) increase the Common Charges payable over those set forth in the budget in effect at the time in question by 25% or more, (ii) materially and permanently interfere with such Unit Owner's access to the Unit, (iii) materially obstruct or degrade the view from the windows and/or Terraces of the Unit (excluding the lot line windows) or (iv) otherwise materially diminish the use and enjoyment of the Unit.

"Appurtenant Interest" shall mean, with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or rental of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

"Building" shall mean the building located at 7 Harrison Street, New York, New York 10013.

"Buildings Department" shall mean the office of the New York City Department of Buildings or any successor agency.

"By-Laws" shall mean the by-laws governing the operations of the Condominium, which are set forth as Exhibit D to the Declaration, as the same may be amended from time to time, which are set forth in Part II of the Plan.

"Closing" or "Closing of Title" shall mean the date, time, place and procedure by which, among other things, fee title to a Unit and its appurtenant Common Interest is conveyed pursuant to a fully-executed Purchase Agreement.

"Closing Date" shall mean the date on which a Closing occurs.

"Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata, in accordance with their Schedule B allocations and as provided in the Declaration or in the By-Laws to meet the Common Expenses.

"Common Elements" shall mean the Property, other than the Units themselves, being comprised of the General Common Elements, Residential Common Elements, and the Residential Limited Common Elements.

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve, or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); and (iii) generally, the conduct of the affairs of the Condominium. Common Expenses shall be either General Common Expenses attributable to all Unit Owners, Residential Common Expenses attributable to Residential Unit Owners only.

"Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appurtenant to each Unit, as determined in accordance with the Declaration. The total of all Common Interest percentages appurtenant to all Units equals 100%. The Common Interest attributable to each Unit is set forth on Exhibit B annexed to the Declaration.

"Condominium" shall mean the 7 Harrison Street Condominium which will be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

Condominium Act" shall mean the New York Condominium Act, as amended from time to time (New York Real Property Law, Article 9-B).

"Condominium Board" shall mean the board of managers of the Condominium who will manage the affairs of the Condominium.

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans.

"Construction Lender" shall mean Doral Property Finance, having an address at 623 5th Avenue, 16th Floor, New York, New York 10022.

"Declarant" shall mean Harrison Street Residences LLC and its successors and assigns.

"Declaration" shall mean the instrument creating the Condominium, as the same may be amended from time to time, which is set forth in Part II of the Plan.

"Department of Law" shall mean the Real Estate Finance Bureau of the Department of Law of the State of New York.

"Deposit" shall mean all deposits, advances and payments made by Purchasers prior to the Closing of a Unit.

"Effective Date" shall mean the date upon which the Plan is declared effective.

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of one or more of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, intercom equipment, playground equipment, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drainage systems, sewers and/or storm pipes, drywalls, or detention tanks, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, sheetrock, interior walls, draperies, shades, window coverings, wallpaper, wallcoverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes, sockets, davits and rigs for window cleaning.

"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.

"Filing Date" shall mean the date a letter is issued by the Department of Law accepting the Plan or an amendment to the Plan, as the case may be, for filing.

"First Annual Meeting" shall mean the first annual meeting of the Residential Unit Owners.

"First Closing" shall mean the Closing of Title with respect to the first Residential Unit to be conveyed to a Purchaser pursuant to the terms of the Plan.

"First Year of Condominium Operation" shall mean the first 12 months of operation of the Condominium beginning on the date of First Closing, which may be a calendar or fiscal year.

"First Year's Budget" shall mean the Section of the Plan entitled "Schedule B - First Year's Budget." The First Year's Budget is sometimes referred to as "Schedule B."

"Floor Plans" shall mean the floor plans of the Units certified by a professional engineer or licensed architect, filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental or amended floor plans thereto.

"Force Majeure" shall mean unavoidable delays due to acts of God, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, governmental restrictions, preemptions or approvals, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the control of Sponsor, however for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause beyond control.

"GBL" shall mean Section 352-e of the New York State General Business Law.

"General Common Elements" shall mean those certain portions of the Property (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in the Declaration and the Floor Plans.

"General Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the General Common Elements; or (ii) the establishment and/or maintenance of a general operating reserve fund for working capital, for replacements with respect to the General Common Elements.

"Initial Control Period" shall mean the period ending on the later to occur of: (i) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 95% in number of all Residential Units offered for sale, or (ii) the issuance of a Permanent Certificate of Occupancy.

"Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust or a group of lenders which shall include one of the foregoing, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, or (iii) Sponsor, or (iv) with respect to loans secured by any Retail Unit only, (x) without in any way limiting the scope of the foregoing and for the sake of clarity, any real estate mortgage investment conduit within the meaning of Section 860D of the Internal Revenue Code, (y) any entity not included within any of the foregoing that is regularly engaged in the business of making,

owning or servicing mortgage loans, including, without limitation, a so-called "conduit lender," or (z) any group of lenders which shall include one or more of the foregoing.

"Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or an Institutional Lender.

"Insurance Trustee" shall mean a bank or trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of $500,000,000 or more, from time to time appointed to serve as such by the Condominium Board.

"Land" shall mean the land located in the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 180, Lot 29 and more particularly described in Exhibit A to the Declaration.

"Law" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, County and Borough governments, including, without limitation, the Buildings Department, the Landmarks Preservation Commission, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Property and/or the Condominium and/or the direction of any public officer pursuant to Law which are applicable at the time in question.

"Majority of Unit Owners" shall mean Unit Owners of more than fifty percent (50%) in aggregate Common Interests appurtenant to all Units or Unit Owners of more than fifty percent (50%)in aggregate Common Interests of only those Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Unit Owners at which a quorum is present.

"Managing Agent" shall mean the management company or manager named in the Plan or any successor managing agent at the time in question.

"Permanent Certificate of Occupancy" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

"Permitted Encumbrances" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly described on Schedule A annexed to the form of Purchase Agreement.

"Permitted Mortgage" shall mean a first mortgage permitted to be placed upon a Unit pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" shall mean any holder or guarantor of a Permitted Mortgage at the time in question. The Construction Lender shall be considered a Permitted Mortgagee under the Declaration and By-Laws.

"Permitted User" shall mean any officer, director, member, stockholder, principal, partner, employee, agent (including managing, sales and leasing agent), guest, tenant, occupant, customer, invitee, licensee, contractor, Permitted Mortgagee or any other Person related, affiliated or designated by Sponsor, the Condominium Board or a Unit Owner who has permission to use a Unit and/or a portion of the Common Elements, subject to the terms of the Condominium Documents, whether written or oral, granted by: (i) a Unit Owner in the case of such Unit Owner's Unit and its appurtenant Common Elements; or (ii) the Condominium Board; or (iii) the Condominium Documents; or (iv) Sponsor.

"Person" shall mean any natural person, partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

"Plan" shall mean that certain Condominium Offering Plan relating to the Property, as accepted for filing by the Department of Law pursuant to the GBL and any and all amendments thereto.

"Plans and Specifications" shall mean the plans and specifications for the construction and renovation of the Building which (to the extent required by Law) have been or will be filed with the Buildings Department and which may from time to time be amended in accordance with the provisions of the Plan.

"Presentation Date" shall mean the date on which the Plan or an amendment thereto, as the case may be, is personally delivered or the fifth day after mailing to prospective Purchasers and Unit Owners following acceptance of the Plan or an amendment thereto for filing with the Department of Law.

"Property" shall mean the Land, the Building (and any structures attached thereto), the Units, all the improvements erected or to be erected on the Land, all easements, rights and appurtenances pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

"Purchase Agreement" shall mean the agreement to purchase a Unit, the form of which is set forth in Part II of the Plan.

"Purchaser" shall mean any Person named as a Purchaser in a Purchase Agreement which has been duly executed by such Person and accepted by Sponsor.

"Register's Office" shall mean the Office of the Register of the City of New York, County of New York.

"Residential Common Elements" shall mean those portions of the Common Elements either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to, the existence, maintenance or safety of the Residential Units, as more particularly described in the Declaration and the Floor Plans.

"Residential Common Expenses" shall mean all costs and expenses to be incurred generally by the Residential Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Residential Common Elements and/or the Residential Limited Common Elements; or (ii) the establishment and/or maintenance of an operating reserve fund for working capital, for replacements with respect to the Residential Common Elements and/or Residential Limited Common Elements.

"Residential Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, of each Residential Unit Owner in the Residential Common Elements. The total of all Residential Common Interest percentages appurtenant to all Residential Units equals 100%. The Residential Common Interests are the basis for determining a Residential Unit Owner's liability for such Unit Owner's share of the Residential Common Expenses.

"Residential Limited Common Elements" shall mean those portions of the Property (other than the Units, the General Common Elements and the Residential Common Elements), existing for the use and enjoyment of certain Residential Unit Owners to the exclusion of all other Unit Owners, as more particularly described in the Declaration and the Floor Plans.

"Residential Unit" shall mean any of the Residential Units designated as a Residential Unit in the Declaration together with its Common Interest. All such Residential Units are, collectively, referred to as the "Residential Units."

"Residential Unit Owner" shall mean any Unit Owner of a Residential Unit at the time in question. All such Residential Unit Owners are, collectively, referred to as the "Residential Unit Owners."

"Residential Rules and Regulations" shall mean the Residential Rules and Regulations of the Condominium promulgated in accordance with the By-Laws, as any of such Rules and Regulations may be amended, added to, or deleted from time to time pursuant to the terms of the By-Laws.

"Retail Unit" shall mean any of the Retail Unit designated as such in the Declaration together with its Common Interest.

"Retail Unit Owner" shall mean the Unit Owner of a Retail Unit at the time in question.

"Sales Office" shall mean the sales office for Sponsor or Selling Agent, at a location to be designated by either Sponsor or Selling Agent from time to time.

"Schedule A" shall mean the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information."

"Schedule B" shall mean the Section of the Plan entitled "Schedule B - First Year's Budget." Schedule B is sometimes referred to as the "First Year's Budget."

"Schedule B-1" shall mean the Section of the Plan entitled "Schedule B-1 for Individual Energy Costs."

"Selling Agent" shall mean the selling agent named in the Plan or any successor Selling Agent at the time in question.

"Signage" shall include any sign, notice, advertisement or illumination, illustration, art work, poster, logo, canopy, banner or similar sign, marquee, awning, flag, flagpole, pennant, aerial, antenna or the like.

"Special Assessment" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), in accordance with the By-Laws of the Condominium.

"Sponsor" shall mean Harrison Street Residences LLC and its successors and assigns as well as any Person(s) designated by Sponsor, in writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

"Storage Room" shall mean any Storage Room located in the Cellar and shall include the structural framework and materials out of which the Storage Room is constructed. Each Storage Room constitutes a Residential Limited Common Element.

"Structural Alteration" shall mean any alteration, addition, improvement or repair which (i) affects any structural element of the Building (i.e., columns, support beams and the like) appurtenant to the Retail Unit, (ii) affects the Building Systems, (iii) affects the Common Elements, or (vi) constitutes a new or additional building structure.

"Temporary Certificate of Occupancy" shall mean a temporary certificate of occupancy for the Building issued by the Buildings Department.

"Terrace" shall mean any terrace, balcony or garden which is appurtenant to a Residential Unit as a Residential Limited Common Element and shall include any pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers installed as part of the original construction of the Building. All such terraces, balconies or gardens are, collectively, referred to as the "Terraces".

"Title Company" shall mean Fidelity National Title, having an office at 1415 Kellum Place, Garden City, NY 11530, Tel: (516) 394-5118, Fax: (516) 741-5363, or any successor Title Company at the time in question.

"Unit" shall mean any of the Units designated as a Unit in the Declaration together with its Common Interest. All such Units are, collectively, referred to as the "Units."

"Unit Owner" shall mean any Person (including Sponsor, if Sponsor owns any Unit) who holds fee title, of record, to one or more Units at the time in question. All such Unit Owners are, collectively, referred to as the "Unit Owners."

"Unsold Residential Unit" shall mean 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 a principal of Sponsor at the time in question. All such Unsold Residential Units are, collectively, referred to as the "Unsold Residential Units."

"Unsold Residential Unit Owner" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

"Zoning Resolution" shall mean the Zoning Resolution of the City of New York, as amended from time to time, or replacement rule, regulation or resolution pertaining to development of a zoning lot.

BY-LAWS OF THE CONDOMINIUM

EXHIBIT D

TO THE DECLARATION

BY-LAWS

OF

7 HARRISON STREET CONDOMINIUM

Prepared by:

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BY-LAWS

ARTICLE 1

GENERAL

Section 1.1 *Purpose.* The purpose of these By-laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is more particularly described in Exhibit A to the Declaration; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-laws form a part. The purpose of the Condominium is to carry on the acquisition, construction, management, maintenance and care of the Common Elements and to perform related functions with respect to the other portions of the Property.

Section 1.2 *Definitions.* All capitalized terms used in these By-laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3 *Applicability of By-laws.* These By-laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 *Application of By-laws.* All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-laws and the Residential Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-laws and the Residential Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5 *Principal Office of the Condominium.* The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

CONDOMINIUM BOARD

Section 2.1 *General.* As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-laws, the Condominium Board shall act as, and shall be, the Agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-laws.

Section 2.2 *Status of the Condominium Board.* Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 *Principal Office of the Condominium Board.* The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 *Powers and Duties of the Condominium Board*

(A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith, (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel.

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium.

(iii) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium Board; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-laws; and (d) minutes and other records of all meetings held pursuant to the terms of these By-laws.

(iv) to adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same.

(v) to approve the amount and the means and methods of payment of, and collection of, the Common Charges and Special Assessments from the Unit Owners; provided, however, that in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the General Common Elements be utilized to defray any Residential Common Expenses and in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the Residential Common Elements be utilized to defray any General Common Expenses.

(vi) to borrow money on behalf of the Condominium in accordance with Section 339-jj of the Real Property Law when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of at least 66 2/3% of the Members of the Condominium Board shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the General Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Common Interest, of all Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Residential Common Elements and/or the Residential Limited Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Residential Common Interest, of all Residential Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years) and the Retail Unit Owner will not be liable for the repayment of any portion of such loan; (d) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (e) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest or Residential Common Interest, as applicable, bears to the aggregate Common Interests of all Unit Owners or Residential Common Interests of all Residential Unit Owners, as applicable, shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file against such Unit Owner's Unit.

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor which shall at no time be less than two and that each check drawn on such account shall need at least two signatures.

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements.

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5 hereof.

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners (except as otherwise provided herein); (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property.

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-laws.

(xii) to obtain and keep in force fidelity bonds, in amounts deemed appropriate by the Condominium Board, but in no event less than $100,000, for: (a) all Members of the Condominium Board; (b) all officers and employees of the Condominium; and (c) the Managing Agent, and the premiums on all such fidelity bonds shall constitute a part of the Common Expenses.

(xiii) to accept the surrender of any Residential Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners.

(xiv) to purchase, lease, or otherwise acquire Residential Units offered for sale, lease or assignment by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners but only with the consent of a Majority of Residential Unit Owners.

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise and on behalf of all Unit Owners but only with the consent of a Majority of Unit Owners.

(xvi) to sell, lease, license, mortgage and otherwise deal with Residential Units and Storage Lockers acquired by, and to sublease Residential Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the interest appurtenant to any such Residential Unit.

(xvii) to adopt and amend the Residential Rules and Regulations and to levy and authorize collection of fines against Unit Owners for violations of the Residential Rules and Regulations and these By-laws(any such fines and fees shall be deemed to constitute Common Charges payable by Unit Owners of the Unit against which they are levied).

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners.

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and By-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-laws and (b) the terms of the Declaration and these By-laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and By-laws.

(xx) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium.

(xxi) to execute, acknowledge and deliver: (a) any and all declarations (including a declaration of single zoning lot) or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building, and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate, and (c) any and all declarations, consents,

waivers or other instruments requested by Sponsor , with respect to Sponsor's 's utilization, sale or transfer of development rights.

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modification, additions and deletions theretofore made to the same.

(xxiii) to prepare, execute, acknowledge and institute on behalf of all Residential Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense.

(xxiv) to commence summary eviction proceedings in the name of or on behalf of the Condominium Board and/or a Unit Owner or Unit Owners, as the case may be, against an authorized guest and/or a Tenant of a Unit Owner if such authorized Guest and/or Tenant does not conform to the Residential Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said Residential Rules and Regulations may at any time and from time to time, be modified, amended or added to in accordance with the terms of these By-laws. All costs in connection with the removal of the authorized guest and/or Tenant, including attorneys' fees, shall be borne by the Unit Owner.

(xxv) to establish policies and procedures and impose fees in connection with the sale, lease or alteration of a Residential Unit or Retail Unit.

(xxvi) to set guidelines for the access and use of the Vault Space.

(xxvii) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-laws.

(xxviii) to adjust the First Year's Budget to reduce the Common Charges if the services or facilities are not available at the First Closing.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5 *Certain Limitations on the Powers of the Condominium Board.*

(A) Notwithstanding anything to the contrary contained in these By-laws, so long as Sponsor shall continue to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent:

(i) make any addition, alteration, or improvement to the Common Elements or to any Unit, unless the same shall be required by Law;

(ii) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a working capital, reserve, contingency, or surplus fund;

(iii) increase or decrease the number of, or change the kind of employees from those described in the First Years Budget;

(iv) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described the First Year's

Budget set forth in the Plan, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business;

(v) borrow money on behalf of the Condominium; or

(vi) exercise a right of refusal to lease or purchase a Unit.

However, Sponsor may not diminish or eliminate services, facilities or any line items set forth in the First Year's Budget and Sponsor's written consent shall not be necessary to perform any function or take any action described in clauses (i) through (vi) above, if, and only if, the performance of such function or the carrying out of such action is necessary, and no other alternative is available, to enable the Condominium Board to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer; or (iv) to ensure the health and safety of the occupants of the Building.

(B) Notwithstanding anything to the contrary contained in these By-laws, all determinations of the Condominium Board which affect only the:

(i) Residential Units and do not materially and adversely affect the use and operation of the Retail Unit shall be made by the Members of the Condominium Board elected or designated by the Residential Unit Owners; and

(ii) Retail Unit and do not materially and adversely affect the use and operation of the Residential Units shall be made by the Member of the Condominium Board designated by such Retail Unit Owner.

Any dispute as to whether or not a determination materially and adversely affects any Units shall be settled by arbitration in accordance with the provisions of these By-laws. No dispute with respect to whether a determination materially and adversely affects a Unit shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the Condominium Board within 10 business days of receipt by it of notice of such determination.

Section 2.6 *Exercise and Delegation of Powers and Duties.*

(A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6. The Executive Committee and each other committee shall consist of 3 Members of the Condominium Board.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation approved by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (xiii), (xiv), (xv), (xvi) and (xvii) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in paragraph (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7 *Number, Election and Qualification of Members*. Until the First Annual Meeting held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of 3 individuals, all of whom are to be designated from time to time by Sponsor. From and after the First Annual Meeting and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board shall consist of four (4) individuals, three (3) of whom shall be elected and/or designated in accordance with the terms of these By-laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and one (1) of whom shall be designated by the Retail Unit Owner ("Retail Member"). Except for members designated by Sponsor and/or the Retail Unit Owner pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult family members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees. After the Initial Control Period, a majority of the Residential Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor or its principals. In addition, no individual may be elected to serve on the Condominium Board, (nor may continue to serve on the Condominium Board) if the Condominium Board has perfected a lien against such Unit and the amount necessary to release such lien has not been paid at the time of such election, or so long as such lien remains unpaid. In no event may more than one individual of a designated Unit serve on the Condominium Board or as an officer of the Condominium Board at the same time during the term of office.

Section 2.8 *Term of Office of Members*. The term of office of the 3 Members of the Condominium Board designated by Sponsor prior to the First Annual Meeting shall expire when the 4 individuals to be elected and/or designated at such meeting are so elected and qualified or designated, as the case may be. The term of office of each of the 4 individuals elected and qualified or designated, as the case may be, at the First Annual Meeting pursuant to the terms of Section 4.9 hereof, shall be fixed at 1 year. Notwithstanding anything to the contrary contained in this Section 2.8, however, each Member of the Condominium Board shall serve until a successor shall be elected and qualified or designated, as the case may be.

Section 2.9 *Removal and Resignation of Members*.

(A) Any Member of the Condominium Board who was elected thereto either by the Residential Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by a vote of a Majority of Residential Unit Owners. Any Member of the Condominium Board who was designated as such by Sponsor pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed, with or without cause, only by Sponsor. If any Member of the Condominium Board who was designated by Sponsor is removed, the successor shall also be designated by Sponsor. Any Member of the Condominium Board who was designated by a Retail Unit Owner may be removed, with or without cause, only by such Retail Unit Owner. If any Member of the Condominium Board who was designated by a Retail Unit Owner, is removed, the successor shall also be designated by such Retail Unit Owner. Any Residential Member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Residential Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any Member of the Condominium Board may resign such Member's membership at any time by giving written notice thereof to the Condominium Board. In addition, any Member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned such Member's membership effective as of the date upon which such qualification shall cease.

Section 2.10 *Vacancies.*

(A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a Member who was elected thereto by the Residential Unit Owners shall be filled by an individual who is qualified to be a Member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the Members of the Condominium Board elected or designated by the Residential Unit Owners then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of Members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a Member who was designated as such or elected by Sponsor shall be filled by an individual designated by Sponsor. Any vacancy on the Condominium Board that is caused by the removal, resignation or death of a Member who was designated by a Retail Unit Owner shall be filled by an individual designated by such Retail Unit Owner.

(C) Each Member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a Member of the Condominium Board for the remainder of the term of the Member replaced and until a successor shall be selected and qualified at the appropriate annual meeting of the Residential Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 *Organizational Meeting of the Condominium Board.* The first meeting of the Condominium Board following each annual meeting of the Residential Unit Owners shall be held within 10 days of such annual meeting, at such time and place as shall be both fixed informally by a majority of the Members of the Condominium Board and designated by the Secretary in a written notice given to all Members thereof by personal delivery, mail, or telegram not later than five business days prior to such date. At such meeting, the officers of the Condominium Board shall be elected.

Section 2.12 *Regular Meetings of the Condominium Board.* Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the Members thereof, provided that at least 4 such meetings shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given by the Secretary to each Member thereof by personal delivery, mail, overnight courier, facsimile or e-mail, at least 5 business days prior to the day named for such meeting.

Section 2.13 *Special Meetings of the Condominium Board.* The President may call a special meeting of the Condominium Board whenever the President deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of 3 or more Members of the Condominium Board. Written notice of all special meetings shall be given by the Secretary to each Member thereof by personal delivery, mail, overnight courier, facsimile, or e-mail at least 3 business days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 2.14 *Waiver of Notice of Meetings.* Any Member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Member of the Condominium Board at any meeting thereof shall constitute

a waiver by the Member of notice of the time and place thereof. If all of the Members of the Condominium Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15 *Quorum of the Condominium Board.* A quorum of the Condominium Board is required to be present at a Condominium Board meeting in order to make any determination or to transact any business. To constitute a quorum of the Condominium Board, the following majority of the Members of the Condominium Board shall be present at the Condominium Board meeting:

(A) Attendance of a majority of all of the Members of the Condominium Board will be required for any business relating to the General Common Elements, the General Common Expenses, or, all or a portion of both the Residential Units and the Retail Unit.

(B) Attendance of a majority of the Residential Members of the Condominium Board will be required for any business relating solely to the Residential Common Expenses, the Residential Common Elements, or, all or a portion of the Residential Units.

In connection therewith, one or more Members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the Members of the Condominium Board in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16 *Conduct of Meetings.* The President shall preside at all meetings of the Condominium Board, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Condominium Board, shall govern the conduct of the meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-laws, or the Condominium Act.

Section 2.17 *Decisions by the Condominium Board.* Except as otherwise provided in the Declaration or these By-laws:

(A) The vote of a majority of the Members attending a duly constituted meeting of the Condominium Board at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the General Common Elements; the General Common Expenses, or, all or a portion of both the Residential Units and the Retail Unit.

(B) The vote of a majority of those Residential Members attending a duly constituted meeting of the Residential Members at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the Residential Common Expenses; the Residential Common Elements; or, all or a portion of the Residential Units.

Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the Members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18 *Compensation of Members.* No Member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19 *Common or Interested Members of the Condominium Board.* Each Member of the Condominium Board shall perform duties, and shall exercise powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Law, no contract or other transaction between the Condominium Board and either (i) any of its Members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the Members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such Member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such Member was counted for such purpose, provided, however, that either: (x) the fact thereof is disclosed to, or known by, the Condominium Board or a majority of the Members thereof and noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Condominium Board, less the number of such Members; or (y) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve, or ratify such contract or transaction.

Any such Member of the Condominium Board may be counted in determining the presence of a quorum of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction, but no such Member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 *Indemnification.*

2.20-1 Indemnification of Board Members and Officers.

2.20-1.1To the extend permitted by Law, the Members of the Condominium Board shall have no personal liability with respect to any contract, act or omission of the Condominium Board or of any Managing Agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as set forth in Section 4.13 hereof. Every contract made by the Condominium Board or by the Managing Agent shall state that it is made by the Condominium Board or the Managing Agent, only as agent for all Unit Owners and that the Members of the Condominium Board or the Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners). Any such contract may also provide that it covers the assets, if any, of the Condominium Board. To the extent permitted by Law, the Members of the Condominium Board shall have no liability to Unit Owners except that a Member of the Condominium Board shall be liable for such Member's own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Member of the Condominium Board against any liability or claim except those arising out of such Member's own bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any Member of the Condominium Board, any Unit Owner, Sponsor or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct.

2.20-1.2Neither the Condominium Board nor any Member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense except when any such failure or interruption is cause by the acts of bad faith or willful misconduct of the Condominium Board or any Member thereof; or

(ii) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or the Common Elements and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

ARTICLE 3

OFFICERS

Section 3.1 *General.* The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 *President.* The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL"), including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as the President may decide, in the President's discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 *Vice President.* The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other Member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon the Vice President from time to time by the Condominium Board or by the President.

Section 3.4 *Secretary.* The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 *Treasurer.* The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 *Election, Term of Office and Qualification of Officers.* Each of the officers of the Condominium shall be elected annually by a majority vote of all Members of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. The President, Vice President, and the Treasurer shall be elected from amongst the Members of the Condominium Board. Such officers need not be Unit Owners and need not have any interest

in the Condominium if they are designated by Sponsor. Such officers must be Unit Owners if they are elected by the other Unit Owners. The other officers of the Condominium Board need not be Unit Owners and need not have any interest in the Condominium.

Section 3.7 *Removal and Resignation of Officers.* Any officer of the Condominium Board may be removed from office, with or without cause, by an affirmative vote of a majority of the Members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President, Vice President, or the Treasurer of the Condominium shall cease to be or shall be suspended as a Member of the Condominium Board during their term of office, such officer shall be deemed to have resigned office effective upon the date upon which the membership shall cease.

Section 3.8 *Vacancies.* Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 *Compensation of Officers.* No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 *Indemnification of Officers.* Each officer shall be indemnified as set forth in Paragraph 2.20.

ARTICLE 4

UNIT OWNERS

Section 4.1 *Annual Meetings of the Unit Owners.* The First Annual Meeting shall be held approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan of Residential Units representing at least 50% in number of all Residential Units offered for sale. At such meeting, a five (5) Member Condominium Board shall be elected, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held on or about the anniversary date of the First Annual Meeting. At each such subsequent meeting, the Unit Owners (including Sponsor) shall elect successors to the Members of the Condominium Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

Section 4.2 *Special Meetings of the Unit Owners.* The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than 40% of the Common Interests of all Residential Unit Owners (excluding the Common Interests appurtenant to the Retail Unit). Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 *Place of Meetings.* Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough in which the Property is located as may be designated by the Condominium Board.

Section 4.4 *Notice of Meetings.*

(A) The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, or telegram addressed to the Unit Owner's address at the Property, not less than 10 nor more than 40 days prior to the day fixed for the meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than 10 days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-laws, the notice of such meeting shall be mailed to all Unit Owners at least 30 days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 *Quorum of the Unit Owners.* Except as otherwise provided in these By-laws, the presence, in person or by proxy, of Unit Owners owning Units to which 40% or more of the aggregate Common Interests appertain (excluding the Common Interests appurtenant to the Retail Unit) shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

Section 4.6 *Conduct of Meetings.* The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 *Order of Business.* The order of business at all meetings of the Unit Owners shall be as follows:

(A) Roll call;

(B) Proof of notice of meeting;

(C) Reading of the minutes of the preceding meeting (unless waived);

(D) Reports of officers of the Condominium;

(E) Reports of Members of the Condominium Board;

(F) Reports of committees;

(G) Election of inspectors of election (when so required);

(H) Election of Members of the Condominium Board (when so required);

(I) Unfinished business; and

(J) New business.

The order of business at meetings of Unit Owners can be adjusted in the sole discretion of the Condominium Board.

Section 4.8 *Voting.*

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) shall be entitled to cast 1 vote at all meetings of the Unit Owners for each percentage of Common Interest attributable to such Unit Owner's Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes.

(C) A fiduciary shall be the voting Member with respect to a Unit owned in a fiduciary capacity. In addition, if 2 or more Persons own a Unit, they shall designate 1 Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under 1 ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner of any Unit may designate any Person to act as a proxy on such Unit Owner's behalf. The designation of any such proxy shall be made in a written notice both signed and dated by the designator and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting, except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of 6 months after the date thereof.

Section 4.9 *Election of Members to the Condominium Board.*

(A) When voting for Members of the Condominium Board, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Units) shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Unit(s) per Member to be elected. However, nothing contained herein shall be deemed either to permit any Unit Owner to cumulate the votes attributable to the ownership of a Unit in favor of any 1 or more Members to be elected. In addition, the terms of paragraphs (B), (C) and (D) of Section 4.8 hereof shall apply to all elections of Members of the Condominium Board.

(B) All elections of Members of the Condominium Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Residential Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Residential Unit(s) owned by the voting Unit Owner; (iii) the percentage(s) of the Common Interest appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of

Members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall not be counted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election for a period of 2 years.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of Members of the Condominium Board shall be determined by plurality vote of Unit Owners present, in person or by proxy, at a duly convened meeting.

(D) At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. However, at elections of Members to the Condominium Board held during the Initial Control Period, Sponsor shall have the right to designate 2 of the 3 Residential Members to the Condominium Board, and Sponsor, and all other Unit Owners shall have the right to vote for the remaining Residential Members of the Condominium Board.

Subsequent to the Initial Control Period, and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board, and shall have the right to vote its Common Interest attributable to the Unsold Residential Units for the remaining Residential Members of the Condominium Board. There is no restriction on the right of Sponsor to vote for Residential Members of the Condominium Board who are not related to or affiliated with Sponsor.

(E) Within 30 days after the Initial Control Period, 1 of the 2 Residential Members of the Condominium Board who were designated by Sponsor shall resign and their replacements shall be filled by a vote of the Residential Unit Owners (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) at a special meeting called for such purpose.

Section 4.10 *Designation of Retail Members to the Condominium Board.* The Retail Unit Owner (including Sponsor for so long as Sponsor shall own a Retail Unit) shall be entitled to designate one (1) Retail Member to the Condominium Board.

Section 4.11 *Action Without a Meeting.* Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both in absolute number and aggregate Common Interests whenever applicable) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.11 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.12 *Title to Units.* Title to any Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate. The sale of a Unit to a corporation, partnership, limited partnership, trust or any other entity (including any entity or person entitled to diplomatic or sovereign immunity) shall require the delivery to the Condominium Board or its managing agent at Closing (i) any and all documents as are reasonably requested by the Condominium Board, including without limitation, a personal guaranty, a subjection to jurisdiction, occupancy agreement and escrow agreement; and (ii) an amount equal to the current Common Charges for such Unit for a period of 2 years, to be held in escrow by the Condominium Board, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions contained in these By-laws.

Section 4.13 *Contractual Liability of Unit Owners.* Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the Members of the Condominium Board and the officers of the Condominium pursuant to the terms of Sections 2.20 and 3.10 hereof,

respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners in the case of a contract relating to the General Common Elements, (ii) such proportionate share of the total liability thereunder as the Residential Common Interest of such Residential Unit Owner in a case relating to the Residential Common Elements, and (iii) such Unit Owner's interest in the Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 *Maintenance and Repairs.*

(A) Except as otherwise provided in the Declaration or in these By-laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(i) in or to any Unit and all portions thereof (including, but not limited to, the interior walls, partitions, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, mechanical systems located in the Unit (including HVAC filters and parts), window panes, fireplace, firebox, dampers, mantel and flue, all entrance doors and terrace doors and their frames and saddles, exposed plumbing, gas and heating fixtures and equipment, heating and cooling systems, air conditioning units, lighting and electrical fixtures and any Common Elements incorporated therein pursuant to paragraph (B) of Section 5.10 hereof, (but excluding any other Common Elements contained therein) as well as the reflecting pool located on the Terrace appurtenant to the PH Unit, including the pool liner, electrical, mechanical equipment, as well as pipes servicing the swimming pool, shall be performed by the owner of such Unit at such Unit Owner's sole cost and expense, and with respect to each Unit Owner's Rooftop Equipment, shall be performed by a Maintenance Vendor approved by the Condominium Board, pursuant to a Maintenance Contract, at the Owner's sole cost and expense;

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.10 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a General Common Expense;

(iii) in or to the Residential Common Elements (and other than any Residential Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.10 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense; and

(iv) in or to the Residential Limited Common Elements shall be performed (a) by the Condominium Board as a Residential Common Expense, if involving structural or extraordinary maintenance, repairs, or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Residential Unit Owner having direct and exclusive access thereto), or (b) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating and non-structural ordinary maintenance, repairs or replacements, (including without limitation, the removal of snow, ice and accumulation of water on any Terrace, and the maintenance, replacement and removal of the plantings and/or trees located on the Terraces appurtenant to Unit 1 and the PH Unit).

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for repairs for which the Condominium Board is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, are necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium as a General Common Expense attributable to all Unit Owners if relating to the General Common Elements, and as a Residential Common Expense attributable to all Residential Unit Owners if relating to the Residential Common Elements and/or the Residential Limited Common Elements except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace the Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any roof, Terrace, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, including, without limitation, painting, repairs and replacements that is necessary in connection therewith. The Condominium Board shall be responsible for the maintenance and repair of all sidewalks surrounding the Building (including, cleaning and snow and ice removal) as if the sidewalks were General Common Elements. The exterior and interior glass surfaces of all windows located in any Residential Unit shall not be colored or painted by the Unit Owner. All exterior and interior glass surfaces located in any Residential Unit shall be washed and cleaned by the Unit Owner at such Residential Unit Owner's sole cost and expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Unit Owner thereof, at the sole cost and expense of the Unit Owner (unless such breakage is caused by the Condominium Board or any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner). Notwithstanding the foregoing, prior to the replacement of any glass window the Unit Owner must obtain the prior written approval of the Condominium Board, with respect to the type of replacement windows installed. In addition, the public areas of the Building and those residential areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, as determined by the Condominium Board in its sole discretion, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Unit Owners Unit. To promote a consistent appearance of the Building from the outside, (x) no Residential Unit Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Unit, in such a way that will alter the conformity of the Building, without the prior written approval of the Condominium Board; and (y) all window treatments in a Residential Unit must contain white backing on the side facing the outside of the Building so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance. Additionally, the type, size, weight and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior written approval of the Condominium Board and shall be in compliance with Law. The Retail Unit Owner shall be responsible, at its sole cost and expense, for washing, cleaning and replacing because of breakage the exterior and interior glass

surfaces of windows located in a Retail Unit (unless the breakage is caused by the Condominium Board or any other Unit Owner, in which event the replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner).

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

(E) Unit Owners are required to obtain and maintain a Maintenance Contract with a vendor approved by the Condominium Board qualified to perform maintenance service ("Maintenance Vendor") in accordance with the guidelines established, from time to time, by the Condominium Board. Only a Maintenance Vendor may access the roof to service the Rooftop Equipment. A copy of the Maintenance Contract, executed by each Unit Owner, shall be delivered to the Managing Agent. Renewal Maintenance Contracts shall be delivered to the Managing Agent thirty (30) days prior to the date on which the then current Maintenance Contract expires.

Section 5.2 *Alterations, Additions, Improvements, or Repairs in and to the Residential Units.*

(A) Subject to the terms of paragraph (B) of this Section 5.2, no Residential Unit Owner may make any Structural Alteration, addition, improvement or repair, in or to the Residential Unit or its appurtenant Residential Limited Common Elements without the prior written approval of the Condominium Board. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Residential Unit Owner to: (i) procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe; and (ii) execute an alteration agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement or repair, may be made, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done. The Condominium Board shall have the right to approve Unit Owner's contractors and materialmen. In connection with such alterations, additions, improvements and/or repairs, each Residential Unit Owner shall employ only such laborers and other workers as shall not conflict with any other worker employed in the Building or otherwise cause disharmony with any Building service union. Residential Unit Owners shall not be permitted to engage any Building staff or any contractors or sub-contractors engaged by either the Condominium Board or Sponsor in connection with a Residential Unit Owner's alterations, additions, improvements or repairs to such Residential Unit. The Condominium may impose charges upon the Residential Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the Residential Unit Owner's request for approval and in monitoring the work performed until completion and a fee payable to the Managing Agent for processing the alteration application.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor shall have the right, pursuant to the terms of Article 12 of the Declaration, to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Residential Unit or its appurtenant Residential Limited Common Elements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of any Unsold Residential Units, all without the approval of the Condominium Board. Notwithstanding the foregoing, all Residential Unit Owners, including Sponsor, prior to the making of any alteration, addition, improvement or repair in or to their respective Unit and its appurtenant Residential Limited Common Elements, if any, must (i) procure and maintain such insurance as the Condominium Board may reasonably require, (ii) indemnify the Condominium Board and the Managing Agent against any liability arising from the work and (iii) comply with Law.

(C) In addition to the requirements set forth above in this Section 5.2, until a Permanent Certificate of Occupancy is obtained for the Building, no Residential Unit Owner shall make any alterations in or to the Residential Unit or its appurtenant Common Elements without first notifying Sponsor in writing and complying with Sponsor's requirements with respect to the alterations. Such requirements may include, but need not be limited to, the requirements that:

(i) such work not include any change that would result in a delay in obtaining a Temporary or Permanent Certificate of Occupancy for the Building, or any amendment to, or extension of, the Temporary or Permanent Certificate of Occupancy if theretofore issued;

(ii) the Residential Unit Owner post a bond or other similar security that is reasonably acceptable to Sponsor in any amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with all governmental authorities having jurisdiction with respect to such work and the completion of the work;

(iii) such work not be commenced until the Residential Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procures all required permits and licenses with respect to the same, and delivers copies of all such plans, specifications, notices, certifications, permits and licenses to Sponsor;

(iv) such work be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(v) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(vi) promptly after the completion of such work, all necessary inspections and approvals of the work shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and Sponsor shall be given a copy of all such inspections, approvals, notices and certifications;

(vii) the Residential Unit Owner shall indemnify and hold Sponsor harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim, or liability incurred or suffered by Sponsor due to any violation of Law or due to any delay in obtaining a Temporary or Permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the Temporary or Permanent Certificate of Occupancy if theretofore issued) as a result of such work or the failure to make all appropriate governmental filings in connection with same; and

(viii) all contractors shall be duly licensed to the extent required by applicable Law and, if required under any contract with any union whose members are performing services at the Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other Unit Owner, or the Condominium Board), such work shall be performed solely by union members.

If any Residential Unit Owner commences any such alterations in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the alterations, Sponsor shall be entitled to cause such work by the Residential Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to the Residential Unit Owner's workers and suppliers, until the Residential Unit Owner complies with the same. During the period until the Residential Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to perform any and all work in and to the Residential Unit as shall be necessary, in Sponsor's sole judgment, in order to avoid any delay in obtaining a Temporary or Permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the Temporary or Permanent Certificate of Occupancy), whether or not such work shall be in compliance with the plans and specifications for the work theretofore performed by, or on behalf of, such Residential Unit Owner. The cost and expense of any such work performed by Sponsor shall be borne by such Residential Unit Owner and shall be paid to Sponsor within 15 days of Sponsor's written demand therefore.

Section 5.3 *Alterations, Additions, or Improvements to the Retail Unit*

(a) The Retail Unit Owner shall have the right, pursuant to the terms of Article 12 of the Declaration and Section 5.3 of the By-Laws and subject to the consent of such Retail Unit Owner's Recognized Mortgagee to the extent required under the applicable Recognized Mortgage or Recognized Mortgage Loan Documents, to make or perform non-structural alterations, additions, improvements, or repairs in, to or upon the interior or exterior of its Unit, but not Structural Alterations, without the approval of the Condominium Board ("Non-Structural Alteration"). A Non-Structural Alteration together with a Structural Alteration with respect to the Retail Unit is referred to collectively as "Retail Unit Work."

(b) The Retail Unit Owner shall not have the right to modify the appearance of the exterior Facade without first obtaining the approval of the Condominium Board (except as otherwise provided in the By-Laws). In the event the Retail Unit is subdivided, any work to the resultant units shall be deemed to be Retail Unit Work and subject to the applicable provisions hereof.

(c) The Retail Unit Owner, at its expense, shall (x) obtain and keep in effect during the course of the Retail Unit Work, all necessary municipal and other governmental permits, authorizations, approvals and certificates for the commencement and prosecution of its Retail Unit Work and shall obtain final approval thereof upon completion (including, without limitation, a certificate of occupancy to the extent required by applicable Law), and deliver copies of the same to the Condominium Board, (y) obtain such insurance coverage with respect to the Retail Unit Work as the Condominium Board shall reasonably determine (and shall maintain the same in effect during the course of the Retail Unit Work) and (z) if the Condominium Board determines that any Retail Unit Work in connection with a subdivision of a Unit for the purposes of obtaining separate tax lots so requires, cause the Declaration to be amended and new Floor Plans to be filed (by those Persons designated by the Condominium Board to prepare such amendment or file such plans) at the sole cost of the Unit Owner undertaking such Retail Unit Work. The Condominium Board shall cooperate with a Unit Owner and, at such Unit Owner's expense, execute all applications, authorizations and other instruments reasonably required to enable such Unit Owner to obtain such permits, authorizations, approvals and certificates, provided the Condominium Board receives the indemnity referenced in Section 5.4 of the By-Laws. In connection with a Structural Alteration to the Retail Unit, to the extent the Condominium Board on a non-discriminatory basis determines that it is commercially reasonably necessary, the Retail Unit Owner shall reimburse the Condominium Board, within thirty (30) days of receipt of such

expenses, for all reasonable fees and expenses incurred by the Condominium Board in connection with necessary and reasonable inspections of the Structural Alteration to determine whether the Structural Alteration is being or has been performed in accordance with the approved plans and specifications therefor and all requirements of (i) applicable Laws; (ii) insurance carriers providing insurance coverage pursuant to Section 5 of the By-Laws; (iii) the Declaration; and (iv) the By-Laws. Any costs of the Condominium Board associated with the Structural Alteration including, but not limited to, the costs set forth above, shall be deemed "Related Costs."

(d) No Retail Unit Work involving any Structural Alterations shall be commenced by or on behalf of the Retail Unit Owner without having first obtained the approval of the Condominium Board not to be unreasonably withheld or delayed, and until the Condominium Board shall have been furnished with (i) certificates of insurance required by Sections 5.3 and 5.6 of the By-Laws, and reasonably satisfactory evidence of payment of premiums therefor, indicating that the insurance coverage to be carried during the making of any Retail Unit Work is in effect, (ii) a certification of the architect for the Structural Alterations (or such other consultant reasonably acceptable to the Condominium Board) stating that such Structural Alterations will not adversely affect the structural integrity of the Building or the Building Systems, (iii) in the case of Structural Alterations involving noise, odor or vibrations, a certification of the architect for the Structural Alterations (or such other consultant reasonably acceptable to the Condominium Board) stating that such Structural Alterations 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) and (iv) all necessary permits, authorizations, approvals and certificates required for the commencement of the Structural Alterations (the provisions of subparagraphs (i) through (iv) are referred to as the "Work Conditions").

(e) Except in case of an Emergency (in which event the Retail Unit Owner must use commercially reasonable efforts to notify the Condominium Board as soon as possible), the Retail Unit Owner shall not commence Structural Alterations unless (i) the Retail Unit Owner has given at least twenty (20) days prior written notice to the Condominium Board of its intent to perform the Structural Alterations ("Structural Alteration Notice") which Structural Alteration Notice shall include a set of plans of the Structural Alterations and a copy of the application for the building permit for the Structural Alterations and (ii) the Retail Unit Owner has (x) not received written objection thereto from the Condominium Board pursuant to this Section of the By-Laws, or (y) received consent from the Condominium Board with respect to the Structural Alterations, or (z) received a written Arbitration determination authorizing the Retail Unit Owner to perform the Structural Alterations.

(f) Once Retail Unit Work is commenced, such Retail Unit Work shall be completed with reasonable diligence and designed and undertaken in such manner as not to unreasonably delay or impose any expense upon the Condominium Board or the other Unit Owners in the construction, Maintenance, cleaning, repair, safety, management, security or operation of the Building, or any part thereof, or in the issuance of a Permanent Certificate of Occupancy for the Building, and so as not to unreasonably interfere with, or cause unreasonable interruption of, the operation and Maintenance of the Building, or any part thereof, or cause unreasonable annoyance to, or unreasonable interference with, the use and occupancy of the Building by the Residential Unit Owners and their Permitted Users (including, without limitation causing unusual noise or vibrations). Structural Alterations that involves unusual or excessive noise or vibrations may only be performed during the hours of 10:00 a.m. to 4:00 p.m. on Business Days except in cases of Emergency or as otherwise required by applicable Laws. No Retail Unit Work may jeopardize the soundness or structural integrity of any Residential Unit or the Common Elements or the safety of any Permitted Users or involve commercially unreasonable levels of noise, odors or vibrations (taking into account the fact that portions of the Building may be occupied by tenants). Any dispute hereunder shall be resolved by Arbitration in accordance with Article 10 of the By-Laws.

(g) The Retail Unit Owner shall:

(i) Give prompt notice to the Condominium Board of any written notice of violation received by the Retail Unit Owner arising from or otherwise connected to the Retail Unit Work performed by it or on such Retail Unit Owner's behalf, which shall be issued by any public authority having or asserting jurisdiction over the Retail Unit or Building, and, upon receipt of notice from the Condominium Board or otherwise acquiring knowledge thereof, promptly procure the cancellation or discharge of the same at its expense; provided, however, nothing herein shall prevent the Retail Unit Owner from contesting in good faith and at its own expense any such notice of violation.

(ii) Within thirty (30) days after the Retail Unit Owner receives notice from the Condominium Board or otherwise acquires knowledge of the filing of any lien or violation resulting from Retail Unit Work performed by the Retail Unit Owner or on its behalf, the Retail Unit Owner shall discharge, by payment, bond or otherwise, such mechanics' liens or other liens or violations filed against the Building or its Retail Unit for work, labor, services or materials claimed to have been performed at or furnished to such Retail Unit as aforesaid for or on behalf of the Retail Unit Owner or otherwise. If the Retail Unit Owner shall fail to so discharge any such lien within such thirty (30) day period, the Condominium Board shall have the right, but not the obligation, to do so at the expense of the Retail Unit Owner and any such expenditure shall be a Special Assessment assessed against the Retail Unit Owner's Unit. Notwithstanding the forgoing, if the lien is filed only against the Retail Unit and does not affect the Condominium, the Common Elements or any other Unit Owner, the Retail Unit Owner may choose not to discharge the lien.

(h) The Retail Unit Owner shall be permitted to install Signage in compliance with the following conditions:

(i) All Signage on the exterior Façade of the Building must comply with applicable Law, including the restrictions imposed as a result of the Building's location in the Tribeca West Historic District, and the By-Law provisions with respect to Retail Unit Work.

(ii) All Signage in the storefront windows appurtenant to the Retail Unit shall require the prior written approval of the Condominium Board, which approval may not be unreasonably withheld, conditioned, or delayed. The Condominium Board's rejection of any Signage which is not in compliance with the provisions of Sub-section 5.3(h) shall be deemed conclusively reasonable.

(iii) No flashing or blinking Signage shall be visible from the outside or interior of the Retail Unit.

(iv) No posters, decals or promotional material or any other Signage or item (excluding promotional deals and those indicating hours of operation, credit cards, security systems or safe haven) shall be affixed to the interior or exterior of the windows or doors of the Retail Unit other than Signage which specifically relate to a Permitted User of the Retail Unit's business.

(v) No neon or LED Signage or up or down lighting shall reflect into another Unit so as to be reasonably objectionable to another Unit Owner.

(vi) No canopies or awning may be installed.

(vii) All Signage installed, including materials used, must be UL listed and shall conform to local administrative codes and other applicable Law, including, without limitation, local building codes.

(viii) All Signage attachment devices, wiring, clips, transformers, lamps, tubes and other mechanisms required for all Signage shall be concealed to the extent that is commercially reasonable.

Section 5.4 *General Provisions on Alterations, Additions or Improvements to Units*

(A) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit provided that, with respect to all such work of a structural nature to a Residential Unit or its appurtenant Residential Limited Common Elements, or Structural Alterations to the Retail Unit, the same was approved by the Condominium Board pursuant to the terms of Article 5 of these By-Laws.

(B) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Residential Limited Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (A) hereof; (ii) to any contractor, subcontractor, materialperson, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Residential Limited Common Elements, if any, shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the Members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

Section 5.5 *Alterations, Additions, or Improvements to the Common Elements.* Except as otherwise provided in the Declaration or in these By-laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a General Common Expense attributable to all Unit Owners, if relating to the General Common Elements, or a Residential Common Expense attributable to all Residential Unit Owners, if relating to the Residential Common Elements and/or Residential Limited Common Elements. Notwithstanding the foregoing, however, whenever the cost and expense of such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $500,000 with respect to the General Common Elements or the Residential Common Elements and/or the Residential Limited Common Elements, at any one time, in any fiscal year, such proposed alterations, additions or improvements shall not be made unless first approved by the Unit Owners if relating to the General Common Elements, or the Residential Unit Owners, if relating to the Residential Common Elements and/or the Residential Limited Common Elements (including Sponsor if Sponsor then owns any Unsold Residential Unit) owning 66 2/3% 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 Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-laws, all such alterations, additions, or improvements costing $500,000 or less, in any fiscal year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to any of the Common Elements, regardless of the cost thereof, unless the prior written consent of Sponsor is first obtained, provided, however, that Sponsor'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 First Closing or (ii) until such time as Sponsor no longer owns 25% in number of all Residential Units.

Section 5.6 *Insurance.*

(A) If the same shall be obtainable, the Condominium Board, at or prior to the First Closing, shall obtain, and shall maintain in full force and effect, special multi-peril insurance policies including fire with extended "all risk" coverage, replacement cost coverage and agreed valuation, vandalism and malicious mischief endorsements, insuring the entire Building (other than the space defined by the dimensions of the Units and any appliances, fixtures, improvements or any furniture, furnishings, decorations, belongings, or other personal property contained therein) together with all service machinery contained therein and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their respective interest may appear. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured, and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.7 hereof.

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.7 hereof; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least 30 days prior written notice to the Condominium Board and all insureds who may have requested such notice, including Permitted Mortgagees.

Duplicate originals or certificates of insurance of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be on file at the office of the Managing Agent. Copies thereof shall be delivered to any Unit Owner or Permitted Mortgagee on written request thereof.

(B) The Condominium Board, at or prior to the First Closing, shall also obtain and maintain, to the extent it deems practicable:

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insureds (a) the Condominium Board and each Member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within the own Unit or its Residential Limited Common Elements);

(ii) rent insurance;

(iii) worker's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance;

(v) water damage insurance;

(vi) officers and directors liability insurance;

(vii) fidelity insurance and bonds covering all officers, directors and employees of the Condominium and Managing Agent;

(viii) plate glass insurance;

(ix) elevator liability and collision insurance;

(x) commercial umbrella insurance; and

(xi) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than 80% of the full replacement cost of the Building, exclusive of footings and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source;

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than $1,000,000 in the aggregate; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-laws, shall be borne by the Unit Owners as a General Common Expense or the Residential Unit Owner's as a Residential Common Expense, depending on the item to which the coverage relates.

(E) For so long as Sponsor owns at least 1 Unsold Residential Unit, unless Sponsor's prior written consent is obtained, the Condominium Board must maintain, at a minimum, the types and coverage amounts of insurance set forth in the First Year's Budget.

(F) Unit Owners are required to carry other insurance, at their expense, in amounts determined by the Condominium Board in its sole discretion, insuring the contents of their Units, the Residential Limited Common Elements appurtenant thereto, as well as liability insurance with respect to acts occurring therein. All such policies shall contain waivers of subrogation and provide that the liability of the carriers issuing the insurance maintained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. In addition, the Owner of the PH Unit will be required to maintain insurance covering the reflecting pool located on its appurtenant Terrace in such

amounts as shall be determined by the Condominium Board. All such certificates of insurance shall name the Condominium Board, the Condominium and Sponsor as additional insureds. For so long as Sponsor owns at least 1 Unsold Residential Unit, any change or elimination of such requirement may only be made upon Sponsor's prior written consent.

Section 5.7 *Casualty or Condemnation.*

(A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the General Common Elements and/or Residential Common Elements and/or Limited Residential Common Expense, or any part thereof is taken in condemnation or by eminent domain ("Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.7 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be $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 for the benefit of all Unit Owners, with respect to the portion thereof allocated to a Casualty Loss to or Taking of the General Common Elements and the Units, and for the benefit of all Residential Unit Owners with respect to the portion thereof allocated to a Casualty Loss to or Taking of the Residential Common Elements, the Residential Limited Common Elements and the Residential Units, and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section, however, no Unit Owner whose Unit, its appurtenant Residential Limited Common Elements, if any, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that the Unit Owner may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances, fixtures, improvements made therein by a Unit Owner, or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss, or (ii) in the event of a Taking, the portion(s) of the Common Elements or the Units affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. Each Unit Owner whose Unit, its appurtenant Residential Limited Common Elements, if any, or any portion thereof, shall be the subject of all or part of any Work shall have the right subject to the terms of Sections 5.2 and 5.3 hereof, to supervise any redecorating of the Unit or of such Limited Residential Common Element, if any.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, for Work to the General Common Elements and against all Residential Unit Owners, and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, with respect to Work to the Common Elements, except that no payment shall be made to a Unit

Owner until there has first been paid, out of such Unit Owner's share of such excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remaining unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, with respect to Work to the Common Elements, free of any claim of any lienor (including without limitation, any Permitted Mortgagee).

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners (including Sponsor if Sponsor shall then own any Units), in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interest, to the extent allocated to destroyed or damaged portions of the General Common Elements and 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, and to the Retail Unit Owner, to the extent allocated to destroyed or damaged portions of the Retail Unit, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off any Permitted Mortgage and other unpaid liens on the Unit Owner's Unit in the order of priority of such liens. Notwithstanding anything to the contrary set forth herein, any action to terminate the legal status of the Condominium after substantial destruction or a Taking shall require the written consent (which consent shall not be unreasonably withheld or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any. The Condominium Board shall not be required to take any action to obtain the consent of the Permitted Mortgagees or Mortgage Representatives as set forth in this Section (D) other than the requirements set forth in Section 8.7 of these By-Laws. The provisions of this Section(D) may not be amended, modified or deleted without the prior written consent of Sponsor for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

(E) In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Condominium Board with respect to such Unit.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest and Residential Common Interest, where applicable, appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, after such Taking bears to the total floor area of

such Unit and its appurtenant Residential Limited Common Elements, if any, prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest and new Residential Common Interest, where applicable, appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest and new Residential Common Interest, where applicable, of such Unit, and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests and Residential Common Interest, where applicable, of the other remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of all of the other or remaining Units together with the holders of the Permitted Mortgages.

(G) As used in this Section, the terms:

(i) "Prompt repair or restoration" shall mean that the Work is to be commenced not more than either: (a) 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) 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 paragraph (A) of this Section, 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;. In the event there are insufficient Trust Funds to discharge the estimated cost and expense of the Work, the Condominium Board shall levy a Special Assessment for the amount of such deficiency in accordance with paragraph (C) of this Section; and

(ii) "Promptly resolve" shall mean that a resolution shall be duly made not more than 60 days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.8 *Use of the Property.*

(A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the sole cost and expense of the respective Unit Owners or the Condominium, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. In the event that the rate of insurance for the Property is increased as a direct result of a particular or unique use being made of the Retail Unit, and not as a result of the typical uses for which the Retail Unit may be occupied or for which commercial spaces in similar Building is normally occupied, the Retail Unit Owner shall be obligated to pay the amount of such increase in the rate of insurance. No Unit

Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or will structurally change the Building, except as is otherwise provided in the Declaration or in these By-laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.9 *Use of the Units.*

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section.

(B) Subject to the terms of paragraphs (C) and (D) of this Section, each Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution of the City of New York, as may be amended from time to time, and not more than one family may occupy a Residential Unit at any one time; and each Retail Unit may be used in accordance with the Use provisions in Article 9 of the Declaration. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other entity (including, but not limited to, any federal or state agency, any foreign government and any embassy, consulate or other official representative thereof) may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder, or employee of such corporation, or by an individual partner or employee of such partnership, or a member of such limited liability company, or by such individual fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by an individual beneficiary of said fiduciary, or by an individual principal or employee of such other entity, respectively, or by Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any such Residential Unit by such Family Members). Notwithstanding the foregoing, Sponsor (with respect to the Unsold Residential Units) or the Condominium (with respect to sold Residential Units) may, in their sole discretion, permit Persons other than those set forth above to occupy a Residential Unit. In no event, however, shall a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased.

(C) The Condominium Board may, in its sole discretion, consent to the use of a Residential Unit as a professional or business office or for any purpose other than that set forth in paragraph (B) hereof, provided that the nature and manner of such use is permitted by, and complies with Law and does not violate the Temporary or Permanent Certificate of Occupancy covering the Building. Any such consent shall be in writing and shall be personal to such Residential Unit Owner. Any lessee of, or successor in title to, such Residential Unit Owner shall be required to obtain the prior written consent of the Condominium Board before using such Residential Unit for any purpose other than that set forth in paragraph (B) hereof.

(D) Notwithstanding anything to the contrary contained in this Section, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission for the use of any Unsold Residential Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and the user thereof complies with all applicable governmental regulations; and

(ii) use any one or more Unsold Residential Unit as model Units and offices for the sales promotion, rental, management and operation of the Unsold Residential Units or for any other purpose, subject only to compliance with Law.

Section 5.10 *Use of the Common Elements.*

(A) Subject to the terms of paragraphs (B) and (C) of this Section, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Elements (the prior written consent of the Condominium Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesperson to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

(B) The owner or owners of any 2 or more Residential Units, which Residential Units are the only Units serviced or benefited by any Residential Common Element adjacent or appurtenant to such Residential Units (for example, that portion at the end of any residential hallway that is directly adjacent to any such Residential Units located on opposite sides of such hallway) shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the right to use such Residential Common Elements exclusively, as if it were a part of such Residential Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such event, however, such owner or owners shall, at such owner's or their sole cost and expense, both (i) operate, maintain and repair such Residential Common Element for so long as such owner or owners exercise such exclusive right of use and (ii) restore such Residential Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this Section shall not apply to Sponsor for so long as there are any Unsold Residential Units. Sponsor shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor on or about any portion of the Common Elements chosen by Sponsor including, the area adjacent to the main entrance of the Building; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements (such as lobbies, corridors and the like), to sell, lease, manage, or operate Unsold Residential Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. In no event, however, shall Sponsor be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

(D) Sponsor, for so long as Sponsor continues to own any Unsold Unit, and the Condominium Board shall have the right, and the lease, sublease, license, sell or otherwise convey to a Unit Owner any portion of the Common Elements which either Sponsor or the Condominium Board determines is no longer needed for the furnishing of the services and facilities (including reasonable access) for which such Common Elements are reasonably intended. Any revenue received for the sale, leasing, subleasing, licensing or other conveyance of such Common Elements shall be retained solely by Sponsor or the Condominium Board, as applicable.

Section 5.11 *Use of the Storage Rooms.*

(A) A Storage Room may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item (excluding sealed wine and alcohol bottles), or any flammable or explosive item, or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein, nor may they be used for sleeping, dining or other occupancy uses (collectively, "Prohibited Uses"). The use of the Storage Rooms for Prohibited Uses can result in violations being posted against the Building. Any and all costs or expenses incurred by the Condominium or other Residential Unit Owners as a result of such Prohibited Uses shall be borne by the Residential Unit Owner of the Residential Unit to which such Storage Room is appurtenant. Sponsor shall have the right to use any unassigned Storage Room for any purpose permitted by Law or to change the permitted use of any unassigned Storage Room, subject, however, to the provisions of the By-laws.

(B) Residential Unit Owners may not store any property outside of their Storage Rooms, or allow any other Person to use the Storage Rooms except in accordance with the terms of the Declaration, By-Laws, and Residential Rules and Regulations.

(C) Residential Unit Owners shall be obligated at their sole cost and expense to obtain and maintain insurance covering for their respective Storage Rooms in amounts sufficient to cover the property located therein.

(D) Neither the Condominium Board nor the Condominium Board's agents or employees shall be liable for the theft or damage to any property stored in the Storage Rooms.

(E) The Condominium Board and its agents and employees shall have the right, but not the obligation, to open the Storage Rooms in an emergency at any time, and, at other reasonable times upon prior notice to the Residential Unit Owner having ownership of the Storage Rooms, to inspect and examine the Storage Room, and to make any such repairs, replacements and improvements as the Condominium Board shall deem necessary.

(F) The Condominium Board has the authority to promulgate additional rules regarding the use of, insurance coverage for, and access to the Storage Rooms and the procedures for assigning such Storage Rooms including restrictions on the hours of access and use.

(G) Sponsor may, without the consent of either the Condominium or the Unit Owners, use any Storage Rooms appurtenant to an Unsold Residential Unit, for any purpose, provided such use is permitted by Law.

Section 5.12 *Rights of Access.*

(A) Each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager, or to any other Person authorized by any of the foregoing a right of access (including the right of forced entry if required in the discretion of the party seeking such entry) to the Unit and its appurtenant Residential Limited Common Elements, if any, including Storage Rooms, for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Residential Rules and Regulations committed by such Unit Owner or correcting any conditions originating in the Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the structural elements, mechanical or electrical services, or other portions of the Common Elements located within the Unit, Storage Rooms or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to the Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacement immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than 1 day's advance notice and only in such a manner as will not unreasonably interfere with the normal conduct of business of the Retail Unit Owner or other occupants of the Retail Unit or with the use of the Residential Units and their appurtenant Residential Limited Common Elements for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to the Unit and its appurtenant Residential Limited Common Elements, if any, and the Condominium Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Residential Limited Common Elements, if any, in such a manner as will unreasonably interfere with the use of such Unit and its appurtenant Residential Limited Common Elements, if any, for their permitted purposes.

(C) Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Units and the Common Elements. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Unit or to the personal property or fixtures contained therein.

Section 5.13 *Modification of the Residential Rules and Regulations.* The Condominium Board shall have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of at least 66 2/3% of all Residential Unit Owners, in number and Common Interest. Copies of the text of any amendments, modifications, additions, or deletions to the Residential Rules and Regulations shall be furnished to all Unit Owners not less than 30 days prior to the effective date thereof. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would materially and adversely affect Sponsor and/or a Retail Unit Owner, without the prior written consent of Sponsor or the affected Retail Unit Owner. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would adversely affect a Retail Unit and the use thereof, without the prior written consent of the affected Retail Unit Owner.

Section 5.14 *Real Estate Taxes.* Unless and until real estate taxes are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes as a Common

Expense. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit, or to such purchaser's title company, a letter agreeing to promptly pay all such real estate taxes affecting such Owner's Unit to the date of the Closing of Title to such Unit.

Section 5.15 *Fuel.* Unless and until fuel is billed directly to Unit Owners by the supply company, in accordance with and subject to the provisions of the Plan, the cost and expense of fuel (for heating and cooling) serving or benefiting any Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: (a) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements, (b) the Retail Unit Owner as a General Common Expense for such portion attributable to the Retail Unit, and (c) the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements. In the event there is a particular or unique use being made of a Unit and/or Common Element, the Condominium Board shall cause a new survey to be made the cost of which shall be borne by the Unit Owners as a General Common Expense.

Section 5.16 *Water Charges and Sewer Rents.* Unless and until water is separately metered in a Unit and water charges and sewer rents are billed directly to a Unit Owner by the City Collector, in accordance with and subject to the provisions of the Plan, the cost and expense of water serving or benefiting a Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or Residential Common Elements and/or Residential Limited Common Elements, and (b) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements. In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

Section 5.17 *Electricity.*

(A) Electricity for each Residential Unit and the Retail Unit (including tenants occupying portions of the Retail Unit) shall be either individually direct metered or submetered for each Unit (or portion thereof).

(B) If individually direct metered, each Unit Owner shall be required to pay the billing utility directly for electricity consumed in such Unit Owner's Unit (or portion thereof) and in the Residential Limited Common Elements to which such Residential Unit has exclusive access.

(C) If the Residential Units or the Retail Unit are submetered, each Unit Owner shall be required to pay bills for electricity consumed in such Unit Owner's Unit either to the Condominium Board or to the utility company or to the servicing company engaged by the Condominium Board to perform such services all at the direction of the Condominium Board. The Common Expenses shall include fees for administering and servicing the submeters. In the event that a Unit Owner fails to pay for its submetered electricity, the Condominium Board shall be responsible to pay such expense on the Unit Owner's behalf and such electricity charges shall be deemed Common Charges allocable to the defaulting Unit Owner and the Condominium Board shall have a lien for non-payment of the expense as provided in Article 6.5 of these By-laws.

(D) Electricity for the Residential Common Elements shall be supplied through one or more separate meters therefore and the cost thereof will be paid by the Condominium Board and will be borne by the Residential Unit Owners as Common Charges. In addition, the cost of submetering shall be

Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

(E) In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

(F) Any disputes with respect to submetering rates and billing must be submitted to Arbitration pursuant to Article 10 of these By-laws."

Section 5.18 *Record and Audits.*

(A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid, as well as all Permitted Mortgages having an interest in such Unit.

(B) Within 4 months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a General Common Expense. The fiscal year of the Condominium shall run for 12 consecutive months.

ARTICLE 6

COMMON CHARGES

Section 6.1 *Determination of Common Expenses and Fixing of Common Charges.*

(A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners in accordance with allocations set forth in the First Year's Budget. The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them, not later than 10 days prior to the date upon which the first installment of newly-determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees whenever requested in writing by such Permitted Mortgagees. The Condominium Board may, subject to paragraph (E) of this Section 6.1, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. Notwithstanding the foregoing, however, the Condominium Board shall not reduce the Common Charges payable during any fiscal year occurring within the Initial Control Period solely as a result of either reducing the number of employees of the Condominium below the number employed (or anticipated in the First Year's Budget) for the Property on the date of recording the Declaration except with Sponsor's prior written consent, or eliminate or reduce the

insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of the Members of the Condominium Board elected by Unit Owners other than Sponsor. All Unit Owners will be given a copy of the proposed annual budget of the Condominium at least 10 days prior to the date set for adoption thereof by the Condominium Board.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments relative to the General Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests and all Special Assessments relative to the Residential Common Elements and/or the Residential Limited Common Elements shall be levied against all Residential Unit Owners in proportion to their Residential Common Interests, except Special Assessments relating to the Storage Rooms, which shall be levied solely against all Unit Owners having exclusive use of such Storage Rooms. Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however, that the Condominium Board shall give each Unit Owner not less than 15 days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.5 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any, General Common Element, or Residential Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners or the Residential Unit Owners, as applicable and shall be collected on behalf of the Unit Owners or Residential Unit Owners, as applicable by the Condominium Board and applied against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expenses attributable to the Residential Common Elements, or the Residential Limited Common Elements, as appropriate for the fiscal year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expense attributable to the Residential Common Elements or the Residential Limited Common Elements depending on whether the excess relates to the General Common Elements or the Residential Common Elements or the Residential Limited Common Elements for the next succeeding year(s) of operation. No Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interests, or Residential Common Interests, as appropriate and any such distributions must be made out of the Common Charges collected from Unit Owners.

(E) Common Expenses have been allocated amongst the Residential Units (in the aggregate) and the Retail Unit, on the basis of usage rather than Common Interest. The First Year's Budget sets forth the percentage for each line item, if any, to be paid for by the Residential Units and the Retail Unit, which percentages are deemed presumptive evidence of reasonableness. The Condominium Board may not modify

these allocations without the consent of the Retail Unit Owner. Any new line items which may be added to the budget by the Condominium Board in the future shall be paid for on the same basis.

Section 6.2 *Payment of Common Charges*

(A) All Unit Owners (including Sponsor with respect to Unsold Residential Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit and any sums unpaid on a Permitted Mortgage recorded against the Unit.

(B) Notwithstanding anything to the contrary contained in paragraph (A) above, during the Initial Control Period, the Condominium Board, in its sole discretion, shall have the right to waive all Unit Owners' obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided during such period, the basic operating costs of the Condominium (inclusive of reserves and insurance premiums required by lenders) are paid by Sponsor.

(C) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against the Unit subsequent to a sale, transfer, or other conveyance by Unit Owner of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to such purchaser's acquisition thereof, except that, to the extent permitted by Law, a Permitted Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted Mortgage and prior to the acquisition of title to such Unit by the Permitted Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure or sale. Any excess proceeds from such foreclosure or sale shall be paid directly to the Condominium Board in payment of all unpaid Common Charges and Special Assessments. In the case of a Residential Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure sale or from the defaulting Residential Unit Owner shall be deemed a Residential Common Expense, collectible from all those who are Residential Unit Owners at the time the same is levied. In the case of the Retail Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure or sale or from the defaulting Retail Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(D) Subject to the terms and conditions contained in these By-laws, any Unit Owner may convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Residential Unit have been paid; (ii) such Residential Unit is free and clear of all liens and encumbrances other than a Permitted Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Residential Unit. However, in no event shall Sponsor be permitted to convey any Unsold

Residential Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Residential Unit thereafter accruing unless the aggregate Residential Common Interests then appertaining to the Unsold Residential Units constitute 15% or less of the total Residential Common Interests then appertaining to all Residential Units, at least five years shall have elapsed from the date of the First Closing and, at the time of conveyance, Sponsor shall pay to the Condominium Board an amount equal to the product of the then current monthly Common Charges for the Unsold Residential Unit(s) being conveyed multiplied by 24.

(E) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning the Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof). Except as expressly provided to the contrary in paragraph (E) of Section 5.7 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit) pursuant to the terms of Section 5 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 *Statement of Common Charges.* The Condominium Board shall promptly provide a written statement of unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner.

Section 6.4 *Common Charge Deposit for Foreign Owners.* Any Unit Owner that is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) shall deposit with the Condominium Board an amount equal to two (2) times the then current annual Common Charges for such Unit, subject to increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit owner of the terms, provisions and conditions of these By-laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of these By-laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Unit Owner is in default. In the Condominium Board applies or retains any part of said security, the Unit Owner in question, within ten (10) days after notice from the Condominium Board, shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times.

Section 6.5 *Default in Payment of Common Charges.*

(A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remain unpaid for more than 10 days after the due date for the payment thereof, including, but not limited to the imposition of late charges, notice fees and the institution of such actions for the recovery of interest and expenses as provided in this Article 6. All costs and expenses incurred by the Condominium Board (including attorneys' fees) as a result of its attempt to collect unpaid Common Charges and/or Special Assessments shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common

Charges, together with all additional sums of money collectible by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay: (i) interest thereon at the rate of 1.5% per month of such unpaid amounts (less any late "charges" theretofore collected), to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common Charges with interest as aforesaid and/or in foreclosing the aforementioned lien, including, without limitation, attorneys' fees and disbursements and court costs; (ii) a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, plus all expenses of collection including but not limited to attorneys' fees, in such amount as may be determined by the Condominium Board from time to time, to be computed from the due date thereof until paid in full. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of the Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such late charges, interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

(D) If the Unit Owner shall at any time lease the Unit and shall default in the payment of any Common Charges or additional Common Charges, the Condominium Board may, at its option, so long as such default shall continue, demand and receive from the tenant the rent due or becoming due from such tenant to the Unit Owner, and apply the amount to pay sums due and to become due from the Unit Owner to the Condominium. Any payment by a tenant to the Condominium shall constitute a discharge of the obligation of such tenant to the Unit Owner, to the extent of the amount so paid. The acceptance of rent from any tenant shall not be deemed a consent to or approval of any leasing by the Unit Owner, or a release or discharge of any of the obligations of the Unit Owner hereunder. In the event the tenant fails to pay the rent to the Condominium after demand by the Condominium Board, the Condominium Board shall have the right to commence summary eviction proceedings in the name of or on behalf of the Unit Owner, against the tenant. All costs and expenses incurred by the Condominium Board (including attorneys' fees) in connection therewith, shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner.

ARTICLE 7

SELLING AND LEASING OF UNITS AND ASSIGNMENT OF ANCILLARY AMENITY LICENSES

Section 7.1 *General.* Subject to the terms of Section 7.5 hereof, each Residential Unit Owner may (i) sell the Residential Unit and (ii) lease the Residential Unit for periods of not less nor more than 1

year, provided however, no Residential Unit Owner may sell or lease the Residential Unit except in compliance with the applicable provisions of this Article 7 and the policies and procedures established by the Condominium Board. Any purported sale or rental consummated in default in the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or renting 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 Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, attorneys' fees and disbursements and court costs.

Section 7.2 *Right of First Refusal.*

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Residential Unit ("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 CONDOMINIUM BOARD OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such bona fide 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 Condominium Board by certified or registered mail, return receipt requested, which 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").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell the Residential Unit, together with its Appurtenant Interests, or to lease the Residential Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale Agreement or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than 30 days (in the event of a proposed sale) and 30 days (in the event of a proposed lease) after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Residential Unit together with its Appurtenant Interests 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) on behalf of all Residential Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Residential Unit without the prior approval of a Majority of all Unit Owners.

(D) The Condominium Board may not discriminate against any person on the basis of race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law in connection with its exercise of its right of first refusal with respect to the sale or rental of a Unit.

Section 7.3 *Acceptance of Offer*

(A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Residential Unit together with its Appurtenant Interests, to lease such Residential Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale Agreement or Lease Agreement, at the office of the attorneys for the Condominium Board within 45 days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Residential Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee 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 Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Residential Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such 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 Appurtenant 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, the Condominium Board may purchase the Residential Unit and assume or take title thereto subject to such mortgage or mortgages as the case may be. At the Closing of Title, the Offeree Unit Owner shall convey the Residential Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Residential Unit Owners, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale (including, if applicable, all New York State and New York City Transfer Taxes) notwithstanding any terms of the Sale Agreement to the contrary. Real estate taxes, mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the Closing date, notwithstanding any terms of the Sale Agreement to the contrary. Thereafter, such Residential Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Residential Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Residential Unit and the entire Property, as herein provided.

(C) In the event that such Residential Unit is to be leased by the Condominium Board or its designee on behalf of all Residential Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Residential Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 *Failure to Accept Offer.*

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within 60 days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such 60 day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Section 7.2, 7.3 and 7.4 hereof, but not more often than once in any 12 month period, except the Condominium Board shall have the right to waive this for good cause shown, in its sole discretion.

(B) Any deed of a Residential Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included herein.

(C) Each lease of 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 Condominium Board or such other form approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

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

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

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 *Termination of, and Exceptions to, the Right of First Refusal.*

(A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Residential Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Residential Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish without charge, such certificate upon written request to any Residential Unit Owner in respect to whom the provisions of Sections 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of the certificate that has been duly executed, acknowledged and issued by the Secretary of the Condominium or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of a Residential Unit, together with its Appurtenant Interests, by:

(i) the Residential Unit Owner thereof to any adult Family Members, to any combination of the same, or to a trust for the benefit of any of them (in which case the Condominium 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:

(ii) Sponsor;

(iii) the Condominium Board;

(iv) 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

(v) 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;

(vi) Retail Unit Owner;

(C) 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 7.

(D) The terms and conditions contained in Section 7.2, 7.3, 7.4 and 7.7 hereof shall not apply with respect to any sale, lease or conveyance of a Retail Unit, together with its Appurtenant Interests.

Section 7.6 *No Severance of Ownership.* No Unit Owner shall execute any deed or other instrument conveying title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 *Payment of Common Charges and Fees.* No Unit Owner shall be permitted to convey or lease the Unit unless (i) the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit, (ii) paid in full all fees charged by the Condominium Board and/or the Managing Agent in connection with the sale or rental of Residential Units, including, without limitation, any working capital fund contribution imposed by the Condominium Board and (iii) paid in full to Sponsor the Resale Fee. 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. Notwithstanding the foregoing, the imposition of any fees by the Condominium Board and/or the Managing Agent in connection with the sale or rental of Residential Units shall not apply to the sale lease, sublease, license or conveyance of a Residential Unit by the reasons set forth in subsections 7.5(B) (ii), (iii), (iv), (v) and (vi) of this Article 7.

Section 7.8 *Power of Attorney.* At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of the title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office (at such Unit Owner's sole cost and expense), the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

Section 7.9 *Gifts and Devises, Etc.* Any Unit Owner shall be free to convey or transfer the Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and the Unit shall be subject to, the provisions of this Article 7.

Section 7.10 *Commencement of Time.* The period of time set forth in Section 7.2 for which the Condominium Board has to waive its right of first refusal shall not commence until such time as the Condominium Board or its managing agent has received a completed sales or lease package, including all fees set forth therein, as the case may be, from a Residential Unit Owner. If the information provided by the Unit Owner or prospective purchaser or tenant, as the case may be, is incomplete, the Condominium Board shall have the right to request additional information and the 30 day period will commence on receipt by the Condominium Board of the additional information.

Section 7.11 *Costs and Expenses.* All costs and expenses incurred by the Condominium Board, including, without limitation, attorneys' fees and disbursements paid or incurred by the Condominium Board or by its Managing Agent in connection with any action taken by the Condominium Board with regard a violation of this Article 7, shall be borne by the Unit Owner as an Additional Common Charge.

Section 7.12 *Sale or Lease of Retail Unit.*

(A) The Retail Unit Owner may sell, lease or convey their respective Units without the consent of the Condominium Board, the Managing Agent, the other Unit Owners or any other Person.

(B) Any proper officer conducting the sale of a Retail Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure, or any Permitted Mortgagee or its nominee, who has acquired title to any Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof in a bona fide transaction shall have the same rights as the Retail Unit Owner to sell or lease such Unit as provided in paragraph (A) above.

(C) Upon the written request of a Retail Unit Owner, the Condominium Board shall deliver to such Retail Unit Owner or any designee, a statement ("Estoppel Certificate") indicating that such Retail Unit Owner is current in its payment of all amounts due under the Declaration and the By-Laws, that no written notice of default has been sent to such requesting party and to the knowledge of the Condominium Board, no such default exists. Any such statement may be relied upon by any mortgagee or purchaser of the Retail Unit. In addition, upon the written request of a Retail Unit Owner accompanied by such documentation as is reasonably sufficient to allow the Condominium Board to proceed as hereinafter described, the Condominium Board will enter into a non-disturbance and attornment agreement ("Non-Disturbance Agreement") in a form reasonably satisfactory to such requesting Unit Owner with any tenant ("Tenant") of the Retail Unit Owner which provides that: (i) the Tenant shall be entitled to continued

undisturbed possession of such Unit or portion thereof leased by such Tenant, (ii) the Tenant's rights and privileges under the lease for such Unit or portion thereof ("Lease") shall not be diminished or interfered with by the Condominium Board for any reason whatsoever during the term of the Lease or any extensions or renewals thereof, and (iii) except as provided in the last paragraph of this paragraph (C), the Condominium Board will not join the Tenant as a party defendant in any action or proceeding to foreclose upon the Unit or to enforce any rights or remedies of the Condominium Board under the Declaration and By-Laws which would cut-off, destroy, terminate or extinguish the Lease, provided that (a) the Tenant is not in default (beyond any applicable grace periods) in the payment of rent or additional rent or in the performance or observance of any of the other terms, covenants, provisions or conditions of the Lease, (b) the Tenant is not in default of any of the provisions of the Declaration and By-Laws, both at the time of the request and at the time of execution of the Non-Disturbance Agreement, (c) the Lease is in full force and effect, (d) the Tenant attorns to the Condominium Board and pays to the Condominium Board, all rentals and other monies due and to become due to the Retail Unit Owner, under the terms of the Lease but only to the extent of a percentage of the unpaid Common Charges due from the Retail Unit Owner, equal to the percentage of the total square footage of the Retail Unit leased by such Tenant, it being understood that without affecting the Tenant's rights and protection afforded by the Non-Disturbance Agreement, the Tenant shall not be required to pay any rentals or other monies otherwise due or to become due to the Retail Unit Owner to the Condominium Board if such payment is prohibited by the terms of any non-disturbance agreement granted to such Tenant by the mortgagee of any such Retail Unit holding a first mortgage on such Retail Unit. The Non-Disturbance Agreement shall be executed by the Tenant and the Condominium Board and prepared by the Condominium Board at the expense of the Unit Owner requesting the Non-Disturbance Agreement, which expense shall be limited to reasonable actual out-of-pocket expenses incurred by the Condominium Board, including attorneys' fees and disbursements.

Notwithstanding the foregoing, if it would be procedurally disadvantageous for the Condominium Board not to name or join the Tenant in a foreclosure proceeding with respect to the Retail Unit, the Condominium Board may name or join the Tenant without in any way diminishing or otherwise affecting the rights and privileges granted to, or inuring to the benefit of, the Tenant under this Article.

Section 7.13 *Resale Fee.*

Each Residential Unit Owner who acquired a Residential Unit from Sponsor ("Sponsor Sale") and subsequently enters into an agreement, written or oral ("Resale Agreement") to resell the Residential Unit prior to the first anniversary of the closing of the Sponsor Sale ("Resale") shall be obligated to pay Sponsor a portion of the proceeds of the Resale ("Resale Fee"). A Residential Unit Owner will be required to send Sponsor a copy of the Resale Agreement within 10 days after agreement of the Resale. The Resale Fee paid to Sponsor shall be equal to 50% of the difference between: (A) the sales price of the Residential Unit per the Resale Agreement less the following expenses actually paid for by Residential Unit Owner (to the extent applicable): (1) brokerage commissions not exceeding 6% in the aggregate; (2) transfer taxes imposed by Law and (3) actual legal fees not exceeding $5,000; and (B) the Purchase Price paid to Sponsor in connection with the Sponsor Sale. Set forth below is an example of the calculation of a Resale Fee:

Resale:	$ 6,000,000
Sponsor Sale	($ 4,500,000)
Gross Profit	$ 1,500,000
Broker	($ 360,000)
Transfer Tax	($ 110,000)
Legal Fees	($ 5,000)
Net Profit	$ 1,025,000
Resale Fee	$ 512,500

The Resale Fee shall be paid to Sponsor by wire transfer on the date the closing occurs pursuant to the Resale Agreement. Any deductions for allowable expenses paid by Residential Unit Owner must be supported by documentation acceptable to Sponsor. The obligation to pay a Resale Fee shall survive the closing of the Sponsor Sale.

Section 7.14 *Advertising.*

A Residential Unit Owner who acquired title to the Residential Unit from Sponsor is prohibited from listing the Residential Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale for 12 months after Closing, without Sponsor's prior written consent, which consent may be withheld or delayed, in Sponsor's sole and absolute discretion.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1 *General.* Each Unit Owner shall have the right to mortgage the Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages the Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering the Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units." The terms and conditions contained in this Section 8.1, however, shall not apply to Sponsor or the Retail Unit Owner.

Section 8.2 *Restrictions on Mortgaging*

(A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate the Unit unless and until the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

(C) Any mortgage covering a Unit shall be substantially in the form used by any Institutional Lender.

(D) Any mortgage covering a Unit shall be made by an Institutional Lender, Sponsor, or by a Unit Owner providing purchase money financing in connection with the sale of the Unit.

Section 8.3 *Notice of Unpaid Common Charges and Default.* The Condominium Board shall promptly report to Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the payment of Common Charges or Special Assessments for more than 60 days or whenever requested in writing by a Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of

any such default, also send a copy of such notice to the Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by the mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit Pursuant to the terms of Section 6.5 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 *Performance by Permitted Mortgagees.* Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by the Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 *Examination of Books.* Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6 *Consent of Mortgagees; Designation of Mortgage Representatives.*

(A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against Unit Owner's mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than 3 Mortgage Representatives by giving written notice thereof to the Condominium Board, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by Law, no holders of mortgages (which are not Institutional Mortgages) shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-laws.

Section 8.7 *Notice to Permitted Mortgagees* .

(A) Whenever requested by a Permitted Mortgagee, the Condominium Board shall provide timely written notice to such Permitted Mortgagee of (i) any condemnation or casualty loss that affects either (x) a material portion of the Condominium or (y) a material portion of a Unit, (ii) a lapse, cancellation or material modification of any insurance policy maintained by the Condominium, and (iii) any proposed action by the Condominium Board that requires the consent of a specified percentage of Permitted Mortgagees or the approval of the majority of the Mortgage Representatives.

(B) In no event, however, shall the Condominium Board (including its members, officers, agents, attorneys and employees) and Unit Owners be liable for any claims or liabilities and expenses for any failure, through oversight or negligence, in giving a Permitted Mortgagee any notice required under (A) above. Nonetheless, the Condominium Board shall give such missed notice with reasonable promptness after discovering such failure.

(C) Where the consent of the Permitted Mortgagees or Mortgage Representatives is required pursuant to the terms of the Declaration or By-laws, if the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the required consent, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 *Self Help.* If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, including, without limitation, any breach of Unit Owner's obligation to paint, decorate, maintain, repair, or replace the Unit or its appurtenant Residential Limited Common Elements, if any, pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within 5 days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such 5 day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Residential Limited Common Elements, if any, and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 *Abatement and Enjoinment.*

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, the Condominium Board shall have the right (i) to enter any Unit or Common Elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Condominium Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity, provided that the Condominium Board gives the Unit Owner notice (which may be by telephone or in writing) that such violation exists, that repairs or replacements are necessary and that the Condominium Board will complete such repairs or replacements in the event the Unit Owner does not promptly act or complete the repairs or replacements, and/or (iii) to levy such fines and penalties as the Condominium Board may deem appropriate, and the Condominium Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any rights, easements, privileges, or licenses granted to Sponsor or the Retail Unit Owner shall give

to Sponsor or the Retail Unit Owner the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 *Remedies Cumulative.* The remedies specifically granted to the Condominium Board or to Sponsor or the Retail Unit Owner in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor or the Retail Unit Owner, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 *Costs and Expenses.* All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor or the Retail Unit Owner in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor or the Retail Unit Owner, as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of 2% per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1 *Procedure.* Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before 1 arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within 10 days after selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least 5 Members whose principal office is located in the City of New York.

Section 10.2 *Variation by Agreement.* The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 10.3 *Binding Effect.* The decision in any arbitration conducted pursuant to the terms of Section 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 10.4 *Costs and Expenses.*

(A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of disputant's counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute General Common Expenses, to be borne by all Unit Owners, if such arbitration relates to the Units, generally, or to the General Common Elements, and shall constitute Residential Common Expenses, to be borne by all Residential Unit Owners if such arbitration relates solely to the Residential Units or the Residential Common Elements or the Residential Limited Common Elements.

ARTICLE 11

NOTICES

Section 11.1 *General.* All notices required or desired to be given hereunder (except for notices of regular annual or special meetings of the Residential Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section 1.5 hereof, with a copy sent by regular first class mail to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor, to such Unit Owner at Unit Owner's address at the Property;

(iii) if to Sponsor, to Sponsor at its principal office as set forth in the Plan;

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when mailed in the State of New York, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2 *Waiver of Service of Notice.* Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 *General.*

(A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-laws with respect to any amendments ("Special Amendments")

affecting or in favor of Sponsor, the Retail Unit Owner, the Retail Unit and/or any Permitted Mortgagee, any provision of these By-laws affecting the (i) General Common Elements or all Unit Owners may be added to, amended, modified or deleted by the affirmative vote of at least 66 2/3% in number and Common Interest of all Unit Owners; and (ii) Residential Common Elements or all Residential Unit Owners may be added to, amended, modified or deleted by affirmative vote of at least 66 2/3% in number and Residential Common Interest of all Residential Unit Owners, either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage (where applicable) of Residential Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Residential Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage (where applicable) of Residential Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-laws with respect to Special Amendments:

(i) the Common Interest and Residential Common Interest, if any, appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.9 hereof; and

(ii) the terms of Section 5.9 hereof may not be amended, modified, added to, or deleted unless not less than 80% in number and aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 *Special Amendments.*

(A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-laws that, pursuant to the terms of the Declaration or these By-laws, may be effected by Sponsor or the Retail Unit Owner, without the consent of the Condominium Board or the Unit Owners, shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or the Retail Unit Owner, as the case may be, as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or the Retail Unit Owner certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or the Retail Unit Owner pursuant to the terms of the Declaration and/or these By-laws, in which Certification there shall be set forth the Article and/or Section of the Declaration or these By-laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-laws shall be effective in any respect against Sponsor or the Retail Unit Owner, unless and until Sponsor or the Retail Unit Owner shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.6 or 5.7, paragraph (B) or paragraph (C) of Section 6.2, subparagraph (iv) or (v) of paragraph (B) of Section 7.5 or Article 8 hereof shall be effective with respect to

the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto. In addition, no amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

(D) Amendments, modifications, additions or deletions of or to the Declaration, these By-laws and the Residential Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of a Retail Unit or the subdivision of or combination of, or altering of, or improvement to a Retail Unit and it is contemplated that in connection therewith a Retail Unit Owner will cause the Declaration, these By-laws and the Residential 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 Units and the Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not materially and adversely affect the Residential Units or the Residential Unit Owners, a Retail Unit Owner shall be the attorney-in-fact for the Residential Unit Owners (including Sponsor so long as Sponsor owns any Unsold Residential Units), coupled with an interest, for the purpose of approving, executing and recording any instrument effecting such amendment, modification, addition or deletion.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 *General.* Any Person that is subject to the terms of these By-laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a Member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 *Failure to Deliver or Act.*

(A) If any Unit Owner or other Person that is subject to the terms of these By-laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If any Unit Owner, the Condominium Board or other Person that is subject to the terms of these By-laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge or deliver pursuant to these By-Laws at the request of Sponsor or a Retail Unit Owner, as the case may be, then Sponsor, or a Retail Unit Owner, as the case may be, is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner,

Condominium Board or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in these By-Laws which requires the consent or approval of the Condominium Board.

ARTICLE 14

MISCELLANEOUS

Section 14.1 *Inspection of Documents.* Copies of the Declaration, these By-laws, the Residential 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. Each Unit Owner shall be permitted to examine the books of account of the Condominium during reasonable business hours, but not more frequently than once a month.

Section 14.2 *Waiver.* No provision contained in these By-laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3 *Conflict.* In the event that any provision of these By-laws or of the Residential Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 *Severability.* If any provision of these By-laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 *Successors and Assigns.* The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor. The rights and/or obligations of the Retail Unit Owner as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of the Retail Unit Owner.

Section 14.6 *Gender.* A reference in these By-laws to any one gender, masculine or feminine, includes the other one, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.7 *Captions.* The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-laws or the intent of any provision hereof.

ARTICLE 15

TAX STATUS AS A HOMEOWNERS ASSOCIATION

Section 15.1 *General.* The Condominium Board intends to act in a manner consistent with enabling the Condominium to be eligible to elect to be treated as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended.

Section 15.2 *Organization.* The Condominium is and will be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property.

Section 15.3 *Inurement.* No part of the Condominium's net earnings shall inure, and the Condominium Board will act in a manner such that no part of such earnings will inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Property, and other than by rebate of excess membership dues, fees, or assessments).

Section 15.4 *Residential Use.* Substantially all of the Units are and will be used by individuals for residences.

* * * * *

ADDENDUM TO THE BY-LAWS

RESIDENTIAL RULES AND REGULATIONS

1. The sidewalks, entrance passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Residential Units.

2. No bicycles, rollerblades, scooters, skateboards or similar vehicle shall be taken into or from the Building through the main entrance or shall be allowed in any of the elevators of the Building other than the elevator designated by the Condominium Board or the Managing Agent for such purpose or ridden in the Building or the courtyard. No baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. All service and delivery persons will be required to use the entrances of the Building designated by the Condominium Board or the Managing Agent. In addition, all domestic employees, messengers and tradespeople visiting the Building shall use the elevator designated by the Condominium Board or the Managing Agent for the purposes of ingress and egress, and shall not use any of the other elevators for any purpose, provided, however, that care-givers in the employ of Residential Unit Owners or their Family Members, guests, tenants, subtenants, licensees, or invitees may use any of the other elevators when accompanying said Unit Owners, Family Members, guests, subtenants, licensees, or invitees.

4. Trunks and heavy baggage shall be taken in or out of the Building only by the elevator designated by the Condominium Board or the Managing Agent for the purpose and only through the entrance designated by the Condominium Board.

5. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

6. No Residential Unit may be used for the storage of any flammable materials or any other materials the storage of which may constitute a Building code violation or which will increase the insurance requirements for the Building.

7. No refuse from the Residential Units shall be sent to the service area of the Building, except at such times and in such manner as the Condominium Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows, or placed upon the window sills, of the Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

8. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways, or fire towers of the Building.

9. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage or service purposes in the Building.

10. Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof. No Residential Unit Owner shall permit anything to be done or kept in the Residential Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Residential Unit Owner or any Family Members, agents, servants, employees,

licensees, or visitors shall, at any time, bring into or keep in the Residential Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of the Residential Unit.

11. Except with respect to the Terraces appurtenant to the Atelier Unit and the PH Unit, there shall be no barbecuing in the Residential Units, in their appurtenant Residential Limited Common Elements, if any, or in the Common Elements.

12. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from the Residential Unit or its appurtenant Residential Limited Common Elements, if any, or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit or its appurtenant Residential Limited Common Elements, if any, between 11:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice of suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

13. 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 Condominium Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Condominium Board shall have the right to adopt a no-pet policy for the Building. In no event shall any pet permitted in any public elevator of the Building, other than the elevator designated by the Condominium Board or the Managing Agent for that purpose, or in any of the public portions of the Building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

14. No group tour, open house 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 consent of the Condominium Board or the Managing Agent in each instance. In the event that any Residential Unit shall be used for home occupation purposes in conformance with the Declaration and the By-laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

15. Unless expressly authorized by the Condominium Board in each instance, not less than 80% of the total floor area of each room of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise reducing material.

16. No window guards or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Condominium Board or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any windows of any Residential Unit be colored or painted.

17. No ventilator or air conditioning device shall be installed in any Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior written approval of the

Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

18. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease," or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or the By-laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

19. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

20. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of the Residential Unit.

21. Each Residential Unit Owner shall keep the Residential Unit and its appurtenant Residential Limited Common Elements, if any, in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-laws.

22. The access doors located in various portions of the ceiling of the Residential Units shall not be obstructed in any manner which would prevent access to the ceiling hung units located within such ceilings.

23. The agents of the Condominium Board or the Managing Agent, and any contractor or workperson authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least 1 day's prior 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 reasonable manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

24. The Condominium Board or the Managing Agent may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to the Residential Unit at any time when an entry therein is necessary or permissible under these Residential Rules and Regulations or under the By-laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

25. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by an agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for the Residential Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 22 above) be liable for

injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

26. Residential Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever, enter upon, or attempt to enter upon, the roof of the Building unless such roof is part of a lawful terrace.

27. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

28. Any consent or approval given under these Residential Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

29. Terrace plantings shall be placed in containers impervious to dampness and standing on supports at least two inches from the Terrace or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the containers to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in containers which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such Terrace or roof but shall stand on supports at least two inches above such surface. No planting shall be permanently affixed to a Terrace or roof surface but shall be able to be easily moved. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary by or damage caused by such plantings. The Condominium Board shall have an easement and a right of access to the Terrace appurtenant to the a Unit to inspect the same and to remove violations therefrom and to install, operate, maintain, repair, alter, build, restore, and replace any of the Common Elements located in, over, under through, adjacent to, or upon the same.

30. No Residential Unit Owner shall enclose, erect a greenhouse and/or alter the Terrace appurtenant to a Residential Unit in any way, without the prior written consent of the Condominium Board.

31. No Residential Unit Owner may install or place speakers on a Terrace appurtenant to a Residential Unit.

32. Residential Unit Owners are required to obtain and maintain a maintenance, service and repair contract ("Maintenance Contract") with a HVAC vendor qualified to perform maintenance services on the heating, ventilation and air conditioning system and humidification system, if any, located in their Unit and on the roof ("HVAC") in accordance with guidelines established, from time to time, by the Condominium Board. A copy of the Maintenance Contract shall be delivered to the managing agent. Renewal Maintenance Contracts shall be delivered to the managing agent prior to the date on which the then current Maintenance Contract expires.

33. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board and the Managing Agent.

34. When leaving the Residential Unit for extended periods of time, Residential Unit Owners and their respective Family Members, guests, domestic employees, agents, visitors, or licensees shall keep the Residential Unit at a maximum of 80 degrees Fahrenheit from May 15 to October 15 and shall keep the Residential Unit at a minimum of 60 degrees Fahrenheit from October 15 to May 15. Any damage resulting from a Residential Unit Owner's or their respective Family Member, guests, domestic

employees, agents, visitors or licensees failure to abide by the provisions of this paragraph shall be borne solely by the owner of such Residential Unit causing the damage.

35. Residential Unit Owners and their respective Family Members, guests, domestic employees, employees, agents, visitors, or licensees shall abide by any additional rules and regulations adopted by the Condominium Board.

EXHIBIT E

TO THE DECLARATION

UNIT POWER OF ATTORNEY

UNIT POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the declaration ("Declaration") establishing a plan for condominium ownership of the premises known as the 7 Harrison Street Condominium ("Condominium") and by the street number 7 Harrison Street, New York, New York 10013 under Article 9-B of the Real Property Law of the State of New York, dated _____ and recorded in the Office of the Register of The City of New York of the County of New York ("Register's Office") on _____ as CRFN# _____ ("Declaration"), or (b) in the By-Laws of 7 Harrison Street Condominium ("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.

[Applicable to Unit Owners of Residential Units only]: The undersigned, _____, (having an office) (residing at) _____, the owner of a Unit _____ ("Unit") in the Condominium which is designated and described as the Unit in the Declaration and also designated as Tax Lot _____ in Block 180 of Section _____ of the Borough of Manhattan on the Tax Map of the Division of Land Records 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, 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 Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all 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, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners; and

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Residential Unit so acquired or to sublease any Residential Unit so leased; and

(d) acquire, mortgage, lease, sublease, license, convey or otherwise deal with the Resident Manager's Unit, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners; and

(e) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

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

Applicable to Unit Owners of Residential Units and Retail Unit: The undersigned, _____, (having an office) (residing at) _____, the owner of a Unit _____ ("Unit") in the Condominium which is designated and described as the Unit in the Declaration and also designated as Tax Lot _____ in Block 180 of the Borough of Manhattan on the Tax Map of the Division of Land Records of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint Harrison Street Residences LLC ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to:

amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents, including without limitation, when such amendment (1) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the Declaration, or (2) shall be required by (a) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Residential Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Residential Unit; or (3) shall be required to correct any inconsistencies or scriveners' errors in the Declaration, the By-Laws and/or the Floor Plans; or (4) relinquish Sponsor's rights under the Condominium Documents, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as (i) Sponsor shall cease to own any Unit in the Condominium; (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan; and (iii) a Permanent Certificate of Occupancy has been issued for the Property; and

This Power of Attorney shall be irrevocable.

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

_____

(ACKNOWLEDGEMENT)

UNIT OWNER'S SPECIMEN TITLE POLICY

Form No. 1402.06
ALTA Owner's Policy (6-17-06)
1100302P050600

Policy Number: Y 3020-581621
SPECIMEN

OWNER'S POLICY OF TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
   (a) A defect in the Title caused by
      (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
      (ii) failure of any person or Entity to have authorized a transfer or conveyance;
      (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
      (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
      (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
      (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
      (vii) a defective judicial or administrative proceeding.
   (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
   (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (a) the occupancy, use, or enjoyment of the Land;
   (b) the character, dimensions, or location of any improvement erected on the Land;
   (c) the subdivision of land; or
   (d) environmental protection

   if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
   (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
   (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
      (i) to be timely, or
      (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

First American Title Insurance Company

BY _____ PRESIDENT

ATTEST _____ SECRETARY

FIRST AMERICAN TITLE INSURANCE COMPANY INCORPORATED SEPTEMBER 24, 1963 CALIFORNIA

PRO FORMA
PRO FORMA

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments 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.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
(d) "Insured": The Insured named in Schedule A.
   (i) The term "Insured" also includes
      (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
      (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
      (C) successors to an Insured by its conversion to another kind of Entity;
      (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
         (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
         (2) if the grantee wholly owns the named Insured,
         (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
         (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
   (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
(e) "Insured Claimant": An Insured claiming loss or damage.
(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
(j) "Title": The estate or interest described in Schedule A.
(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.
(b) The Company shall have the right, in addition to the options contained in

Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefore in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at 1 First American Way, Santa Ana, CA 92707, Attn: Claims Department.

POLICY OF TITLE INSURANCE

SCHEDULE A

First American Title Insurance Company

Name and Address of the issuing Title Insurance Company:
First American Title Insurance Company
633 Third Avenue
New York, NY 10017

Policy No.: **Y 3020-581621 SPECIMEN**
Address Reference: 7-9 Harrison Street, Unit ____, Condominium, New York, NY 10013 **(For Information Only)**
Amount of Insurance: $_____
Date of Policy: _____

1. Name of Insured:

   _____

2. The estate or interest in the Land that is insured by this policy is:

   Fee Simple

3. Title is vested in:

   _____ by means of a deed made by HARRISON STREET RESIDENCES, LLC dated _____ and being duly recorded in the Office of the City Register, New York County.

4. The Land referred to in this policy is described as follows:

   Real property in the City of New York, County of New York, State of New York, described as follows:

   THE CONDOMINIUM UNIT (THE "UNIT") KNOWN AS UNIT NO. ____ IN THE BUILDING DESIGNATED AS THE _____CONDOMINIUM IN THE 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 "NEW YORK CONDOMINIUM ACT"), DATED AS OF_____AND RECORDED IN THE OFFICE OF THE REGISTER OF _____COUNTY (THE "REGISTER'S OFFICE") ON _____AS _____, ALSO DESIGNATED AS TAX LOT _____, IN BLOCK ____, OF THE BOROUGH OF _____ ON THE TAX MAP OF THE REAL PROPERTY ASSESSMENT DEPARTMENT OF THE CITY OF NEW YORK AND ON THE FLOOR PLANS OF SAID BUILDING, CERTIFIED BY _____, REGISTERED ARCHITECT, ON _____AND FILED WITH THE REAL PROPERTY ASSESSMENT DEPARTMENT OF THE CITY OF NEW YORK ON _____AS CONDOMINIUM PLAN NO. _____, AND ALSO FILED IN THE CITY REGISTER'S OFFICE ON _____AS MAP NO. _____.

   TOGETHER WITH A TOTAL UNDIVIDED _____% INTEREST, IN THE COMMON ELEMENTS (AS SUCH TERM IS DEFINED IN THE DECLARATION).

   THE PREMISES WITHIN WHICH THE UNIT IS LOCATED ARE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

   ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN, COUNTY, CITY AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE SOUTHERLY SIDE OF HARRISON STREET AND THE WESTERLY SIDE OF STAPLE STREET,

RUNNING THENCE WESTERLY ALONG THE SOUTHERLY SIDE OF HARRISON STREET 50 FEET 10-½ INCHES TO THE WESTERLY FACE OF THE WESTERLY WALL OF THE BUILDING ON PREMISES HEREIN,

THENCE SOUTHERLY ALONG THE WESTERLY SIDE FACE OF THE WESTERLY WALL OF BUILDING ON PREMISES HEREIN AND ON A LINE IN CONTINUATION THEREOF AND ALONG A LINE WHICH ON ITS WESTERLY SIDE FORMS AN ANGLE OF 87° 28' 20" WITH THE SOUTHERLY SIDE OF HARRISON STREET 98 FEET 5-½ INCHES TO THE SOUTHERLY FACE OF THE BRICK AREA WALL ON PREMISES HEREIN DESCRIBED;

THENCE ALONG THE SOUTHERLY FACE OF THE BRICK AREA WALL AND ALONG THE SOUTHERLY FACE OF THE SOUTHERLY WALL OF THE ONE STORY BRICK BUILDING ON PREMISES HEREIN AND ON A LINE IN CONTINUATION THEREOF AND ALONG A LINE FORMING AN ANGLE ON ITS NORTHERLY SIDE OF 89° 28' 10" WITH THE LAST MENTIONED COURSE 25 FEET ½ INCH;

THENCE ALONG A LINE RUNNING TO AND ALONG THE SOUTHERLY FACE OF THE SOUTHERLY WALL OF THE 7 STORY BRICK BUILDING ON PREMISES HEREIN AND WHICH LINE FORMS AN ANGLE OF 90° 41' 20" ON ITS NORTHERLY SIDE WITH THE WESTERLY SIDE OF STAPLE STREET 25 FEET ¾ INCHES ON THE WESTERLY SIDE OF STAPLE STREET AND

THENCE NORTHERLY ALONG THE WESTERLY SIDE OF STAPLE STREET, 100 FEET 5-¼ INCHES TO THE CORNER OF AFORESAID, AT THE POINT OR PLACE OF BEGINNING.

SCHEDULE B

Policy No.: **Y 3020-581621 SPECIMEN**

EXCEPTIONS FROM COVERAGE

This Policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

1. AS TO THE BUILDING: Any state of facts which a guaranteed survey of current date would disclose.

   AS TO THE UNIT: With respect to Condominium Unit No. _____, the title to which is to be insured herein, policy excepts any state of facts which an accurate survey would disclose. Policy insures, however, that any encroachment of the Unit onto other Units or onto any part of the common elements may remain undisturbed as long as the Unit insured hereunder exists.

2. Reservation of Right of Way as cited in Liber 635 cp. 447 as repeated in Liber 4600 cp 165.

3. Rights of City of New York and Merchants Refrigerating Co. as cited in Liber 4600 cp 594.

4. The premises described in Schedule A is located in an area designated as a landmark historic district by a notice recorded in the New York Register/County Clerk's office on 7/16/1991 in (as) Reel 1797 page 530. Said improvements are subject to the restrictions as to use provided for in the Administrative Code of the City of New York, Title 25, Chapter 3.

5. Terms, covenants and conditioners as set forth in Agreement made by and between MARDIG KACHIAN, seller and HARRISON STREET RESIDENCES, LLC, purchaser, a memorandum of which is dated 11/29/2011 and recorded 12/21/2011 as CRFN 2011000442386.

6. Terms, Restrictions and Conditions set forth in the Declaration of Condominium and By - Laws of the _____ Condominium dated _____, recorded _____ in(as) CRFN _____; but the Policy insures against loss or damage occasioned by the premises not being a part of a Condominium validly created pursuant to Article 9-B of the Real Property Law, as amended.

7. Power of Attorney to the Board of Managers of the _____ Condominium, and their successors in office dated _____ ___, 20___ and to be recorded in the office of the Register, New York County, as provided in the Declaration and By - Laws of the _____ Condominium.

8. Real Estate Taxes to be allocated to each condominium unit.

First American

STANDARD NEW YORK ENDORSEMENT
(OWNER'S POLICY)

Issued by

First American Title Insurance Company

Attached to and made part of Policy No.: Y 3020-581621 SPECIMEN

1. The following is added as a Covered Risk:

   "11. Any statutory lien arising under Article 2 of the New York Lien Law 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.

Dated:

FIRST AMERICAN TITLE INSURANCE COMPANY INCORPORATED SEPTEMBER 24, 1968 CALIFORNIA

First American Title Insurance Company

Dennis J. Gilmore
President

Timothy Kemp
Secretary

By:

Authorized Countersignature

First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

Form 50-PRIVACY (8/1/09) Page 1 of 1 Privacy Information (2001-2010 First American Financial Corporation)

ATTORNEY'S INCOME TAX OPINION

O L S H A N

PARK AVENUE TOWER • 65 EAST 55TH STREET • NEW YORK, NEW YORK 10022
TELEPHONE: 212.451.2300 • FACSIMILE: 212.451.2222

EMAIL: WGLEICHER@OLSHANLAW.COM
DIRECT DIAL: 212.451.2231

January 31, 2013

Harrison Street Residences LLC
7 Harrison Street
New York, NY 10013

Re: 7 Harrison Street Condominium

Gentlemen:

In connection with the offering of condominium Residential Units under a plan entitled Condominium Offering Plan for the 7 Harrison Street Condominium (the "Plan"), you have requested our opinion as special tax counsel to the Plan concerning certain tax matters. Specifically, you have requested our opinion as to the deductibility for federal and New York State income tax purposes of payments of mortgage interest and real estate taxes by individual Residential Unit Owners. You have also asked for our opinion as to the tax status of the condominium association.

All capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

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

In our opinion under present law, subject to the limitations discussed in the following paragraph and subject to limitations imposed on the deduction of itemized deductions, interest on a mortgage secured by a Residential Unit paid or accrued by owner of such Residential Unit who is liable for the interest payment on such mortgage and who uses the Residential Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by the Residential Unit Owner to purchase the Residential Unit, that the Residential Unit is the owner's principal residence and that the Residential Unit Owner is an individual.

Except as provided below, residential interest is deductible if paid or accrued during the taxable year on indebtedness which is secured by either the taxpayer's principal residence, as

defined for purposes of exclusion of gain on sale under Internal Revenue Code ("Code") Section 121, or on certain designated second homes. However, a ceiling is placed on the amount of indebtedness which may be taken into account for purposes of this deduction. In general, with respect to indebtedness incurred in purchasing a Residential Unit, this ceiling is $1,000,000, or $500,000 in the case of a married individual filing a separate return. In addition, an individual may deduct interest on an additional $100,000 of indebtedness in excess of the $1,000,000 limit mentioned above as interest on home equity indebtedness. However, special limitations may apply to the deductibility of points and prepaid interest if any.

It is also our opinion under present law that real estate taxes assessed against a Residential Owner's Unit which are paid or accrued by such owner will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions.

We note that in some cases the amount of mortgage interest deductible by an individual Residential Unit Owner subject to the alternative minimum tax may be less than the amount deductible by a Residential Unit Owner subject to the regular income tax and that no deduction is allowed for real estate taxes paid by a taxpayer subject to the alternative minimum tax.

The mortgage interest and real estate taxes described above will also be allowable as deductions for New York State income tax purposes to a resident individual. We express no opinion with respect to these items under the New York State personal income tax on nonresidents. We also express no opinion as to the taxation of Residential Unit Owners who are not individuals.

We have reviewed various documents included as exhibits in the Plan relating to the organization of the Condominium Board of the 7 Harrison Street Condominium (the "Association"), including the Declaration of Condominium and By-Laws of the Condominium (which are the instruments which will create the Association).

Our opinion has been requested as to whether the Association will be eligible to qualify as a tax-exempt organization for federal income tax purposes. In order for the Association to qualify as an exempt organization for federal income tax purposes under Code Section 528, it must meet the following six conditions:

1. The Association must be organized and operated to provide for the acquisition, construction, management, maintenance, and care of the Association's property.

2. Sixty percent (60%) or more of the Association's gross income for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of Residential Units.

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

4. No part of the net earnings of the Association may inure to the benefit of any private shareholder or individual, other than by acquiring, constructing, or providing management, maintenance, and care of the Association's property and other than by a rebate of excess membership dues, fees, or assessments.

5. The Association must qualify as a "condominium management association," which is an organization meeting the requirements of condition (1), above, with respect to a condominium project substantially all the Residential Units of which are used by individuals for residences.

6. The Association must properly elect to have Code Section 528 apply for the taxable year.

"Substantially all the Residential Units" of a condominium management association will be considered as used by individuals for residences if at least eighty-five percent (85%) of the total square footage of all Residential Units within the project is used by individuals for residential purposes. Residential Units that are used for purposes auxiliary to residential use are considered as used for residential purposes. These auxiliary purposes include laundry areas, storage rooms, and areas used by maintenance personnel. A special limitation is established for transient use. No building or Residential Unit will be considered as used for residential purposes if, for more than one half the days in the Association's taxable year, such Residential Unit or building is occupied by a person or series of persons each of whom occupies the Residential Unit or building for less than thirty days.

You have advised us that more than 85% of the total square footage of the Premises will be used by individuals for residential purposes and that no person may rent his Residential Unit for a period of less than thirty (30) days. Accordingly, the "substantially all" test should initially be met.

Our review of the documents referred to above indicates that the Association meets all the organizational tests described above for qualification for exemption. Assuming the Plan is consummated in accordance with its provisions and that the Association, in its actual operation, meets the other tests set forth above, it is our opinion that the Association will be eligible to elect tax-exempt status under IRC Sec. 528. If such exempt status is properly elected, it is our opinion that the Association will not be subject to federal income tax for the taxable years in which such election is in effect, except as noted in the following paragraph.

An effective election will exempt from federal income taxation all amounts received by the Association as exempt function income. This consists of amounts received as membership dues, fees, or assessments from owners of Residential Units. However, the Association will be subject to tax on income which is not exempt function income to the extent such income exceeds expenses properly allocable to such income. Examples of income which is not exempt function income are interest earned on reserve funds, amounts received from persons who are not members of the Association, amounts received for work done on privately owned property which is not Association property, and amounts received from members for special use of the

Association's facilities, the use of which is not available to all members as a result of having paid the dues, fees, or assessments required to be paid by all members.

If the Association fails to qualify as a "homeowners association", or if it does but chooses not to make the necessary election, its status for tax purposes is unclear. It is possible that in such event the Association may be taxable as a corporation or partnership for federal income tax purposes.*

It should be noted that meeting the qualifications and conditions prescribed by the statute will require careful periodic planning. It should also be noted that under certain circumstances where the Association has taxable nonexempt function income, less federal income taxes may be payable if it is not treated as an exempt organization.

This opinion deals only with the specific tax matters discussed above, which do not necessarily comprise all tax matters which may be significant to purchasers of Residential Units. We express no views as to any federal, New York State or New York City tax consequences other than as explicitly discussed in this opinion or as to the tax status or tax consequences of the Plan under the laws of any foreign jurisdiction. Accordingly, it is recommended that each prospective purchaser of a Residential Unit consult with his own tax advisor concerning the federal, New York State, and New York City tax consequences of the purchase and ownership of a Residential Unit.

This opinion is based solely on the facts and documents referred to above. No warranties are made that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, counsel to Sponsor, special tax counsel to the Sponsor, the Association, or any other person be liable if, by reason of future changes in fact or applicable law, regulations, decisional law, or Internal Revenue Service rulings, the tax consequences described previously should change.

Sincerely yours,

OLSHAN FROME WOLOSKY LLP

* Under Income Tax Regulations, Section 301.7701-2 and 3, the Association may elect to be treated as a corporation for federal income tax purposes if it files Form 8832 with the IRS. This election may be retroactive for up to 75 days from the date of filing. If such election is not made, then the Association may be treated as a partnership and all Residential Unit Holders would pay tax on their proportionate share of the income of the Association.

REAL ESTATE TAX PROJECTION OPINION

MARCUS & POLLACK LLP

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JOEL R. MARCUS

ROBERT M. POLLACK

PHILIP H. AZARIAN

BRUCE A. BRASKY

January 22, 2013

Harrison Street Residences LLC
c/o Matrix Harrison LLC
350 Broadway, Suite 708
New York, New York 10013

Re: 7 Harrison Street
Manhattan, Block 180 Lot 29
(Tax Lot to be Subdivided into Condominium Tax Lots)
Projection of Estimated Real Estate Taxes for the Residential
Condominium Apartment Units for the First Year of Operation

Dear Sir/Madam:

You have requested us to project the real estate tax liability for the Residential Condominium Apartments at the above referenced premises for the first year of condominium operation.

Harrison Street Residences LLC will rehabilitate and renovate the property at 7 Harrison Street, New York, New York 10013. Upon completion of the rehabilitation and renovation, the property will be converted to a condominium. This letter addresses the residential condominium apartment units in its entirety. Upon conversion to condominium ownership, the individual apartment units will thereafter be apportioned by the Department of Finance into individual condominium tax lots with separate assessed values for each.

The Total Actual (target), and transitional assessed valuations for the subject property for the most recent tax years are set forth as follows:

Tax Year		Land	Total	Tax Class
2013/14	Actual	$231,300	$1,476,450	
2013/14	Transitional	$231,300	$1,301,600	2
2012/13	Actual	$231,300	$1,194,750	
2012/13	Transitional	$231,300	$1,304,210	2

You have advised us of the following facts regarding this project:

1. Harrison Street Residences LLC will rehabilitate and renovate the property at 7 Harrison Street for conversion to a residential condominium.

2. The site which comprises the subject property currently consists of a single tax lot identified on the New York City Department of Finance records as Manhattan, Block 180 Lot 29.

3. The 8-story building will be renovated and converted to condominium ownership to contain 32,000 gross square feet of residential space, 1,983 gross square feet of retail space, 624 gross square feet of gym space, 582 gross square feet of residential storage and 111 gross square feet of bike storage space. Upon completion of the renovations there will be 12 separate assessed Residential Condominium dwelling units. There will be one (1) Commercial unit in the condominium.

4. Renovation construction work on the building commenced on October 1, 2012 and the completion of all renovation work is anticipated by July 1, 2014. As construction is anticipated to be completed July 1, 2014 we have estimated that the property will not be assessed as if completed by the taxable status date of January 5, 2014. Therefore, we estimate 2015/16 assessed valuation will be the first year that reflects the completely renovated building value.

5. The property will be one building with separate condominium tax lots for each condominium apartment unit.

6. The first year of the condominium operation is planned for July 1, 2014 through June 30, 2015. Real estate taxes due for the first year of condominium operation will be based on twelve (12) months of tax year 2014/2015, an assessed valuation that reflects the building as still under renovation.

There are three recognized appraisal methods which are employed by the Real Property Assessment Department to determine the full market value of income producing real property. These methods are the original cost method, capitalization of income approach and the sales price comparison method.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a significant indicator of value with respect to new buildings. Relevant data used in the cost method includes material and labor ("hard") costs, and financing, engineering, architectural, testing and professional fees and construction period taxes ("soft") costs.

The capitalization of income method is based upon the proposition that the annual net income generated by a property, when divided by the rate of return an investor at a given time would accept for his money in a competing investment, yields a close estimate of the market value of the property. In the past the Department of Finance has used gross income multipliers to arrive at an assessed value for residential rental properties. However, the Department of Finance has recently indicated that they will no longer utilize this approach to value.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices of comparable properties. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. However, the addition of sale prices of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation. Real Property Tax Law Section 581 requires that the Department of Finance assess residential condominiums without regard to their form of ownership. This requirement has been interpreted to mean that cooperatives and condominiums are to be assessed as if they were rental properties, thus requiring a valuation based upon the capitalization of income utilizing rents imputed from comparable rental properties.

Since tax year 1982/83, Real Property Tax Law §1805(3) has mandated that equalization increases in assessed valuation must be phased in over a five year period, resulting in a "transitional assessment". However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitations, or additions of square footage to existing structures) changes directly into the taxable assessed valuation without the five-year phase-in. The "actual assessment" is the target value which will be reached at the end of the five year period, assuming the Actual assessment is not increased in the interim. Taxes are based upon the lesser of the Actual or Transitional assessed value.

In arriving at the assessed valuation for each unit in the Condominium, the building is first assessed in its entirety. This overall assessment is then apportioned among the respective units, each of which will be assigned a tax lot designation once the condominium Declaration has been recorded and the floors plans are filed with the office of the City Register. In the past, the apportionment was based in part upon the proportion of the projected selling price presented in the Offering Plans for each residential units bears to the gross sellout price for all residential units available for purchase in the project (hereinafter, "Proportionate Valuation"), and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases, if any, on particular units. However, more recently, the Department of Finance had enunciated a policy which has allocated assessed values for the residential units within a condominium by primarily utilizing each unit's respective percent interest in the common elements.

We make no representation that the Department of Finance will use any particular method to apportion the residential assessments among the individual residential condominium units.

Reconciliation of the three approaches to valuation discussed above, including review of the tentative 2013/2014 assessed valuations of comparable recently renovated residential apartment buildings in the vicinity of the subject, justifies an estimated overall actual assessed valuation for the entire Condominium Apartments (including "land" and "building") of $2,672,000 and a transitional assessed value of $2,537,630 upon the estimated completion of renovation in tax year 2015/16 (taxable status date of January 5, 2015). In the tax year 2014/15 we estimate that the tax assessors of the New York City Department of Finance will characterize the building as not yet complete as of January 5, 2014. We therefore estimate an actual assessed value of $2,476,450 and a transitional assessed value of $2,252,890.

The most recent and currently available tax rate for tax year (2012/2013), for residential real property is 13.181% and for commercial property, the current tax rate is 10.288%. For purposes of the following projections, the estimated tax rates of 10.288% and 13.181% has been utilized for the residential units for tax years 2014/2015 and 2015/2016 respectively. The estimated taxes payable during tax year 2014/2015 and 2015/2016 by the Condominium Units as defined above, are projected as follows:

Estimated Real Estate Taxes Upon Completion Tax Year 2015/2016

As construction will be completed by July 1, 2014 and prior to the January 5, 2015 taxable status date for the 2015/2016 tax year, the 2015/2016 assessed valuation will be the first assessment roll to reflect a completed building. After consideration of all relevant factors we have estimated an actual total assessed value of $2,672,000 and the estimated transitional total assessment of $2,537,630. Applying the class 2 tax rate of 13.181% we estimate the real estate taxes for 2015/2016 at $334,485.

Estimated Taxes Payable During Tax Year 2014/15 – During the Course of Construction

As stated above the complete renovated building will not be fully reflected on the assessment roll until tax year 2015/2016. Therefore, the 2014/2015 assessment would reflect the assessed value of a building in the course of renovation for tax year 2014/15. The estimated actual total assessed value is $2,476,450 and the estimated transitional total assessment is $2,252.890. (Estimated taxes payable for the 12 months of tax year (2014/15)

All Condominium Units Estimated Actual Total Assessment (2014/15)	$2,476,450
All Condominium Units Estimated Transitional Total Assessed Value (2014/15)	$2,252,890
Taxable Assessment:	$2,252,890
Assumed Tax Rate (Residential Tax Rate):	13.181%

Estimated Aggregate Total Real Estate Taxes for all Units
in tax year 2014/15: $296,953

Estimated Real Estate Taxes for the First Year of Condominium Operation – July 1, 2014 through June 30, 2015

For the first year of condominium operation covering the period of July 1, 2014 through June 30, 2015, we project that the real estate taxes will be based on twelve (12) months of tax year 2014/15. Thus for the first year of condominium operation the estimated real estate tax liability for the condominium will be as follows:

All Condominium Units

All Condominium Units First year estimated real estate taxes = $296,953

We estimated that real estate taxes for each unit will be allocated based on common element factor.

1st Year Estimated Tax Liability For All the Condominium Units for the period July 1, 2014 to June 30, 2015.

We note once again, that the twelve months of the first year of condominium operation is estimated to fall within tax year 2014/2015 when we project that the renovation will not be completed as of the taxable status day, January 5, 2014. Real estate taxes after the first year of condominium operation will be higher reflecting twelve (12) months of taxes to be assessed on an estimated fully renovated building in operation for tax year 2015/2016 based upon the projected completion date as of July 1, 2014.

For tax year 2015/16, the estimated taxable assessment for the condominium units is $2,537,630 and the real estate taxes for the second year of the condominium operation is estimated at $334,485. We estimate that real estate taxes for each condominium unit will be allocated based on common element factor.

This letter was prepared at the sponsor's request. Certain figures set forth herein are approximations derived from material submitted by the sponsor and area subject to variation. We have not passed upon the accuracy of any figures or estimates contained in the Plan, and offer no warranties of the amount of any tax liabilities for any period.

Prospective Purchasers are advised that while there is a formula which has been utilized by the Real Property Assessment Department in assessing such properties in the past, it has not be employed consistently, and it is therefore not possible to estimate or determine the post-construction assessed valuation of this property with any degree of certainty. However, the estimates presented below are based upon current policies and practices of that department. All prospective purchasers are further advised that although the estimate of assessed valuation upon completion of construction is a good-faith estimate, such assessed valuation, when actually made, may be less or more than as estimated herein.

The opinions expressed above are based on our interpretation of the Real Property Tax Law, Administrative Code of the City of New York, and the applicable rules and regulations, policies and practices of the Department of Finance in effect as of the date hereof. While we believe our opinions are well founded, they are not intended, and should not be construed as representations or warranties. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

The foregoing analysis is based upon our experience with the Real Property Assessment Department and the Tax Commission of the City of New York, and their assessment policies regarding newly constructed or renovated properties held in condominium ownership. Application of a particular approach to valuation by an individual assessor may yield a different result. This would necessitate commencement of real property tax review proceedings at the Tax Commission or Supreme Court level to bring the assessment in line with the estimates presented herein.

We hereby consent to the inclusion of this letter in the Offering Plans.

Very truly yours,

Marcus & Pollack LLP

Marcus & Pollack, LLP

MP:cl

FORM W-8
(CERTIFICATION OF FOREIGN STATUS)

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

FORM W-9
(REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)

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.

ESCROW AGREEMENT

ESCROW: AGREEMENT FOR OFFERING PLAN

AGREEMENT made as of the filing date of the Offering Plan (defined below), between Harrison Street Residences LLC ("SPONSOR") as SPONSOR of the Offering Plan and Starr Associates LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the SPONSOR of an offering plan for premises known as and located at 7 Harrison Street Condominium and located at 7 Harrison Street, New York, New York 10013 ("Offering Plan"); and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Sections 352-e(2-b) and 352-h and the New York Department of Law's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers or subscribers, pursuant to the terms of this Agreement and the Offering Plan, and in accordance with the provisions contained in the Escrow Rider to the Purchase Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT will establish a master escrow account for the purpose of holding deposits, down payments, advances or payments ("Deposits") made by purchasers or subscribers ("Purchasers") pursuant to the Offering Plan at a commercial or savings bank authorized to do business in the State of New York entitled "Starr Associates LLP, Escrow Account" ("Master Escrow Account").

1.2. All Deposits will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. If ESCROW AGENT receives a completed and signed Form W-9 (Request for Taxpayer Identification Number) or Form W-8 (Certificate of Foreign Status), as applicable, from a Purchaser at the time the Deposit is delivered to ESCROW AGENT, the Deposit of such Purchaser will be promptly transferred from the non-interest bearing checking portion of the Master Escrow Account into an individual interest bearing sub-escrow account in the name of such 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.

1.3. ESCROW AGENT has designated the following attorneys to serve as signatories for the Master Escrow Account: Allan Starr, Esq., Andrea L. Roschelle, Esq., Samantha Sheeber, Esq. and Jane Rosenberg, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. ESCROW AGENT and all Authorized

Signatories have an address of 245 Fifth Avenue, Suite 1102, New York, New York 10016, and a telephone number of (212) 620-2680.

1.4. Neither ESCROW AGENT nor any Authorized Signatories on the Master Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Offering Plan), or any principal thereof, or have any beneficial interest in any of the foregoing.

1.5. ESCROW AGENT and all signatories designated herein hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.6. The Master Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

1.7. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement (defined below), or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to SPONSOR only in the event there is a consummation of the Offering Plan (i.e., the Offering Plan is declared effective) and Purchaser defaults.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1. All Deposits received from Purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the Master Escrow Account. All instruments to be deposited into the Master Escrow Account shall be made payable directly to the order of "Starr Associates LLP, Escrow Agent". Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited into the Master Escrow Account, shall be returned to the Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of Deposits, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2. Within ten (10) business days after tender of the Deposit submitted with the purchase agreement or subscription agreement ("Purchase Agreement"), ESCROW AGENT shall notify the Purchaser of the placement of the Deposit into the Master Escrow Account, provide the account number, and disclose the initial interest rate. If the Purchaser does not receive such notification within fifteen (15) business days after tender of the Deposit, the Purchaser may cancel the Purchase Agreement and rescind within ninety (90) days after tender of the Deposit. 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, New York, 10271 ("Department of Law"). Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited in accordance with the

Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS.

3.1. Under no circumstances shall Sponsor seek the release of the Deposits of a defaulting Purchaser until after consummation of the Offering Plan (i.e., the Effective Date). Consummation of the Offering Plan shall not relieve SPONSOR of its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and GBL Section 352-h.

3.2. ESCROW AGENT shall release the Deposit if so directed:

3.2.1. pursuant to terms and conditions set forth in the Offering Plan and Escrow Rider to the Purchase Agreement, upon closing of title to the Unit; or

3.2.2. in a subsequent writing signed by both SPONSOR and the Purchaser; or

3.2.3. by a final, non-appealable order or judgment of a court.

3.3. If the Deposits are not released pursuant to paragraph 3.2 and ESCROW AGENT receives a request by SPONSOR or Purchaser to release the Deposits, ESCROW AGENT shall give both parties prior written notice of not fewer than 30 days before releasing the Deposits. If ESCROW AGENT has not received notice of objection to the release of the Deposits at the expiration of the 30 day period, the Deposits shall be released and ESCROW AGENT shall provide further written notice to both parties informing them of the release of the Deposits. If ESCROW AGENT receives a written notice from either party objecting to the release of the Deposits within the 30 day period set forth in the notice, ESCROW AGENT shall continue to hold the Deposits until otherwise directed pursuant to paragraph 3.2. However, ESCROW AGENT shall also have the right at any time to deposit the Deposits with the clerk of a court in the county in which the Unit is located and shall give written notice to both parties of such deposit.

3.4. SPONSOR shall not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Deposit to:

3.4.1. a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan, or

3.4.2. all Purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

3.5. In the event SPONSOR and a Purchaser close title under the Purchase Agreement, ESCROW AGENT shall be entitled to release the Deposit to SPONSOR without the need for a written agreement from Purchaser.

4. RECORDKEEPING.

4.1. ESCROW AGENT shall maintain all records concerning the Master Escrow Account for seven (7) years after release of the funds.

4.2. Upon the dissolution of ESCROW AGENT, the former partners of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3. ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1. ESCROW AGENT shall maintain the Master Escrow Account under its direct supervision and control.

5.2. A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary and statutory obligations under GBL §§ 352(e)(2-b) and 352(h).

5.3. ESCROW AGENT shall not be liable to SPONSOR for any error in judgment, mistake of fact or law or for any act or omission on ESCROW AGENT'S part, including, without limitation, any act or omission which permits a Purchaser to rescind a Purchase Agreement, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of ESCROW AGENT.

5.4. ESCROW AGENT shall be permitted to act as counsel for SPONSOR in any dispute as to the disbursement of the Deposit or any other dispute between SPONSOR and a Purchaser whether or not ESCROW AGENT is in possession of the Deposit and continues to act as ESCROW AGENT.

5.5. ESCROW AGENT may rely upon any document which may be submitted to it in connection with its duties under this 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.

5.6. ESCROW AGENT may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to ESCROW AGENT in respect of any action taken or omitted in good faith by ESCROW AGENT hereunder in accordance with the opinion of such counsel.

5.7. The provisions of paragraphs 5.5 and 5.6 shall apply only to SPONSOR and nothing contained therein shall be in derogation of the rights of a Purchaser under Article 23-A of the GBL.

6. RESPONSIBILITIES OF SPONSOR.

6.1. SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver all Deposits received by them prior to closing of an individual transaction to a designated attorney who is a partner of, or attorney or legal assistant employed by, ESCROW AGENT within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by ESCROW AGENT from time to time.

6.2. SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary and statutory obligations set forth in GBL §§ 352(e)(2-b) and 352(h) and the Department of Law's regulations promulgated thereto.

6.3. SPONSOR shall obtain or cause the selling agent under the Offering Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from each Purchaser and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1. This Agreement shall remain in effect unless and until it is cancelled by either:

7.1.1. Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent. Purchaser shall be deemed to have consented to such cancellation; or

7.1.2. The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Master Escrow Account on the date of such resignation. Such amendment shall disclose the identity of the successor escrow agent, the bank in the State of New York where the Deposit is being held, and the account number in which the Deposits will be held, and shall be served on all Purchasers by SPONSOR; or

7.1.3. All units offered by SPONSOR pursuant to the Offering Plan have been sold and no Deposits of Purchasers from SPONSOR remain in the Master Escrow Account.

7.2. Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2, ESCROW AGENT shall deliver any and all funds held by ESCROW AGENT in escrow and any and all Purchase Agreements or documents maintained by ESCROW AGENT relating to such funds to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

SPONSOR agrees to pay ESCROW AGENT for services rendered by its attorneys and paralegals and expenses incurred by ESCROW AGENT in connection with this Agreement, including, without limitation, disputes arising with respect to the Deposit. SPONSOR shall not be charged with any administrative costs for maintenance of the Master Escrow Account. Prior to release of the Deposits, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION

SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs and disbursements, either paid to retain attorneys or representing the value of all legal services rendered by Escrow Agent to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

13. ALTERNATE SECURITY

In the event SPONSOR is authorized by the Department of Law to post a Letter of Credit or Surety Bond as alternate security to secure all or a portion of the Deposits, ESCROW AGENT agrees to be the beneficiary of the Letter of Credit or Surety Bond and to act as fiduciary with respect to such Letter of Credit or Surety Bond for the benefit of Purchasers under the Offering Plan whose Deposits were released from escrow in accordance with the "Escrow and Trust Fund" section of the Offering Plan or an amendment to the Offering Plan.

14. ENTIRE AGREEMENT.

This Agreement, read together with GBL Sections 352-e(2-b) and 352-h, the Department of Law regulations, and the Escrow Rider to the Purchase Agreement, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

STARR ASSOCIATES LLP

By: Allan Starr
Name: Allan Starr, Esq.
Title: Partner

SPONSOR:
Harrison Street Residences LLC

By: Matrix Harrison LLC, Managing Member

By: MH Realty Services, Managing Member

By:
Name: Sean Zalkic
Title: Authorized Signatory

CERTIFICATION OF SPONSOR AND PRINCIPALS

PART 20: 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
7 Harrison Street Condominium
7 Harrison Street
New York, New York 10013

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and 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 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.

This certification may be executed in counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same instrument.

SPONSOR

Harrison Street Residences LLC

By: Matrix Harrison LLC, Managing Member

By: MH Realty Services, Managing Member
By: _____
Name: Scott Sabbagh
Title: Authorized Signatory

PRINCIPALS OF SPONSOR

_____
Scott Sabbagh

_____
Shane Neuringer

_____
Sean Zalka

_____
Doug Bowen

_____
Bohdy Hedgcock

Sworn to before me this
30th day of September, 2013

_____
Notary Public

YAN GU
Notary Public - State of New York
NO. 01GU6174434
Qualified in New York County
My Commission Expires 09-17-2015

Sworn to before me
this ____ day of _____

_____
Notary Public

00015063.DOC

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.

This certification may be executed in counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same instrument.

SPONSOR

Harrison Street Residences LLC

By: Matrix Harrison LLC, Managing Member

By: MH Realty Services, Managing Member
By: _____
Name: _____
Title: Authorized Signatory

Sworn to before me this
23rd day of Sept 2013

Notary Public

DIANNE M. BROWN
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN NEW YORK COUNTY
REG. #01BR6178963
MY COMM. EXPIRES 12/17/2015

PRINCIPALS OF SPONSOR

Scott Sabbagh

Shane Neuringer

Sean Zalka

Doug Bowen

Bobby Hedgcock

Sworn to before me
this ____ day of _____

Notary Public

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.

This certification may be executed in counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same instrument.

SPONSOR

Harrison Street Residences LLC

By: Matrix Harrison LLC, Managing Member

By: MH Realty Services, Managing Member
By: _____
Name: _____
Title: Authorized Signatory

Sworn to before me this
_____ day of _____

_____
Notary Public

PRINCIPALS OF SPONSOR

Scott Sabbagh

Shane Neuringer

Sean Zalka

Doug Bowen

Bohdy Hedgcock

Sworn to before me
this 23 day of July 2013

Notary Public

Sean Zalka personally appeared

VICTOR J DEANS
Notary Public - State of New York
NO. 01DE6254149
Qualified in Kings County
My Commission Expires 9/17/16

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.

This certification may be executed in counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same instrument.

SPONSOR

Harrison Street Residences LLC

By: Matrix Harrison LLC, Managing Member

By: MH Realty Services, Managing Member
By: _____
Name: _____
Title: Authorized Signatory

Sworn to before me this
_____ day of _____

_____
Notary Public

PRINCIPALS OF SPONSOR

_____
Scott Sabbagh

_____
Shane Neuringer

_____
Sean Zalka

Doug Bowen

Boldy Hedgcock

Sworn to before me
this 20th day of September

Notary Public

CHRISTINE SANTIAGO
NOTARY PUBLIC-STATE OF NEW YORK
No. 01SA6200202
Qualified in Bronx County
My Commission Expires January 26, 2017

CERTIFICATION OF ARCHITECT

PART 20: CERTIFICATION OF ENGINEER OR ARCHITECT
RE: NEWLY CONSTRUCTED OR VACANT UNITS

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

September 13, 2013

Re: Condominium Offering Plan
7 Harrison Street Condominium
7 Harrison Street
New York, New York 10013

The sponsor of the condominium offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the renovation of the property (the "Report"). We visually inspected existing portions of the renovated property on 9/12/13, prepared the building plans and specifications dated 9/13, 2013 and prepared the Report dated 9/13, 2013 a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a registered architect in the State of New York.

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

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

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

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

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

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

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that my/our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

DXA Studio Architecture PLLC

By: _____

Name: JORDAN ROGOVE

Title: PARTNER, DXA STUDIO

REGISTERED ARCHITECT
JORDAN PAUL ROGOVE
032416
STATE OF NEW YORK

(Engineer's or Architect's Seal)

Sworn to before me this
23 day of September 2013

_____
Notary Public

ALEJANDRO FELIZ
Notary Public - State of New York
NO. 01FE6206446
Qualified in Queens County
My Commission Expires May 18, 2017

CERTIFICATION OF BUDGET EXPERT

Douglas Elliman
Property Management

PART 20: CERTIFICATION BY EXPERT AS TO ADEQUACY OF CONDOMINIUM BUDGET

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

February 19, 2013

Re: Condominium Offering Plan
7 Harrison Street Condominium
7 Harrison Street
New York, New York 10013

The sponsor of the condominium offering plan for the captioned Property retained our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. Douglas Elliman Property Management is involved in the management of a significant number of Cooperatives, Condominiums and Rental Properties in the greater New York metropolitan area consisting of approximately 300 properties containing approximately 45,000 residential units. Douglas Elliman Property Management and its predecessors have been engaged in the management of Cooperatives, Commercial and Rental Properties for more than 20 years.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the 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 also have 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 upon which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

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Douglas Elliman
Property Management

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

(vii) do not contain any representation or statement which is false, where I/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 or 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.

DOUGLAS ELLIMAN
PROPERTY MANAGEMENT

By: _____
Name: Eli S. Garber
Title: Vice President

Sworn to before me this
19th day of February, 2013

_____
Notary Public

DONNA M. CHIN
NOTARY PUBLIC, State of New York
No. 01CH5078927
Qualified in Kings County
Commission Expires 7/16/15

**CERTIFICATION OF BUDGET EXPERT
AS TO ADEQUACY OF COMMON CHARGES
PAYABLE BY THE RETAIL UNIT OWNER**

Douglas Elliman
Property Management

PART 20: CERTIFICATION BY EXPERT CONCERNING ADEQUACY OF
COMMON CHARGES PAYABLE BY THE NON-RESIDENTIAL UNIT OWNER(S)

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

February 19, 2013

Re: Condominium Offering Plan
7 Harrison Street Condominium
7 Harrison Street
New York, New York 10013

The sponsor of the condominium offering plan for the captioned Property retained our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. Douglas Elliman Property Management is involved in the management of a significant number of Cooperatives, Condominiums and Rental Properties in the greater New York metropolitan area consisting of approximately 300 properties containing approximately 45,000 residential units. Douglas Elliman Property Management and its predecessors have been engaged in the management of Cooperatives, Commercial and Rental Properties for more than 20 years.

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

We have reviewed Schedule B as it impacts upon the non-residential unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

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

We certify that the estimates in Schedule B for the common charges payable by the owner of the non-residential unit:

(i) sets forth in detail the projected common charges for the non-residential unit for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner(s) of the non-residential unit;

Douglas Elliman
Property Management

(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 non-residential unit for the first year of condominium operation.

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

DOUGLAS ELLIMAN
PROPERTY MANAGEMENT

By: _____
Name: Eli S. Garber
Title: Vice President

Sworn to before me this
19th day of February, 2013

_____
Notary Public

DONNA M. CHIN
NOTARY PUBLIC, State of New York
No. 01CH5078927
Qualified in Kings County
Commission Expires 7/16/15

REAL PROPERTY LAW SECTION 339-kk

NEW YORK REAL PROPERTY LAW § 339-kk

§ 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 have 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 once 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.

§HISTORY: Add, L 1998, ch 422, § 3, eff July 22, 1998 (see 1998 note below).

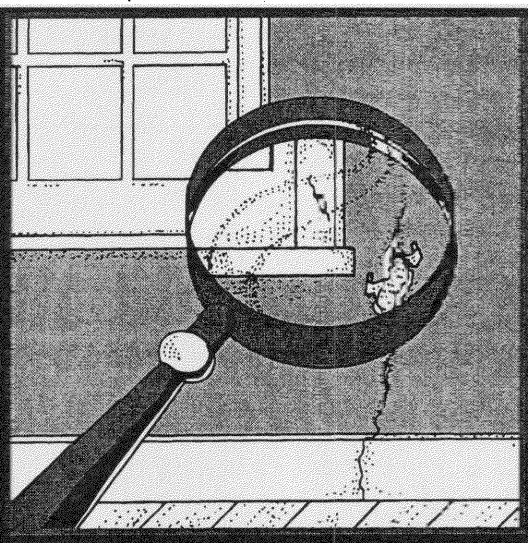
EDITOR'S NOTES:

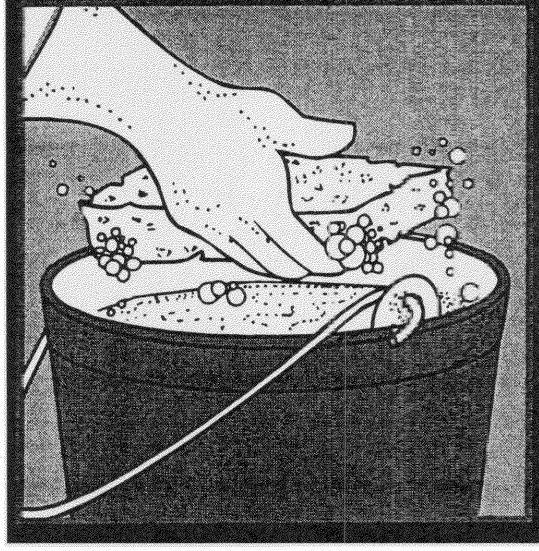
Laws 1998, ch 422, §§ 4, 5, eff July 22, 1998, provide as follows:

§ 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.

PROTECTING YOUR FAMILY FROM LEAD IN YOUR HOME





Protect Your Family From Lead In Your Home

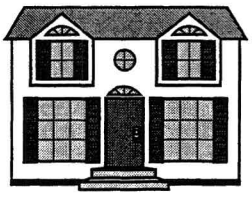
EPA United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

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.



OWNERS, BUYERS, and RENTERS are encouraged to check for lead (see page 6) before renting, buying or renovating pre-1978 housing.

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 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 about lead-based paint. Buyers have up to 10 days to check for lead.

RENOVATORS disturbing more than 2 square feet of painted surfaces have to give you this pamphlet before starting work.

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:

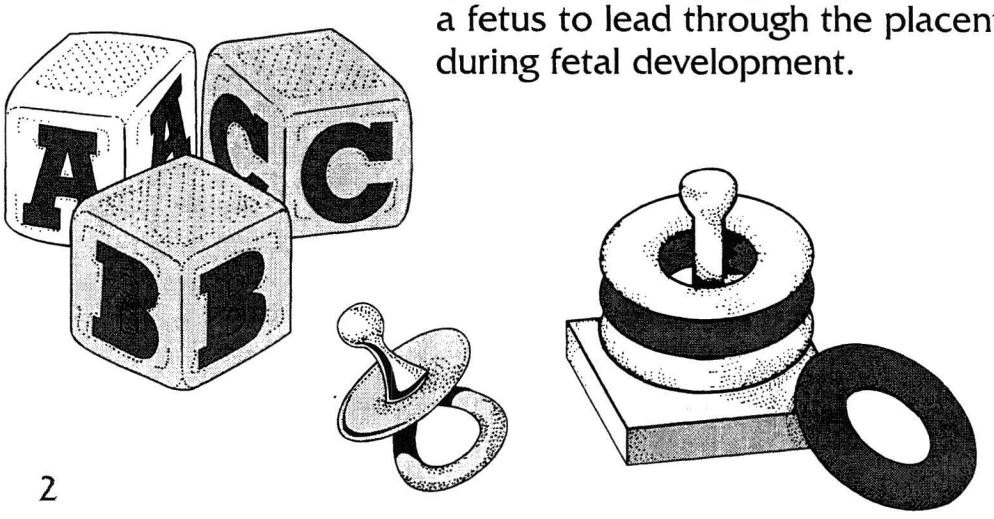
- Breathe in lead dust (especially during renovations that disturb painted surfaces).
- Put their hands or other objects covered with lead dust in their mouths.
- Eat paint chips or soil that contains lead.

Lead is even more dangerous to children under the age of 6:

- At this age 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 is also dangerous to women of childbearing age:

- Women with a high lead level in their system prior to pregnancy would expose a fetus to lead through the placenta during fetal development.



Lead's Effects

It is important to know that even exposure to low levels of lead can severely harm children.

In children, lead can cause:

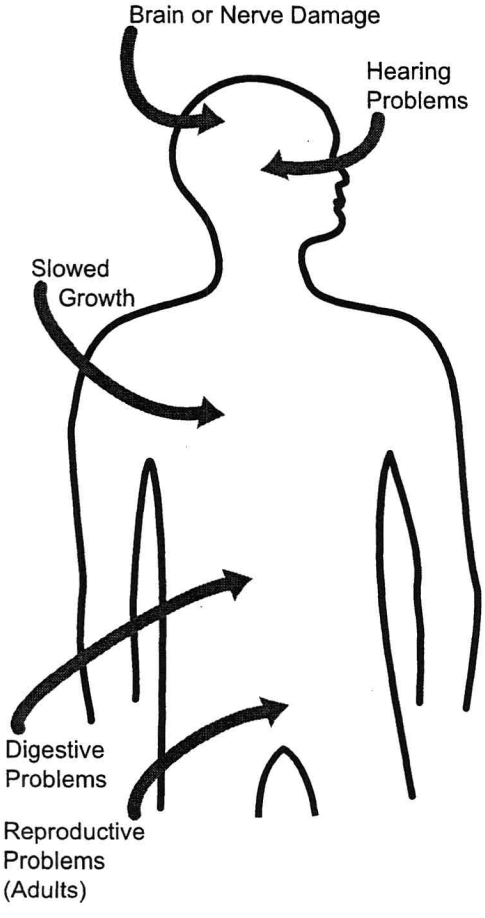
- Nervous system and kidney damage.
- Learning disabilities, attention deficit disorder, and decreased intelligence.
- Speech, language, and behavior problems.
- Poor muscle coordination.
- Decreased muscle and bone growth.
- Hearing damage.

While low-lead exposure is most common, exposure to high levels of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults too.

In adults, lead can cause:

- Increased chance of illness during pregnancy.
- Harm to a fetus, including brain damage or death.
- Fertility problems (in 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:

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

- Windows and window sills.
- Doors and door frames.
- Stairs, railings, banisters, and porches.

Lead dust can form when lead-based paint is scraped, 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 tested for lead in several different ways:

- A paint **inspection** tells you whether your home has lead-based paint and where it is located. It won't tell you whether or not your home currently has lead hazards.
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards.
- A combination risk assessment and inspection tells you if your home has any lead hazards and if your home has any lead-based paint, and where the lead-based paint is located.

Hire a trained and certified testing professional who will use a range of reliable methods when testing your home.

- Visual inspection of paint condition and location.
- A portable x-ray fluorescence (XRF) machine.
- Lab tests of paint, dust, and soil samples.

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency (see bottom of page 11) for more information, or call **1-800-424-LEAD (5323)** 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 kits 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 state or local agency (see bottom of page 11) for help in locating certified professionals in your area and to see if financial assistance is available.

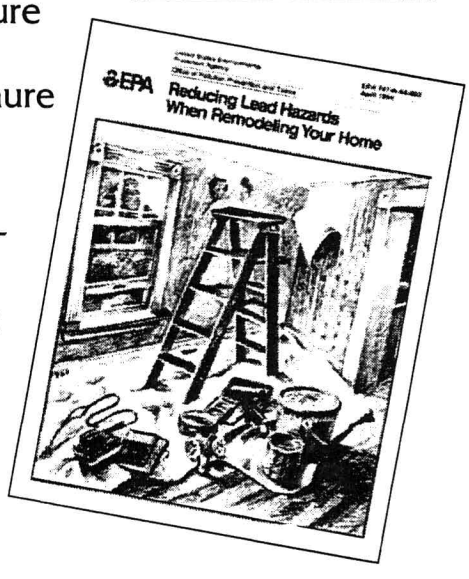
Remodeling or Renovating a Home With Lead-Based Paint

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):

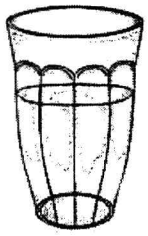
- **Have the area tested for lead-based paint.**
- **Do not use a belt-sander, propane torch, high temperature heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **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.

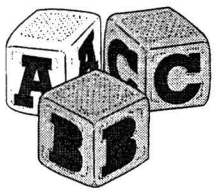


Other Sources of Lead

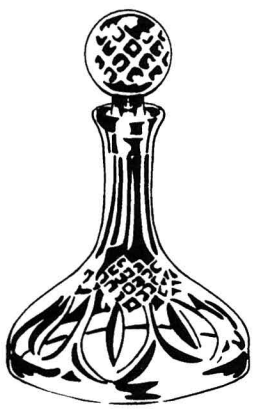


While paint, dust, and soil are the most common sources of lead, other lead sources also exist.

- **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.

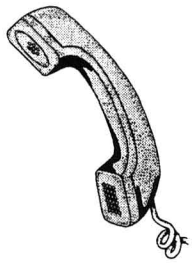


- Old painted **toys** and **furniture.**
- Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain.**
- **Lead smelters** or other industries that release lead into the air.



- **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



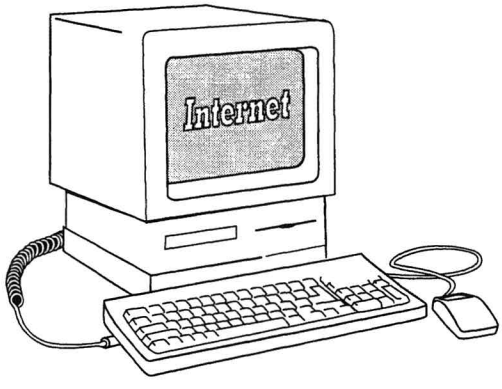
The National Lead Information Center

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/.**

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 Web site 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.**

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** to access any of the phone numbers in this brochure.

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

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U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

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June 2003

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, high temperature heat gun, scraper, or sandpaper on painted surfaces that may contain lead.
- Don't try to remove lead-based paint yourself.

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