CONDOMINIUM OFFERING PLAN

505 WEST 19TH STREET CONDOMINIUM

505 WEST 19TH STREET
NEW YORK, NEW YORK 10011

35 Residential Units (including 1 Resident Manager's Unit):	$211,740,000
2 Commercial Units	$20,000,000
3 Parking Spaces	$1,460,000
1 Unassigned Storage Locker	$36,000
Total Offering Amount	$233,236,000

The Condominium will also include: (a) 34 assigned and 1 unassigned Storage Lockers and (b) a High Line Unit to be used for storage only which will not be owned by Sponsor and is not the subject of this Offering Plan.

SPONSOR:

HFZ Highline Property Owner LLC
c/o HFZ Capital Group
600 Madison Avenue, Seventeenth Floor
New York, New York 10022

SELLING AGENT:

Corcoran Sunshine Marketing Group
888 Seventh Avenue, 39th Floor
New York, New York 10106
(212) 634-6501

Filing Date of this Offering Plan: January 2, 2014. This Offering Plan may not be used after January 1, 2015, 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.

TABLE OF CONTENTS
PART I

Section	Page
SPECIAL RISKS	1
INTRODUCTION	17
DEFINITIONS	25
DESCRIPTION OF PROPERTY AND IMPROVEMENTS	33
HIGH LINE EASEMENT AGREEMENT	39
LOCATION AND AREA INFORMATION	40
SCHEDULE A – PURCHASE PRICES OF UNITS AND RELATED INFORMATION	43
SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION	51
SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET	61
OPINION OF COUNSEL RE: REAL PROPERTY LAW SECTION 339-I	67
REAL PROPERTY LAW SECTION 339-I COMPLIANCE LETTER	71
COMMERCIAL UNITS	75
CHANGES IN PRICES AND UNITS	78
PROCEDURE TO PURCHASE	80
ESCROW AND TRUST FUND REQUIREMENTS	85
ASSIGNMENT OF OPTION AGREEMENTS	91
EFFECTIVE DATE	92
TERMS OF SALE	93
SALE OF PARKING SPACES	96
CLOSING COSTS AND ADJUSTMENTS	97
RIGHTS AND OBLIGATIONS OF SPONSOR	105
CONTROL BY SPONSOR	117
CONDOMINIUM BOARD	119
RIGHTS AND OBLIGATIONS OF UNIT OWNERS	120
RIGHTS AND OBLIGATIONS OF THE CONDOMINIUM BOARD/ SUMMARY OF BY-LAWS	130
INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM	136
REAL ESTATE TAXES	138
WORKING CAPITAL FUND AND APPORTIONMENTS	139
RESERVE FUND	141
MANAGEMENT AGREEMENT	142
IDENTITY OF PARTIES	144
REPORTS TO UNIT OWNERS	147
GENERAL	148
SPONSOR'S STATEMENT OF BUILDING CONDITION	149

TABLE OF CONTENTS

PART II

Section	Page
DESCRIPTION OF PROPERTY AND IMPROVEMENTS	153
FLOOR PLANS	185
OPTION AGREEMENT	233
UNIT DEED	269
STORAGE LOCKER LICENSE	277
ASSIGNMENT AND ASSUMPTION OF STORAGE LOCKER LICENSE	283
DECLARATION OF CONDOMINIUM	287
BY-LAWS OF THE CONDOMINIUM	327
UNIT POWER OF ATTORNEY	393
UNIT OWNER'S SPECIMEN TITLE POLICY	397
HIGH LINE EASEMENT AGREEMENT	415
ATTORNEY'S INCOME TAX OPINION	431
REAL ESTATE TAX PROJECTION OPINION	437
FORM W-8 (CERTIFICATION OF FOREIGN STATUS)	447
FORM W-9 (REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)	451
ESCROW AGREEMENT	455
CERTIFICATION OF SPONSOR AND PRINCIPALS	465
CERTIFICATION OF ARCHITECT	469
CERTIFICATION OF BUDGET EXPERT	473
CERTIFICATION OF BUDGET EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE NON-RESIDENTIAL UNIT OWNERS	477
REAL PROPERTY LAW SECTION 339-kk	481

PART I

CONDOMINIUM OFFERING PLAN

505 WEST 19TH STREET CONDOMINIUM
505 WEST 19TH STREET
NEW YORK, NEW YORK 10011

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) Purchasers should note that the agreement pursuant to which they will acquire the Unit is referred to as an Option Agreement. This characterization is consistent with Sponsor's intention to treat the Option Agreement for purposes of applicable provisions of the Internal Revenue Code as similar to federal income tax purposes in the same manner as it would be able to account for such sale if the Unit had constituted a separate townhouse or other separate dwelling. A Purchaser is not receiving any "options" not included in a standard real estate contract and if Purchaser does not close on the Option Agreement, Purchaser will forfeit Purchaser's Premium Payment as liquidated damages. Purchasers should note that Sponsor's characterization of the Option Agreement is not binding on the Internal Revenue Service ("IRS") which may challenge such characterization. However, even if the IRS was to successfully challenge Sponsor's tax characterization of the Option Agreement and Premium Payment as described above, there will be no adverse tax or other consequences to Purchaser. In accordance with the Option Agreement, Sponsor cannot compel specific performance as a remedy against Purchaser. Sponsor is bound, however, to sell to a Purchaser that elects to perform all of Purchaser's obligations under the Option Agreement.

(c) At the time an Option Agreement is executed, Purchaser is required to make an initial Premium Payment in an amount equal to 10% of the Purchase Price and an additional Premium Payment equal to 10% of the Purchase Price upon the earlier to occur of (i) 90 days after Purchaser executes the Option Agreement or (ii) within 15 days of the Presentation Date of the amendment declaring the Plan effective. A Purchaser executing an Option Agreement on or after the date the Plan is declared effective is required to make the full Premium Payment in an amount equal to 20% of the Purchase Price.

(d) In the event a Purchaser defaults under the Option Agreement, time being of the essence with regard to the obligations of Purchaser under the Option Agreement, Sponsor, in its sole discretion, may elect by written notice to Purchaser to cancel the Option Agreement. If Sponsor elects to cancel the Option Agreement, Purchaser shall have 30 days from the giving of the written notice of cancellation by Sponsor to cure the specified default. If the default is not cured within such 30 days, TIME BEING OF THE ESSENCE, then the Option Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, (a) the entire Premium Payment and any interest earned on the Premium Payment and (b) Unit Upgrade Funds. Upon the cancellation of the Option 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 Option Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. (See the Section of the Plan entitled "Procedure to Purchase" and "Escrow and Trust Fund Requirements" for details).

(e) TIME IS OF THE ESSENCE as to Purchaser's obligations under the Option Agreement, including, without limitation for the payment of all Premium Payments and the Exercise 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.

(f) Under current law, if a Purchaser makes a Premium Payment 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 Premium Payment, 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 or W-8 Form to Sponsor, the Premium Payment shall remain in the non-interest bearing portion of the Master Escrow Account. While the Premium Payment is in the non-interest bearing portion of the Master Escrow Account, the Premium Payment may not be federally insured even if the Premium Payment 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.)

(g) If Sponsor makes an application to the Department of Law to withdraw the Premium Payments from escrow and secures the Premium Payments 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 Premium Payments. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for details.)

(h) 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 Option Agreement and the Plan. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

(i) The signing of the Option 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 Lockers, 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 Lockers, 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.)

(j) Sponsor anticipates that the First Closing of a Residential Unit will occur on or about January 1, 2015. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Residential Unit; or (ii) the projected date of closing of title to the first Residential Unit occurs later than December 31, 2015, twelve months after the projected date for the First Closing. If the Plan is amended to provide for a later projected date for the First Closing, Purchasers of Residential Units will be entitled to an offer of rescission if the First Closing occurs more than 12 months beyond that amended, later date.

However, if the first unit closing occurs on or before December 31, 2015 the Sponsor may schedule the closings of title to other units significantly later than such date. Unless a Purchaser's Option Agreement contains an outside closing date, Sponsor is not obligated to schedule such Purchaser's closing within any specified time frame or to ensure that closing of title to said Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

(k) Any Unit Upgrade Funds will initially be placed in the Master Escrow Account. However, Purchasers should note that Unit Upgrade Funds may be released from the Master Escrow Account by Escrow Agent to Sponsor to pay, or reimburse Sponsor, for such upgrades or extras. As a result, in the

event Sponsor cancels the Option Agreement or Purchaser is entitled to rescind the Option Agreement in accordance with the Plan, Purchaser will not receive a refund of Unit Upgrade Funds, except if Sponsor abandons or withdraws the Plan, in which case the Unit Upgrade Funds will be returned to Purchaser. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for details.)

(l) Prior to the Closing of Title to a Residential Unit, the Option 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 Option Agreement set forth in Part II of the Plan for details.)

Sponsor's Right to Rent Unsold Residential Units

2. (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% 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

3. 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

4. (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"). As such, it is possible that Sponsor may never relinquish control of the Condominium Board. 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: (a) a majority of the Residential Members on the Condominium Board must be owner-occupants or a member of an owner-occupant's household who are unrelated to Sponsor and its principals; and (b) 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

(a) The Schedule B includes a line item for a Reserve Fund for the Condominium for the sole purpose of costs and expenses related to capital repairs, replacements and improvements. The Reserve Fund amount was the product of a Reserve Fund Study undertaken by Sponsor. For so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board must maintain a Reserve Fund and any change in the amount of such Reserve Fund shall be made only with Sponsor's prior written consent. As the Building will be new construction, Sponsor does not anticipate the imminent need for such capital repairs, replacements or improvements, however, no assurance or guaranty is given that such needs will not arise in the future.

(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 1 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 Working Capital Fund may only be used for (1) making repairs or replacements to Residential Common Elements; (2) the Residential Unit Owners' share of the cost of repairs and replacements to the General Common Elements; (3) the Residential Unit Owners' share of expenses directly related to the operation of the Building; and (4) the payment of closings costs for the Condominium's acquisition of the Resident Manager's Unit. The payment of the Working Capital Contribution shall be required of all Purchasers of Residential Units, whether purchased from Sponsor or a Residential Unit Owner on a resale.

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

Foreign Government Purchaser

5. 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 Option 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 Option 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 Option Agreement or the Condominium Documents. A Foreign Government Purchaser will be required at Closing to Premium Payment with the Condominium an amount equal to 1 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 Locker

6. (a) Each Purchaser of a Residential Unit will have the exclusive use of a Storage Locker located in the cellar. A Storage Locker constitutes a Residential Limited Common Element appurtenant to a Residential Unit. A Storage Locker 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 Storage Locker Area in which the Storage Locker is located. In such event, Purchasers will not be able to access or use the Storage Locker until such time as a Temporary Certificate of Occupancy has been issued for the Storage Locker Area.

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

Resident Manager's Unit

7. (a) Sponsor shall sell Residential Unit 2E to the Condominium to be used by the Resident Manager and designated as the Resident Manager's Unit. The Purchase Price of the Resident Manager's Unit is $3,150,000. At the Closing of each Residential Unit, each Purchaser will be required to pay on behalf of the Condominium Board, Purchaser's share of the cost of the Resident Manager's Unit, plus all closing costs incurred in connection with the purchase of the Resident Manager's Unit, including, without limitation, recording fees, title insurance, legal fees, transfer taxes and other transaction fees (estimated to be approximately $103,000) determined in accordance with the Common Interest of the Residential Unit acquired, in proportion to the Common Interest of all Residential Units (other than the Resident Manager's Unit). The amount of each Purchaser's share of this closing cost is set forth in the Section of the Plan entitled "Schedule A – Purchase Prices and Related Information". There is no guarantee or assurance that the taxing authorities will not require that each Purchaser's allocable portion of the cost of the Resident Manager's Unit be included in the total consideration deemed to have been paid by Purchaser at Closing, in which case additional transfer taxes may be payable by Purchaser. (See the Footnotes to Schedule A and the Section of the Plan entitled "Closing Costs and Adjustments" for details.)

(b) Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Residential Unit 2E to sell to the Condominium as the Resident Manager's Unit, provided, however, that such sale shall only be made pursuant to an amendment to the Plan and shall not result in an increase of each Purchaser's share of the cost of the Resident Manager's Unit by more than 25%.

(c) See the Section of the Plan entitled "Schedule B - Budget for First Year of Condominium Operation" for details regarding the costs of housing the Resident Manager.

No Bond or Other Security Posted

8. To the best of Sponsor's knowledge, as of the Filing Date of the Plan, Sponsor has sufficient resources to find 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

9. 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 the Fitness Center) may not be available until approximately 12 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

10. (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 a Temporary Certificate of Occupancy and a Permanent Certificate 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 is obligated to procure the Permanent Certificate of Occupancy. Notwithstanding the foregoing, the Condominium Board may refuse to permit a Residential Unit Owner to perform alterations to a Residential 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 Buildings Department 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 Buildings Department 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 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 closing conditions set forth in the Section of the Plan entitled "Terms of Sale."

On-Going Construction

11. (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 Lockers, 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. The Condominium Board may refuse to permit a Residential Unit Owner to perform alterations to a Residential Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained. 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 5 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 Option 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, emergency generator, domestic water tanks, chillers, and

packaged units (collectively, "Equipment") located in the cellar, on the roof and the roof bulkheads. The Condominium Board and Sponsor have the right to operate the emergency generator as necessary, as well as to activate the emergency generator for testing on a periodic basis, normally once per month. During such testing periods, which may occur at any time, Residential Unit Owners may experience excessive noise and vibration, which may exceed applicable New York City noise requirements. The Condominium Board and Sponsor will attempt to minimize any potential disruption. 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 Commercial 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.)

Commercial Units

12. (a) No representation is made with respect to the ownership of all or any portion of the Commercial Units, or as to who the future owners or tenants of any portion of the Commercial Units may be at any time or as to the uses to which the Commercial Units may be put at any time except that the Commercial Units may be used for any purpose permitted by Law, except for manufacturing, workshop or industrial purposes, the storage of hazardous materials (other than in a de minimis amount for the customary purposes of cleaning), uses involving on-site food preparation, or any use that would pose a health or safety threat or result in excessive noise or noxious odors, dirt or other sanitary problems. No assurance, representation, or warranty is given that any of the tenants, occupants, or users of the Commercial Units will not be objectionable to Residential Unit Owners or other parties. The uses of the Commercial Units may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control.

(b) Each Commercial Unit may be combined or subdivided by the Commercial Unit Owner into two or more separate condominium units without prior notice and without amendment to the Plan. Additionally, any Commercial Unit created as a result of such subdivision will retain the same rights afforded the Commercial Unit Owners as set forth in the Declaration and the By-Laws. The Commercial Unit Owner shall obtain all necessary permits and approvals required by the Building Department and shall cause the certificate of occupancy to be appropriately amended in the event of such combination or subdivision.

(c) The Commercial Units or any additional condominium units created as a result of a subdivision of a Commercial 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) Each Commercial Unit Owner shall have the right and easement (i) for ingress and egress through all Common Elements for the sole purpose of accessing any portion of such Commercial Unit or any portions of the Building servicing such Commercial Unit; and (ii) to erect, maintain, replace and/or repair any sign and/or lighting of such size and content as the Commercial Unit Owner shall determine, in the storefronts and windows of such Commercial Unit for the purposes of advertising the sale or lease of all or any portion of such Commercial Unit and/or operation of any business of a tenant or occupant of such

Commercial Unit. Each Commercial Unit Owner shall each be entitled to utilize such rights and easements for their own account or the account of their respective Permitted Users.

(e) Each Commercial Unit Owner (subject to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit) shall have the right, but not the obligation, at such Commercial Unit Owner's sole cost and expense to alter, modify, and/or restore the exterior façade of the Building appurtenant to such Commercial Unit (including storefronts and windows of such Commercial Unit) and to create additional means of egress and ingress to such Commercial Unit, provided that such alterations, modifications and/or restorations are in compliance with Law and the terms of the Declaration and By-Laws.

(f) Certain budgeted items (See the "Notes to Schedule B" for details) are allocated between the Residential Units and the Commercial Units 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 unanimous consent of the Commercial Unit Owners.

(g) See the Section of the Plan entitled "Commercial Units" for details.

Parking Spaces

13. (a) Sponsor is offering Purchasers of Residential Units the opportunity to purchase deeded interests in Parking Spaces for the exclusive use of Purchaser for so long as such Purchaser owns a Residential Unit in the Building. The Parking Spaces will be offered for sale to Purchasers of Residential Units on a first-come, first-served basis.

(b) There is one (1) ADA compliant Parking Space being offered for sale ("Parking Space 1"). A Residential Unit Owner (or such Residential Unit Owner's successors and assigns) who does not qualify for the use of an ADA compliant Parking Space may purchase Parking Space 1 ("Original Purchaser"). However, in the event that a Residential Unit Owner who qualifies for the use of an ADA compliant Parking Space wishes to purchase Parking Space 1 for such use ("New Purchaser"), the Original Purchaser will be required to sell Parking Space 1 to the New Purchaser at its then current fair market value ("FMV"). Parking Space 1's FMV shall be based upon the judgment of an independent appraiser, which appraiser shall be selected and mutually agreed upon by Original Purchaser and New Purchaser (and in the event the Original Purchaser and New Purchaser cannot agree within a reasonable timeframe, the independent appraiser shall be selected by the Condominium Board), but in no event will the FMV of Parking Space 1 be less than the purchase price paid by Original Purchaser. New Purchaser shall be responsible for the costs of the independent appraiser's services, along with all transfer taxes resulting from the sale of Parking Space 1. Original Purchaser, and each subsequent owner of Parking Space 1, shall only be subject to these provisions if they do not qualify for the use of an ADA compliant Parking Space. The deed for Parking Space 1, and each subsequent deed for such Parking Space, shall contain a restriction that ownership of Parking Space 1 is subject to these provisions.

(c) As there will be fewer Parking Spaces available for purchase than there are total Residential Units, Purchasers should not purchase a Residential Unit in reliance on the availability of a Parking Space, and Sponsor makes no representation or guaranty as to the availability of a Parking Space to any particular Residential Unit Owner. The Purchase Prices for Parking Spaces are set forth in the Schedule A – Purchase Prices and Related Information. Purchasers should note that the Closing of Title to a Parking Space does not require the issuance of a Temporary Certificate of Occupancy. Purchasers will be required to consummate the purchase of the Parking Space simultaneously with the Closing of the Residential Unit. Alternatively, at Sponsor's sole discretion, Closing of Title to a Parking Space may not occur simultaneously with the Closing of Title to the Residential Unit, which may result in additional costs to be incurred by Purchaser. (See the Section of the Plan entitled "Terms of Sale" 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 Option Agreements for the sale of a minimum of 15% of the Residential Units offered for sale (excluding the Resident Manager's Unit) (i.e. 6 Residential Units based on 34 Residential 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.

Option 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 an Option 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 an Option Agreement. While the First Closing is projected to occur on or about January 1, 2015, 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 Option 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 or Holder of Unsold Shares has not sold a substantial percentage of the 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 (a) antennae, satellite dishes and other communications equipment, and (b) 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 Commercial Unit Owners 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 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) 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. (See the Sections of the Plan entitled "Changes in Prices and Units" and "Rights and Obligations of Sponsor" for details.)

(e) 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 Commercial Unit Owners unless the affected Commercial 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 northern façade of the East Tower of the Building. Purchasers should refer to the Description of Property and Improvements set forth in Part II of the Plan for the specific Residential Units containing lot line windows. 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). Sponsor makes no representation that this cost will not increase in the future. 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 Lockers appear in Part II of the Plan. Each Unit is measured horizontally from the exterior face of the exterior walls (perimeter mechanical pipes are not deducted) to the midpoint of the interior walls and the midpoint of partitions separating one Unit from another Unit, public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements. Any Common Elements located within a Unit shall not be considered a part of such Unit. Each Unit is measured vertically from the top of the concrete floor slab below (located under the finished flooring and sub-flooring materials) comprising the lowest floor to the Unit to the underside of the concrete slab forming the ceiling of the highest floor of the Unit.

(b) Floor Plans depicting Parking Spaces appear in Part II of the Plan.

(c) 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.)

Excess Development Rights

23. Sponsor does not anticipate that any Excess Development Rights will remain upon completion of the Building. However, if the applicable provisions of the Zoning Resolution change in the future, such changes may generate transferable Excess Development Rights which are not included in the Property and shall be the exclusive property of Sponsor. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Excess Development Rights. If any Excess Development Rights are transferred to an adjoining property, the light and air of the Building and views from Residential Units and/or Terraces may be affected. Notwithstanding the foregoing, Excess Development Rights may not be used to expand the size, height, bulk or density of any portion of the Property after the recording of the Declaration. (See the section of the Plan entitled "Rights and Obligations of Sponsor" and the Declaration in Part II of the Plan for details.)

Listing Restriction on Resale

24. For twelve (12) months following the Closing of Title to a Residential Unit, a Residential Unit Owner may not list the Residential Unit for sale with any broker, 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 withheld or delayed in Sponsor's sole and absolute discretion.

Terraces

25. Purchasers should note that if the drains on the Terraces appurtenant to Residential Units become blocked by snow, ice or debris, ponding may occur on such Terraces and water may enter the Unit. Purchasers should ensure that the drains on the Terraces are unobstructed at all times.

Emergency Power

26. A natural gas fueled emergency generator will be located on the roof of the West Tower, which will be supplied with fuel by Con Edison, which will support specified emergency and optional standby loads. In addition to the emergency loads for the residential portions of the Building, standby loads are provided for primary kitchen appliances, lighting in Residential Units and outlets in one bathroom and the master bedroom. Sponsor has the right to operate the emergency generator as necessary, as well as to activate the emergency generator for testing on a periodic basis, normally once

per month. During such testing periods, excessive noise and vibration, which may exceed applicable NYC noise requirements, may occur. The Condominium Board and Sponsor will attempt to minimize any potential disruption to occupants of the Building. (See the Description of Property and Improvements set forth in Part II of the Plan for details.)

Wood Materials

27. Purchasers should note that, natural materials used as finishes have certain inherent risks associated with such use. All references in the Plan to wood products shall be deemed references to engineered wood products unless otherwise specified. The Residential Units will be delivered with wood floors, which should not be washed with water and need to be maintained in accordance with the manufacturer's recommendations. Risks associated with all wood products (including, without limitation, wood flooring, furniture, cabinetry interior of cabinetry may or may not be the same material and/or color as the exterior and molding) include but are not limited to the following: appearance of cracks between the floor boards squeaks, variation in color, variation in wood grain, texture, occurrence of knots and cupping. Purchasers should note that since wood is a product of nature it can have a great deal of variability in color, grain, texture and appearance. Cracks, occurrence of knots and grain variation are more noticeable in light colored wood flooring. Furthermore, wood flooring is affected by sunlight and often fades and changes with use and age. Some woods darken and some lighten when exposed to light. Wood flooring can also dent. Protective felt pads and protective sheeting such as plywood or masonite should always be used for furniture or appliances. A wet mop should never be used on the wood flooring because it can cause warping and cracking. Standing water will cause cupping, swelling, and subsequent gapping. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" and "Rights and Obligations Unit Owners" as set forth in the Plan.)

High Line Easement Agreement

28. (a) Pursuant to Section 98-61 et seq. of the Zoning Resolution, no development may take place on a zoning lot over which the High Line passes, unless the owner of such property conveys to the City of New York ("City") an access easement to allow the City to "provide a means of public pedestrian access to the High Line." Sponsor has conveyed such an easement to the City and the Property is subject to that certain access easement volume agreement, dated as of January 24, 2013, and recorded in the Register's Office under CRFN 2013000055100 ("Access Easement and Volume Agreement"), pursuant to which Sponsor has granted to the City an easement over a volume of space adjacent to the High Line to allow the City the right to construct a stair or elevator for public access to the High Line. However, Sponsor and the City are currently in discussion to provide that, in lieu of maintaining the Access Easement Volume Agreement, Sponsor and the City will enter into a "High Line Easement Agreement" pursuant to which, within sixty (60) days of the later to occur of the First Closing of a Residential Unit and the issuance of a TCO for the High Line Unit, Sponsor shall convey the High Line Unit to the City ("High Line Unit Owner"). The High Line Unit Owner will have certain rights and responsibilities as noted below and as more fully set forth in the Declaration and the By-laws. At such time as the City and Sponsor enter into and record the High Line Easement Agreement, the City will terminate the Access Easement and Volume Agreement. The City has agreed in concept to the High Line Easement Agreement and is reviewing the draft document.

(b) The High Line Unit will contain a floor drain, a slop sink, one electrical outlet for 20 amp electrical service, and approximately 393 square feet of space to be used for the storage of equipment and facilities related to the maintenance and operation of the High Line. The High Line Unit Owner and its permitted users will have the right to access the High Line Unit 24 hours a day, 7 days a week via a separate entrance facing 19th Street. In accordance with the High Line Easement Agreement, the High Line Unit Owner shall not (1) operate machinery in front of, or within 200 feet of the doors to, the High Line Unit (except that this restriction shall not affect the City's operation of the streets or the High Line within such 200 feet); (2) permit any part of the High Line Unit to be used or occupied for the

use, storage, production or generation of Hazardous Materials in violation of Hazardous Materials Law(s) (except for standard cleaning and other products that are in containers and commonly used in residential buildings or sold in retail establishments and are maintained in accordance with applicable Law); or (3) engage in activities in or around the High Line Unit which would result in an adverse effect on the operation of the Building or the safety of the other Unit Owners, or that causes any noise, odors, fumes or other adverse impact outside of the High Line Unit that would adversely affect the use of the Building as a first-class residential condominium in Manhattan, or that comprises a public or private nuisance.

(c) Residential Common Charges assessed by the Condominium Board will include the cost of electricity and water provided to, and used in, the High Line Unit. The High Line Unit Owner will be responsible for the maintenance of insurance coverage, as applicable, and the payment of real estate taxes, if any, for the High Line Unit, and shall be responsible for the performance and cost of routine maintenance in and to the High Line Unit. The Condominium Board shall be responsible for the maintenance of the sidewalk directly outside the High Line Unit in the same manner as it maintains all other sidewalks abutting the Building. In accordance with the High Line Easement Agreement, the High Line Unit Owner will not be assessed Common Charges or Special Assessments by the Condominium Board since the High Line Unit will have minimal usage of the Common Elements.

(d) The permitted uses of the High Line Unit, its hours and days of operation, its non-allocation of Common Charges and the High Line Unit Owner's access rights may not be altered without the High Line Unit Owner's sole consent. The High Line Unit Owner will not have a representative on the Condominium Board and will not be entitled to vote its percentage of Common Interest at meetings of Unit Owners.

(e) See the draft copy of the "High Line Easement Agreement" set forth in Part II of the Plan for more information.

Principals of Sponsor Have Executed the Certification of Sponsor and Principals Solely for Compliance with the Martin Act and Governing Regulations

29. 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).

Hurricane Evacuation Map

30. According to the 2013 New York City hurricane evacuation map, the Property is located in Zone 1. See Section A.5 of the Description of the Property and Building Condition set forth in Part II of the Plan for more details.

Tenant Protection Plan

31. In the event the Building is occupied pursuant to a temporary certificate of occupancy and prior to the issuance of a permanent certificate of occupancy, a Tenant Protection Plan pursuant to Section 28-104.8.4 of the 2008 New York City Building Code will be distributed to each Unit Owner and/or occupant of the Building. See Section Zii of the Description of the Property and Building Condition set forth in Part II of the Plan for details concerning the Tenant Protection Plan.

INTRODUCTION

Nature of the Transaction

HFZ Highline Property Owner LLC ("Sponsor") is a limited liability company organized and existing under the laws of the State of Delaware. Sponsor acquired the Property on December 15, 2012 from Tenth Avenue Realty Associates, L.P., CTR Realty Corp., CJCohen LLC, MTL Holdings, LLC, CLR Holdings, LLC, WDS Holdings I, LLC, SK Holdings II, LLC and VST Holding, LLC.

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 the 505 West 19th Street Condominium located at 505 West 19th Street, New York, New York 10011 ("Property").

The principal of Sponsor who will be actively involved in this offering is Ziel Feldman. (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: (a) 35 Residential Units (including 1 Resident Manager's Unit), (b) 35 Storage Lockers, (c) 2 Commercial Units, (d) 3 Parking Spaces, and (e) 1 High Line Unit. The Residential Units and the Commercial Units are collectively referred to as the "Units." The High Line Unit will not be owned by Sponsor and is not the subject of this offering.

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 an Option 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 newly constructed. 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 January 1, 2015. 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 Option 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 Commercial Units for Sale

Sponsor hereby offers the Commercial Units for sale pursuant to the Plan. The Purchase Prices for each of the Commercial Units 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 Commercial Units are freely negotiable without resort to the form Option Agreement set forth in Part II of the Plan, including, but not limited to, the amount of the Premium Payment, 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. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

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

In the event the Closing of Title to a Commercial 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 Lockers

Each Purchaser of a Residential Unit will have the exclusive use of an assigned Storage Locker, which shall constitute a Residential Limited Common Element appurtenant to the Residential Unit. The Storage Locker 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.

Purchasers will be required to consummate the purchase of the Residential Unit and the Storage Locker License simultaneously at Closing even though a Temporary Certificate of Occupancy has not been issued to the Storage Locker Area in which the Storage Locker is located.

There will be 1 extra Storage Locker which is being retained by Sponsor ("Unassigned Storage Locker"). Sponsor reserves the right to offer the Unassigned Storage Locker for sale pursuant to a license agreement. See Schedule A – Purchase Prices and Related Information.

Offering of Parking Spaces for Sale

Sponsor is offering Purchasers of Residential Units the opportunity to purchase deeded interests in Parking Spaces for the exclusive use of Purchaser for so long as such Purchaser owns a Residential Unit in the Building. The Parking Spaces will be offered for sale to Purchasers of Residential Units on a first-come, first-served basis. The Purchase Prices for each of the Parking Spaces 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.

There is one (1) ADA compliant Parking Space being offered for sale ("Parking Space 1"). A Residential Unit Owner (or such Residential Unit Owner's successors and assigns) who does not qualify for an ADA compliant Parking Space may purchase Parking Space 1 ("Original Purchaser"). However, in the event that a Residential Unit Owner who qualifies for the use of an ADA compliant Parking Space wishes to purchase Parking Space 1 for such use ("New Purchaser"), the Original Purchaser will be required to sell Parking Space 1 to the New Purchaser at its then current fair market value ("FMV"). Parking Space 1's FMV shall be based upon the judgment of an independent appraiser, which appraiser shall be selected and mutually agreed upon by Original Purchaser and New Purchaser (and in the event the Original Purchaser and New Purchaser cannot agree within a reasonable timeframe, the independent appraiser shall be selected by the Condominium Board), but in no event will the FMV of Parking Space 1 be less than the purchase price paid by Original Purchaser. New Purchaser shall be responsible for the costs of the independent appraiser's services, along with all transfer taxes resulting from the sale of Parking Space 1. Original Purchaser, and each subsequent owner of Parking Space 1, shall only be subject to these provisions if they do not qualify for the use of an ADA compliant Parking Space. The deed for Parking Space 1, and each subsequent deed for such Parking Space, shall contain a restriction that ownership of Parking Space 1 is subject to these provisions.

As there will be fewer Parking Spaces available for purchase than there are total Residential Units, Purchasers should not purchase a Residential Unit in reliance on the availability of a Parking Space, and Sponsor makes no representation or guaranty as to the availability of a Parking Space to any particular Residential Unit Owner. The Purchase Prices for Parking Spaces are set forth in the Schedule A – Purchase Prices and Related Information. Purchasers should note that the Closing of Title to a Parking Space does not require the issuance of a Temporary Certificate of Occupancy. Purchasers will be required to consummate the purchase of the Parking Space simultaneously with the Closing of the Residential Unit. Alternatively, at Sponsor's sole discretion, Closing of Title to a Parking Space may not occur simultaneously with the Closing of Title to the Residential Unit, which may result in additional costs to be incurred by Purchaser. (See the Section of the Plan entitled "Terms of Sale" for details.)

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 (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 Option 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. 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% 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 20% of the total number of Residential Units in the Condominium, whichever is less.

Sponsor has procured an agreement from Capital One, N.A. ("Construction Lender") for financing the construction of the Building. Sponsor will receive advances from the Construction Lender each month, 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 require Sponsor to enter into a specific minimum number of Option 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, and restrict Sponsor's right to rent or lease Unsold Residential Units.

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 Commercial 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 Commercial Unit Owners to mortgage Commercial Units. 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 Commercial Unit Owners 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. A Parking Space Owner may not paint, decorate or alter the Parking Space.

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.)

Each Purchaser of a Residential Unit will be required to pay, as a closing cost, a portion of the purchase price and associated closing costs with respect to Sponsor's sale of the Resident Manager's Unit to the Condominium Board, as set forth in Schedule A.

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 Commercial Units 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 unanimous consent of the Commercial Unit Owners. 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 Commercial Unit Owners are sufficient to cover the expenses fairly attributable to the Commercial Units. 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 Unit, including, without limitation, the flooring, fixtures, furniture, furnishings, equipment, appliances and personal property located within the Residential Unit, any Residential Limited Common Elements appurtenant thereto, and the Storage Locker assigned to the Residential Unit Owner, as well as liability insurance with respect to occurrences in or about the Residential Unit, any Residential Limited Common Elements appurtenant thereto, and the Storage Locker assigned to the Residential Unit Owner. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements (except for the contents of the Storage Lockers), 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 1 months' Common Charges assessed against the Residential Unit at Closing. The payment of the Working Capital Contribution shall be required of all Purchasers of Residential Units, whether purchased from Sponsor or a Residential Unit Owner on a resale. (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 Certificate of Occupancy 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 Locker 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, 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. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

A Parking Space may be used for the parking of passenger automobiles and motorcycles only. Except for Sponsor, a Parking Space may not be owned independently of a Residential Unit.

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 each Commercial 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 shown on the Floor Plans included in Part II of 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 Option 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 an Option Agreement executed by both Purchaser and Sponsor has been exchanged and Sponsor has collected the funds constituting Purchaser's required Premium Payment 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.

Except as otherwise stated in the Plan or the Condominium Documents, the Parking Spaces shall be treated in all respects as a Residential Unit.

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 an Option 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 Option Agreement, the purchaser may be entitled to rescission of the Option 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(b)(1) of the Act, commonly known as the "100 lot exemption". Pursuant to the "100 Lot exemption", sales of residential units in a condominium building containing less than 100 residential units are exempt from the Act's registration and disclosure requirements. Since the Condominium will consist of 35 Residential Units, this offering is exempt from those requirements and no Report will be provided 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 and permanently 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 505 West 19th Street, New York, New York 10011, which consists of an east tower ("East Tower") and a west tower ("West Tower").

"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 Option Agreement.

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

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

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

"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 505 West 19th 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.

"Declarant" shall mean HFZ Highline Property Owner 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.

"Declaration Date" shall mean the date the Declaration is recorded and the Floor Plans are filed in the Register's Office.

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

"Development Rights Owner" shall mean Sponsor or any Person which acquires all or any portion of the Excess Development Rights from Sponsor.

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

"Excess Development Rights" shall mean certain rights, as determined by the Zoning Resolution of the City of New York ("Zoning Resolution"), that are available as of the date of the Declaration or may become available thereafter by any means, and are appurtenant to a zoning lot, whereby (a) contiguous tax lots may be merged into a single zoning lot ("Combined Zoning Lot") and the Combined Zoning Lot or a portion thereof may be developed by erecting thereon one or more structures with (i) "floor area" (as such term is defined in the Zoning Resolution); (ii) any bulk and density development rights permitted under the Zoning Resolution, (iii) any so-called bonus redevelopment rights hereafter appurtenant to the Property; or (b) excess "floor area" not utilized by the Building as of the date of the Declaration may be utilized on the zoning lot or transferred to other zoning lots as permitted by the Zoning Resolution.

"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.

"Hazardous Material(s)" means any petroleum and petroleum products, flammable explosives, radioactive materials (excluding radioactive materials in smoke detectors), biohazards and medical waste,

polychlorinated biphenyls, lead, asbestos in any form that is or could become friable, hazardous waste, toxic or hazardous substances or other related materials whether in the form of a chemical, element, compound, solution, mixture or otherwise, including, but not limited to, those materials defined as "hazardous substances," "extremely hazardous substances," "hazardous chemicals," "hazardous materials," "toxic substances," "solid waste," "toxic chemicals," "air pollutants," "toxic pollutants," "hazardous wastes," "extremely hazardous waste," or "restricted hazardous waste" by Hazardous Materials Law or regulated by Hazardous Materials Law in any manner whatsoever. Hazardous Materials shall not include any customary cleaning solutions as long as same are stored and used as required by applicable Law.

"Hazardous Materials Law(s)" means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other binding governmental requirements now or hereafter enacted or in force, and any court judgments applicable to a Unit Owner or to the Premises relating to industrial hygiene or to environmental or unsafe conditions or to human health including, but not limited to, those relating to the generation, manufacture, storage, handling, transportation, disposal, release, emission or discharge of Hazardous Materials, those in connection with the construction, fuel supply, power generation and transmission, waste disposal or any other operations or processes relating to the Premises, and those relating to the atmosphere, soil, surface and ground water, wetlands, stream sediments and vegetation on, under, in or about a particular Unit.

"High Line Unit" shall mean the High Line Unit designated as such in the Declaration together with its Common Interest.

"High Line Unit Owner" shall mean the Unit Owner of the High Line Unit at the time in question.

"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 Commercial 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 Section 3 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 691, Lots 25, 27 and 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 Residential Unit Owners" shall mean Residential Unit Owners of more than fifty percent (50%) in aggregate Residential Common Interest appurtenant to all Residential Units or Residential Unit Owners of more than fifty percent (50%) in aggregate Residential Common Interests of only those Residential Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Residential Unit Owners at which a quorum is present.

"Majority of Unit Owners" shall mean 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.

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

"Parking Space" shall mean any parking space designated as a Parking Space in the Declaration together with its Common Interest. All such Parking Spaces are referred to, collectively, as the "Parking Spaces."

"Parking Space Area" shall mean an enclosed area located on the First Floor of the Building containing the Parking Spaces. The Parking Space Area is a Residential Common Element.

"Parking Space Owner" shall mean the owner of a Parking Space at the time in question. All such Parking Space Owners are referred to, collectively, as the "Parking Space Owners."

"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 Option 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.

"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 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.

"Premium Payment" shall mean any Premium Payment, advance or payment made by a Purchaser prior to the Closing of a Residential Unit.

"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.

"Purchaser" shall mean any Person named as a Purchaser in an Option 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.

"Reserve Fund", shall mean a fund, under the control of the Condominium Board, which may only be used for capital repairs, replacements and improvement relating to the Condominium.

"Resident Manager's Unit" shall mean the Residential Unit designated as the Resident Manager's Unit in the Declaration.

"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 a 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 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.

"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."

"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.

"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 HFZ Highline Property Owner LLC and its successors and assigns as well as any Person(s) designated by Sponsor, in a writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

"Storage Locker" shall mean any storage locker located in the Storage Locker Area and shall include the structural framework and materials out of which the storage locker is constructed. Each Storage Locker is a Residential Limited Common Element.

"Storage Locker Area" shall mean an area located in the cellar of the Building containing the Storage Lockers. The Storage Locker Area is a Residential Common Element.

"Temporary Certificate of Occupancy" shall mean a Temporary Certificate of Occupancy for the Building or for a Unit 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 Commonwealth Land Title Insurance Company, having an office at 2 Grand Central Tower, 140 East 45th Street, 22nd Floor, New York, New York 10017, or any successor Title Company at the time in question.

"Unassigned Storage Locker" shall mean any Storage Locker 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.

"Unassigned Storage Locker Licensee" shall mean any Residential Unit Owner who licenses the Unassigned Storage Locker 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."

"Unit Upgrade Funds" shall mean all amounts expended by, or reimbursable to, Sponsor for upgrades or extras ordered by Purchaser and agreed to in writing by Sponsor.

"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.

"Working Capital Fund" shall mean a fund, under the control of the Condominium Board, which may only be used for (1) making repairs or replacements to Residential Common Elements; (2) the Residential Unit Owners' share of the cost of repairs and replacements to the General Common Elements; (3) the Residential Unit Owners' share of expenses directly related to the operation of the Building; and (4) the payment of closings costs for the Condominium's acquisition of the Resident Manager's Unit.

"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 505 West 19th Street in the Borough of Manhattan, City and State of New York.

Improvements - General Description of Units

The Condominium will consist of 35 Residential Units (including 1 Resident Manager's Unit), 35 Storage Lockers, the High Line Unit, 2 Commercial Units and 3 Parking Spaces located within a 10 story structure. The East Tower and the West Tower of the Building will contain the Residential Units.

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 a total of 35 Residential Units in the Building located in 2 towers. The East Tower will contain 27 Residential Units located on Floors 2 through Floor 10, and the West Tower will contain 8 Residential Units located on the Ground Floor through Floor 10. The square footages of the Residential Units 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 Lockers

Storage Lockers will be located in the Storage Locker Area of the Building. Except for the Unassigned Storage Locker, all other Storage Lockers will be assigned to a Residential Unit and the purchase of a Residential Unit includes the exclusive right to use the assigned Storage Locker appurtenant to such Residential Unit. The approximate square footages of the Storage Lockers are set forth on Schedule A – Purchase Prices and Related Information. Each Storage Locker is a Residential Limited Common Element.

A Storage Locker 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, 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.

Sponsor, however, shall have the right to use any assigned Storage Locker appurtenant to an Unsold Residential Unit or Unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of the Unassigned Storage Locker, subject to the provisions of the By-Laws and shall have the right to offer for sale the exclusive use of the Unassigned Storage Locker pursuant to a license agreement. Except for Sponsor and the Condominium Board, a Storage Locker may not be owned independently of a Residential Unit.

Parking Spaces

Parking Spaces will be contained in the Parking Space Area, located on the First Floor of the Building, and will be offered for sale to Purchasers of a Residential Unit Owner on a first-come, first served basis. There is one (1) ADA compliant Parking Space. Parking Spaces constitute Units and will be conveyed by deed. The Parking Space Area is a Residential Common Element. Certain maintenance, repair and replacement obligations relating to the Parking Spaces will be borne by all Residential Unit Owners. The Parking Space Area will be unattended and accessed via entrances located on 19th Street. A Parking Space may be used for the parking of passenger automobiles and motorcycles only. Sponsor, however, shall have the right to use any Parking Space owned by Sponsor for any purposes permitted by Law, subject to the provisions of the By-Laws. Except for Sponsor, a Parking Space may not be owned independently of a Residential Unit. The square footages and Purchase Prices of the Parking Spaces are set forth on Schedule A.

Resident Manager's Unit

Sponsor shall sell Residential Unit 2E to the Condominium to be used by the Resident Manager and designated as the Resident Manager's Unit. The Purchase Price of the Resident Manager's Unit is $3,150,000. At the Closing of each Residential Unit, each Purchaser will be required to pay on behalf of the Condominium Board, Purchaser's share of the cost of the Resident Manager's Unit, plus all closing costs incurred in connection with the purchase of the Resident Manager's Unit, including, without limitation, recording fees, title insurance, legal fees, transfer taxes and other transaction fees (estimated to be approximately $103,000) determined in accordance with the Common Interest of the Residential Unit acquired, in proportion to the Common Interest of all Residential Units (other than the Resident Manager's Unit). The amount of each Purchaser's share of this closing cost is set forth in the Section of the Plan entitled "Schedule A – Purchase Prices and Related Information". There is no guarantee or assurance that the taxing authorities will not require that each Purchaser's allocable portion of the cost of the Resident Manager's Unit be included in the total consideration deemed to have been paid by Purchaser at Closing, in which case additional transfer taxes may be payable by Purchaser. (See the Footnotes to Schedule A and the Section of the Plan entitled "Closing Costs and Adjustments" for details.)

Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Residential Unit 2E to sell to the Condominium as the Resident Manager's Unit, provided, however, that such sale shall only be made pursuant to an amendment to the Plan and shall not result in an increase of each Purchaser's share of the cost of the Resident Manager's Unit by more than 25%.

All costs and expenses attributable to the Resident Manager's Unit, including utilities, real estate taxes, cost of repairs, alterations and improvements shall be borne by all Residential Unit Owners as a Residential Common Expense.

See the Section of the Plan entitled "Schedule B - Budget for First Year of Condominium Operation" for details regarding the costs of housing the Resident Manager.

Commercial Units

Purchasers should refer to the Section of the Plan entitled "Commercial Units" for a detailed description of the Commercial Units.

High Line Unit

The High Line Unit is located on the ground floor of the Building adjacent to the Parking Space Area. Purchasers should refer to the Section of the Plan entitled "High Line Easement Agreement" for more information.

Construction Data for Units and Common Elements

Sponsor has engaged Goldstein, Hill, & West Architects, LLP as architect of record, thomas juul-hansen llc as designer, WSP Cantor Seinuk as structural engineer and WSP 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 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 Option 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 Option Agreement(s) and receive a refund of their Premium Payments, together with all interest earned thereon, except for Unit Upgrade Funds.

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 January 1, 2015. 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 Option Agreement, Sponsor will offer those affected Purchasers only a right to rescind their Option 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 Premium Payments returned together with any interest earned thereon, except for Unit Upgrade Funds. 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 Option Agreements and receive a refund of their Premium Payments, 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 Option Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

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.

Concierge

There will be concierge 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. The hours and duties of the doorman/concierge may be reduced until certain occupancy levels in the Condominium are achieved.

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 by Building staff.

Building Staff

The staff of the Condominium will be supervised by the Resident Manager. Purchasers should refer to the Footnotes to Schedule B for a complete description of the Building staff.

Residential Elevator Service

All automatic passenger elevators 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 for the Residential Unit Owners will be delivered to the Building and placed by the United States Postal Service in mail boxes in the mailroom, located in the residential lobby of the Building.

Laundry Facilities

Each Residential Unit will contain a washing machine and dryer. There will also be a common laundry room located in the cellar of the Building containing 2 washers and 2 dryer for the laundering of larger items by the Residential Unit Owners.

Refuse Disposal

There will be recycling bins and access to refuse chutes located on each floor containing Residential Units. The refuse chutes will lead directly to a compactor located in the compactor rooms in the cellar.

Communication Facilities and Intercom System

Each Residential Unit will be equipped with a video/audio intercom system which will enable the occupants to communicate directly with the front desk in the lobby or directly with a visitor at the front entrance. Sponsor reserves the right to substitute an alternate service to enable communication between the concierge 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.

Service Entrance

There will be a service entrance located on West 19th Street. Hours of access to the service entrance may be regulated by the Condominium Board in its sole discretion.

Fitness Center

The cellar of the Building will contain an unattended exercise room that may include cardio equipment, free weights and weight machines.

Bicycle Room

There will be a bicycle storage room located in the cellar with unassigned bicycle storage spaces.

Residential Lobby

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

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 Fitness Center) may not be available until approximately 12 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, the Storage Lockers, 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. The Condominium Board may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained. 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.

HIGH LINE EASEMENT AGREEMENT

Pursuant to Section 98-61 et seq. of the Zoning Resolution, no development may take place on a zoning lot over which the High Line passes, unless the owner of such property conveys to the City of New York ("City") an access easement to allow the City to "provide a means of public pedestrian access to the High Line." Sponsor has conveyed such an easement to the City and the Property is subject to that certain access easement volume agreement, dated as of January 24, 2013, and recorded in the Register's Office under CRFN 2013000055100 ("Access Easement and Volume Agreement"), pursuant to which Sponsor has granted to the City an easement over a volume of space adjacent to the High Line to allow the City the right to construct a stair or elevator for public access to the High Line. However, Sponsor and the City are currently in discussion to provide that, in lieu of maintaining the Access Easement Volume Agreement, Sponsor and the City will enter into a "High Line Easement Agreement" pursuant to which, upon the later to occur of the First Closing of a Residential Unit and the issuance of a TCO for the High Line Unit, Sponsor shall convey the High Line Unit to the City ("High Line Unit Owner"). The High Line Unit Owner will have certain rights and responsibilities as noted below and as more fully set forth in the Declaration and the By-laws. At such time as the City and Sponsor enter into and record the High Line Easement Agreement, the City will terminate the Access Easement and Volume Agreement.

The High Line Unit will contain a floor drain, a slop sink, one electrical outlet for 20 amp electrical service, and approximately 393 square feet of space to be used for the storage of equipment and facilities related to the maintenance and operation of the High Line. The High Line Unit Owner and its permitted users will have the right to access the High Line Unit 24 hours a day, 7 days a week via a separate entrance facing 19th Street. In accordance with the High Line Easement Agreement, the High Line Unit Owner shall not (1) operate machinery in front of, or within 200 feet of the doors to, the High Line Unit (except that this restriction shall not affect the City's operation of the streets or the High Line within such 200 feet); (2) permit any part of the High Line Unit to be used or occupied for the use, storage, production or generation of Hazardous Materials in violation of Hazardous Materials Law(s) (except for standard cleaning and other products that are in containers and commonly used in residential buildings or sold in retail establishments and are maintained in accordance with applicable Law); or (3) engage in activities in or around the High Line Unit which would result in an adverse effect to the operation of the Building or the safety of the other Unit Owners, or that causes any noise, odors, fumes or other adverse impact outside of the High Line Unit that would adversely affect the use of the Building as a first-class residential condominium in Manhattan, or that comprises a public or private nuisance.

Residential Common Charges assessed by the Condominium Board will include the cost of electricity and water provided to, and used in, the High Line Unit. The High Line Unit Owner will be responsible for the maintenance of insurance coverage, as applicable, and the payment of real estate taxes, if any, for the High Line Unit, and shall be responsible for the performance and cost of routine maintenance in and to the High Line Unit. The Condominium Board shall be responsible for the maintenance of the sidewalk directly outside the High Line Unit in the same manner as it maintains all other sidewalks abutting the Building. In accordance with the High Line Easement Agreement, the High Line Unit Owner will not be assessed Common Charges or Special Assessments by the Condominium Board since the High Line Unit will have minimal usage of the Common Elements.

The permitted uses of the High Line Unit, its hours and days of operation, its non-allocation of Common Charges and the High Line Unit Owner's access rights may not be altered without the High Line Unit Owner's sole consent. The High Line Unit Owner will not have a representative on the Condominium Board and will not be entitled to vote its percentage of Common Interest at meetings of Unit Owners.

See the draft copy of the "High Line Easement Agreement" set forth in Part II of the Plan for more information.

LOCATION AND AREA INFORMATION

Location

The Property is located at 505 West 19th Street in the Borough of Manhattan in the City and State of New York.

Area Information

The 505 West 19th Street Condominium is strategically located in West Chelsea, one of the most sought-after neighborhoods in Manhattan. West Chelsea boasts many attractions including the Gallery District, Hudson River Park and Chelsea Piers, the Chelsea Market, the Meatpacking District, and the Chelsea Historic District with the Theological Seminary. In recent years the neighborhood of West Chelsea has become home to a burgeoning office market.

Entertainment & Shopping

Over the last ten years, West Chelsea has become a center for contemporary art with over 250 galleries including the following major galleries: Gagosian, Paula Cooper, Mathew Marks, Pace Wildenstein, Barbara Gladstone, and many young, new hip galleries like Zach Feuer and Bellwether. The Rubin Museum of Art on Seventh Avenue and the planned new Whitney Museum adjacent to the High Line on Gansevoort Street, designed by Renzo Piano, add a new institutional dimension to the area.

The Meatpacking District, located around 14th Street, has many notable boutiques, restaurants, lounges, and nightclubs including four luxury boutique hotels. The Standard Hotel, located on 13th Street and Washington Street, The Maritime, located on 9th Avenue and 16th Street, and The Gansevoort and Soho House located on 9th Avenue and 13th Street.

Among the many restaurants located in the area are several high-end and well-known restaurants, such as Del Posto, Cookshop, Buddakan, Morimoto, Colicchio & Sons, Spice Market, Valbella, and Pastis. Popular neighborhood restaurants include La Lunchonette, The Red Cat, and Bottino.

West Chelsea contains many small, unique gift shops, high-end destination clothing stores, and superior home furnishings stores. Popular shops located in the neighborhood include Jeffrey's, Alexander McQueen, Diane Von Furstenberg, and Carlos Miele located on 14th Street, and Balenciaga and Commes de Garcons on West 22nd Street.

Hudson River Park

Stretching over five miles along Manhattan's West Side, the Hudson River Park is the longest waterfront park in the United States. Each year the park attracts over 17 million visitors and offers a plethora of recreational and educational activities for nearby residents and tourists alike, including running, cycling, kayaking, mini-golf, and beach volleyball.

Only a 3-minute walk from the Property, 505 West 19th Street's residents can easily run or cycle along America's busiest bikeway, sunbathe on the Park's green beaches, and play on its beloved athletic fields and courts. Residents can enjoy the numerous free concerts, movies, and dances throughout the summer months while their children can join the 7,500 other children who participate in the Park's free educational programming each year.

The High Line

The East and West Towers of the Building will surround the High Line, a public park built on the former elevated New York Central Railroad above the streets of Manhattan's lower west side. The High Line was built in the 1930s as part of a massive public-private infrastructure project called the West Side Improvement. It was originally designed to lift freight traffic 30 feet in the air, removing dangerous trains from the streets of Manhattan's largest industrial district. No trains have operated on the High Line since 1980.

Friends of the High Line, a community-based, not-for-profit was formed in 1999 when the historic structure was in threat of demolition. After gaining support, the High Line Park and its first section from Gansevoort Street to West 20th Street was completed in 2009. The second section from West 20th Street to West 30th Street was completed in Spring 2011. Securing the Park's final section was deemed completed in November 2011 following a donation of the northernmost section, between 30th and 34th Streets. Friends of the High Line is currently raising funds to undertake the renovation of the final section.

Chelsea Piers

Chelsea Piers is a series of piers on the West Side of Manhattan, on the northern edge of Greenwich Village and the Meatpacking District. Developed in two parts, the southern piers are part of the aforementioned Hudson River Park while the northern piers make up the Chelsea Piers Sports & Entertainment Complex.

Approximately a 5-minute walk from the Property, the Chelsea Piers Sports & Entertainment Complex is a 30-acre waterfront sports village located between 17th and 23rd Streets along the Hudson River. Developed in the early 90's, the complex includes television studios, a fitness center, day spa, NYC's largest gymnastics training facility, two basketball courts, indoor soccer and lacrosse fields, batting cages, a rock climbing wall, a pool, and a dance studio. The state-of-the-art facility also includes an AMF Bowling center, a driving range, two full-sized skating rinks, and a private marina. Chelsea Piers is also home to Steve and Doris Colgate's Offshore Sailing School.

Offices

In recent years, the office market in the area has grown significantly. With Google's purchase of 111 Eighth Avenue the area is becoming home to many more high-tech and media companies. The office space above the Chelsea Market has been near full occupancy since its inception as an office facility, with tenants including the Oxygen Network and the Major League Baseball. InterActive Corp's headquarters building - Frank Gehry's first New York building - is located down the block. Additionally, the Starrett Lehigh building, recently purchased by RXR Realty for over $900 million, is nearby at 26th and 11th Avenue. Related's recent purchase of the office building at 511 West 25th Street confirms the area's significance as an important office location.

Schools

West Chelsea is situated within School District 2, which contains approximately 30 public, private, and parochial schools within a short walking distance of the Property. The local elementary school is P.S. 11, which has a program for gifted and talented students, and the middle school is I.S. 104. Nearby high schools include the High School for Fashion Industries, High School for Humanities Preparatory, NYC Museum School, and Manhattan Village Academy. New York University and the Fashion Institute of Technology are excellent higher educational facilities located near the neighborhood. The *Avenues World School* opens its doors this September with its flagship NYC campus at 10th Avenue, along the High Line.

Transportation

The Property is convenient to several subway and bus lines. As depicted on the map on page 10, the A/C/E train line is located on 8th Avenue and has stops at 16th Street and 23rd Street. The 1 train provides

additional access to the neighborhood with a stop at 18th Street and 7th Avenue. The M14 bus provides convenient cross-town service across 14th Street, with stops at 18th Street and Tenth Avenue while the M23 provides cross-town service on 23rd Street. With stops at 19th Street and 10th Avenue, the M11 and M20 buses provide access to uptown and downtown Manhattan.

The West Side Highway and Holland Tunnel are easily accessible for automobile transportation. The West Side Highway is connected to Interstate 95 and the Henry Hudson Parkway, both of which are major regional arteries. A number of commercial parking garages are located nearby. The VIP Heliport is located at West Side Highway and West 30th Street.

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 230 West 23rd Street, New York, New York.

The local fire station is located at 150 West 19th Street, New York, New York.

Zoning

The Property is located within a C6-2 Special West Chelsea zoning district in which residential and commercial use is permitted.

Landmark Status

The Building does not have landmark status.

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

505 West 19th Street Condominium
505 WEST 19TH STREET
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE FIRST YEAR OF CONDOMINIUM OPERATION JANUARY 1, 2015-DECEMBER 31, 2015

(1) UNIT	NO. BED-ROOMS	NO. BATHS/HALF BATHS	STORAGE LOCKER	(2) APPROX UNIT SQUARE FOOTAGE	(2) APPROX EXTERIOR SQUARE FOOTAGE	(3) OFFERING PRICE	(4) RESIDENTIAL COMMON INTEREST	(4) COMMON INTEREST	(5) PROJECTED MONTHLY COMMON CHARGES	(5) PROJECTED ANNUAL COMMON CHARGES	(6) PROJECTED MONTHLY RE TAXES	(6) PROJECTED ANNUAL RE TAXES	(7) PROJECTED TOTAL MONTHLY CARRYING CHARGES	(8) ALLOCATION OF RESIDENT MANAGERS UNIT PURCHASE
*2A	2	2.5	21	2117	796	$ 4,290,000	2.7551%	2.4546%	$3,957.78	$47,493.32	$2,113	$25,360	$6,071	$91,272.34
*2B	3	3.5	6	3093	585	$ 6,300,000	3.8343%	3.4160%	$5,507.96	$66,095.58	$2,941	$35,293	$8,449	$127,022.03
2C	1	1.5	12	1050		$ 2,140,000	1.2491%	1.1128%	$1,794.33	$21,531.95	$958	$11,498	$2,752	$41,379.95
*2D	3	3.5	8	3125	790	$ 6,050,000	3.9328%	3.5038%	$5,649.52	$67,794.26	$3,017	$36,201	$8,666	$130,286.54
**2E	2	2.5		1625		$ 3,150,000	1.9235%	1.7137%	$0.00	$0.00	$1,475	$17,705	$1,475	$0.00
4A	2	3	26	2144		$ 4,640,000	2.5505%	2.2723%	$3,663.85	$43,966.18	$1,956	$23,477	$5,620	$84,493.91
4B	2	2.5	18	1468		$ 3,140,000	1.7550%	1.5636%	$2,521.12	$30,253.48	$1,346	$16,155	$3,867	$58,140.93
4C	2	2.5	4	1697		$ 3,790,000	2.0288%	1.8075%	$2,914.40	$34,972.86	$1,556	$18,675	$4,471	$67,210.60
4D	1	1.5	13	1071		$ 2,240,000	1.2804%	1.1407%	$1,839.32	$22,071.85	$982	$11,786	$2,821	$42,417.53
5A	2	3	31	2144		$ 4,990,000	2.5759%	2.2949%	$3,700.30	$44,403.66	$1,976	$23,710	$5,676	$85,334.65
5B	2	2.5	28	1468		$ 3,290,000	1.7637%	1.5713%	$2,533.60	$30,403.25	$1,353	$16,235	$3,886	$58,428.76
5C	2	2.5	32	1697		$ 3,940,000	2.0388%	1.8165%	$2,928.83	$35,145.99	$1,564	$18,767	$4,493	$67,543.33
5D	1	1.5	14	1071		$ 2,310,000	1.2867%	1.1464%	$1,848.43	$22,181.12	$987	$11,844	$2,835	$42,627.52
6A	2	3	22	2144		$ 5,350,000	2.5886%	2.3062%	$3,718.53	$44,622.40	$1,986	$23,827	$5,704	$85,755.01
6B	2	2.5	2	1468		$ 3,440,000	1.7724%	1.5791%	$2,546.09	$30,553.02	$1,360	$16,315	$3,906	$58,716.59
6C	2	2.5	27	1697		$ 4,140,000	2.0489%	1.8254%	$2,943.26	$35,319.13	$1,572	$18,860	$4,515	$67,876.05
6D	1	1.5	15	1071		$ 2,390,000	1.2931%	1.1520%	$1,857.53	$22,290.39	$992	$11,903	$2,849	$42,837.51
7A	2	3	25	2144		$ 5,600,000	2.6013%	2.3175%	$3,736.76	$44,841.13	$1,995	$23,944	$5,732	$86,175.38
7B	2	2.5	3	1468		$ 3,640,000	1.7811%	1.5868%	$2,558.57	$30,702.79	$1,366	$16,395	$3,925	$59,004.41
7C	2	2.5	23	1697		$ 4,340,000	2.0589%	1.8344%	$2,957.69	$35,492.26	$1,579	$18,952	$4,537	$68,208.78
7D	1	1.5	16	1071		$ 2,540,000	1.2994%	1.1577%	$1,866.64	$22,399.65	$997	$11,961	$2,863	$43,047.50
8A	2	3	7	2148		$ 5,850,000	2.6188%	2.3332%	$3,761.99	$45,143.94	$2,009	$24,106	$5,771	$86,757.31
8B	2	2.5	5	1468		$ 3,840,000	1.7898%	1.5946%	$2,571.05	$30,852.56	$1,373	$16,475	$3,944	$59,292.24
8C	2	2.5	24	1693		$ 4,540,000	2.0641%	1.8390%	$2,965.11	$35,581.32	$1,583	$19,000	$4,548	$68,379.95
8D	1	1.5	17	1071		$ 2,640,000	1.3058%	1.1633%	$1,875.74	$22,508.92	$1,002	$12,019	$2,877	$43,257.48
Penthouse 1	4	4.5	29	5728	899	$ 21,070,000	7.2928%	6.4973%	$10,476.22	$125,714.66	$5,594	$67,129	$16,070	$241,597.57
Penthouse 2	3	3.5	30	4552	4588	$ 17,060,000	7.0157%	6.2504%	$10,078.10	$120,937.20	$5,381	$64,578	$15,460	$232,416.29
*Townhouse	4	4.5	35	4241	3021	$ 11,750,000	5.9140%	5.2689%	$8,495.54	$101,946.45	$4,536	$54,437	$13,032	$195,919.98
3 West	3	3.5	9	2993		$ 6,300,000	3.5605%	3.1721%	$5,114.69	$61,376.30	$2,731	$32,773	$7,846	$117,952.55
4 West	3	3.5	20	2993		$ 6,900,000	3.5605%	3.1721%	$5,140.14	$61,681.66	$2,731	$32,773	$7,871	$118,539.38
5 West	3	3.5	33	2993		$ 7,400,000	3.5782%	3.1879%	$5,165.58	$61,987.01	$2,745	$32,937	$7,910	$119,126.21
6 West	3	3.5	11	2993		$ 7,800,000	3.5959%	3.2037%	$5,191.03	$62,292.36	$2,758	$33,100	$7,949	$119,713.04
7 West	3	3.5	34	2993		$ 8,210,000	3.6136%	3.2195%	$5,216.48	$62,597.72	$2,772	$33,263	$7,988	$120,299.87
8 West	3	3.5	1	2996		$ 8,610,000	3.6350%	3.2385%	$5,247.18	$62,966.12	$2,788	$33,459	$8,035	$121,007.87
*Penthouse West	4	4.5	10	4664	1150	$ 18,060,000	6.0369%	5.3784%	$8,714.13	$104,569.51	$4,631	$55,568	$13,345	$200,960.96
RESIDENTIAL TOTAL				**80056**	**11829**	**$ 211,740,000**	**100.0000%**	**89.0922%**	**$141,057.50**	**$1,692,690.00**	**$76,706.33**	**$920,476.00**	**$217,763.83**	**$3,253,000.00**
Commercial Unit 1				4456		$9,158,360		4.5184%	$1,493.58	$17,923.00	$3,103.17	$37,238.00	$4,596.75	
Commercial Unit 2				5275		$10,841,640		5.5341%	$1,829.17	$21,950.00	$3,803.75	$45,645.00	$5,632.92	
COMMERCIAL TOTAL				**9731**		**$20,000,000**		**10.0525%**	**$3,322.75**	**$39,873.00**	**$6,906.92**	**$82,883.00**	**$10,229.67**	
Parking Unit 1				200		$365,000		0.2138%	$70.67	$848.00	$147.58	$1,771.00	$218.25	
Parking Unit 2				200		$365,000		0.2138%	$70.67	$848.00	$147.58	$1,771.00	$218.25	
***Parking Unit 3				400		$730,000		0.4277%	$141.33	$1,696.00	$295.17	$3,542.00	$436.50	
PARKING UNIT TOTAL				**800**		**$1,460,000**		**0.8553%**	**$282.67**	**$3,392.00**	**$590.33**	**$7,084.00**	**$873.00**	
UNASSIGNED STORAGE LOCKER			19			**$36,000**								
GRAND TOTAL				**90587**	**11829**	**$ 233,236,000.00**	**100.0000%**	**100.0000%**	**$144,662.92**	**$1,735,955.00**	**$84,203.58**	**$1,010,443.00**	**$228,866.50**	

*Duplex
**Resident Managers Unit
***Handicap Unit

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. The Floor Plans also contain layouts of the Parking Spaces and the location of the Storage Lockers. Except as otherwise stated in the Plan or the Condominium Documents, the Parking Spaces shall be treated in all respects as Residential Units.

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. Any material and adverse increase or decrease in the square footage of a Unit (excluding interior partitions) may trigger a Purchaser's right of rescission. In such event, Sponsor's sole obligation if there is a material and adverse increase or decrease in the square footage of the Unit shall be to refund the Premium Payment made under the Option Agreement and any interest earned thereon, except for Unit Upgrade Funds. Each Unit is measured horizontally from the exterior face of the exterior walls (perimeter mechanical pipes are not deducted) to the midpoint of the interior walls and the midpoint of partitions separating one Unit from another Unit, public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements. Any Common Elements located within a Unit shall not be considered a part of such Unit. Each Unit is measured vertically from the top of the concrete floor slab below (located under the finished flooring and sub-flooring materials) comprising the lowest floor to the Unit to the underside of the concrete slab forming the ceiling of the highest floor of the Unit. 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, except for the Parking Units. Terraces and Storage Lockers shown on Schedule A are Residential Limited Common Elements.

3. 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" (and for a portion of the Purchase Price and the associated closing costs for the Resident Manager's Unit as set forth on Schedule A). 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.

4. (a) 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).

(b) 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.

5. 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 calendar year commencing January 1, 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.

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 12 months after the First Closing.

6. It is estimated that the aggregate real estate taxes payable with respect to all Residential Units for the First Year of Condominium Operation will total approximately $920,476, assuming (a) an assessed valuation for the Property of $1,271,480 for the 6 months of 2014/2015 tax year reflecting a land only billable assessment, and an assessed valuation for the Property of $14,405,200 for the 6 months of 2015/2016 reflecting a completed building assessment, based on the real estate tax projection opinion prepared by Real Estate Tax Counsel dated May 29, 2013 set forth in Part II of the Plan, and (b) a tax rate of 13.181%. Purchasers should note that once the Building is assessed as being fully constructed, it is estimated that the real estate taxes for the Residential Units will total approximately $1,710,000, 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 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 Option 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.)

7. 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 1 months' Common Charges with respect to the Residential Unit based on the Condominium budget in effect on 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 a Residential Unit Owner on a resale. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

8. At the First Closing, Sponsor will execute, acknowledge and deliver to Starr Associates LLP ("Escrow Agent"), a deed conveying fee title to the Resident Manager's Unit to the Condominium Board, which will own the Resident Manager's Unit on behalf of all Residential Unit Owners for use as the residence of the Resident Manager. Escrow Agent will hold the deed in escrow for the benefit of Sponsor and the Condominium Board pending payment to Sponsor of the Purchase Price for the Resident Manager's Unit (plus all closing costs) in the following manner: at the Closing of each Residential Unit, each Purchaser will be required to pay on behalf of the Condominium Board, Purchaser's share of the cost of the Resident Manager's Unit (plus closing costs) determined in accordance with the Common Interest of the Residential Unit purchased in proportion to the Common Interest of all Residential Units (after excluding the Common Interest attributable to the Resident Manager's Unit). Each payment shall be made payable to Escrow Agent who shall hold such payment in escrow for the benefit of Sponsor in an interest-bearing escrow account. Escrow Agent shall release the escrowed funds (together with all interest earned thereon) to Sponsor and the deed to the Condominium Board upon: (i) the Closing of Title to all Residential Units; and (ii) the discharge by Sponsor of all then-existing mortgage(s) encumbering the Resident Manager's Unit ("Resident Manager's Unit Release Date"). Sponsor reserves the right, in its sole discretion, to direct Escrow Agent to release the escrowed funds (together with all interest earned thereon) to Sponsor and the deed to the Condominium Board prior to the Resident Manager's Unit Release Date. Thereafter, Sponsor shall continue to receive directly from each Purchaser at the Closing, Purchaser's pro-rata portion of the Purchase Price (plus closing costs). Once the deed to the Resident Manager's Unit is delivered to the Condominium Board, all costs and expenses, including utilities,

parking fees and real estate taxes attributable to the Resident Manager's Unit will be payable by the Condominium Board and included in the Common Charges payable by Residential Unit Owners, and each Residential Unit Owner will be individually liable therefore to the extent of the Residential Unit's Residential Common Interest.

SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE "B"
505 West 19th Street Condominium
Projected Budget for the First Year of Condominium Operation
January 1, 2015-December 31, 2015

PROJECTED INCOME:

Common Charges (1).....	
Residential Units Common Charges.....	$1,692,690
Commercial Unit 1 Common Charges	$ 17,923
Commercial Unit 2 Common Charges	$ 21,950
Parking Units Common Charges	$ 3,392
TOTAL PROJECTED INCOME.....	$1,735,955

PROJECTED EXPENSES

Salary, Wages, Payroll Taxes & Benefits (2).....	$ 588,804
Heat and Hot Water (3).....	$ 128,461
Cooking Gas (4).....	$ 8,385
Electricity (5).....	$ 461,111
Water & Sewer (6).....	$ 70,949
Repairs & Maintenance (7).....	$ 20,000
Services & Supplies (8).....	$ 161,500
Insurance (9).....	$ 81,000
Management Fee (10).....	$ 55,000
Legal & Auditing Fees (11).....	$ 7,500
Resident Manager Unit Costs (12).....	$ 30,000
Administration (13).....	$ 20,000
Reserve Fund (14).....	$ 89,245
Contingency (15).....	$ 14,000
TOTAL PROJECTED EXPENSES (16).....	$1,735,955

The accompanying notes are an integral part of this Schedule B and should be read in conjunction herewith

Notes to Schedule B

(1) COMMON CHARGES - (Budget - $1,735,955)

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 January 1, 2015. The actual first year of operation may be earlier or later.

The allocation for the General Common Expenses to be borne by Commercial Unit 1, Commercial Unit 2 and the Parking Units have been allocated on the basis of the Commercial Unit 1, Commercial Unit 2 and the Parking Units respective Percentage of Common Interest, 4.5184%; 5.5341% and .8553% and in certain cases based on each Unit's usage of a particular expense line item.

	Total	Residential Units	Commercial Unit 1	Commercial Unit 2	Parking Unit
Projected Income					
Common Charges (1)					
Residential Unit Common Charges	$ 1,692,690	$ 1,692,690			
Commercial Unit 1 Common Charges	$ 17,923		$ 17,923		
Commercial Unit 2 Common Charges	$ 21,950			$ 21,950	
Parking Units Common Charges	$ 3,392				$ 3,392
Total Projected Income	$ 1,735,955	$ 1,692,690	$ 17,923	$ 21,950	$ 3,392
Projected Expenses					
Salary, Wages, Payroll Taxes & Benefits (2)	$ 588,804	$ 586,123	$ 1,111	$ 1,360	210
Heat & Hot Water (3)	$ 128,461	$ 128,461			
Cooking Gas (4)	$ 8,385	$ 8,385			
Electricity (5)	$ 461,111	$ 457,533	$ 1,482	$ 1,815	281
Water & Sewer (6)	$ 70,949	$ 70,949			
Repairs & Maintenance (7)	$ 20,000	$ 17,818	$ 904	$ 1,107	171
Services & Supplies (8)	$ 161,500	$ 156,101	$ 2,237	$ 2,739	423
Insurance (9)	$ 81,000	$ 72,164	$ 3,660	$ 4,483	693
Management Fee (10)	$ 55,000	$ 49,001	$ 2,485	$ 3,044	470
Legal & Auditing Fees (11)	$ 7,500	$ 6,682	$ 339	$ 415	64
Resident Manager Unit Costs (12)	$ 30,000	$ 29,672	$ 136	$ 166	26
Administration (13)	$ 20,000	$ 17,818	$ 904	$ 1,107	171
Reserve Fund (14)	$ 89,245	$ 79,511	$ 4,032	$ 4,939	763
Contingency Reserve (15)	$ 14,000	$ 12,472	$ 633	$ 775	120
Total First Year Budget	$ 1,735,955	$ 1,692,690	$ 17,923	$ 21,950	$ 3,392

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

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

(2) SALARIES, WAGES, PAYROLL TAXES & BENEFITS - (Budget - $588,804)

The budgeted amount includes base wages, worker's compensation and disability insurance, welfare and pension costs, payroll taxes and the cost of sick days, holidays and vacation pay for a projected building staff of 1 Resident Manager, 1 handymen, 24 hour per day, 7 days per week concierge, and 2 porters. The full staff may not be employed until certain Building occupancy levels are achieved. The projected level of staffing for the Building complies with all applicable housing and labor laws. It is anticipated that such employees will be non-union members.

Position	Base Wage Rate
(1) Resident Manager	$80,000, per annum
(1) Handyman	$900 per week
(6.2) 4.2 Concierges (24 hrs per day, 7 days a week), 2 Porters	$850 per week

The projections allow for 28 sick days, holidays and vacation pay and miscellaneous payroll expenses.

Total Base Wages	$431,674
FICA @ 7.65% of Base Wages	$ 33,023
Worker's Compensation @ 5.5% of total wages	$ 23,742
FUI and FUTA-NYS Unemployment, @ $425 per employee	$ 3,825
NYS Disability @ $60 per employee	$ 540
Health benefits @ $12,000 per employee	$ 96,000
Total Benefit	$157,130
TOTAL WAGES, TAXES & BENEFITS	**$588,804**

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 small portion of the Resident Manager, handyman and one porter's time (estimated at ten percent (10%) or four (4) hours per week per person) will be devoted to the General Common Elements. Accordingly, salaries and related expenses have been primarily allocated to the Residential Units, except for the time charged to the General Common Elements ($24,582) that has been apportioned to all of the Units within the Condominium based upon each Unit's Common Interest.

(3) HEAT & HOT WATER - (Budget - $128,461)

The budgeted amount is based upon a letter from Flack & Kurtz, located at 512 Seventh Avenue, New York, NY 10018, Sponsor's consulting engineers, dated June 10, 2013. It is anticipated that the annual consumption of gas for heat and hot water for the Residential Units will be approximately 77,855 therms at $1.50 per therm for a total cost of $116,782. The Commercial Units will be separately metered or sub metered for heat and hot water, if necessary. A 10% inflation factor has been added.

It is not possible to predict how closely the budgeted figure will reflect the actual cost of gas for heat and hot water during the first year of Condominium operation, because such cost will vary with the level of consumption and the price of gas. Consumption will be affected by the severity of the weather and by any conservation measures adopted by the Condominium Board or individual Unit Owners.

(4) COOKING GAS (Budget - $8,385)

The Residential Units will not be separately metered for gas to be used for cooking. Based on a letter dated June 10, 2013 from Flack & Kurtz, it is estimated that the gas cost for cooking for the Residential Units based on 5,082 therms of gas/year at an average rate of $1.50 per therm will be $7,623. A 10% inflation factor has been added.

(5) ELECTRICITY - (Budget - $461,111)

The electricity consumption for the first year of Condominium operation for the General Common Elements was estimated by Flack & Kurtz, in a letter dated June 10, 2013, at 1,355,532 kilowatt hours of electricity, at a rate of $.22 per kilowatt hour of electricity including applicable sales tax, resulting in an annual cost of $298,217. This is based on General Common Element loads being supplied through a single house meter at Con Edison SC9-1 and the rates are based on the currently effective rates. These rates include an estimated $0.01 fuel adjustment and Con Edison surcharge of 8%. Both the fuel adjustment and surcharge vary month to month so an average was used in this cost estimate.

This estimate includes costs for the General Common Element air conditioning units, distribution pumps, miscellaneous floor loads, elevators and lighting. Electricity costs can vary depending upon consumption and demand factors. A 10% inflation factor has been added.

These costs are only the estimated electricity costs for the Common Elements and have been allocated 90 percent to the Residential Common Elements and charged to the Residential Units, with the remaining 10 percent allocated to the General Common Elements within the Condominium and allocated to all Units based upon each Unit's Common Interest. In addition, electricity will be supplied by ConEdison to the common VRF Condenser farm system. Flack & Kurtz estimates that the Residential Units will consume 549,884 kilowatt hours of electricity for the VRF condenser farm system at a projected cost of $.22 per kilowatt hour of electricity for a total annual cost of $120,975. A 10% inflation factor has been added. The electricity cost associated with the Residential VRF condenser farm system will be solely borne by the Residential Unit Owners.

Each Unit will be individually metered or submetered for consumption of electricity within their own Units. See Schedule B-1 for the projected individual unit energy costs.

(6) WATER & SEWER – (Budget - $70,949)

The Building will have a single main water meter, which will measure actual water usage. Based upon a letter from Flack & Kurtz dated June10, 2013, water and sewer charges for the Residential Units are based upon a combined charge of $8.78 per 100 Cu. Ft. and an estimated usage of 7,027 C.C.F. for a total cost of $61,695. A 15% inflation factor has been added.

The Commercial Unit's will be separately sub-metered or metered for water and sewer usage and will pay the costs of water and sewer usage directly to the Condominium or the taxing authority.

(7) REPAIRS & MAINTENANCE – (Budget - $20,000)

Since the Building will be newly constructed it has no operating history upon which to project future costs of repairs and maintenance. No major capital repairs are included in the First Year's Budget since all major construction and mechanical systems will be new. Future major capital repairs to the Common Elements will be borne by all Unit Owners. The budgeted figure for this item includes the cost of normal maintenance and repairs to the Common Elements of the Building that are the responsibility of the Condominium. Each Unit Owner will be responsible for the cost of the interior maintenance, repairs, decoration and painting of their respective units, including the appliances, incremental heating/air-conditioning units and any Limited Residential Common Elements appurtenant thereto. Repairs and Maintenance have been allocated to all Units based upon each Unit's Common Interest.

(8) SERVICE & SUPPLIES - (Budget - $161,500)

The budgeted amount includes the cost of cleaning equipment and miscellaneous supplies for the Common Elements, as well as the anticipated cost of service contracts during the first year of Condominium operation.

All of the mechanical systems within the Building will be new, and some will be under a full service maintenance contract for the first year of Condominium operation from the contractor who will install the system. No maintenance or service contracts have been entered into as of the date of the Plan. The budgeted amounts are based upon the experience of Sponsor's budget expert in operating similar buildings. While this estimate includes a reasonable allowance for possible increases in cost that may occur prior to and during the first year of Condominium operation, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

It is projected that the Condominium will enter into maintenance agreements for the following services:

Heating and Cooling System	$20,000
Elevator Maintenance	$32,000
Sprinkler System/Fire Protective Alarm System	$10,000
Metal, Wood, and Marble Maintenance	$10,000
Exterminator	$ 6,000
Uniform Cleaning & Maintenance	$10,000
Water Treatment	$ 5,000
Miscellaneous Supplies	$20,000
Building Link	$ 2,500
Landscaping/Flowers	$20,000
Building Maintenance System	$20,000
Emergency Generator	$ 6,000

The cost for services relating to the, sprinkler system/fire protection alarm system, exterminator, water treatment, building maintenance system, emergency generator and $2,500 of the $20,000 of supplies have been allocated to all Units based upon each Unit's Common Interest.

(9) INSURANCE – (Budget - $81,000)

Based upon the proposal dated May 2, 2013, from Rampart Insurance, having an office address at 1983 Marcus Avenue, Lake Success, NY. The following insurance coverage will be obtained for the Building for the first year of Condominium operation:

A Comprehensive Condominium Package Policy, including Boiler & Machinery and Water Damage, with the following General Coverage and Limits:

Property Policy

$45,000,000	Building All Risk, "Special" Form, No Co-insurance, Replacement Cost, with agreed amount on Building $5,000 Deductible on Building & Personal Property
$1,000,000	Business Income Limit
$100,0000	Personal Property Limit
Included	Boiler & Machinery

General Liability Policy

$1,000,000	Per Occurrence
$2,000,000	General Aggregate
$ 1,000,000	Personal & Advertising Injury
$ 1,000,000	Fire Legal Liability
$ 5,000	Medical Payments
$ 1,000,000	Employee Benefits Liability - $1,000 Deductible
$1,000,000	Non Owned Automobile/Hired Car
$ 1,000,000	Directors & Officers Liability - $2,500 Retention

Umbrella Liability

$75,000,000 – Per Occurrence/Aggregate

The annual premium for the above mentioned insurance policy is estimated to be $81,000.

The insurance costs are for the Condominium and have been allocated to all Units based upon each Unit's Common Interest.

This budgeted amount represents current insurance premium at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums and/or deductibles will be for the budget year. Purchasers should be aware of the possible rate and deductible increases.

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

Each individual Unit Owner should consider the desirability of obtaining additional insurance at his own cost for the following coverage, which is not included in the above coverage:

- fire or casualty losses to the contents of his unit and any replacements, additions, upgraded fixtures and improvements therein; and

- liability for personal injury or property damage as a result of occurrences in his Unit, including water damage legal liability to cover damage arising from leaks or other conditions within the Unit.

(10) MANAGEMENT FEE - (Budget - $55,000)

At or prior to the First Closing, the Condominium will enter into a management agreement with Halstead Management Company LLC, having an office address at 770 Lexington Avenue, New York, NY 10065, a real estate management firm. The management agreement will be for an initial term of 2 years. 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 sixty (60) days' prior written notice.

The Managing Agent will receive an annual fee of $55,000 payable in equal monthly installment of $4,583.33. 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.

(11) LEGAL & AUDIT FEES – (Budget - $7,500)

The Condominium will engage a law firm to act as the attorney for the Condominium. The estimated cost for these services for the Condominium's first year of operation is estimated to be $2,000. Based upon a proposal from Cywiak & Company LLP, located at 19 West 44th Street, New York, NY 10036 to provide audited financial statements and tax returns preparation services for the Condominium, it is estimated that the cost for the first year of Condominium operation for these services will be $5,500.

These professional fees are for the Condominium and have been allocated to all Units based upon each Unit's Common Interest.

(12) RESIDENT MANAGER UNIT COSTS - (Budget - $30,000)

Residential Unit 2E shall be designated as the Resident Manager's Unit and will be occupied by the Resident Manager of the Building and owned by the Condominium.

The Condominium will be responsible for the Real Estate Taxes on the Unit. The estimated Real Estate Taxes for the first year of Condominium operation will be approximately $20,000. The Condominium will also be responsible for the cost of the electricity and basic telephone service for the Resident Manager's Unit as well as basic repairs. It is estimated that the cost of these items will be approximately $10,000 in the first year of Condominium operation. The estimated costs for the Resident Manager's Unit for the Condominium's first year of operation is $30,000.

Since the Resident Manager's time will be devoted mostly to the service of the Residential Units and the Residential Common Elements, with only a minor portion of the Resident Manager's time (estimated at four (4) hours a week in note 2 above) devoted to General Common Elements, the costs for the Resident

Manager's Unit have been allocated in the same ratio as the wage and related payroll expenses of the Resident Manager in note 2 above.

(13) ADMINISTRATION – (Budget - $20,000)

The budgeted amount includes anticipated expenses for telephone, beepers, postage, printing, miscellaneous office supplies, payroll processing costs, cable television in amenity areas, permits and fees.

These costs for administration have been allocated to each Unit based upon each Unit's Common Interest.

(14) RESERVE FUND– (Budget - $89,245)

The Reserve Fund amount was the product of a Reserve Study. The reserve fund will be used towards future capital repairs, replacements and improvements of certain common elements and facilities of the Building. No representation is made as to the actual or anticipated cost, or timing or nature of any such capital work or the adequacy of any such reserve.

This reserve fund will be allocated to all Unit Owners based on their Common Interest.

(15) CONTINGENCY – (Budget - $14,000)

This expense item is included in the budget to provide funds for unforeseen increases in Residential Common Expenses and General Common Expenses. Contingency will be allocated to all Unit Owners based on their Common Interest.

(16 TOTAL PROJECTED EXPENSES – (Budget - $1,735,955)

The projections set forth in this budget assume that the first year of Condominium operation will cover the period from January 1, 2015 through December 31, 2015.

IN THE OPINION OF PENMARK MANAGEMENT LLC, HAVING AN OFFICE AT 770 LEXINGTON AVENUE, NEW YORK, NEW YORK 10065. THE PROJECTED INCOME IS ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION. THE BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE BOARD WILL BE AS SET FORTH IN THE BUDGET. IN FACT, IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET

SCHEDULE B-1
Projected Individual Energy Costs Budget

WSP, having an office at 512 Seventh Avenue, 13th Floor, New York, New York 10018 provided an 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.

WSP • FLACK+KURTZ

NEW YORK
SAN FRANCISCO
BOSTON
SEATTLE
LAS VEGAS
HOUSTON
WASHINGTON DC

512 Seventh Avenue
New York, NY 10018
212.532.9600 Main
212.689.7489 Fax
wspfk.com

May 3, 2013

Mr. Stephen Hill
Goldstein, Hill & West Architects, LLP
11 Broadway, Suite 1700
New York, NY 10004

Re: 153 10th avenue
WSP F+K Reference No. N12.10620.00

Dear Mr. Hill:

We have prepared estimated annual electric energy cost for lighting and operating the typical electrical appliances, and heating and air conditioning within each apartment.

The estimated average KWH per year per square foot and annual cost of electricity per square foot used by individual apartments are 8.63 KWH/sf/year at $1.90 per sf, based on a Con Edison rate of $0.22 per KWH for 2013. The following table sets forth the estimated annual costs of electricity for typical Residential Units. These costs of energy consumptions are inclusive of the Con Ed direct metering of power and lighting.

UNIT	DESCRIPTION	APPROX. APARTMENT UNIT SQUARE FOOTAGE	APARTMENT ELECTRIC ENERGY CONSUMPTION KWH / YR	ELECTRIC COST / YR	COST / S.F.	APARTMENT UNIT FUSE SIZE @208V, 1PH	QUANTITY OF ACTIVE CIRCUITS	TOTAL QUANTITY OF CIRCUITS
1A	4BR	4,050	42,534	$9,357.43	$2.31	400A/2P	56	84
2A	2BR	2,166	18,698	$4,113.63	$1.90	225A/2P	41	84
2B	3BR	2,895	20,147	$4,432.40	$1.53	225A/2P	43	84
2C	1BR	1,049	19,578	$4,307.17	$4.11	225A/2P	31	42
2D	3BR	3,085	23,172	$5,097.92	$1.65	225A/2P	44	84
2E	1BR	1,645	22,158	$4,874.84	$2.96	225A/2P	36	84
3A	3BR	3,033	23,460	$5,161.13	$1.70	225A/2P	45	84
4A	3BR	3,033	23,460	$5,161.13	$1.70	225A/2P	46	84
4AA	2BR	2,143	19,356	$4,258.30	$1.99	225A/2P	36	84
4B	2BR	1,512	16,587	$3,649.14	$2.41	225A/2P	33	84
4C	2BR	1,685	22,195	$4,882.88	$2.90	225A/2P	36	84
4D	1BR	1,097	17,304	$3,806.91	$3.47	225A/2P	33	42
5A	3BR	3,033	23,460	$5,161.13	$1.70	225A/2P	46	84
5AA	2BR	2,143	12,705	$2,795.20	$1.30	225A/2P	36	84
5B	2BR	1,512	9,937	$2,186.04	$1.45	225A/2P	33	84
5C	2BR	1,685	12,287	$2,703.15	$1.60	225A/2P	36	84
5D	1BR	1,097	10,654	$2,343.81	$2.14	225A/2P	33	42

WSP • FLACK+KURTZ

Mr. Stephen Hill
Goldstein, Hill & West Architects, LLP
505 West 19th Ave
May 3, 2013

WSP F+K Reference No. N12.10620.00
Page 2

6A	3BR	3,033	23,460	$5,161.13	$1.70	225A/2P	46	84
6AA	2BR	2,143	12,705	$2,795.20	$1.30	225A/2P	36	84
6B	2BR	1,512	9,937	$2,186.04	$1.45	225A/2P	33	84
6C	2BR	1,685	12,287	$2,703.15	$1.60	225A/2P	36	84
6D	1BR	1,097	10,654	$2,343.81	$2.14	225A/2P	33	42
7A	3BR	3,033	23,460	$5,161.13	$1.70	225A/2P	46	84
7AA	2BR	2,143	12,705	$2,795.20	$1.30	225A/2P	36	84
7B	2BR	1,512	9,937	$2,186.04	$1.45	225A/2P	33	84
7C	2BR	1,685	12,287	$2,703.15	$1.60	225A/2P	36	84
7D	1BR	1,097	10,654	$2,343.81	$2.14	225A/2P	33	42
8A	3BR	3,033	23,460	$5,161.13	$1.70	225A/2P	46	84
8AA	2BR	2,143	12,705	$2,795.20	$1.30	225A/2P	36	84
8B	2BR	1,512	9,937	$2,186.04	$1.45	225A/2P	33	84
8C	2BR	1,685	12,287	$2,703.15	$1.60	225A/2P	36	84
8D	1BR	1,097	10,654	$2,343.81	$2.14	225A/2P	33	42
9A	4BR	4,705	51,243	$11,273.51	$2.40	400A/2P	66	84
9B	4BR	5,744	54,723	$12,039.03	$2.10	400A/2P	70	84
10B	3BR	4,616	42,590	$9,369.87	$2.03	400A/2P	61	84

If you have any questions, or would like to discuss the above further, please do not hesitate to contact me directly at 212.951.2776 or via e-mail at thomas.abbate@wspfk.com.

Very truly yours

WSP FLACK + KURTZ

Thomas Abbate
Associate

cc: Nick Kourmanetos -GHWA
Frank Muscarella -WSP F+K
Central File -WSP F+K

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: July 25, 2013

HFZ Highline Property Owner LLC
c/o HFZ Capital Group
600 Madison Avenue, Seventeenth Floor
New York, New York 10022

Re: 505 West 19th Street Condominium
505 West 19th Street
New York, New York 10011 ("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 Halstead Management, LLC ("Real Estate Broker") 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 Real Estate Broker. Accordingly, in the event that facts presented by Real Estate Broker 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 Real Estate Broker 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

HALSTEAD
PENMARK

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

July 25, 2013

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

Re: Condominium Offering Plan
505 West 19th Street Condominium
505 West 19th Street
New York, New York 10011

Dear Sir/Madam:

HFZ Highline Property Owner LLC ("Sponsor") of the Condominium Offering Plan ("Offering Plan") for the Property retained Halstead Penmark Management LLC ("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 many 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).

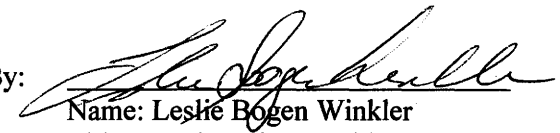
In the Firm's opinion, within the framework of Real Property Law Section 339-i.1, this method of determining Common Interest is reasonable and equitable.

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. 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,

Penmark Management LLC

By: 
Name: Leslie Bogen Winkler
Title: Senior Vice President

COMMERCIAL UNITS

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 2 Commercial Units. The High Line Unit will not be owned by Sponsor and is described in the Section of the Plan entitled "Highline Easement Agreement".

Commercial Units

Commercial Unit 1 will consist of approximately 5,339 square feet and will be located on portions of the cellar and ground floor.

Commercial Unit 2 will consist of approximately 5,646 square feet and will be located on portions of the cellar and ground floor.

General

Sponsor hereby offers the Commercial Units for sale pursuant to the Plan. The Purchase Prices for each of the Commercial Units 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 Commercial Units are freely negotiable without resort to the form Option Agreement set forth in Part II of the Plan, including, but not limited to, the amount of the Premium Payment, 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. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

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

Each Commercial Unit may be combined or subdivided by the Commercial Unit Owner into two or more separate condominium units without prior notice and without amendment to the Plan. Additionally, any Commercial Unit created as a result of such subdivision will retain the same rights afforded the Commercial Unit Owners as set forth herein.

Any additional condominium units created as a result of a subdivision of a Commercial 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 Commercial Units.

No representation is made with respect to the ownership of all or any portion of the Commercial Units or as to who the future owners or tenants of any portion of the Commercial Units may be at any time or as to the uses to which any portion of the Commercial Units may be put at any time except that each of the Commercial Units may be used for any purpose permitted by Law, except for manufacturing, workshop or industrial purposes, the storage of hazardous materials (other than in a de minimis amount for the customary purposes of cleaning), uses involving on-site food preparation, or any use that would pose a health or safety threat or result in excessive noise or noxious odors, dirt or other sanitary problems. No assurance, representation, or warranty is given that any tenants, occupants or users of the Commercial Units will not be objectionable to Residential Unit Owners or other parties. The uses of the Commercial Units may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control.

Each Commercial 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 Commercial Units 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 unanimous consent of the Commercial Unit Owners. In the opinion of Sponsor's budget expert, the allocated Common Charges payable by the Commercial Units are sufficient to cover the expenses fairly attributable to the Commercial Units.

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

(i) each Commercial 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 Commercial Units, whether structural or non-structural, ordinary or extraordinary, and to subdivide and/or combine such Commercial Unit, provided that such alterations, additions, improvements or repairs are in compliance with Law and the terms of the Declaration and By-Laws;

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

(iii) each Commercial Unit Owner and its Permitted Users shall have the right and an easement (i) for ingress and egress through all Common Elements for the purpose of accessing such Commercial Unit or any portion of the Building servicing such Commercial 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 Commercial 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 the Commercial Unit Owner shall determine, in the storefronts and windows of such Commercial Unit for the purposes of advertising the sale or rental of all or any portion of a Commercial Unit or the operation of any business of a tenant or occupant of a Commercial Unit. Notwithstanding the foregoing, the Commercial Unit Owners shall not be permitted to erect any signage and/or lighting on the exterior façade of the Building;

(iv) each Commercial Unit Owner (subject to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit), shall have the right, but not the obligation, at such Commercial Unit Owner's sole cost and expense, to alter, modify, and/or restore the exterior façade of the Building appurtenant to such Commercial Unit (including storefronts and windows of such Commercial Unit) and to create additional means of egress and ingress to such Commercial Unit, provided that such alterations, modifications and/or restorations are in compliance with Law and the terms of the Declaration and By-Laws;

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

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

(vii) notwithstanding any subdivision of any of the Commercial Units, the Commercial Unit Owners shall have the right to designate 2 members to the 5 member Condominium Board;

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

(ix) any decisions by the Condominium Board which solely affect a Commercial Unit may be made only by the Member(s) of the Condominium Board designated by such Commercial Unit Owner.

The Owner of any non-residential condominium unit created as a result of the sub-division of a Commercial Unit will retain the same rights afforded the Commercial Unit Owners 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, 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 an Option Agreement is then in effect may be made without the consent of the Purchaser. 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 Option Agreement among other terms: Purchase Price; the amount and timing of the Premium Payment; 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 Option 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 an Option 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 the size, layout and square footage of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing one or more such Units into two or more separate Unsold Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering any boundary walls between one or more Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit 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 an Option Agreement is then in effect and the Purchaser thereunder is not in default which materially and adversely increases or decreases the square footage of the Unsold Unit (excluding interior partitions) or materially and adversely changes the Unsold Residential Unit's size, the layout or Common Interest, unless the Purchaser consents to such changes, any such material and adverse changes may trigger a Purchaser's right of rescission. 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 Option 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 Premium Payment made under the Option Agreement and any interest earned thereon, except for Unit Upgrade Funds.

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 Option 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.

The provisions set forth in this Section of the Plan shall also apply to the sale of the Unassigned Storage Locker and Parking Spaces, as applicable.

PROCEDURE TO PURCHASE

A Purchaser desiring to purchase a Residential Unit will be required to execute an Option 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 assigned Storage Locker appurtenant to such Residential Unit.

Purchasers shall be afforded not less than 3 business days to review the Plan prior to executing an Option 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 an Option Agreement subsequently accepted by Sponsor. If a Purchaser has not received the Plan at least 3 business days prior to executing an Option Agreement, a Purchaser shall have the right to rescind the Option Agreement within 7 days from the date Purchaser delivers an executed Option Agreement together with the required Premium Payment to Sponsor or Selling Agent. The Option 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 an Option 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 an Option Agreement. While the First Closing is projected to occur on or about January 1, 2015, 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 Option 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.

Option 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 Option Agreement and the required Premium Payment, within which to accept or reject the Option Agreement. If an Option Agreement is not accepted by Sponsor within the 30 day period, the Option Agreement shall be deemed to have been rejected and cancelled and the Premium Payment 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) an Option Agreement for any Residential Unit, except as prohibited by Law, and (b) an Option Agreement for more than one Residential Unit to any Person.

The signing of the Option 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 Lockers, the Building and all Common Elements contained therein. In the event of any inconsistency between the provisions of the Option Agreement and the Plan, the provisions of the Plan will govern and be binding. The Option 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 an Option Agreement, Purchaser will be required to make an initial Premium Payment ("Initial Premium Payment") in an amount equal to 10% of the Purchase Price and an additional Premium Payment ("Additional Premium Payment") in an amount equal to 10% of the Purchase Price upon the earlier to occur of (i) 90 days after Purchaser executes the Option Agreement or (ii) within 15 days of the Presentation Date of the amendment declaring the Plan effective. A Purchaser executing an

Option Agreement after the date the Plan is declared effective is required to make the full Premium Payment in an amount equal to 20% 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 Premium Payment in excess of that set forth in the Plan, which amount shall be on terms individually negotiated with each Purchaser. All Premium Payments must be made payable to the direct order of "Starr Associates LLP, as escrow agent." All checks delivered in payment of the Premium Payment 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 Option Agreement to be cancelled and of no further force or effect.

All Premium Payments made pursuant to an Option 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 Premium Payments 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 Premium Payments constitute payment for the option to purchase the Residential Unit for the Purchase Price ("Option"). The Premium Payments are nonrefundable regardless of whether or not the Purchaser exercises the Option. At least thirty (30) days prior to the date for the Closing of Title to the Residential Unit, Sponsor shall give Purchaser written notice (i) of the planned date and time for the Closing, and (ii) Purchaser shall have the right to exercise or terminate the Option ("Option Exercise and Initial Closing Notice") within fifteen (15) calendar days after the date of the Option Exercise and Initial Closing Notice ("Notice Period"). During the Notice Period, Purchaser shall give Sponsor written notice of Purchaser's election to either exercise or not exercise the Option. Purchaser's failure to respond within the Notice Period shall be deemed to mean that Purchaser is exercising the Option and shall proceed to purchase the Residential Unit.

In the event Purchaser exercises the Option (or fails to respond during the Notice Period), the Closing of Title to the Unit shall proceed and the Premium Payments shall be applied toward the Purchase Price pursuant to the terms of the Option Agreement. In the event Sponsor receives notice from Purchaser during the Notice Period that Purchaser is not exercising the Option, then (i) the Premium Payments shall be retained by the Sponsor as payment in full for the Option; (ii) Purchaser and Sponsor shall have no further rights or obligations under the Option Agreement; (iii) Sponsor and Purchaser shall be deemed to have waived any claims against the other arising from the Option Agreement or the purchase of the Residential Unit; and (iv) the Residential Unit may be sold to another as though the Option Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. Notwithstanding anything contained in the Plan or the Option Agreement to the contrary, the Premium Payments shall not be refundable.

The Exercise Price shall be payable simultaneously with the delivery of the deed to the Residential Unit (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 Premium Payment 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 January 1, 2015. 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 Option 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 Option Agreement. Any Purchasers electing rescission will have their Premium Payments returned together with any interest earned thereon, except for Unit Upgrade Funds. 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 Option Agreements and receive a refund of their Premium Payments, 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 Option 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 Option 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 cancel the Agreement. 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 Premium Payment and any interest earned on the Premium Payment and (b) Unit Upgrade Funds. 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 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 Option 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 OPTION AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF ALL PREMIUM PAYMENTS 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 Option Agreements to purchase more than one Unit, a default by Purchaser in the payment or performance of any obligations under any of such Option Agreements, beyond any applicable grace periods, shall be deemed a default under the other Option Agreements. In the event of such a default, Sponsor may, at its option, cancel each such Option Agreements and retain, as liquidated damages, all of the entire Premium Payments made by Purchaser, together with any interest earned thereon, if any, under each of the Option 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 Option 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 Option 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 Option Agreement or the Condominium Documents. Such Foreign Government Purchaser will be required at Closing to Premium Payment with the Condominium an amount equal to 1 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 Option 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 Option Agreement, and Sponsor may, at its option, cancel the Option Agreement and retain, as liquidated damages, the entire Premium Payment made by Purchaser, together with interest earned thereon.

If the Plan is withdrawn or abandoned, all Premium Payments 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 (unless and until Purchaser takes possession of the Residential Unit, at which time such risk shall be assumed by Purchaser), 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 an Option Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Residential Unit, the Option 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 an Option 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 Option Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Premium Payment, 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 Option Agreement

and the Plan; provided, however, if Purchaser is then in default under the Option Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Purchasers will be required to consummate the purchase of the Residential Unit even though a Temporary Certificate of Occupancy has not been issued for the Storage Locker Area and/or access or use of the Storage Lockers are not yet available.

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 Premium Payment an amount greater than the Premium Payment required under the Option 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 Option 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 Premium Payment 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 Option Agreement entitling Sponsor to all of the remedies set forth in the Plan and the Option Agreement.

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).

ESCROW AND TRUST FUND REQUIREMENTS

All deposits, down payments, advances and payments made by Purchasers prior to the Closing ("Premium Payments") 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 Option 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 Option 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 Option 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 Option Agreement or otherwise enforcing Purchaser's obligations thereunder.

All Premium Payments 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 date of this 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 Capital One N.A., located at 90 Park Avenue, New York, NY 10016 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York. Premium Payments 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 Premium Payment tendered by Purchaser after the Initial Premium Payment 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 Option Agreement Escrow Rider with respect to its obligations in this Section.

All Premium Payments will be placed initially in the non-interest bearing portion of the Master Escrow Account (including Unit Upgrade Funds). 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 Premium Payment and the Option Agreement. If a Premium Payment is accompanied by a completed and signed Form W-9 or Form W-8, the Premium Payment will thereafter be promptly transferred to an individual interest bearing sub-escrow account in the name of Purchaser (except for Premium Payments for Unit Upgrade Funds). If a Purchaser does not deliver the Form W-9 or Form W-8, the Premium Payment will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Premium Payment is released, the Premium Payment 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 Premium Payments, except for Unit Upgrade Funds, 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 Premium Payment as per GBL § 352-h. Unit Upgrade Funds will initially be placed in the Master Escrow Account. However, Purchasers should note that such funds may be released from the Master Escrow Account by Escrow Agent to Sponsor to pay, or reimburse Sponsor, for such upgrades or extras. As a result, in the event Sponsor cancels the Option Agreement or Purchaser is entitled to rescind the Option Agreement in accordance with the Plan, Purchaser will not receive a refund of any of the Unit Upgrade Funds. Escrow Agent shall be under no duty to verify that Sponsor used or committed such funds for upgrades or extras.

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 Premium Payment. If Purchaser does not receive notice that the Premium Payment has been placed in the Master Escrow Account within 15 business days after tender of the Premium Payment, Purchaser may cancel the Purchase and rescind the Option Agreement so long as the right to rescind is exercised within 90 days after tender or crediting of the Premium Payment 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 Premium Payment 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 Premium Payments tendered by Purchaser after the Initial Premium Payment (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 Premium Payment Insurance Corporation ("FDIC") to a maximum of $250,000 per individual Premium Payment. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Premium Payment in excess of $250,000 such Premium Payment will not be FDIC insured in excess of $250,000; and (ii) while the Premium Payment is in the non-interest bearing portion of the Master Escrow Account, the Premium Payment may not be fully FDIC insured even if the Premium Payment 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 Premium Payment may be tendered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. The Premium Payment shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

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

If a Purchaser tenders a Premium Payment without an executed Option Agreement, Sponsor shall have the right to reject the Premium Payment and return it to Purchaser: (i) within 5 business days after

tender, if the Premium Payment has not been deposited into escrow, and (ii) within 10 business days, if the Premium Payment has been deposited into escrow and the Option Agreement has not yet been delivered by Purchaser. In the event a Premium Payment 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 Option Agreement, or (ii) Purchaser is entitled to a return of the Premium Payment. 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 July 1, 2013 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 Premium Payment is cash or cash equivalent, or (y) 5 business days, if the Premium Payment is other than cash or cash equivalent, of the transfer of the Premium Payment 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 Premium Payment 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 Option Agreement will be deemed void ab initio (as if the Option 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 Premium Payments within two (2) business days of tender of the Premium Payment 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 Premium Payments 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 Premium Payments if so directed:

(i) pursuant to terms and conditions set forth in the Plan and Option 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 Premium Payments are not released pursuant to this paragraph and Escrow Agent receives a request by Sponsor or Purchaser to release the Premium Payments, Escrow Agent shall give both parties prior written notice of not fewer than 30 days before releasing the Premium Payments. If Escrow Agent has not received notice of objection to the release of the Premium Payments at the expiration of the 30 day period, the Premium Payments shall be released and Escrow Agent shall provide further written notice to both parties informing them of the release of the Premium Payments. If Escrow Agent receives a written notice from either party objecting to the release of the Premium Payments within the 30 day

period set forth in the notice, Escrow Agent shall continue to hold the Premium Payments until otherwise directed pursuant to subsections (i) through (iii) of this paragraph. However, Escrow Agent shall also have the right at any time to Premium Payment the Premium Payments 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 Premium Payment.

Sponsor will not object to the release of the Premium Payments 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 Option 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 Premium Payment to Sponsor in the event Sponsor and Purchaser close title under the Option 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 Premium Payments.

Sponsor may, upon application approved by the Department of Law, elect to withdraw Premium Payments from the Master Escrow Account and secure all or any portion of the Premium Payments 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. If Sponsor's application for alternate security is approved by the Department of Law, the terms of the alternate security will be disclosed in a duly filed amendment to the Plan. All Premium Payments 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 Premium Payments 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 Premium Payments, if any, withdrawn by Sponsor for use in construction, less any sums returned to Purchasers or otherwise disbursed in accordance with the Plan. Premium Payments will cease to earn interest upon withdrawal from the Master Escrow Account.

PURCHASERS WILL EARN NO INTEREST ON PREMIUM PAYMENTS WHICH ARE PREMIUM PAYMENTED IN SPONSOR'S CONSTRUCTION FUND ACCOUNT, EXCEPT DURING SUCH PERIODS AS THE PREMIUM PAYMENTS 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 Premium Payments have been placed in Sponsor's construction fund account.

Escrow Agent shall be entitled to release the Premium Payments 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 Premium Payments 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 Premium Payments 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 an Option 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 Option 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 Premium Payments 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 Premium Payment 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 Premium Payments, 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 Premium Payment pursuant to the Plan, Escrow Agent shall be fully released from all liability and obligation with respect to the Premium Payment. Escrow Agent shall accept a Premium Payment 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 Option 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 Option 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 Premium Payment or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Premium Payment 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 Premium Payment nor deducted from the Premium Payment 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 Premium Payments from escrow.

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

ASSIGNMENT OF OPTION AGREEMENTS

No Third-Party Assignment

Purchaser does not have the right to assign the Option 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 Option 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 Option Agreement, or for the addition, deletion or substitution of names on the Option 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 Option Agreements with respect to not less than 15% of the Residential Units offered for sale (i.e. 6 Residential Units assuming 35 Residential Units offered for sale) (excluding the Resident Manager's Unit). The Plan must be declared effective at such time as Option Agreements have been executed and are in effect with respect to 80% of the Residential Units offered for sale (i.e., 28 Residential Units assuming 35 Residential Units offered for sale).

The Plan will not be declared effective based on Option 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 an Option Agreement or, in lieu thereof, at least 7 days to rescind after executing an Option 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 (approximately $1,143,345), 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 (approximately $1,143,345); 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 Option 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 Option Agreement, all Premium Payments, together with any interest earned thereon, including for Unit Upgrade Funds, will be returned to Purchasers 5 days after the Filing Date of the amendment abandoning the Plan. Upon the return of the Premium Payments, as aforesaid, the Option Agreement will be null and void and Sponsor will have no further obligation or liability to Purchaser under the Plan or the Option Agreement. If the Plan is abandoned and Sponsor has not accepted Option 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 Purchaser to close. Purchasers will be required to consummate the purchase of the Residential Unit even though a Temporary Certificate of Occupancy has not been issued for the Storage Locker Area and/or access or use of the Parking Spaces and/or Storage Lockers are not yet available. In such event, Purchasers will not have use of or access to the Storage Lockers until such time as a Temporary Certificate of Occupancy has been issued for the Storage Locker Area.

(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 a 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 Purchaser's 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 Exercise Price and such other checks and documents required pursuant to the Plan and the Option 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 Option Agreement, entitling Sponsor to the default remedies set forth in the Option 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 Commercial 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.

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 either (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; 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).

The acceptance of a deed by Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Option Agreement, in 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and in General Business Law Section 352-e to survive delivery of the deed.

Any personal property located within a Residential Unit (if any) on the date the Option Agreement is executed or located within the Common Elements on the Declaration Date, that is owned by Sponsor, is included in the conveyance unless specifically excluded in the Option Agreement or the Plan.

Sponsor may elect to install an art exhibit in the residential lobby. In such event, the art exhibit, and all artwork contained therein, is expressly excluded from this offering. Sponsor may, however, decide to give the art exhibit and artwork to the Condominium.

SALE OF PARKING SPACES

Sponsor is offering Purchasers of Residential Units the opportunity to purchase deeded interests in Parking Spaces for the exclusive use of Purchaser for so long as such Purchaser owns a Residential Unit in the Building. The Parking Spaces will be offered for sale to Purchasers of Residential Units on a first-come, first-served basis.

There is one (1) ADA compliant Parking Space being offered for sale ("Parking Space 1"). A Residential Unit Owner (or such Residential Unit Owner's successors and assigns) who does not qualify for an ADA compliant Parking Space may purchase Parking Space 1 ("Original Purchaser"). However, in the event that a Residential Unit Owner who qualifies for the use of an ADA compliant Parking Space wishes to purchase Parking Space 1 for such use ("New Purchaser"), the New Purchaser can provide written notice to the Condominium Board of its intention to purchase the Parking Space, along with documentation of New Purchaser's qualification for use of the ADA compliant Parking Space ("New Purchaser Notice"). The Condominium Board may request additional, reasonable documentation from New Purchaser with respect to such qualifications. Provided New Purchaser has met the foregoing criteria, no later than sixty (60) days from receipt of the New Purchaser Notice, the Condominium Board shall provide written notification to the Original Purchaser and the New Purchaser of the required transfer of Parking Space 1. New Purchaser will be required to sell Parking Space 1 to the New Purchaser at its then current fair market value ("FMV"), on a closing date to be mutually agreed upon by New Purchaser and Old Purchaser. Parking Space 1's FMV shall be based upon the judgment of an independent appraiser, which appraiser shall be selected and mutually agreed upon by Original Purchaser and New Purchaser, but in no event will the FMV of Parking Space 1 be less than the purchase price paid by Original Purchaser. In the event the Original Purchaser and New Purchaser cannot agree on the closing date or the FMV of Parking Space 1 within a reasonable timeframe, the Condominium Board, in its reasonable discretion, shall make the determination as to the closing date and the identity of the independent appraiser. New Purchaser shall be responsible for the costs of the independent appraiser's services, along with all transfer taxes resulting from the sale of Parking Space 1. Original Purchaser, and each subsequent owner of Parking Space 1, shall only be subject to these provisions if they do not qualify for the use of an ADA compliant Parking Space. The deed for Parking Space 1, and each subsequent deed for such Parking Space, shall contain a restriction that ownership of Parking Space 1 is subject to these provisions.

CLOSING COSTS AND ADJUSTMENTS

Closing Costs

As more particularly set forth in the Option 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. 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 1 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** Commonwealth Land Title Insurance Company, having an office at 2 Grand Central Tower, 140 East 45th Street, 22nd Floor, New York, New York 10017. ("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 Option 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).

(3) ***Purchase of Parking Space:***

The tax on each Parking Space is 1.425% if the consideration is $500,000 or less, or 2.625% if the consideration is greater than $500,000.

The New Purchaser of Parking Space 1 from the Original Owner will be responsible for all transfer taxes resulting from the sale of Parking Space 1. Purchasers should refer to the Section of the Plan entitled "Terms of Sale" for more details.

(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 Premium Payment 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 Premium Payment 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 Option Agreement, or for the addition, deletion or substitution of names on the Option 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 each 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 Premium Payment with the Condominium an amount equal to 1 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.

(k) Purchaser shall pay Purchaser's share of the Purchase Price of the Resident Manager's Unit (plus closing costs) allocated in accordance with the Common Interest of each Residential Unit in the amount set forth in the Section of the Plan entitled Schedule A – Purchase Prices and Related Information.

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)	$13,403.00
Mortgage Insurance Premium for $2,500,000 of lender's insurance	(21% first condo bulk sale simultaneous rate)	$1,751.00
NYC RPT Tax	NOTE: transfer taxes are based upon bulked-up consideration of $5,091,250. The NYC RPT rate is 1.425%.	$72,550.31
NYS Mansion Tax	1% of bulked-up consideration	$50,912.00
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	$260.00
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	1 months' Common Charges	See Schedule A
Share of Resident Manager's Unit (assuming Residential Common Interest of 2.5861%)	Resident Manager's Purchase Price payment	$84,125.83
Total Estimated Closing Costs	Excluding Working Capital Contribution	$295,038.28

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;" (b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes; and (c) if Purchaser is occupying a Residential Unit pursuant to a Use and Occupancy Agreement, accrued use and occupancy fees and other charges.

(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 Option 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 Option 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.

(b) Sponsor has procured financing for the construction of the Building from Capital One, N.A. ("Construction Lender"). Sponsor will receive advances 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. Based upon projected pricing and estimated closing costs for the Residential Units, Sponsor anticipates that the construction loan will be paid in full from the sale of a maximum of 45.7% of the Residential Units offered for sale (e.g., 16 Residential Units). The construction loan documents do not require a specific minimum number of Option 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 January 1, 2015. 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 will 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 Option Agreement, Sponsor will offer those affected Purchasers only a right to rescind their Option 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 Premium Payments returned together with any interest earned thereon, except for Unit Upgrade Funds. 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 Option Agreements and receive a refund of their Premium Payments, 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 Option Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

(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 an Option Agreement is then in effect and the Purchaser thereunder is not in default 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 Option Agreement or the Plan, it being understood that nothing contained in this Section will 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 Premium Payment made under the Option Agreement and any interest earned thereon, except for Unit Upgrade Funds.

(g) At the 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 construction 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 ("Permanent Certificate of Occupancy") covering the entire building but with only a Temporary

Certificate of Occupancy ("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 may occur. Sponsor will undertake the responsibility for extending each Temporary Certificate of Occupancy received prior to expiration thereof, and ultimately for obtaining 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 is obligated to procure the Permanent Certificate of Occupancy. Notwithstanding the foregoing, the Condominium Board may refuse to permit a Residential Unit Owner to perform alterations to a Residential 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 Buildings Department 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 available on the Buildings Department website at: http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf.

(i) 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 Option 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, emergency generator, domestic water tanks, chillers, and packaged units (collectively, "Equipment") located in the cellar, on the roof and the roof bulkheads. The Condominium Board and Sponsor have the right to operate the emergency generator as necessary, as well as to activate the emergency generator for testing on a periodic basis, normally once per month. During such testing periods, which may occur at any time, Residential Unit Owners may experience excessive noise and vibration, which may exceed applicable New York City noise requirements. The Condominium Board and Sponsor will attempt to minimize any potential disruption. 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 Commercial 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 5 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 an Option 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 Commercial Units 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 construction and to cause all mechanic's liens with respect to the construction 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 under the Inspection Statement prior to Closing shall not be grounds for Purchaser to delay the Closing or to refuse to pay the full Exercise 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 Building or the Residential Unit is issued, Purchaser shall be obligated to close title to the Unit and pay the Exercise 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 construction 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 covering such Common Elements 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.

(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 the limestone and wood used on the exterior façade of the Building) 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 NEWLY CONSTRUCTED BUILDING. PURCHASERS WHO PURCHASE A RESIDENTIAL UNIT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED 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 Residential 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 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 set forth in the Plan and shall be obligated to indemnify the Condominium Board and Unit Owners against any such action or proceeding.

(x) 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 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 10 or more Residential Units or 20% or more of the total number of Residential Units in the Condominium, whichever is less, 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 (unless and until Purchaser takes possession of the Residential Unit, at which time such risk shall be shall be assumed by Purchaser), 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 an Option Agreement, provided Sponsor elects (which election shall be in its sole discretion as set forth in the Option Agreement) to repair or restore the Residential Unit, the Option 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 an Option 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 Option Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Premium Payment, together with any interest earned thereon and Unit Upgrade Funds, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Option Agreement and the Plan; provided, however, if Purchaser is then in default under the Option 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% 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. 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.

(kk) Sponsor does not anticipate that any Excess Development Rights will remain upon completion of the Building. However, if the applicable provisions of the Zoning Resolution change in the future, such changes may generate transferable Excess Development Rights which will not be included in the Property and shall be the exclusive property of Sponsor. Sponsor cannot represent the amount of transferable Excess Development Rights that could result from such changes. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Excess Development Rights. If any Excess Development Rights are transferred to an adjoining premises, the light and air of the Building and views from Units and/or Terraces may be affected. Notwithstanding the foregoing, Excess Development Rights may not be used to expand the size, height, bulk or density of any portion of the Property after the recording of the Declaration. (See the section of the Plan entitled "Rights and Obligations of Sponsor" and the Declaration in Part II of the Plan for details.)

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.

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 Option Agreements within 15 days after the Presentation Date of the amendment. Any Purchaser electing rescission pursuant to the offer will have their Premium Payment and any interest accrued thereon returned, except for Unit Upgrade Funds.

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 Option 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.

Sales Center/Model Unit

In no event shall the presence of any FFE in the Sales Center or 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 the Sales Center or 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 located in the Sales Center or 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 portion of the Building 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 portion of the Building. 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 (a) antennae, satellite dishes and other communications equipment, and (b) 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 Commercial Unit Owners 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 Ziel Feldman, Nir Meir and John Shannon, who shall serve as President, Vice President and Secretary/Treasurer, respectively. Zeil Feldman is a principal of Sponsor. Mr. Meir and Mr. Shannon are employees of affiliates of 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 5 individuals, 3 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 2 of whom shall be designated by the Commercial Unit Owners ("Non-Residential Members"). 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 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 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 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. Any such Residential Member removed who was designated by Sponsor may only be replaced by Sponsor, and further provided, however, that the Non-Residential Members of the Condominium Board may only be removed by the Commercial Unit Owners, 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 Commercial Unit Owners.

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 Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-laws" subsection "Amendments to Condominium Documents" for a discussion of 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) 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.

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 and without payment of any fees.

Commercial Unit Owners are free to sell or lease all or any portion of the Commercial Units 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 Option Agreement prohibits a Purchaser from listing 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.

All requirements, restrictions and obligations with respect to the sale or lease of a Residential Unit shall apply to a Parking Space. To protect the security of the Building, Parking Space may not be owned independently of a Residential Unit and may be sold only to another Residential Unit Owner or to a Purchaser who is simultaneously purchasing a Residential Unit.

Use of Units and Common Elements and Storage Lockers

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 Certificate of Occupancy or Permanent Certificate of Occupancy covering the Building, and the Condominium Board, in its sole discretion, grants permission for such use.

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

A Storage Locker 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, 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. Sponsor, however, shall have the right to use any assigned Storage Locker appurtenant to an Unsold Residential Unit or the Unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of the Unassigned Storage Locker subject to the provisions of the By-Laws and shall have the right to offer the Unassigned Storage Locker for sale pursuant to a license agreement. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

A Parking Space may be used for the parking of automobiles and motorcycles only. Sponsor shall have the right to use any Parking Space owned by Sponsor for any purpose permitted by Law, subject to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Parking Space may not be owned independently of a Residential Unit, or in the case of a lease, leased to a non-tenant of a Residential Unit.

Use and occupancy of the Residential Units, Parking Spaces and the Storage Lockers 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 Commercial Units may be used for any purpose permitted by Law, subject however to the provisions of the By-Laws, except that the Commercial Units may not be used for manufacturing, workshop or industrial purposes, the storage of hazardous materials (other than in a de minimis amount for the customary purposes of cleaning), uses involving on-site food preparation, or any use that would pose a health or safety threat or result in excessive noise or noxious odors, dirt or other sanitary problems.

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 Certificate of Occupancy 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 Commercial Units, 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 Commercial 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 Commercial Units) 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 (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.

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 (and the Parking Space Area, which for the purposes of repair and maintenance shall be treated as a Residential Limited Common Element) 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 replacements (except for any skylights located in a Unit, which shall be performed by the Condominium Board with the cost and expenses borne by the Unit Owner of such Unit).

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

If the hallway appurtenant to a Residential Unit is utilized by a single Unit Owner, it may be licensed to the Unit Owner by the Condominium Board., and such Unit Owner shall have the right to modify the décor of such hallway, provided that such décor is in keeping with the status of a first class luxury condominium. Such Unit Owner shall be responsible, at its sole cost and expense, for all maintenance, repairs, replacements and upkeep of the common hallway and the furnishings located thereon.

Each Residential Unit Owner shall be obligated to heat and cool their respective Residential Units so as to maintain appropriate temperature and humidity in order to avoid causing damage to the Common Elements or the Residential Units, including, without limitation, freezing pipes and damage to the wood floors and moldings and also help to mitigate contraction and expansion that can damage such floors and moldings. Protective felt pads and protective sheeting such as plywood or masonite should always be used for furniture or appliances and Residential Unit Owners should not use a wet mop on wood flooring because it can cause warping and cracking. In the event a Residential Unit Owner fails to so maintain the Residential Unit, such Residential Unit Owner may be liable for any damage arising from such failure,

including, without limitation, any claims pertaining to environmental hazards such as mold or other bacterial contamination.

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. The cleaning of the exterior portion of the glass surfaces of all windows must be performed by a professional window washing company. 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.

A Parking Space Owner may not paint, decorate or alter the Parking Space.

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.

Sponsor and the Commercial Unit Owners shall each have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or representatives of holders of Mortgages on Units to: (a) make alterations additions, improvements, or repairs in or to their respective Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (b) subdivide, combine and change the boundary walls of their respective Units. (See the Section of the Plan entitled "Changes in Prices and Units" for details.)

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 Commercial Units provided any alteration to such Unsold Residential Unit or Commercial Units 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 Residential Unit, any Residential Limited Common Elements appurtenant thereto, and any Storage Locker owned by the Residential Unit Owner and liability insurance with respect to occurrences in or about the Residential Unit, any Residential Limited Common Elements appurtenant thereto, and any Storage Locker owned by the Residential Unit Owner. In addition, the Owner of Unit TH will be required to deliver at closing insurance covering the pool located on the Terraces appurtenant to Unit TH 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, Resident Manager and other persons authorized by the Condominium Board, will have a right of access to any Unit and Storage Locker for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit and Storage Locker or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and Storage Locker and threatening another Unit or any Common Element or Storage Locker, 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 Lockers) for purposes of performing certain alterations and repairs in or about Unsold Residential Units or Commercial Units or Storage Lockers and in fulfilling Sponsor's obligations under the Plan, provided that access to any Unit or Storage Locker may not be exercised in such a manner as will unreasonably interfere with the use of such Unit or Storage Locker 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, or any Storage Locker, if any, or in the event of any breach of the Condominium Documents, then, as set forth in Article 9 of the By-Laws, the Condominium Board shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

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 "Commercial Units" for a summary of additional rights and obligations of the Commercial Unit Owners.

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 Commercial Unit Owners 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 5 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 Commercial Unit Owners, 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 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. 2 members of the Condominium Board shall be designated by the Commercial Unit Owners. 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 and any Storage Locker. 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 Commercial Unit Owners and any Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, 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 Commercial Unit Owner and/or any Commercial Unit without the prior written consent of the affected Commercial 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 each of the Commercial Unit Owners 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 Commercial Unit Owners 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 will not meet the requirements for qualification as a "homeowners association," under Internal Revenue Code Section 528.

Since the Condominium does not presently qualify as a "homeowner's association" it will be taxable as a partnership or a 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

If, in the future the Condominium does meet the requirements of Section 528 and the Condominium elects to be treated as a homeowner's association, 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

It is estimated that the aggregate real estate taxes payable with respect to all Residential Units for the First Year of Condominium Operation will total approximately $920,476, assuming (a) an assessed valuation for the Property of $1,271,480 for the 6 months of 2014/2015 tax year reflecting a land only billable assessment, and an assessed valuation for the Property of $14,405,200 for the 6 months of 2015/2016 reflecting a completed building assessment, based on the real estate tax projection opinion prepared by Real Estate Tax Counsel dated May 29, 2013 set forth in Part II of the Plan, and (b) a tax rate of 13.181%. Purchasers should note that once the Building is assessed as being fully constructed, it is estimated that the real estate taxes for the Residential Units will total approximately $1,710,000, 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.

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 Option 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.

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.

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 in an amount equal to 1 months' 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 a Residential Unit Owner on a resale. No payment to the Working Capital Fund will be made by the Condominium Board as Purchaser of the Resident Manager's Unit.

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) Premium Payments 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.

In addition to the foregoing, all closing costs, without exception, including but not limited to, origination and application fees, recording fees, mortgage recording taxes, mortgage and fee title insurance, legal fees and transfer taxes due in connection with the transfer and mortgage of the Resident Manager's Unit (estimated, assuming the Resident Manager's Unit is transferred at the First Closing, to be approximately $103,000) will be paid from the Working Capital Fund. In the event that the Working Capital Fund is not sufficient to pay these closing costs, Sponsor will advance the funds necessary on behalf of the Condominium in exchange for an interest-free promissory note in favor of Sponsor secured by the Working Capital Fund in the amount of the funds so advanced ("Resident Manager's Unit Advance"), providing for repayments of principal only from the Working Capital Fund.

The Working Capital Fund may only be used for (1) making repairs or replacements to Residential Common Elements; (2) the Residential Unit Owners' share of the cost of repairs and replacements to the General Common Elements; (3) the Residential Unit Owners' share of expenses directly related to the operation of the Building; and (4) the payment of closings costs for the Condominium's acquisition of the Resident Manager's Unit. The Working Capital Fund 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

The Schedule B includes a line item for a Reserve Fund for the Condominium for the sole purpose of costs and expenses related to capital repairs, replacements and improvements. The Reserve Fund amount was the product of a Reserve Fund Study undertaken by Sponsor. For so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board must maintain a Reserve Fund and any change in the amount of such Reserve Fund shall be made only with Sponsor's prior written consent. As the Building, upon completion of the construction will be predominately new construction, Sponsor does not anticipate the imminent need for such capital repairs, replacements or improvements, however, no assurance or guaranty is given that such needs will not arise in the future. 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.

MANAGEMENT AGREEMENT

At the First Closing, Sponsor will assign, and the Condominium Board will assume, the Management Agreement for the Condominium between Sponsor and Halstead Management Company LLC ("Managing Agent"), having an office at 770 Lexington Avenue, New York, New York 10065, ("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 2 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. The Management Agreement is not assignable by the Managing Agent.

Managing Agent will receive an annual fee, payable in equal monthly installments during the term of the Management Agreement as follows: $55,000 per annum for the first year; $56,650 for the second year. Thereafter, the annual fee shall be mutually agreed upon between the Condominium Board and the Managing Agent. If no annual fee is established, the Managing Agent shall be entitled to receive 103% of the prior years' annual fee. 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.

The Condominium Board shall be required to reimburse the Managing Agent for all of the Managing Agent's ordinary and customary out of pocket expenses incurred by the Managing Agent in the performance of its duties under the Management Agreement, including, but not limited to, costs for printing, mailing, messenger service, record storage and facsimile charges.

The Condominium Board shall be required to pay the Managing Agent additional fees for the following services: (1) tax certiorari and tax abatement filings; (2) payroll processing; (3) loan fees if a loan is arranged by the Managing Agent; (4) extraordinary Building repairs and alterations; (5) legal and administrative hearings; (6) attendance at Condominium Board meetings; (7) sending out required notices to Unit Owners; and (8) additional changes for any new requirements imposed by any governmental entities.

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

HFZ Highline Property Owner LLC is a limited liability company organized under the laws of the State of Delaware, with an office at c/o HFZ Capital Group, 600 Madison Avenue, Seventeenth Floor, New York, New York 10022 ("Sponsor").

The principal of Sponsor who will be actively involved in this offering is Ziel Feldman., having an office c/o HFZ Capital Group, 600 Madison Avenue, Seventeenth Floor, New York, New York 10022.

Mr. Feldman has been in the real estate business for more than 25 years. His diverse real estate projects and transactions, totaling more than $5 billion, include hospitality, residential, mixed-use, adaptive re-use and resort communities.

Prior Offerings

The principal of Sponsor has taken part in the following prior public offerings which were initially offered during the past 5 years:

Project:	Date Filed:	File Number
Eleven East Sixty-Eighth Street	March 26, 2013	CD12-0232
Halcyon Condominium	March 22, 2013	CD12-0071

The principal of Sponsor is current in principal's financial obligations with respect to these projects.

There have been no prior felony convictions of Sponsor, or the principal of Sponsor and no prior convictions, injunctions and judgments against Sponsor, or the principal 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, a limited liability company organized under the laws of the State of Delaware, has 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 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 LLC, having an office at 708 Third 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 Corcoran Sunshine Marketing Group, having an address at 888 Seventh Avenue, 39th Floor, New York, New York 10106. 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 15 years prior to the submission of the Plan.

Managing Agent

Managing Agent for the Condominium will be Halstead Management Company LLC, having an office at 770 Lexington Avenue, New York, New York 10065. Managing Agent is a real estate and management firm that has been in business for many years. Managing Agent is a licensed real estate brokerage and management firm, which has been engaged in the management of residential real estate for many years. It currently provides property management services for many residential cooperatives and condominiums.

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 15 years 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

Goldstein, Hill, & West Architects, LLP, having an office at 11 Broadway, New York, New York 10004 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 many years and has been the architect of many buildings including : 605 West 42nd Street, NY; 71 Reade Street, NY; 22 Central Park South, NY; 250 West Street, NY; 343-345 Bond Street, Brooklyn; 508 West 24th Street, NY; 443 Greenwich Street, NY.

b) Designer

thomas juul-hansen llc having an office at 40 Worth Street, Suite 814, New York, New York 10013, is the designer for the Building ("Designer"). The Designer has been providing design services for many years and has been the designer of the following buildings: 515-17 West 23rd Street, New York, NY; 157 West 57th Street, New York, NY.

c) Structural Engineer

WSP Cantor Seinuk, having an office at228 East 45th Street, 3rd Floor, New York, New York 10017, is the structural engineer for the Building ("Structural Engineer"). The Structural Engineer has been providing structural engineering services for many years and has been the structural engineer of the following buildings: The Caledonia, (455 West. 10th Avenue, New York, NY); Ten 23, (500 West 23rd Street, New York, NY); Time Warner Center (10 Columbus Circle, New York, NY); Beekman

Tower at 8 Spruce Street, New York, NY; One World Trade Center, New York, NY; Seven World Trade Center, New York, NY; Hearst H.Q., (300 West 57th Street, New York, NY); Silver Towers (600 West 42nd Street, New York, NY); ONE 57, (157 West 57th Street, New York, NY); The Rushmore at 80 Riverside Boulevard, New York, NY.

d) Mechanical Engineer

WSP, having an office at 512 Seventh Avenue, 13th Floor, 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 the mechanical engineer for the following buildings: 15 Central Park West, NY; The Verdesian Battery Park City, NY; The Millenium Tower Battery Park City, NY; The Helena at 601 W 57th Street, NY; 508 W 24th Street, NY.

Condominium Budget Expert

Sponsor has engaged Halstead Penmark Management, LLC having an address at 770 Lexington Avenue, New York, New York, as Sponsor's Budget Expert. The Budget Expert reviewed the amounts of income and expenses in "Schedule B - Estimated Budget for Projected First Year of Condominium Operation" as prepared by 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 Commercial Unit Owners, which may be found 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.

Certain principals of Sponsor are affiliated with Managing Agent and Selling Agent.

No Pre-Sales

Neither Sponsor nor its principals have entered into contracts or agreements, written or oral, or accepted any Premium Payments 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, Option 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 is construction 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 an Option 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 Option 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 Premium Payment, together with any interest earned thereon to Purchasers who rescind, except that Sponsor shall retain the Premium Payment of any Purchaser who is in default under the Option 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.

PART II

CONDOMINIUM OFFERING PLAN

505 WEST 19TH STREET CONDOMINIUM
505 WEST 19TH STREET
NEW YORK, NEW YORK 10011

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Section 20.7
DESCRIPTION OF THE PROPERTY AND BUILDING CONDITION:
505 West 19th Street
New York, New York

A. Location and Use of the Property:

1. Address:	505 West 19th Street New York, New York 10001 Borough of Manhattan
2. Block/Lot Number:	Block 691, Lot 25, 27 & 29 Air Rights Parcel: Lot 24
3. Zoning:	C6-2 Special West Chelsea District (R8 Equivalent) Sub Area E, Sub Area G. This building is not Quality Housing Project.
4. Permissible Uses:	Use Groups as Per New York City Zoning Resolution section 32-00 Use Groups 1-12 are permissible. Proposed uses: Residential: 2 Retail: 6A
5. Flood Zone:	Advisory Flood Hazard Zone A, per FEMA Advisory Base Flood Elevation Map, Map ID: Jersey City NE; Date of Map: February 22, 2013 Zone AE & Zone X Per the FEMA Flood Insurance Rate Map (FIRM) Community Panel Number 3604970182F, effective date 5 September 2007 2013 NYC Hurricane Evacuation Map, Zone 1. The nearest Evacuation Center located 1.24 miles from site at Baruch College 155 East 24th Street, NY, NY 10010.

B. Status of Construction:

1. Class of Construction:	Erected Class (Class 1B - Fireproof), conforming to all applicable regulations of the Building Code of the City of New York, table 601 Fire-Resistance Rating Requirements for Building Elements and table 602Fire-Resistance rating requirements for exterior walls based on Fire Separation Distance, including Local Law 17/95, Seismic Building Design.
2. Status of Construction:	The Construction Documents were submitted to the New York City Department of Buildings on December 21, 2012 under DOB application # 121326831. The construction of the building commenced in the second quarter of 2013 and it is scheduled to be substantially complete during the fourth quarter of 2014.
3. Certificate of Occupancy:	After completion of construction, Sponsor will obtain a Permanent Certificate of Occupancy. A Temporary Certificate of Occupancy will be issued prior to initial occupancy.
4. Permits and Description:	The Project will comply with FHA and Title 26, The Americans with Disabilities Act, handicap accessibility requirements throughout. Sponsor has a licensed professional unaffiliated with Sponsor or the undersigned firm to conduct controlled inspections.

C. Site:

1. Size:

The size of the 505 West 19th Street building development site is approximately 18,975 square feet. The size of the 515 West 19th Street Air Rights Parcel is approximately 1,725 square feet.

2. Number and Use of the Building:

One new building with two towers on a common one story base which runs beneath the High Line will be erected. The East and West towers flank the east and west sides of the High Line respectively. The East tower will contain 27 Residential Units from the 2nd Floor through the 10th Floor. The West tower will contain 8 Residential Units from the Ground Floor through the 10th Floor. The Ground Floor will contain a Residential Lobby, two Commercial Units, 3 Parking Units, 1 High Line Storage Unit and building service areas. The Commercial Units are referred to as the "Non-Residential Units".

3. Streets:

The building is abutted by West 19th Street to the South, Lots 24 to the West, Lot 35, 37, 39 & 41 to the North and 10th Avenue to the East. The main residential entrance to the building will be located on West 19th Street. All streets will have steel faced curbing.

4. Sidewalks and Ramps

The sidewalks adjacent to the property are to be new concrete sidewalks installed by the Sponsor. No Sidewalk Vaults are part of the construction of this building. Sidewalks are pitched to drain to catch basins in the public streets. The new Sidewalks will include one new curb cut at the Parking Area. City of New York approved curbside light poles installed by Sponsor on all new sidewalks will provide new street lighting.
The condominium will be responsible for maintaining the sidewalks in accordance with New York City Department of Buildings requirements.

D. Utilities:

1. Electricity:

Electricity will be provided by Consolidated Edison Company, ("Con Edison"), a regulated company. Each Residential Unit and the Non-Residential Units will be individually metered for electricity to operate the lighting, appliances and HVAC equipment in the Unit and the Unit Owner will pay the cost thereof directly to Con Edison. The private terrace appurtenant to Residential Unit PH10 is designed for future installation of a hot tub. If and when any such hot tub is installed, the water heater for such hot tub shall be electric and connected to the Unit's electrical meter. Electricity consumed in the public areas of the building will be metered by the Con Edison master meter, and the cost of same will be borne by the Residential Unit Owners and Non-Residential Unit Owners as a General Common Expense as provided for in the Building's Operating Budget, Schedule B.

In addition, each Residential Unit Owner, as well as the Non-Residential Unit Owners, will be responsible to pay the cost of electricity to provide heat and air conditioning to such Owner's Unit via the building's Variant Refrigerant Flow ("***VRF***") system discussed below in Section N of this report.

2. Gas:

Gas will be provided by Con Edison. Gas will be supplied to the building through two meters - one for hot water, cooking and dryers, and the other for the gas-fired make-up air units on the Main Roof which provide outside air to the Residential Units. The cost of the gas for these uses will be

borne by the Residential Unit Owners as a Residential Common Expense as provided for in the building's Operating Budget, Schedule B.

If a Non-Residential Unit Owner desires to have gas usage available, the Non-Residential Unit Owner will be responsible for arranging for the installation and separate metering of same.

3. Water and Sewer: Water and sewer service will be provided by the City of New York through a single meter. The water and sewer cost will be paid by the Residential Unit Owners for the Residential Units and Common Elements. It is expected that water consumption and sewer rent will be sub-metered and billed by the Board of Managers to both Non-Residential Unit Owners.

4. Telephone: Telephone service will be provided by Verizon and/or other regulated companies. Each Residential Unit Owner and Non-Residential Unit will be required to pay the telephone charges associated with his or her Unit. The telephone charges with respect to the Residential Common Areas of the Building (such as the Concierge's Desk and Fitness Center) will be borne by the Residential Unit Owners as a Residential Common Expense. The telephone charges with respect to General Common Areas (such as Superintendent's Office, etc.) will be borne by the Residential Unit Owners and the Non-Residential Unit Owners as a General Common Expense.

5. Cable Television: Cable television service will be provided by Time Warner Cable and/or Verizon to the Unit Owner upon request. The Unit Owner will be required to pay a monthly service charge directly to either Time Warner Cable or Verizon, which will vary depending upon the services subscribed to by the Unit Owner.

6. Data Transmission: All Units throughout the building have been pre-wired for internet access (Cat 6). All charges with respect to providing this service will be paid separately by the Unit Owner.

E. Sub-Soil Conditions:

On-site borings indicate site subsurface conditions generally consist of successive strata of surficial fill, former river bottom deposits, and generally sandy soils overlying mica schist rock. The surficial fill (2008 NYC Building Code Class 7 material) encountered in the on-site borings was observed to be about 14 to 22 feet thick and generally consisted of loose to dense fine to coarse sand with varying proportions of fine to coarse gravel, silt, brick, and concrete fragments; cobble, boulders, and wood (possible remnants of the former wharves and pier structures associated with Manhattan's historic shoreline) were also encountered in the fill in some of the borings performed in the western portion of the site. Underneath the fill, an about 3 to 16-foot-thick stratum of former river bottom silt, clay, peat, and sand deposits (2008 NYC Building Code Class 6 and 7 materials) was encountered in the borings; the silt and sand were observed to be in a loose to dense condition and the clay was observed to be in a soft to stiff condition. The fill and former river bottom deposits (considered to be generally unsuitable foundation bearing materials) were observed to be underlain by generally sandy soils (2008 NYC Building Code Class 3a and 3b materials); the sand was observed to be typically medium dense to very dense and contained varying proportions of silt, clay, and gravel. Isolated about 1 to 2-foot-thick layers of stiff clay and about 3 to 7-foot-thick layers of dense silt (2008 NYC Building Code Class 4a, 4b, and 5b materials) were encountered within the sand stratum more than 33 feet below the existing site grade. Top of rock was encountered below the sand stratum about 41 to 61 feet below the existing site grade; depth to top of rock

generally increased towards the western portion of the site. 2008 NYC Building Code Class 1b or better rock was typically encountered within 5 feet of top of rock in the on-site borings, except for in an isolated boring in the southwestern portion of the site, in which the top about 14 feet of rock was observed to be in a weathered / fractured condition.

Observations in the on-site borings, observation wells, and test excavations indicate groundwater level at the site is between about el -3 to -5 (Manhattan Borough President Datum, MBPD). The FEMA Flood Insurance Rate Map (FIRM) Community Panel Number 3604970182F, effective date 5 September 2007, indicates the eastern portion of the site area is located within Zone X, "Areas of 0.2% annual chance flood; areas of 1% annual flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood" and the western portion of the site is located within Zone AE, "Special flood hazard areas subject to inundation by the 1% annual chance flood", with a previously delineated flood level of el 7.25 (MBPD). The 2013 NYC Hurricane Evacuation Map indicated that the site is located within Zone 1. The recently published FEMA Advisory Base Flood Elevation (ABFE) maps indicate that for the subject site, the ABFE with respect to a 1% annual chance flood (i.e., 100-year flood) is currently established at el 9.35 (MBPD); the ABFE with respect to a 0.2% annual chance flood (i.e., 500-year flood) is currently established at el 13.35 (MBPD).

Details regarding sub-surface conditions encountered in the on-site borings and test excavations are presented in the Geotechnical Investigation Report prepared by Langan Engineering & Environmental Services, Inc. PC.

F. Landscaping:

1. Private Terraces

The Private Terraces will be located at the Ground floor of the Townhouse, the second floor setback roof of the building, the 9th Floor of the East Tower, the 10th Floor of the West Tower and the Roof of the East Tower. Plantings will be low scale under story evergreens and deciduous trees.

The 2nd floor roof beneath the High Line will include two louvered mechanical dog houses. These louvered mechanical dog houses enclose duct risers that serve the ground and cellar levels of the building. One louvered penthouse encloses two ducts: a general exhaust duct and a toilet exhaust duct. The toilet exhaust serves one bathroom on the ground floor and one in the cellar. The second louvered penthouse encloses an outdoor air intake duct. This outdoor air intake duct serves outside air needs of the cellar and ground floor.

G. Building Size:

1. Total Height:

The Building will be approximately 120.00 feet in height from the highest average curb elevation to the top of the main roof. Local law 11/98 applies to the building façade.

2. Cellar/Sub-cellar:

There is a Cellar level with ceiling heights that vary from 10'-2"+/- to 16'-3 ½" +/-.

3. Number of Floors:

There are 10 levels above grade including the Ground Floor which includes (2) Commercial Unit and residential uses.

4. Equipment Rooms	Equipment rooms are located on the Cellar level and rooftop mechanical equipment rooms and roof bulkheads. A portion of the Cellar will be used for Mechanical Equipment Rooms, Superintendent's Office and Storage. A portion of the Cellar will also include the Fitness Center.
5. Parapet Heights:	Height from top of roof finish to top of parapet coping and/or railing will be a minimum of 3'-6".

H. Structural System:

1. Foundation:	The foundation system will consist of piles and pile caps supporting the building foundation walls, shear walls and columns. According to FEMA Flood Insurance Rate Maps for the city of New York, dated September 2007, the site is within the 100-year flood boundaries. To limit water infiltration, the foundation walls and pressure slab will be waterproofed with positive-side membrane type waterproofing.
2. Superstructure:	The building will be constructed of reinforced concrete flat plates that are being supported by shear walls and columns. The reinforced concrete shear walls resist wind and seismic forces as stipulated by NYC Local Law 17/95.
3. Wall Construction:	The majority of the exterior wall will be reinforced architectural concrete and masonry with painted aluminum copings and railings, metal studs with R-15 fiberglass insulation and 5/8" gypsum wallboard finish, while the rest will be CMU wall system. Both systems are New York State energy code compliant. Chinese drywall material has not been specified for use within the building.
4. Windows:	Exterior windows will be Wicona aluminum thermal-break casement type windows with double-pane insulated glass, and will be painted with 70% Kynar or equal on the exterior. The models numbers are as follows: Wicstyle 75 evo. The Penthouse curtain wall system will be Clearwall 4-sided Toggle Glazed system by Kawneer. The Manufacturer is to provide a 10 year warranty on the paint. Operable windows are provided that meet and or exceed NYC Code requirements for "Light and Air". Lot Line Windows will be located at the North Façade of the East Tower and at the West Façade of the West Tower.
5. Storefront:	A Custom storefront system will be installed on the first floor of the building. The store front will be fabricated with metal frame and mullions with 1" insulated tempered and annealed glass.
6. Landmark Status:	None.
7. Parapets and Copings	Roof parapet construction is reinforced architectural concrete and masonry with painted aluminum copings and tempered glass railings with aluminum cap. Minimum height of exterior railings is 3'-6".
8. Chimneys and caps:	The Building will have a trash compactor and rubbish chute, 16 ga. Type: AL/Steel, with explosion vents and metal flashing collars. Bathroom and kitchen vents will be provided with central fan systems exhausting to the exterior from the Main Roof. The selected factory-built metal chimney for use with the fireplaces, at a minimum, must be listed by a recognized agency for solid fuel and as tested to UL 103, for continuous use of one thousand degrees (1000°) Fahrenheit and intermittent use of seventeen hundred degrees (1700°) Fahrenheit. The factory-built metal flue design can be from the following types:

1. Non-insulated completely thermal siphoning, double-wall, air-cooled solid fuel rated chimneys listed to UL 103, ULC S629.
2. Double-wall with solid-pack insulation.
3. A combination of double-wall, solid-pack insulation and air space (triple-wall).
4. Triple-wall air space solid fuel chimney.
5. Listed chimney liners conforming with the seventeen hundred degree (1700°) Fahrenheit requirements of UL 1777 or ULCS635 or ULC640 may also be used with Isokern fireplaces.

Notes:
The selected, approved chimney manufacturer must provide the masonry anchor plate designed to fit their flue system. All chimneys and chimney liners must be installed in accordance with the manufacturer's installation instructions and under the terms of their listing for use with open faced fireplaces. Minimum flue size for the Magnum fireplace is twelve and three-quarter inches (12-3/4") inside diameter. Maximum height of a metal flue system is not required as all the load can be taken off the firebox.

9. Residential Fireplaces:

There are fireplaces in the following units:

Floor #	East Building Unit #
9	PH1,
10	PH2,
Floor #	West Building Unit #
10	PHW

These fireplaces are Isokern Magnum 72 wood-burning fireplaces. The Magnum fireplace and DM 54 chimney system is a prefabricated, refractory modular fireplace and chimney system designed for field assembly. The system consists of interlocking precast parts which are glued together with a masonry adhesive. The fireplaces are finished with Stone Surround, Blond Firebricks within the firebox and Slate Hearth. All Fireplaces exhaust to the building exterior at the Main Roof.

10. Juliet Balconies and Private Terraces:

The following units will have Juliet balconies:

East Tower Unit #
2C
3B
4B
5B
6B
7B
8B
PH1

A portion of the roofs at the 2nd and the Main Roof of the West Tower and a portion of the roofs at the 2nd, 9th, 10th and the Main Roof of the East Tower will be used for private terraces. Private Terraces will be provided to the following Residential Units:

Floor #	Unit #	Terrace Size:
2	TH	945 sq.ft.
2	2A	796 sq.ft.
2	2B	585 sq.ft.
2	2D	795 sq.ft.
9	PH1	798 sq.ft
9	PH1	102 sq.ft.

10	PH2	1069 sq.ft.
10	PH2	118 sq.ft.
10	PHW	1150 sq.ft.
Roof	PH2	2671 sq.ft.

These Juliet Balconies and Private Terraces will be constructed of poured-in-place concrete and will be finished with pre-cast concrete pavers over a membrane roofing system. Parapet railings will consist of metal railings and glass attached to reinforced concrete parapets. All exterior metals, including fasteners shall be corrosion resistant. Doors to Juliet Balconies and Private Terraces will be aluminum and glass doors. A GFI receptacle will be provided for each private terrace. Exterior lighting will be provided at the 2nd floor terrace, the 8th floor terrace and balcony, and the roof terrace. Cast iron roof drains and a frost-proof water spigot will be provided for each Residential Unit's terrace as well. Architectural screens will be provided at all private terraces that need to have a separation including, without limitation, between the private terrace appurtenant to Unit 2A, 2B and 2D and the extension of the terrace beneath the highline. These screens will be 50% open above the height of 42". Gas lines will be provided for Gas Grilles at Terraces.

11. Rear Yard

The Ground floor rear yard will be accessed exclusively from the ground floor of the west building Townhouse Unit. The rear yard is approximately 69'-7" x 30'-0"and complies with the rear yard requirements of the 2008 New York City Building Code and the New York City Zoning Regulations. The rear yard will be enclosed on the north and west side with a concrete wall, the east and south sides will be enclosed by the building wall. The rear yard floor will be constructed of poured-in-place concrete and will be finished with pre-cast concrete pavers over a membrane roofing system.

12. Exterior Entrance:

A main building entrance will be located on West 19th Street will have swing doors with 1/2" tempered glass and one revolving door. The building entry is recessed into the building. The exterior entrances will be built free of tripping hazard in compliance with the 2008 NYC Building Code and ADA requirements. The handrails and guardrails will be corrosion resistant and compliant with the 2008 NYC Building Code. Custom door hardware will be provided at the building entry, manufacturer and finished to be determined. The 2nd floor terrace is directly above the main entrance. The ceiling of this area is poured concrete with hanging stone slab panels with integral down lighting, which provides adequate lighting to illuminate the building entrance. Roof access doors will be painted flush panel hollow metal 1-3/4" thick 1½ HR fireproof doors with metal frames.

13. Service Entrance:

The service entrances will be located on West 19th Street. The doors are painted flush panel hollow metal 1-3/4" thick 1½ HR fireproof door louver with fusible link and metal door frame. Adequate lighting to illuminate the building service entrance will be provided. All railings and fasteners provided will be corrosion resistant.

14. Drains:

All roof areas will be provided with cast iron roof and area drains which will discharge through internal cast iron leaders into building storm drains. Drainage will connect to the city sewers through the New York City Department of Environmental Protection required detention tank. Trench drains will be provided at the Parking Entrances, which will provide adequate drainage per the NYC Plumbing Code.

15. Roof and roof Structures:

The roofing system will be an Insulated Roof Membrane Assembly (IRMA) comprised of fluid-applied waterproofing installed below extruded polystyrene board with an R-17.5 rating minimum, with gravel ballast and/or concrete roof pavers. The roofing system is New York State Energy Code compliant.

Stair bulkheads will be constructed of aluminum and glass face with back-up concrete block. The elevator and mechanical equipment bulkhead will be cast in place reinforced concrete structure with aluminum and glass finish face, and IRMA roof system.

Roof flashing will be as follows: base flashing, fluid-applied waterproofing membrane, stainless steel counter-flashing, and neoprene drain flashing. All roofs will also have a manufacturer's 20 year Watertight Warranty covering every component in the system, including removal and replacement of separator sheet, insulation, drainage layer and pavers. The waterproofing of the terrace located at the second floor setback roof will have a manufacturer's warranty for a period of 20 years.

Temporary Roof Membrane/Vapor Barrier:
A fiberglass reinforced specially oxidized asphalt coated sheet having an minimum weight of 70 lb./square (Siplast "Irex 40" or approved equal).
B. Roofing Membrane Assembly: A roof membrane assembly consisting of two plies of a prefabricated, fiberglass or polyester reinforced, homogeneous Styrene-Butadiene-Styrene (SBS) block copolymer modified asphalt membrane, secured to a prepared substrate. Both reinforcement mats shall be impregnated and coated each side with a high quality SBS modified bitumen blend. The assembly shall possess waterproofing capability, such that a phased roof application, with only the modified bitumen base ply in place, can be achieved for prolonged periods of time without detriment to the watertight integrity of the entire roof system (Siplast "Engineered Roof Systems, Paradiene 20TG/30 FR TG CR roof system" or approved equal).

A. Polyisocyanurate Board Insulation: Rigid insulation panel faced with ½ in. thick high density fiber board on the exterior side and fiber reinforced facer on both exterior and interior sides with core of preformed, rigid, cellular, polyisocyanurate thermal insulation (manufactured with HCFC 14lb. bowing agent) complying with the physical property requirements of ASTM C 1289-02 Type II, Class I, Grade 2 and CAN/ULC S 704, Type 3, Class 2 (See CCMC Evaluation Report 13058-L), with aged R-values of 6.0 at 75 degree F. for 1 in. thick board; At areas where tapered insulation is indicated, provide first layer insulation board without the high density fiber board. Provide one of the following:

1. "Energy 3 Plus" (Johns Manville).
2. "ACFoam Composite / FB" (Atlas Roofing Corporation).
3. "EnergyGuard™ Composite Board" (GAF Materials Corporation).

B. Tapered Polyisocvanurate Board Insulation: Rigid insulation panel faced with ½ in. thick high density fiber board on the exterior side and fiber reinforced facer on both exterior and interior sides with core of preformed, rigid, cellular, polyisocyanurate thermal insulation (manufactured with HCFC 141b blowing agent) complying with ASTM C1280, with aged R-values of 6.0 at 75 degree F. for 1 in. thick board. Provide preformed, tapered insulation boards, preformed saddles, crickets, tapered edge strips, drain sumps and other insulation shapes where indicated on the drawings for sloping to drain. Provide one of the following:

1. "Energy 3 Plus Composite" and "Tapered Energy 3 Plus Composite" (Johns Manville).
2. "ACFoam Composite / FB" and "Tapered ACFoam Composite / FB" (Atlas Roofing Corporation).
3. "EnergyGuard™ Composite Board" and "EnergyGuard™ Tapered Polyiso Foam Roof Insulation with cover broad (specified elsewhere)" (GAF Materials Corporation).

C. Insulation Adhesive: A single component, moisture cured, polyurethane foam adhesive, dispensed from a portable, pre-pressurized container used to adhere insulation panels to the substrate as well to other insulation panels. Available Manufacturers: Subject to compliance with requirements, manufacturers offering products that may be incorporated into the Work include, but are not limited to, the following:
1. "Insta-Stick Professional Roofing Adhesive" by Flexible Products, Inc.; Joliet, Illinois (800) 741-6822.
2. Siplast "Para-Stik".

D. Gypsum Sheathing Recovery Panel (Cover Board): A panel composed of a nonstructural water resistant core material integrally bonded with fiberglass mats on both sides and approved by Factory Mutual research as an acceptable roof panel under FM standard 4470. Provide panels having a nominal thickness of ½" as recovery panel over insulation and ¾" thick at curb covers. ("Dens-Deck Prime Gypsum Roof Board", by Georgia Pacific Corporation, or approved equal.) J. Protection Board: a 0.60 mil (0.23 cm), 1/8 inch (0.32 cm) asphalt/felt protection board
with polyethylene film on one side and usual size of 4 ft. (1.21 m) wide by 8 ft. (2.44 m) long. Acceptable Products:
W. R. Meadows Company, Elgin, Illinois.

E. Pavers: Hanover® pedestal® pavers, 23 1/2" x 23 1/2" x 2 1/8" (Roof Ballast Application), 21 lbs/sf, finish in color as selected by Architect, to provide a minimum Solar Reflectance Index (SRI) of 78. Provide Hanover® Paver Support Pedestals and Hanover® Leveling Shims for normal applications; and Bison Deck Supports, Screwjack B-Series for higher applications.

F. Ballast: shall conform to ASTM D 448 Standard Sizes of Coarse Aggregate; Size 3 for 25 pounds per square foot coverage. Color shall provide a minimum Solar Reflectance
Index (SRI) of 78.

G. Skylight: Custom Fixed Skylights will be located at the 2nd floor terrace over the main building lobby and also at the 2nd floor terrace over the Town House Unit. The skylight will consist of extruded aluminum members with a system of alternate serrations for attachment of exterior glass retainers with 1/4" x 20 stainless steel screws and snap on aluminum caps. Integral continuous interior guttering system within skylight framing members for positive drainage of condensation will be provided. Skylights shall have weep holes to drain water to the exterior, one 3/8" dia. Weep positioned within 6" of rafter base. Finish glazed exterior horizontal joints with fully capped system. Full silicone wet seals along both sides of all exterior glass retainers. Aluminum gutters, with insulation and pitched liners where shown on drawings. Skylight curbs will be 15" above roof slab.

H. Rooftop Mounted Mechanical Equipment to be isolated from the building structure by means of noise and vibration isolators as scheduled on the Construction Documents and the Architectural Specifications. Floor

mounted equipment to be mounted on 4" high concrete housekeeping pads over complete floor area of equipment. Vibration isolating devices and related inertia blocks will be mounted on concrete pad. Housekeeping pads will be keyed with hair pins, as required, to be integral with the structural slab. Approved seismic restraint anchor plates flush with the top of the housing-keeping pad will be provided. All roof dunnage will receive a primer and two finish coats of paint.

16. Fire Escapes: None.

17. Interior Stairs: There are two main fire egress stairs in the building with additional stairs in the Cellar serving the Cellar and 1st Floor. The stair enclosures will be constructed of reinforced concrete and/or concrete block and/or gypsum wall board and will be painted. Painted steel tube handrails and guardrails will be provided. In accordance with the New York Multiple Dwelling Law, a 20 square foot window and 144 square inch fixed louver is provided at the top of the two main fire egress stairs.

18. Interior Doors/Frames: The entrance door to each Unit will be 1-3/4" thick F.P.S.C. 1-1/2 hour rated, wood door, STC 35, with hollow metal frames, with non-combustible stone saddles. Interior doors within the Units will be flush panel 1-3/4" mdf doors with hollow metal frames, wood or marble saddles per the door schedule.

All public corridor doors and frames will be painted flush-panel hollow metal doors. Stair hall doors and frames will be painted flush-panel hollow metal, 1-3/4" thick, F.P.S.C. 1-1/2 hour rated, with non-combustible saddles.
All roof access and cellar doors and frames are painted flush-panel hollow metal, 1-3/4" thick, F.P.S.C. 1-1/2 hour rated with non-combustible saddles and wire-glass vision panels.

19. Elevators: Elevators are configured as follows:

	Passenger Elevators, PE #1 New York City	*Passenger Elevators, PE #2 New York City*	*Passenger Elevators, PE #3 New York City*	*Passenger Elevators, PE #4 New York City*
Quantity	One (1)	One (1)	One (1)	One (1)
Type	Passenger	Passenger	Passenger	Passenger
Capacity in pounds	2,500 Max. 15 People	2,000 Max. 12 People	2,500 Max. 15 People	2,500 Max. 15 People
Speed (fpm)	350	350	350	350
Travel in Feet	105'-0"	105'-0"	105'-0"	105'-0"
Number of Landings	11	11	11	11
Number of Openings	Front 11 Rear 10 Total: 21	11	Front 11 Rear 7 Total: 18	Front 11 Rear 11 Total: 22
Floors Served	C thru 10	C thru 10	C thru 10	C thru 10
Front Openings	C thru 10	C thru 10	C thru 10	C thru 10
Rear Openings	1 thru 10	None	2 thru 8	2 thru 10
Operation	Duplex Selective Colletion with PE #2	Duplex Selective Colletion with PE #1	Duplex Selective Colletion with PE #4	Duplex Selective Colletion with PE #3

Control	Variable Voltage Variable Frequency	Variable Voltage Variable Frequency	Variable Voltage Variable Frequency	Variable Voltage Variable Frequency
No. of Push button risers	Two (2)	One (1)	Two (2)	Two (2)
Platform size	7"-0"W x 5'-7"D	6 '-0"W x 5'-1"D	7"-0"W x 5'-7"D	7"-0"W x 5'-7"D
Guide Rails	Steel Tees	Steel Tees	Steel Tees	Steel Tees
Buffers	Oil	Oil	Oil	Oil
Cab Enclosure	Custom	Custom	Custom	Custom
Car door size	3'-6"x8'-0"	3'-6"x8'-0""	3'-6"x8'-0""	3'-6"x8'-0""
Hoist way door size	3'-6"x8'-0"	3'-6"x8'-0"	3'-6"x8'-0"	3'-6"x8'-0"
Door Operation	Single speed side opening	Single speed side opening	Single speed side opening	Single speed side opening
Fixture and Signals	See A-600 Series Dwgs.	See A-600 Series Dwgs.	See A-600 Series Dwgs.	See A-600 Series Dwgs.
Machine Type	PMSM	PMSM	PMSM	PMSM
Machine Location	Overhead	Overhead	Overhead	Overhead
Power Supply	208-3-60	208-3-60	208-3-60	208-3-60
Roping	2:1	2:1	2:1	2:1

20. Passenger Elevator Cabs: Passenger elevator cabs are to be custom fabricated. Passenger elevator cabs are equipped with Card Reader Control for floor access to designated residential floors and common area floors.

Elevator Interior Finishes:

Floor:	Polished Kenya Black Marble
Walls:	Polished Kenya Black Marble at sides and rear wall; Black Mirror Glass at front wall
Ceiling:	Polished Kenya Black Marble
Lighting:	Custom decorative pendant and recessed downlights

Alarm system: Configured to operate when the alarm or stop switch of any elevator is activated during both normal and battery back-up power conditions.

Safety System:
1. A governor actuated mechanical safety device mounted under the car platform and securely bolted to the car sling. The car safety shall be sized for the capacity and speed noted herein.
a. When tripped, the safety mechanism shall engage the rails with sufficient force to stop a fully loaded car with an average rate of retardation within the limits given the ASME Code for the capacity.
b. A car safety marking plate of corrosion resistant metal will be installed and, in addition to the data required by the ASME Code, indicate the manufacturer's name and manufacturer's catalog designation number for safety.
c. Provisions to release the car safety shall be made. In no event shall the safety be released by downward motion of the car. Raising the car to reset the safety shall be allowed.
d. An electrical safety plank switch that will interrupt the power to the hoist machine when the safety is set will be provided. Resetting the plank switch shall be separate from resetting the safety jaws.

21. The manufacturer of the elevators is Fujitec.

22. Noise Control:

A. Walls, Partitions, Floors / Ceiling assemblies separating Residential Units from each other or from Public or Services areas are to have a minimum STC Rating of 50 for airborne noise in accordance with ASTM E 90, or not less than 45 if tested in accordance with ASTM E 336. Residential Unit entrance door assemblies shall have a minimum 35 STC Rating in accordance with ASTM E 1408 of the 2008 New York City Building Code section BC 1207.2

B. Ducts serving dwelling units shall be lined with duct lining to maintain the required acoustical ratings per New York City Building Code section BC 1207.2 and at least 20 feet from the fan discharge or intake; Otherwise, as approved, a sound attenuating device shall be installed therein. Duct lining shall conform to the requirements of the New York City Mechanical Code.

C. Penetration of openings in walls, partitions or floors for pipe sleeves, medicine cabinets, electric devices, etc. shall be packed, sealed lined or otherwise isolated to maintain the required S.T.C. Rating.
D. Floor and Ceiling construction separating Residential Units from each other or from public halls or corridors shall have a minimum impact insulation class (IIC) of 50 in accordance with ASTM E 92 or not less than 45 if field tested in accordance with ASTM E 1007 in completed construction per 2008 New York City Building Code section BC 1207.3

I. Auxiliary Features:

1. Laundry Room:

Each Residential Unit has either a stackable or side by side washer and dryer manufactured by Miele or approved equal. The dryers will be mechanically exhausted. The exhaust ducts will terminate at the Main Roof of the building.

In addition a common laundry room will be provided on the Cellar Level of the building with 2 high capacity washers and 2 high capacity dryers.

2. Refuse Disposal

The refuse chute will be located off the public corridor on each residential floor in a central location.

Residential occupants will collect their refuse and discard it into the chute which feeds into a hydraulically operated ram-type compactors located in the Compactor Rooms on the Cellar level. Compactors may be "Royal-Crusher" by Royal-Pak Systems or equal.

Two refuse storage areas will be provided at the Cellar Level for all Residential Units. Refuse to be removed by building staff.

Once it is processed by the compactor, the Building's refuse will be stored in the compactor room and/or trash room on street level for carting by N.Y.C. Dept of Sanitation. The compactors, when installed, will receive all necessary government approvals.

3. Fitness Center:

There will be a Fitness Center located on the Cellar level. The facility will be available for use by the Residential Unit Owners. The Fitness Center will contain a main exercise room with related equipment. The specified equipment will include but not be limited to the following: Treadmill, Cross Trainer, Upright Bike, Recumbent Bike, Free Weights, Row machine, Shoulder Press and Chest Press. The maximum capacity of occupants at any given time in the Fitness Center cannot exceed 24 people.

4. Bicycle Room:

A 261 square foot Bicycle Room will provided at the Cellar level. The maximum capacity of the Bicycle Room will be 17 Bicycles.

J. Plumbing and Drainage

(I.) Water Supply:

A 4" domestic water service with a reduced pressure zone backflow preventer and water meter will be provided from the public water main to a duplex constant pressure domestic water pump set. The building will be supplied by a single zone of cold water, hot water and hot water circulation. Hot water will be provided via gas fired storage heaters located at the roof level. Hot & Cold water piping shall be insulated throughout.

The piping system shall consist of Type L copper tubing with 95-5 tin-antimony soldered joints. All cold and hot water mains and risers are insulated with 1" fiber glass insulation.

(II) Fire Protection System:

The combined sprinkler/fire standpipe system will consist of an 8" fire service with a reduced pressure detector assembly supplying a 1000 GPM automatic fire pump. Two (2) combined 6" sprinkler/standpipe risers and two (2) 6" standpipe risers will be located in the stairwells. Two (2) three-way roof manifolds are provided.

A 2-½ inch hose valve with cap and chain will be located at each fire standpipe and combined riser at each floor above the Lobby Level.

Piping is Schedule 40 steel piping with rolled, grooved, or threaded joints.

A central hose station and locked key box will be located at the first floor.

Automatic wet sprinklers will be supplied from the combined FSP/Sprinkler riser for entire Building.

Dry pipe valve system will be provided to serve the parking area, unheated storage and under space under the main canopy.

Piping is Schedule 40 steel piping with rolled, grooved, or threaded joints.

Siamese connections: Two (2) 6"x3"x3" Siamese combined fire sprinkler and standpipe connections will be provided.

(III) Water Pressure:

Domestic water pressure will be maintained by the Water Pressure Booster System Duplex 90 GPM each Peerless C810A (2 years warranty) to provide a minimum of 35 psi and a maximum of 85 psi at all fixtures.

(IV) Sanitary Sewage System:

All sanitary drainage will be connected to public street sewer. A duplex sewage ejector Flygt CP 3085IMP438 (2 years warranty) will be provided for sanitary fixtures below house sewer level.

(a) Sewage Piping: Sanitary sewage will be conveyed by gravity via vented soil and waste branches, stacks and house drains to sanitary house sewer.

Drainage and vent piping will be no-hub cast iron piping with stainless steel couplings and rubber gaskets above grade. Hub and spigot piping will be provided below grade.

(b) Sewage Disposal: (1) 6" sanitary building drain connects with the storm building drain and leaves the building as a 12" combined building drain which is connected to corresponding street municipal sewers. (1) 4" sanitary building drain connects with the storm building drain and leaves the building as an 8" combined building drain which is connected to

corresponding street municipal sewers.

(V) Permits Required: All permits will be obtained by the plumbing contractor.

(VI) Storm Drainage System: Gravity roof drainage from roof drains and terrace drains will be conveyed to the DEP 10,428 Gallons storm water detention tank from the tank to 12"combined house sewers and connected to street municipal storm sewers.

(a) Terraces and Roof Drains: Drains will be required at all roofs and terraces. These drains are connected into the storm drainage system, and leaders are provided where required. The parking area will have trench drains located at the entrance.

(b) Piping: No-hub Cast iron piping with stainless steel couplings and rubber gaskets will be provided.

General: The system is designed to meet the requirements of the New York City Energy Conservation Code. The insulation in the building is designed to meet or exceed the requirements of the New York City Energy Conservation Code.

K. Heating:

Hot water system shall be provided to serve the heating needs of the project. The system shall consist of the following:

- Two (2) gas fired hot water condensing boilers located in the cellar level of the building 1500 MBH each. The manufacturer is currently specified as AERCO model FB-1500.
- Two (2) variable speed hot water pumps (1 as standby) located in the sub cellar heating pant to serve the ground floor, retail area, and perimeter fin tube.
- Two (2) variable speed hot water pumps (1 as standby) located in the cellar heating plant to serve the ground floor, retail area, and perimeter fin tube.
- Manual chemical treatment system.
- Associated equipment such as air separator, expansion tanks, etc.
- A one (1) year boiler warranty is provided by the manufacturer.

Hot water will be generated by two (2) gas fired condensing boilers. Two (2) variable speed hot water pumps (1 as standby by) will be used to distribute hot water to heating and ventilating units, hot water coils provided and perimeter radiation. The operating water temperatures for the boiler system will be based on a temperature reset. A 12" diameter prefabricated boiler flue will be provided to remove the products of combustion. The flue will terminate at the roof level. Two (2) secondary variable speed hot water pumps (1 as stand by) will be used to distribute water to the radiant heating system in the penthouse apartments. A plate and frame heat exchanger, control valve and related water temperature sensor will be provided to maintain the secondary hot water loop at temperature set point.

When a boiler is called to start, the automatic isolation valves associated with the lead boiler (based on run time hours) shall open and the lead hot

water pump (based on run time hours) shall be energized. Upon a proof of flow, the boiler shall start. If boiler water return temperature drops below set point, the second boiler shall be called to start. The sequence for the second boiler starting is the same as above.

Differential pressure sensors located 2/3 of the way down the hot water loop shall vary the speed of the hot water pumps to maintain differential pressure at set point. When the speed of the active pump reaches 100% and the differential pressure set point is not satisfied, the second pump shall be energized. Both pumps shall operate @ 50% capacity and speed up and down in unison to maintain differential pressure at set point. On a decrease in differential pressure set point, the speed of both pumps shall decrease in unison. When the speed of the pumps has decreased to 40% the lead pump shall de-energize and the speed of the active pump shall increase to maintain set point.

One of the hot water pumps will act as a standby the pump set shall be provided with switch over controls to allow the 3rd pump to operate in the event of a pump failure. Under heating mode the ductwork will provide heated air to the spaces. The ductwork is insulated with 1" fiberglass. Instant Hot water devices are not to be provided.

L. Gas Supply:

Natural gas will be provided to the building by Con Edison via a gas line located at the south wall of the cellar level for heating the outdoor air, domestic hot water heating, cooking, resident common laundry (one unit in the cellar), and boilers. The gas will be metered through meters provided by the Utility Company.

The gas shall be metered at a firm heating gas rate. Low-pressure gas will be supplied throughout the building.

Black steel Schedule 40 pipe will have malleable threaded fittings for low-pressure piping 4 inch and smaller and welded for pipe 4 inch and larger.

M. Air-Conditioning:

The building cooling system shall consist of an air cooled Variable Refrigerant Flow system (Central System) consisting of both indoor and outdoor units. The outdoor units (condensers) will be located on the roof tops of the East and West Towers, see outdoor unit schedule mechanical equipment list beginning in section N. They will be arranged in rows parallel to the exterior façade for ease of access and required equipment clearances. The outdoor units contain the variable refrigerant compressors and condensing unit fan. Refrigerant pipes are connected from each outdoor unit to the Branch Circuit Controllers located within the spaces (one for each floor) and regulates where the variable refrigerant is routed depending on the load demand from the indoor AC units. The BC controllers consist of electronically activated valves that open and close to direct refrigerant to the individual indoor AC units located within the space. The indoor AC units consist of a fan, coil and filter section. Each Residential Unit and Non-Residential Unit shall be provided with a wall mounted thermostat capable of maintaining space temperature at set point in both the heating and cooling modes. Conditioned air shall be distributed from the AC units to the space via low pressure ductwork that is insulated with 1" fiberglass, terminating with a volume damper and air-outlet device. A tenant metering system shall be provided and incorporated into the BMS.

Elevator machine rooms have been provided with a VRF fan coil unit K with the capacity listed on the mechanical equipment list beginning in section N.

The Fitness Center has been provided with two VRF fan coil unit E's with the capacity listed on the mechanical equipment list beginning in section N. Ventilation is being provided in accordance with the NYC Building Code.

N. Ventilation:

Mechanical ventilation is being provided to all of the Residential Units via roof top energy recovery units. Corridor ventilation is also provided via roof top packaged units. Rooftop equipment implements the use of vibration isolators to mitigate vibration and noise to the structure. All exterior metals, including fasteners shall be corrosion resistant. All rooftop piping shall be properly insulated. Dunnage that is required for systems shall be primed and receive two coats of paint. See mechanical equipment list beginning in section N. All roof top equipment and AC equipment have been coordinated and approved by the Acoustical consultant. All spaces have been ventilated in accordance with the NYC Mechanical Code.

Toilets will be exhausted through a constant speed fan. Low pressure toilet exhaust risers shall run vertically through each floor. Horizontal branch ductwork shall connect from the riser to the toilet exhaust grilles. The Self-balancing dampers shall be installed in each bathroom to maintain the desired exhaust rates.

Kitchen air will be exhausted through the heat wheel of the apartment ventilation unit. A Fan within the unit will draw air from the kitchen exhaust riser through the heat wheel to recover energy and precool or preheat the incoming air. Kitchen exhaust hoods shall be equipped with its own in-line fan to boost the exhaust from minimum operation to an enhanced mode of operation when energized. A pressure sensor located in the duct riser shall modulate the fan speed to maintain the static set point in the riser.

A dryer exhaust system will be provided to extract 150 CFM of heated air from each dryer. At each dryer, round ductwork will connect from the dryer and tie into the vertical risers. All fan systems will be variable speed and operate continuously. A pressure sensor in the riser will modulate fan speed to maintain static set point. Make-up air is provided via Residential Unit ventilation energy recovery unit. The building is currently not programmed for a centralized laundry room.

Mechanical Equipment List

Equipment	*Designation*	*Location*	*Service*	*Capacity (CFM)*	*Manufacturer*	*Model No.*
Fans	TX-1-1	1st Floor	Toilet Exhaust	200	Greenheck	BSQ
	DX-1-1	1st Floor	Dryer Exhaust	600	Greenheck	SQ
	DX-R-1	Roof	Dryer Exhaust West	240	Greenheck	G
	DX-R-2	Roof	Dryer Exhaust East	540	Greenheck	SFD
	DX-R-4	Roof	Dryer Exhaust East	270	Greenheck	SFD
	DX-R-3	Roof	Dryer Exhaust East	315	Greenheck	G

Equipment	*Designation*	*Location*	*Service*	*Capacity (CFM)*	*Manufacturer*	*Model No.*
	KX-R-1	Roof	Kitchen Exhaust West	2500	Greenheck	SWB
	KX-R-2	Roof	Kitchen Exhaust East	1565	Greenheck	SWB
	KX-R-3	Roof	Kitchen Exhaust East	1875	Greenheck	SWB
	GX-1-1	1st Floor	BOH General Exhaust	2640	Greenheck	BSQ
	GX-1-2	1st Floor	Compactor Exhaust	1500	Greenheck	BSQ
	TX-R-1	Roof	Toilet Exhaust West	380	Greenheck	G
	TX-R-2	Roof	Toilet Exhaust West	1560	Greenheck	SWB
Equipment	*Designation*	*Location*	*Service*	*Capacity (TON)*	*Manufacturer*	*Model No.*
Outdoor Unit	ACC-10E-16T	Roof	10TH Floor East	16	Mitsubishi	PURY
	ACC-09E-12T	Roof	9th Floor East	12	Mitsubishi	PURY
	ACC-08E-12T	Roof	8th Floor East	12	Mitsubishi	PURY
	ACC-07E-12T	Roof	7th Floor East	12	Mitsubishi	PURY
	ACC-06E-12T	Roof	6th Floor East	12	Mitsubishi	PURY
	ACC-05E-12T	Roof	5th Floor East	12	Mitsubishi	PURY
	ACC-04E-10T	Roof	4th Floor East	10	Mitsubishi	PURY
	ACC-03E-10T	Roof	3rd Floor East	10	Mitsubishi	PURY
	ACC-02E-10T	Roof	2nd Floor East	10	Mitsubishi	PURY
	ACC-01E-12T	Roof	1st Floor East	12	Mitsubishi	PURY
	ACC-CE1-20T	Roof	Cellar Floor East	20	Mitsubishi	PURY
	ACC-CE2-08T	Roof	Cellar East	8	Mitsubishi	PURY
	ACC-10W-08T	Roof	10th Floor West	8	Mitsubishi	PURY
	ACC-09W-06T	Roof	9th Floor West	6	Mitsubishi	PURY
	ACC-08W-06T	Roof	8th Floor West	6	Mitsubishi	PURY
	ACC-07W-06T	Roof	7th Floor West	6	Mitsubishi	PURY
	ACC-06W 06T	Roof	6th Floor West	6	Mitsubishi	PURY
	ACC-05W-06T	Roof	5th Floor West	6	Mitsubishi	PURY

Equipment	*Designation*	*Location*	*Service*	*Capacity (TON)*	*Manufacturer*	*Model No.*
	ACC-04W-06T	Roof	4th Floor West	6	Mitsubishi	PURY
	ACC-03W-06T	Roof	3rd Floor West	6	Mitsubishi	PURY
	ACC-02W-08T	Roof	2nd Floor West	8	Mitsubishi	PURY
	ACC-CW-12T	Roof	Cellar Floor West	12	Mitsubishi	PURY
	ACC-0CE-K	Roof	Roof East	12	Mitsubishi	PURY
	ACC-0CW-K	Roof	Roof West	12	Mitsubishi	PURY
Equipment	*Designation*	*Location*	*Service*	*Capacity (MBH)*	*Manufacturer*	*Model No.*

Indoor Unit	FCU-A	Various	Various	6.7	Mitsubishi	PEFY
	FCU-B	Various	Various	17	Mitsubishi	PEFY
	FCU-C	Various	Various	27	Mitsubishi	PEFY
	FCU-D	Various	Various	34	Mitsubishi	PEFY
	FCU-E	Various	Various	40	Mitsubishi	PEFY
	FCU-F	Various	Various	54	Mitsubishi	PEFY
	FCU-G	Various	Various	60	Mitsubishi	PEFY
	FCU-H	Various	Various	20	Mitsubishi	PEFY
	FCU-J	Various	Various	60	Mitsubishi	PEFY
	FCU-K	Various	Various	32	Mitsubishi	PEFY
Equipment	*Designation*	*Location*	*Service*	*Capacity (CFM)*	*Manufacturer*	*Model No.*
AC	AC-ERU-R-1	Roof	Apartments	7775	Innovent	VPRE
	AC-ERU-R-2	Roof	Apartments	4935	Innovent	VPRE
	AC-R-1	Roof	Apartment Supply	4240	Innovent	VPR
	AC-R-2	Roof	Corridor Supply	1075	Innovent	VPR
	AC-1-1	Retail Storage	Back of House	3515		VKA
Equipment	*Designation*	*Location*	*Service*	*Capacity (MBH)*	*Manufacturer*	*Model No.*
Electric Cabinet Unit Heater	EUH-1-1	See Plans	See Plans	6.8	Electromode	RFI
	EUH-1-2	See Plans	See Plans	10.2	Electromode	RFI
	EUH-1-3	See Plans	See Plans	10.2	Electromode	EUH
H&V Systems	HV-C-1	Cellar	BOH	209.7	IEC	
	HV-C-2	Cellar	BOH	65.8	IEC	

Equipment	*Designation*	*Location*	*Service*	*Capacity (GPM)*	*Manufacturer*	*Model No.*
Pumps	P-1/2	Cellar	Primary Hot Water	200	Bell & Gosset	
	P-3/4	Cellar	Radiant Hot Water	40	Bell & Gosset	
Safety and Warning devices	S	All Apt. Units	Smoke /CO detectors		EST	SIGA2-PCOS

O. Electrical System

Electric service will be provided by Con Edison at 120/208 volts, 3 phase, 4 wire via underground feeders consisting of (3) sets of 4#500MCM copper conductors to an Electric Service Room located in the cellar. The (3) sets will terminate in a 4000Amp service switchboard in the Electric Service Room. Electric power will be distributed from the service switchboard through various size service switches to the Residential Units, Common Building Areas, Common Mechanical Equipment, and Retail Tenants.

Electric service to each Residential Unit will be provided from (2) meter banks located in the electric service room in the cellar. Each Residential Unit will be metered separately by a dedicated Con Edison meter.

Building common loads and retail tenants will each be separately metered by Con Edison meters located in the electric service room in the cellar.

All Residential Unit panel boards will be rated to comply with NEC 2008 with NYC amendments and takes into account all equipment provided within each Residential Unit. Capacity provided for each Residential Unit will be in accordance with Code requirements in various sizes from 225 to 400 Ampere @ 120/208V, 1 @ 3W. Each Residential Unit service will be adequate to meet normal apartment appliance loads, lighting and convenience outlets. All circuits will be provided with enough capacity to handle all anticipated loads being served. AFCI and GFCI protection will be provided as per NEC requirements.

Quantity of circuits will be adequate to handle all lighting, convenience receptacles and all appliances such as washing machines, clothes dryers, dishwashers, microwaves, etc. Number of circuits for each Residential Unit is listed under separate cover.

Emergency egress lighting in public egress paths will be provided with battery back-up allowing 90 minutes of emergency illumination in the event of utility power outage.

Switched incandescent, LED or fluorescent lighting fixtures will be provided in all bathrooms, walk-in closets, foyers, and kitchens. Switched receptacles will be provided in living rooms and bedrooms to meet National Electric Code. GFCI receptacles will be provided in powder rooms, bathrooms & kitchens. The HVAC units in each Residential Unit will be wired directly to the Unit's electric panel. Apartment terraces will include an exterior light fixture(s) and a waterproof GFCI receptacle. Convenience receptacles will be provided to meet requirements of the National Electric Code 2008.

P. Telephone, Intercom, Security Systems, and Data Transmission:

Telephone service will enter the building via an underground conduit and be fed to a main Telephone Service Entry Facility (TSEF) room located on the Cellar Level and then distributed through conduits directly to each residential condominium unit. Each Residential Unit will receive telephone service through either a local carrier using copper or fiber wires running between the TSEF and the or via cable TV cabling (Voice over IP).

The building will be provided with a separately wired video/audio intercom system permitting the occupants of the Residential Units to communicate with either the Front Desk or directly with a visitor.

The system will be a SSS Siedle iDor Intercom intercommunication system. Such intercommunication system will be located at an automatic self-locking door giving public access to the main entrance hall or lobby of the building and will permit a Residential Unit occupant to release the locking mechanism of said door from the Unit.

Closed circuit security cameras will be provided in selective locations, at main building lobby, at selected entrance corridors to the elevators, at the

service lobby, with viewing monitors at the Front Desk. The cameras will be designed to cover the immediate area within the view of the cameras, and will not necessarily cover all of the areas involved.

The building will be provided with hard wired combination smoke and CO detector locally annunciated. This system will meet the requirements of the New York City Building Code.

Television Reception Facilities:

All Residential Units throughout the building have been pre-wired with co-axial cabling and cat 5e or cat 6 cable. Receptacle jacks, receptacle connections, and miscellaneous equipment such as control boxes and station changers will be provided by Time Warner Cable and/or an alternate satellite service provider at the Unit Owner's expense, at receptacle locations in living rooms and bedrooms.

The building will not be equipped with a Master Television Antenna System for local broadcast station reception.

Unit Data Transmission:

All telephone/data receptacles in the Residential Units are wired with Category-5e or Category-6 copper cabling which runs to centrally located Network Interface Device (NID) located inside each Residential Unit. This wiring topology will provide the Residential Unit owners the ability to subscribe to internet, Cable TV and traditional "land line" providers that have been granted access to the building. All charges with respect to providing this service will be paid separately by the owners of such units

Q. Public Area Lighting

Lighting will be furnished to the Common Areas of the building through fluorescent and/ or incandescent fixtures in compliance with the New York City Multiple Dwelling Law and Housing Maintenance Code. The exterior of the building will be illuminated at the Residential Entry with recessed downlights located within the Concrete canopy.

R. Storage Bins:

There will be storage bins located on the Cellar level. Each Residential Unit will be assigned a specific storage bin.

S. Non-Residential Areas and other:

The Ground Floor includes space for (2) Commercial Units, 3 Parking Spaces and 1 High Line Storage Unit The Cellar level contains Building Storage, Fitness Center, Bicycle Room, equipment space, Laundry Room, storage bins, Superintendent's Office and Commercial Unit Storage.

T. Permits and Certificates:

All required permits have been obtained

U. Violations:

None

V. Unit Information:

The types of Units, together with the type and number of rooms in each of the same, are as follows:

UNIT INFORMATION:

There will be 35 Residential Units ranging from 1,990 gsf to 3,259 gsf, (2) Commercial Units measuring approximately 4,684 gsf.

One Bedroom	Unit	Floor
1 Bedroom, Living/Dining Room, Kitchen, 1.5 Bath & Juliet Balcony	Unit 2C	2nd Floor
One Bedroom	**Unit**	**Floor(s)**
1 Bedroom, Living/Dining Room, Kitchen, 1.5 Bath	Unit 4D	4th Floor
	Unit 5D	5th Floor
	Unit 6D	6th Floor
	Unit 7D	7th Floor
	Unit 8D	8th Floor
Two Bedroom Duplex	**Unit**	**Floor(s)**
2 Bedroom, Living/Dining Room, Kitchen, 2.5 Bath & Private Terrace	Unit 2A	2nd -3rd Floor
Two Bedroom	**Unit**	**Floor**
2 Bedroom, Living Room, Kitchen, 2.5 Bath	Unit 2E	2nd Floor
Two Bedroom	**Unit**	**Floor(s)**
2 Bedroom, Study 3 Bath	Unit 4A	4th Floor
	Unit 5A	5th Floor
	Unit 6A	6th Floor
	Unit 7A	7th Floor
	Unit 8A	8th Floor
Two Bedroom	**Unit**	**Floor(s)**
2 Bedroom, Living/Dining Room, Kitchen, 2.5 Bath & Juliet Balcony	Unit 4B	4th Floor
	Unit 5B	5th Floor
	Unit 6B	6th Floor
	Unit 7B	7th Floor
	Unit 8B	8th Floor
Two Bedroom	**Unit**	**Floor(s)**
2 Bedroom, Living Room, Kitchen, 2.5 Bath	Unit 4C	4th Floor
	Unit 5C	5th Floor
	Unit 6C	6th Floor
	Unit 7C	7th Floor
	Unit 8C	8th Floor
Three Bedroom	**Unit**	**Floor(s)**
3 Bedroom, Living/Dining Room Kitchen & 3.5 Bath & Mud Room	Unit 3W	3rd Floor
	Unit 4W	4th Floor
	Unit 5W	5th Floor
	Unit 6W	6th Floor
	Unit 7W	7th Floor
	Unit 8W	8th Floor
Three Bedroom Duplex	**Unit**	**Floor(s)**
3 Bedroom, Living Room/Dining Room, Wine Bar, Kitchen, 3.5 Bath, Private Terrace & Juliet Balcony	Unit 2B	2nd – 3rd Floors

Three Bedroom Duplex	Unit	Floor(s)
3 Bed, Living Room, Dining Room,	Unit 2D	2nd – 3rd Floors
Library, Kitchen, 3.5 Bath, Wine Bar		
Private Terrace		
Three Bedroom Duplex Penthouse	**Unit**	**Floor(s)**
3 Bedroom, Living Room/Dining Room	Unit PH2	10th Floor - Roof
Family Room , Kitchen, Study, Wine bar		
Mud Room, 3.5 Bath, Sauna, Fireplace,		
2 Private Terraces & Roof Terrace		
Four Bedroom Duplex Townhouse	**Unit**	**Floor(s)**
4 Bedroom, Living Room/Dining Room	Unit TH	1st – 2nd Floors
Kitchen, Family Room, Study, Wine Bar		
Mud Room, Private Terrace, 4 Bath,		
(2) ½ Bath, Private Rear Yard with Pool		
Four Bedroom Duplex Penthouse	**Unit**	**Floor**
4 Bedroom, Living Room, Family Room	Unit PHW	9th -10th Floors
Kitchen, Study, 2 Wine Bars, 4.5 Bath		
Sauna, Mud Room, Fireplace		
Private Terrace		
Four Bedroom Penthouse	**Unit**	**Floor**
4 Bedroom, Living Room, Family Room	Unit PH1	9th Floor
Library, Kitchen, Study, Wine Bar		
4.5 Bath, Sauna, Mud Room, Fireplace		
2 Private Terraces, Juliet Balcony		

Non-Residential	Unit	Floor
	Commercial Unit 1	Ground Floor
	Commercial Unit 2	Ground Floor
	Highline Storage Unit	Ground Floor
	Parking Unit 1	Ground Floor
	Parking Unit 2	Ground Floor
	Parking Unit 3	Ground Floor

Parking Unit Information:

Two parking spaces and One ADA parking space will be located on the Ground Floor with access from West 19th Street. The parking will be unattended. Ventilation to the parking area will be supplied by a Mitsubishi BC Controller Model # CMB-P1010NU-G. Heating will be provided by two Trane Unit Heaters Model # 38S. Automatic wet sprinklers will be supplied from the combined FSP/Sprinkler riser for the parking area. The parking area will be composed of a poured concrete floor and concrete curb with 2 hour rated concrete masonry unit walls separating the parking area from the residential lobby and building service entry. Drainage will be provided by a trench drain located at the parking entry.

Fixtures and Appliances:

Subject to Sponsor's right to substitute fixtures and appliances of equal or better quality, as recognized by industry standards for performance, efficiency, longevity and/or other classifications as applicable. The Residential Units will be equipped with the following fixtures and appliances.

Appliance + Location	Manufacturer	Model #	Description
Dishwashers	Miele	G 5975 SCVi	Diamond Custom Door Panel
Electric CombiSet Tepan Yaki	Miele	CS 1327 Y	15" Tepan Yaki, Stainless Steel
Electric Wall Oven	Miele	H 4884 BP	Masterchef 30" Stainless Steel Single Oven
	Miele	H 4894 BP2	Masterchef 30" Stainless Steel Double Oven
Freezer	Sub-Zero	700TFI	27" Integrated all freezer w/ custom door panel
West 9	Sub-Zero	700BFI	27" Integrated drawers, all freezer w/ custom door panel
Gas Cooktop West 3-8A, 10	Miele	CS1012	12" Gas Cooktop – 2 Burners
Gas Wok Burner West 3-8A, 10	Miele	CS1011	12" Gas Wok Burner
Microwave	Miele	H 4044 BM	24" Classic Chef Speed Oven / Microwave. Stainless Steel
Range Hood	Miele	DA 3490	36" Built-In Hood, Stainless Steel - 625 CFM

Appliance + Location	Manufacturer	Model #	Description
Refrigerator / Freezer East 2A, 2B, 2C, 2D, 4-8A	Sub-Zero	BI-48SID/O	48" built-In side by side w/ custom panel door
East 4-8C	Sub-Zero	BI-42SID/O	42" built-In side by side w/ custom panel door
East 2E, 4-8A	Sub-Zero	736TCI	36" Integrated combination refrigerator and freezer w/ custom door panel
West 2, East 3B, 3D, 9, 10	Sub-Zero	700BCI	27" Integrated combination drawers w/ custom door panel
East 4-8D	Sub-Zero	700TCI	27" Integrated combination refrigerator and freezer w/ custom door panel
East 9,10, West 1A, 10	Sub-Zero	700TR	27" Integrated all refrigerator w/ custom door panel

Steam Oven	Miele	DG 4084	24" Convection Steam Oven, Stainless Steel
Warming Drawer	Miele	ESW 4824	30" Stainless Steel
Washer East 2C, 2E, 3A, 4-8D	Whirlpool	WFW96HEAW	27" Steam Front Load Washer, white. Stacking Kit W10298318RP
Cellar	Miele	PW 6080	Octoblue, 18lb capacity
Dryer East 2C, 2E, 3A, 4-8D	Whirlpool	WED96HEAW	27" Electric Dryer with Steam Cycles, white
Cellar	Miele	PT 7186	Octoblue, 18lb capacity
Wine Storage Units East 2A, 2B, 2E, 4-8B, 4-8C, West 9	Sub-Zero	424G/O	24" Wine Storage Unit w/ custom door panel
West 1A, East 2D, 9, 10	Sub-Zero	427G	27" Wine Storage Unit w/ custom door panel
West 10	Sub-Zero	427RG	27" Wine Storage Unit/Refrigerator w/ custom door panel
East 2C, 4-8B, 4-8D	Sub-Zero	315W/O	15" Under-counter Wine Storage Unit w/ custom door panel
Waste Disposer All Residential Units	Insinkerator	Evolution Excel	Cover Control Adapter #CCA-00
Steam Generator East 3A	Mr. Steam	MS 400E	Butler Package 208V / 240V, 44 AMP / 38 AMP
EAST 2C, 3D, 4A, 4B, 4D,WEST 3, 4, 5, 6, 7, 8	Mr. Steam	MS Super 1E	Bulter Package 208 / 240V, 49 AMP / 42 AMP
WEST 2	Mr. Steam	MS Super 2E	Bulter Package 208V / 240V, 58 AMP / 50 AMP
EAST 2E	Mr. Steam	MS Super 3E	Bulter Package 208V / 240V, 58 AMP / 50 AMP
EAST 4C	Mr. Steam	MS Super 5E	Bulter Package 208V / 240V, 73 AMP / 63 AMP
EAST 9	Mr. Steam	Super 2E	Bulter Package Designer T 6.0 208V, 28.8 AMP 208V / 240V, 58 AMP / 50 AMP T1 CONTROL 1601-27
EAST 10	Mr. Steam	Super 4E	Bulter Package Designer T 8.0 208V, 38.5 AMP 208V / 240V, 49 AMP / 42 AMP x2 T1 CONTROL 1601-27
WEST 9	Mr. Steam	Super 6E	Bulter Package Designer T 8.0 208V, 38.5 AMP 208V / 240V, 73 AMP / 63 AMP x2 T1 CONTROL 1601-27

W. Lighting Schedule:

The following is a lighting schedule for the common spaces in the East and West Tower.

Level	*Location*	*Fixture*	*Color*	*Manufacturer*	*Model #*	*Lamp*
1st	Main Lobby	1" Round in-grade LED uplight Recessed track system Recessed Downlight Decorative Pendant	White	Viabizzuno Viabizzuno TBD TBD	F6.041.01 3000K Spot F6.094.06	LED white 3000K 10MR16/END/F24 2700 12V DM10/1
1st	Entry	Recessed in wall LED LED string under stair	White White	Viabizzuno Ushio America	F6.041.01 W.U. Pearl-Lux 1003620	LED white 3200K LED white 3000K
1st	Package Room	2" Round Lens CFL		Eureka	4710 24 2XCF.L24+ 36 120	PL-L 24W/830/4P PL-L 36W/830/4P
1st	Mailroom Concierge	T5 Fluorescent		XAL Lighting	N58211211 -7100070	F28T5/830/ECO
1st, 9th, 10th	Service Corridor	Round lens CFL downlight		TBD		F32TBX/827/A/ECO
1st-10th	Elevator Lobby	Recessed Downlight		TBD		10MR16/END/F24 2700 12V DM10/1
2nd-10th	Public Corridors	1 ¾" round fully recessed LED Custom LED decorative pendant		XAL Lighting Dean Phillips	N663111 27801010 01180_WL	10MR16/END/F24 2700 12V DM10/1 3W White LED 3000K

X. Finish Schedule:

The following is a finish schedule for the common spaces.

Level	*Location*	*Floor*	*Base*	*Walls*	*Ceiling*	*Remarks*
1st	Main Lobby	Slate	Slate	Plaster, Paint & Wood	Painted Gyp. Bd.	one Coat Primer & two coats of paint finish
1st	Seating Area	Slate	Slate	Paint	Painted Gyp. Bd.	one Coat Primer & two coats of paint finish
1st	Mailroom	Slate	Slate	Paint	Painted Gyp. Bd.	one Coat Primer & two coats of paint finish
2nd -10	Public Corridors	Carpet	Poplar	Paint	Painted Gyp. Bd.	High Quality Fray Resistant Latex Compound

The following is a finish schedule for a typical Residential Unit:

Level	*Location*	*Floor*	*Base*	*Walls*	*Ceiling*	*Remarks*
	Typical Residential Unit					
2nd -10	Foyer, Closets	¾" White Oak Wood with1" underlayment	Painted	5/8" Gyp. Bd.	Paint, one Coat Primer & two coats of paint finish	
2nd -10	Living Room	¾" White Oak Wood with1" underlayment	Painted	5/8" Gyp. Bd.	Paint, one Coat Primer & two coats of paint finish	
2nd -10	Master Bedroom	¾" White Oak Wood with1" underlayment	Painted	5/8" Gyp. Bd.	Paint, one Coat Primer & two coats of paint finish	
2nd -10	Secondary Bedrooms	¾" White Oak Wood with1" underlayment	Painted	5/8" Gyp. Bd.	Paint, one Coat Primer & two coats of paint finish	
2nd -10	Master Bathroom	Marble	Marble	Marble	Painted Gyp. Bd. one Coat Primer & two coats of paint finish	full ht. tile at shower
2nd -10	Secondary Bathrooms	Marble	Marble	Marble Tile	Painted Gyp. Bd. one Coat Primer & two coats of paint finish	full ht. tile at shower
2nd -10	Tertiary Bathrooms	Marble	Marble	Marble Tile	Painted Gyp. Bd. one Coat Primer & two coats of paint finish	full ht. tile at bath tubs
2nd -10	Powder Rooms	Marble	Marble	Leather Tiles Marble Tiles	Painted Gyp. Bd. one Coat Primer & two coats of paint finish	
2nd -10	Kitchen	¾" White Oak Wood with1" underlayment	Painted	5/8" Gyp. Bd.	Paint, one Coat Primer & two coats of paint finish	Stone Counters & Backsplashes
2nd -10	Laundry Closets	Ceramic Tile		5/8" Gyp. Bd.	Painted Gyp. Bd. one Coat Primer & two coats of paint finish	

Y. Safety and Warning Devices:

Smoke detectors are provided outside the bedrooms in Residential Units, as required by law. Area smoke detectors are installed in all electrical and mechanical equipment rooms as required by law. Smoke detectors are installed in all elevator lobbies for activation of elevator recall to main floor level as required by law. Finally duct mounted smoke detectors are provided in all supply air handling units with a capacity in excess of 2,000 cfm which is also a New York City Building Code requirement.
The building will not be provided with a lightning prevention system.

Z. Additional Information Dimensions of Units:

The square foot area of the Units set forth in the Floor Plans, Schedule A to the Offering Plan and Exhibit B to the Condominium Declaration are approximate and are based upon the following method of tabulation: The Residential Units and Non-Residential Units were measured horizontally from the exterior face of the exterior walls (perimeter mechanical pipes are not deducted) to the midpoint of the interior walls and the midpoint of partitions separating one Unit from another Unit, public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements. Any Common Elements located within a Unit shall not be considered a part of such Unit. As is customary in New York City, these square foot areas exceed the useable floor area of each Unit. Measured vertically, each Unit will consist of the volume from the top of the concrete floor slab below (located under the finished flooring and sub-floor materials) comprising the lowest floor of the Unit to the underside of the concrete slab forming the ceiling of the highest floor of the Unit. The clearance between the top of the concrete floor slab and the bottom of the finish ceiling in the Units will generally be approximately 10'-0" in major areas. Certain Units and areas within other Units may have clearances of less than this to accommodate facilities located above the ceiling or otherwise to respond to field conditions. The maximum ceiling height on 9th floor is approximately 11'-3". The maximum ceiling height on the PH 2 level is approximately 13'-1".

The foregoing constitutes a true, correct and complete Description of Property by our firm for the property located at 505 West 19th Street, New York, New York.

Zi. Documents:

The following documents shall be transferred to the condominium management upon transfer of control-Operation & Maintenance (O&M) manuals for mechanical equipment; Electronic system manual; Re-commissioning manual (as applicable); equipment warranties; Roof warranty; Major equipment start-up sheets; Control System As-Built; Original Test & Balance Report for HVAC System; In-Door Air Quality report. Final As-Built drawings as maintained during construction, i.e. structural, mechanical, electrical, plumbing and shop drawings.

Zii. Special Risk:

A Permanent Certificate of Occupancy (C of O) is required for permanent residential use of the premises. A Temporary Certificate of Occupancy (TCO) has an expiration date (Usually 90 days after its date of issuance) and may only be renewed for a total period of two years. In the case Temporary Certificate of Occupancy shall have expired prior to obtaining a Permanent Certificate of Occupancy, residential occupancy of the premises will be in violation of the Multiple Dwelling Law.

In case the building is occupied (by occupants and/or unit owners) prior to obtaining the Final Certificate of Occupancy (FCO), a Tenant Protection Plan pursuant to §28-104.8.4 of the 2008 New York City Building Code, will be distributed to each occupant and/or unit owner. The Tenant protection plan will consist of the following:
A statement that the building contains dwelling units that will be occupied during construction and shall indicate in sufficient detail the specific units that are or may be occupied during construction, the means and methods to be employed to safeguard the safety and health of the occupants, including, where applicable, details such as temporary fire-rated assemblies, opening protection, or dust containment procedures. The elements of the Tenant Protection Plan may vary depending on the nature and scope of the work but at a minimum shall make detailed and specific provisions for:

1. Egress. At all times in the course of construction provision shall be made for adequate egress as required by this code and the Tenant Protection Plan shall identify the egress that will be provided. Required egress shall not be obstructed at any time except where approved by the commissioner.

2. Fire safety. All necessary laws and controls, including those with respect to occupied dwellings, as well as additional safety measures necessitated by the construction shall be strictly observed.

3. Health requirements. Specification of methods to be used for control of dust, disposal of construction debris, pest control and maintenance of sanitary facilities, and limitation of noise to acceptable levels shall be included.

3.1. There shall be included a statement of compliance with applicable provisions of law relating to lead paint and asbestos.

4. Compliance with housing standards. The requirements of the New York City housing maintenance code, and, where applicable, the New York State multiple dwelling law shall be strictly observed.

5. Structural safety. No structural work shall be done that may endanger occupants.

6. Noise restrictions. Where hours of the day or the days of the week in which construction work may be undertaken are limited pursuant to the New York City noise control code, such limitations shall be stated.

The 2013 NYC Hurricane Evacuation Map indicated that the site is located within Zone 1.

Commercial Units: The Commercial Unit Owner or Sponsor, as applicable, shall obtain all necessary permits and approvals required by the City of New York Department of Building and shall cause the certificate of occupancy to be appropriately amended in the event of a subdivision.

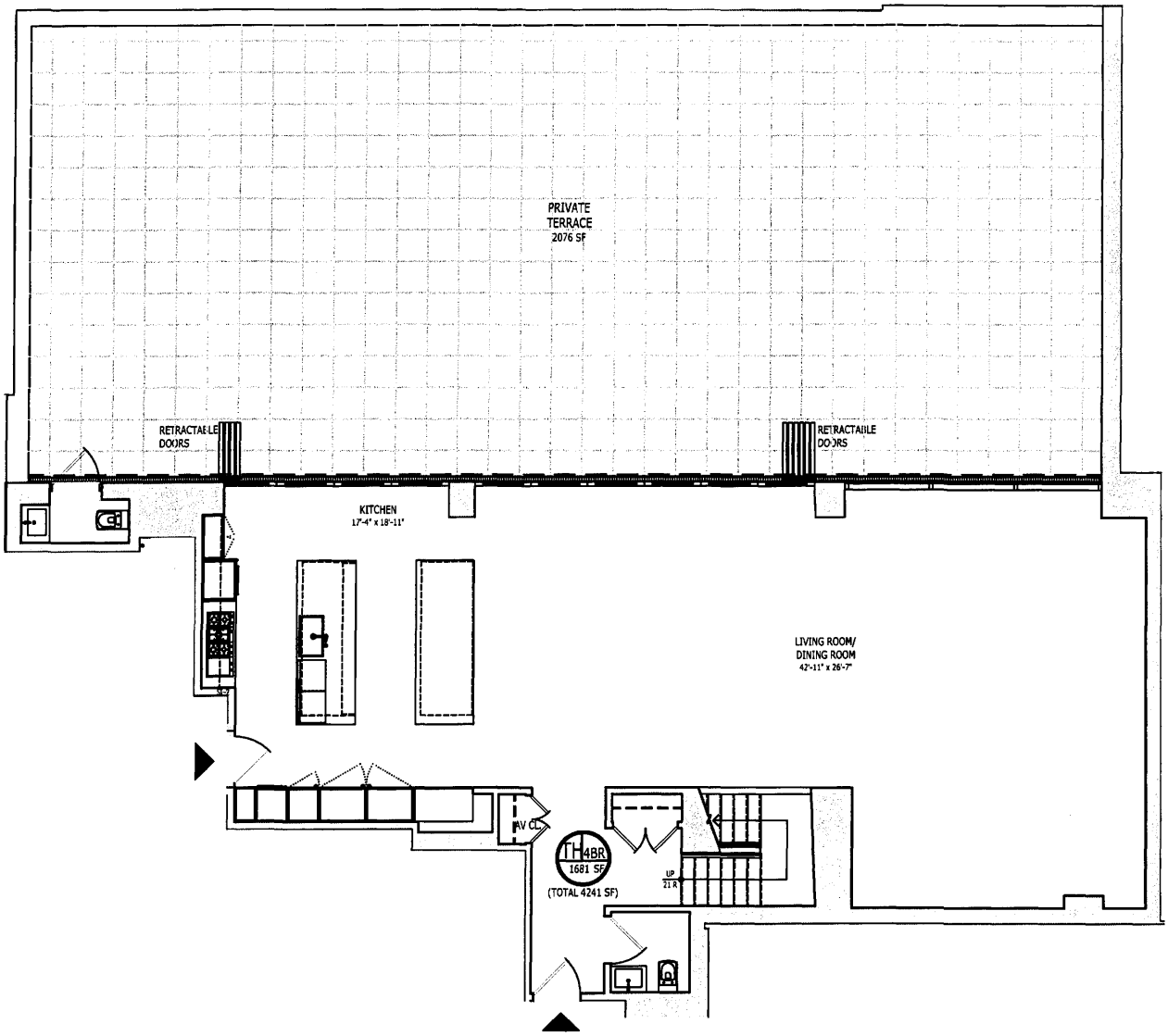


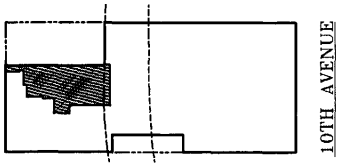
Leo Stephen Hill, A.I.A
Partner

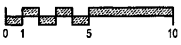
All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall, subtract cutouts. Sponsor reserves the right to make changes due to unforeseen conditions in accordance with the Offering Plan.

FLOOR PLANS

TOWNHOUSE RESIDENCE	1ST FLOOR 4 BEDROOMS DUPLEX MUD ROOM 4 BATHS 2 -1/2 BATHS REAR YARD / TERRACE	505 W 19TH STREET NEW YORK, NY	PLATE: 1

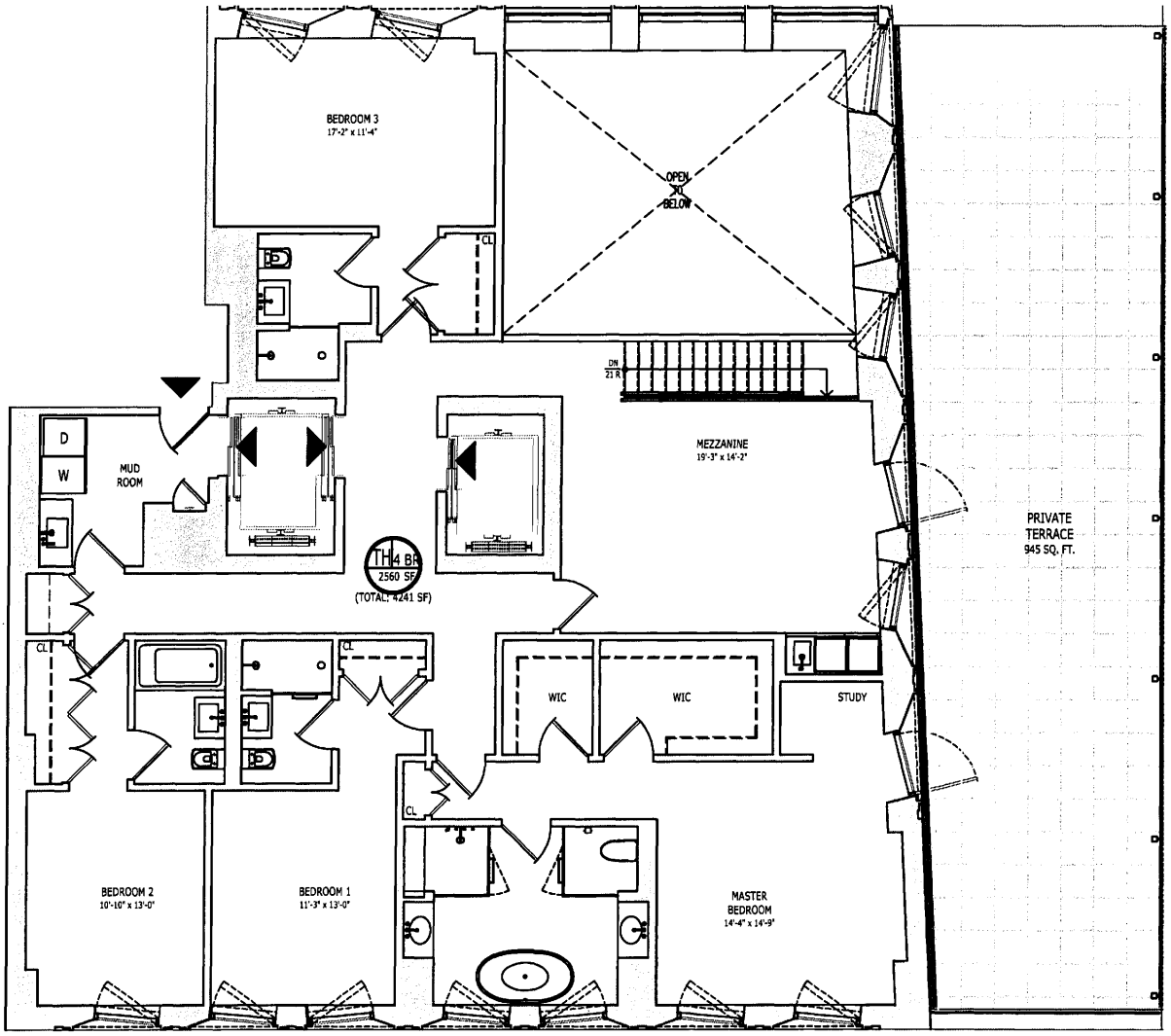


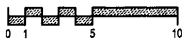


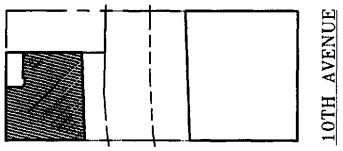


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

TOWNHOUSE RESIDENCE	2ND FLOOR 4 BEDROOMS DUPLEX MUD ROOM 4 BATHS 2 -1/2 BATHS REAR YARD / TERRACE	505 W 19TH STREET NEW YORK, NY	PLATE: 2

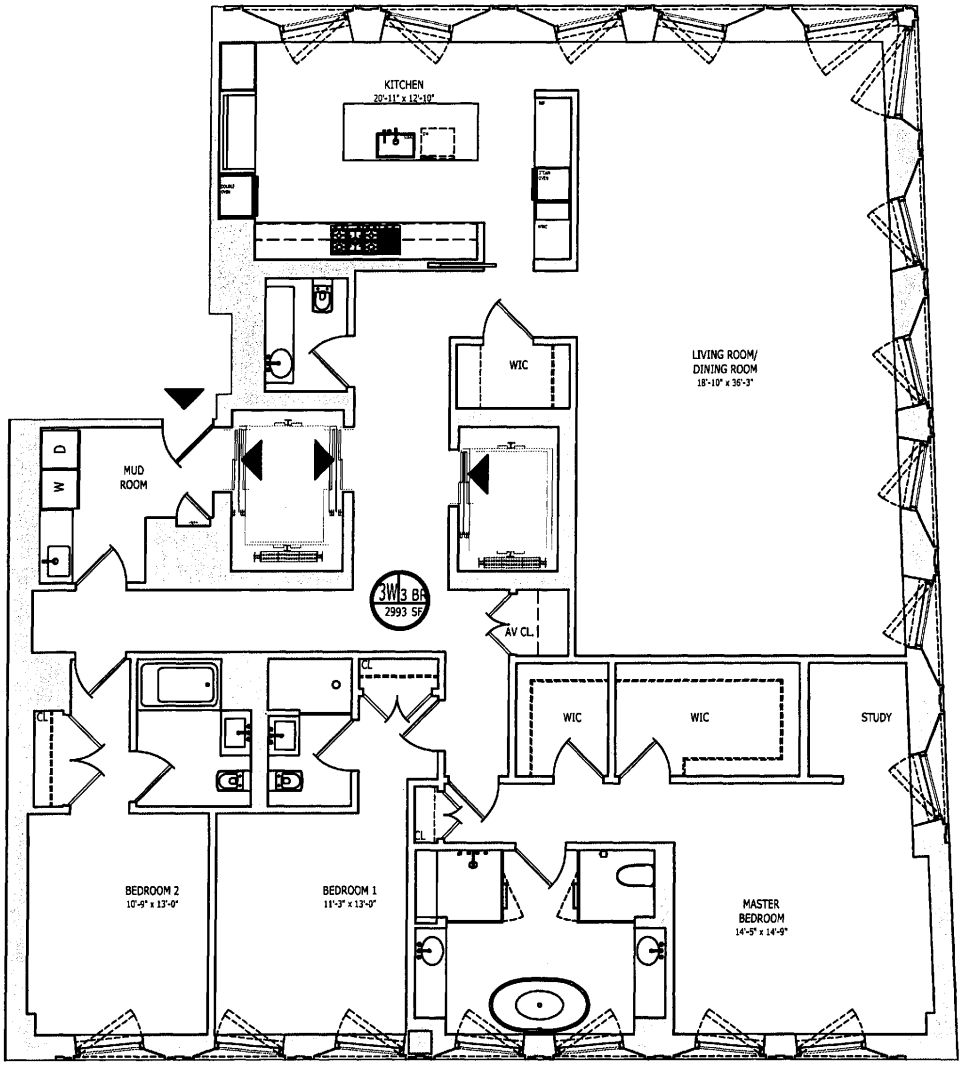


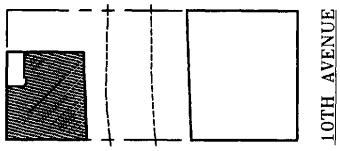




All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

3 WEST RESIDENCE	3RD FLOOR 3 BEDROOMS 3.5 BATHS MUD ROOM	505 W 19TH STREET NEW YORK, NY	PLATE: 3

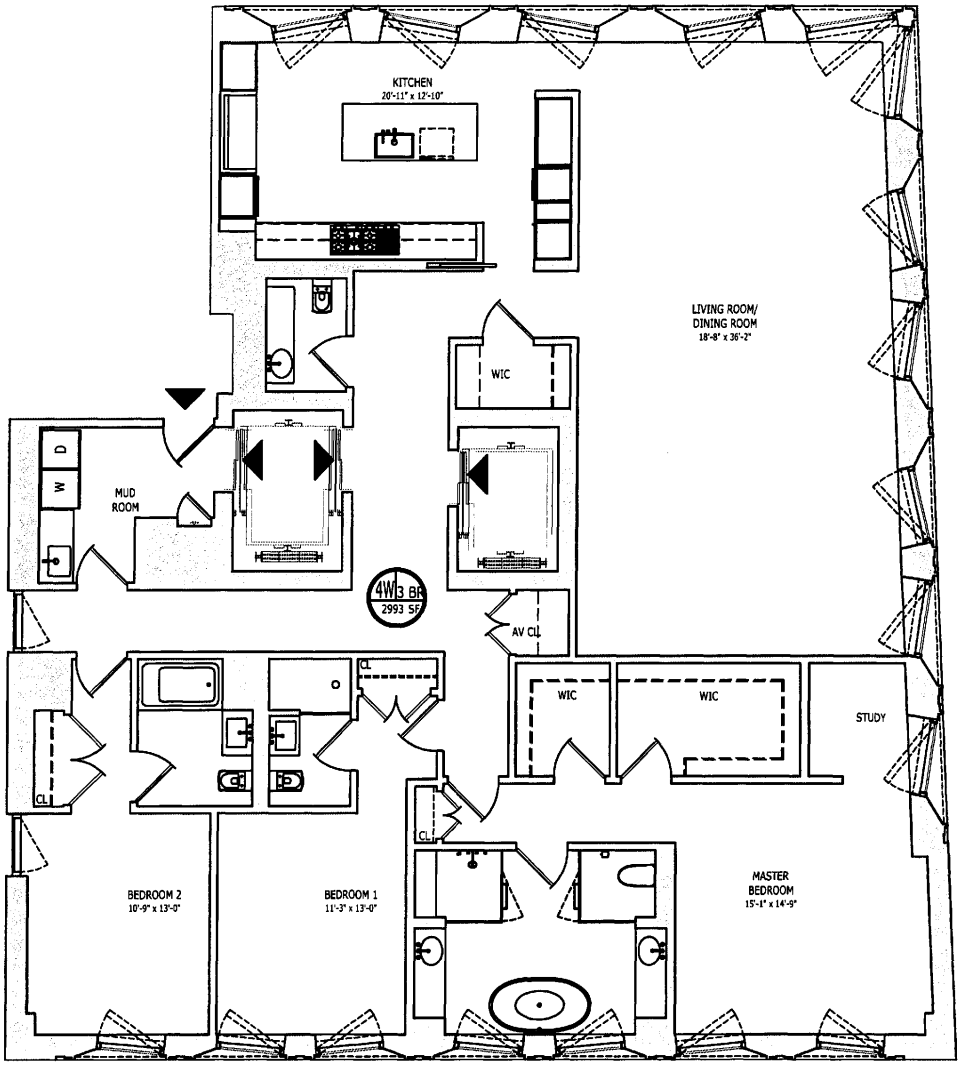


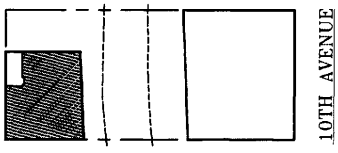


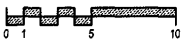


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

4 WEST RESIDENCE	4TH FLOOR 3 BEDROOMS 3.5 BATHS MUD ROOM	505 W 19TH STREET NEW YORK, NY	PLATE: 4

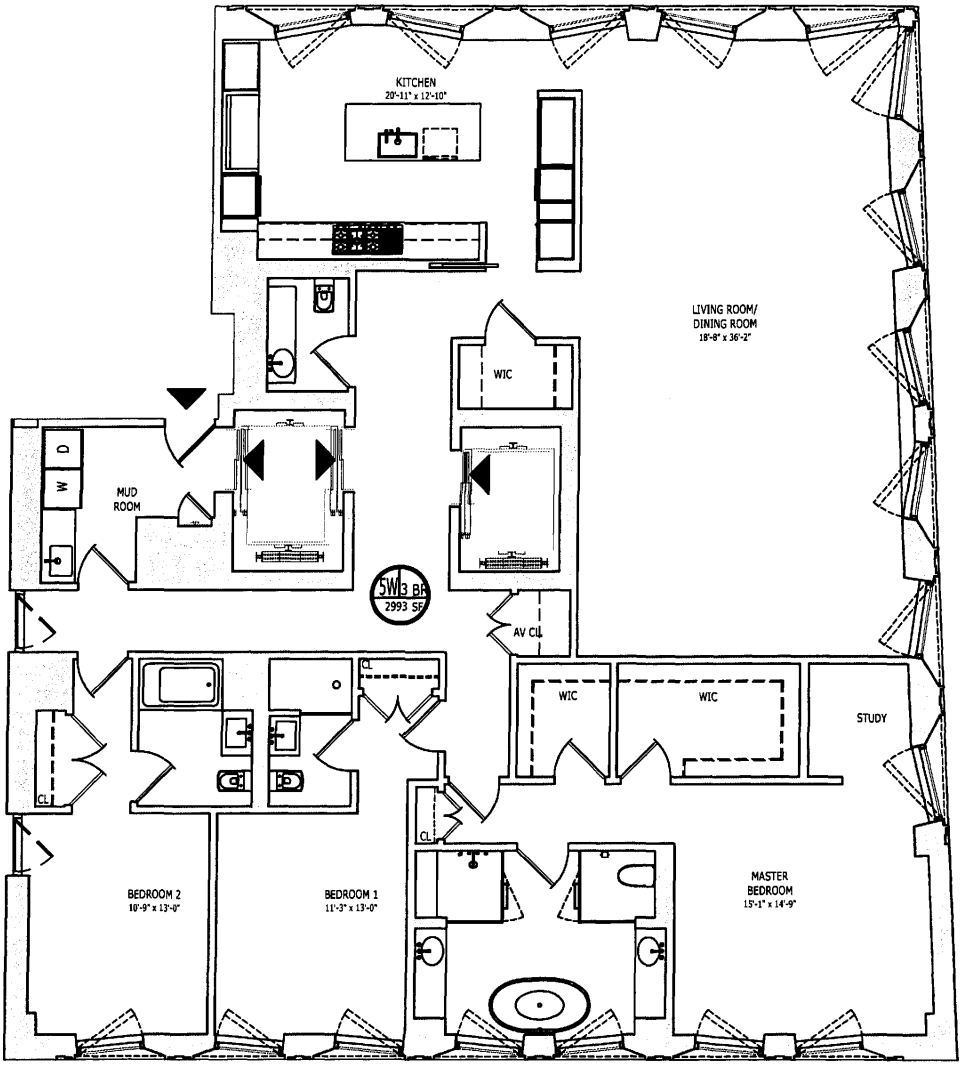


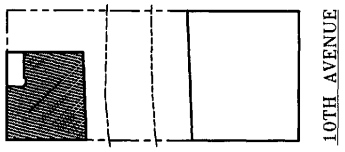




All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

5 WEST RESIDENCE	5TH FLOOR 3 BEDROOMS 3.5 BATHS MUD ROOM	505 W 19TH STREET NEW YORK, NY	PLATE: 5

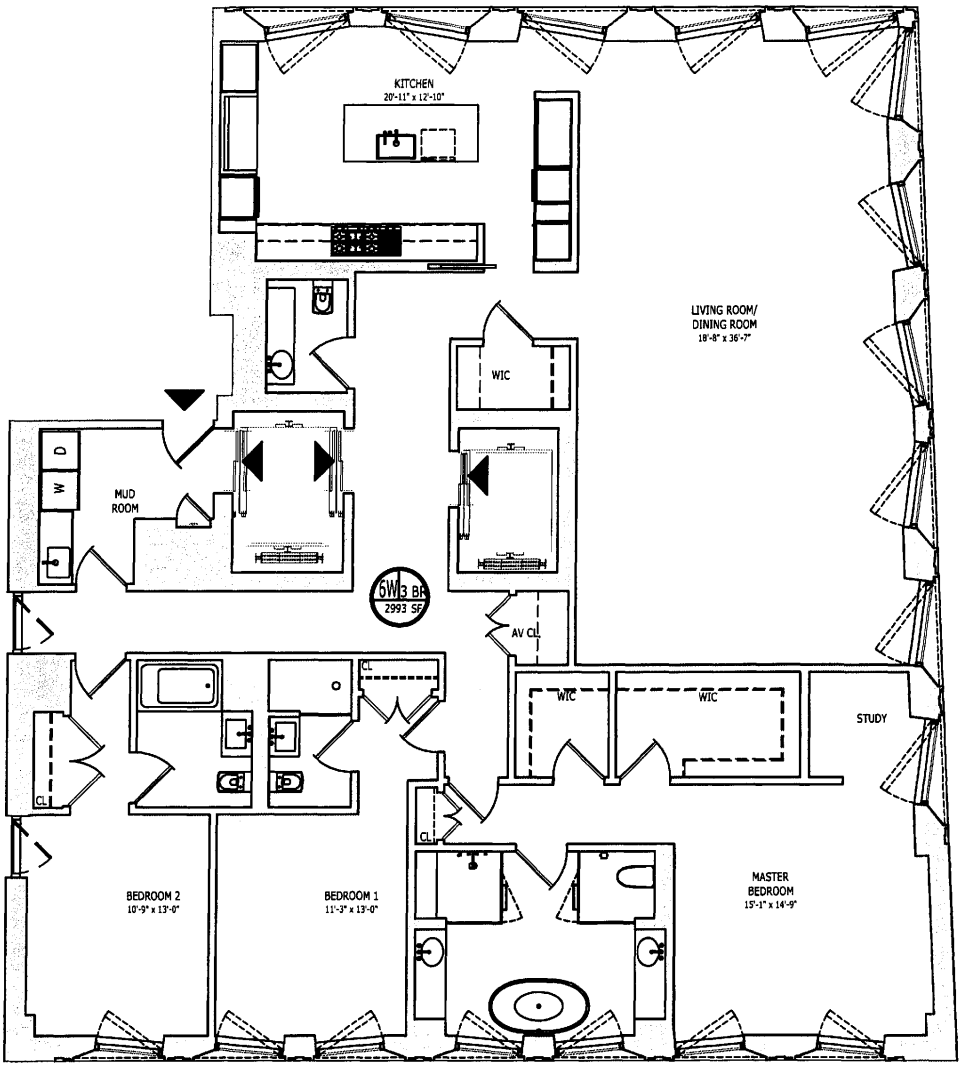


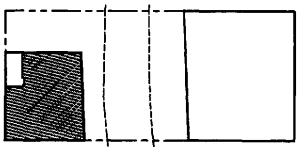


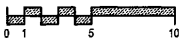


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

6 WEST RESIDENCE	6TH FLOOR 3 BEDROOMS 3.5 BATHS MUD ROOM	505 W 19TH STREET NEW YORK, NY	PLATE: 6

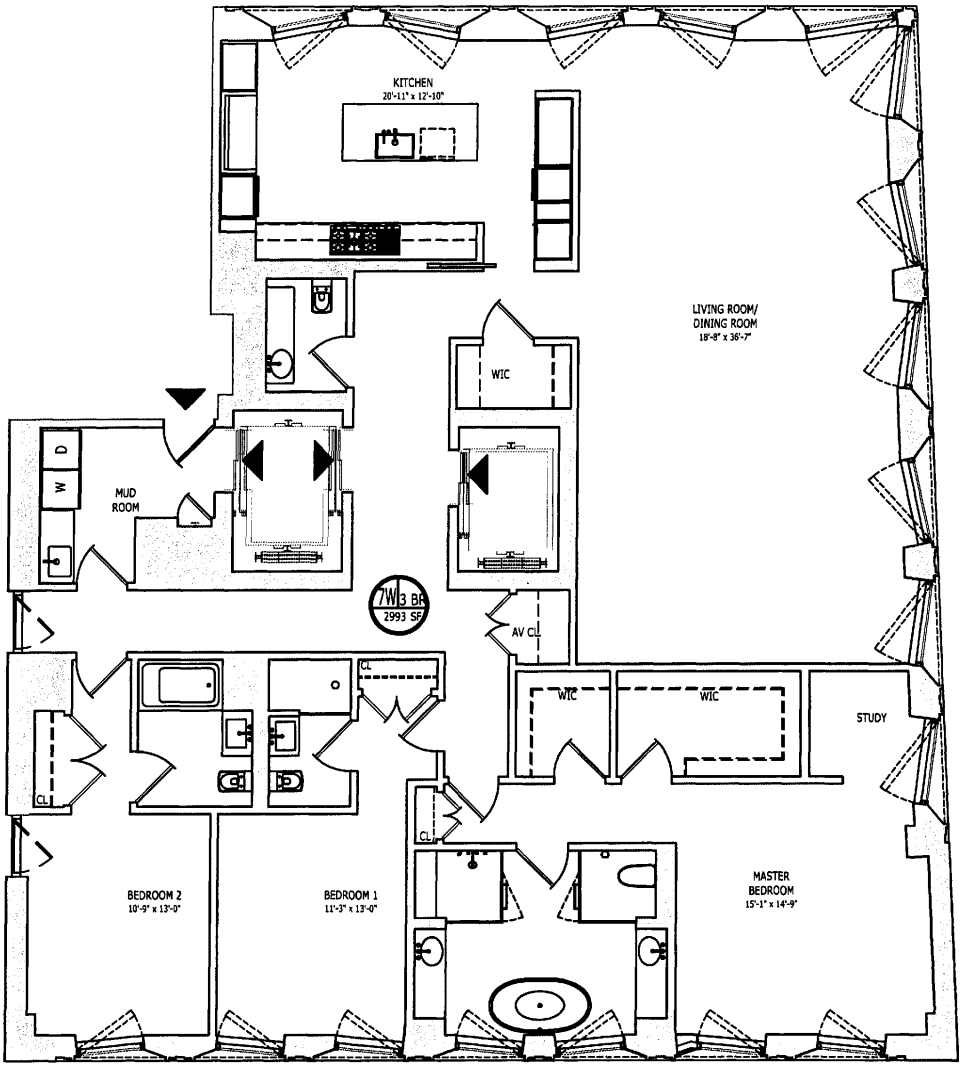


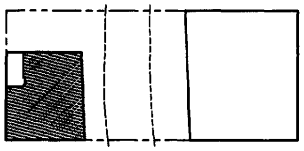




All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

7 WEST RESIDENCE	7TH FLOOR 3 BEDROOMS 3.5 BATHS MUD ROOM	505 W 19TH STREET NEW YORK, NY	PLATE: 7

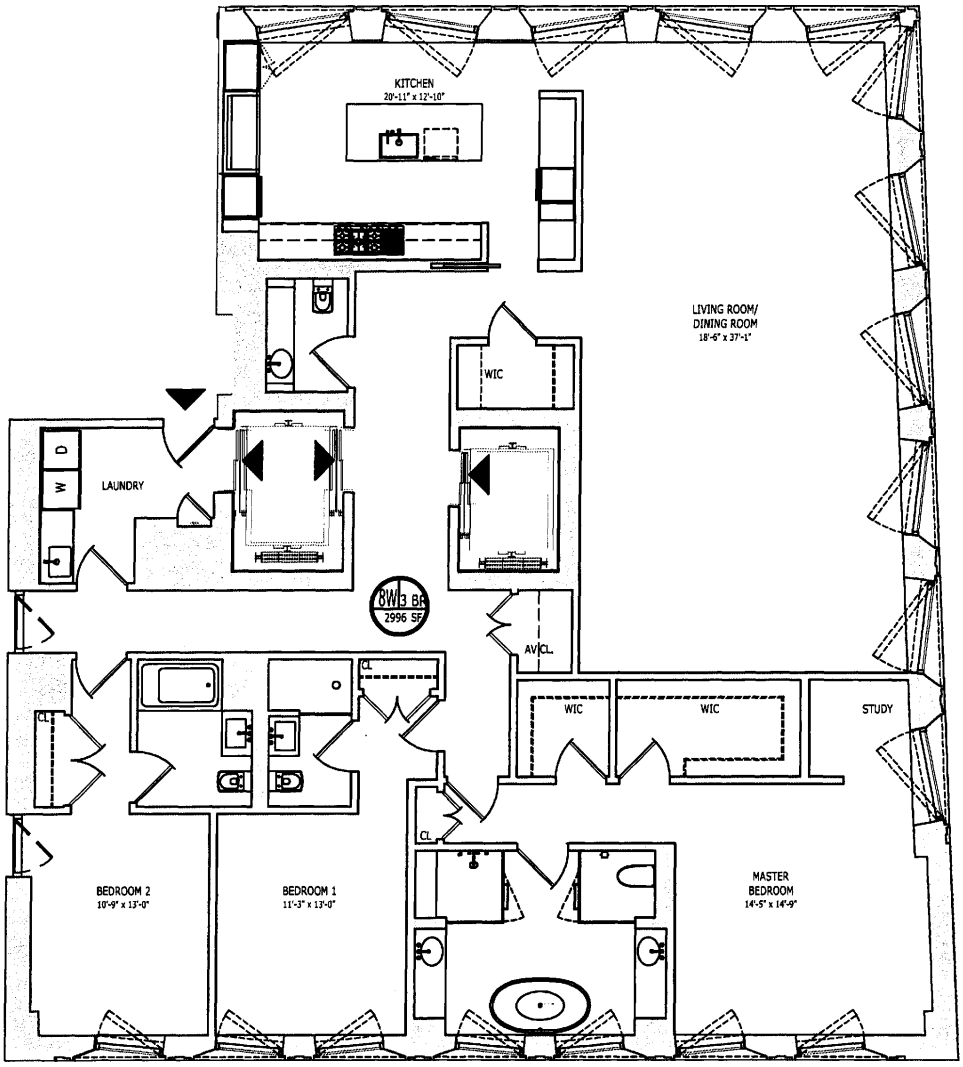


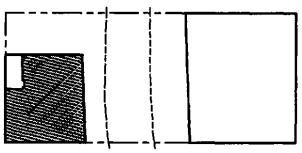


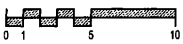


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

8 WEST RESIDENCE	8TH FLOOR 3 BEDROOMS 3.5 BATHS MUD ROOM	505 W 19TH STREET NEW YORK, NY	PLATE: 8

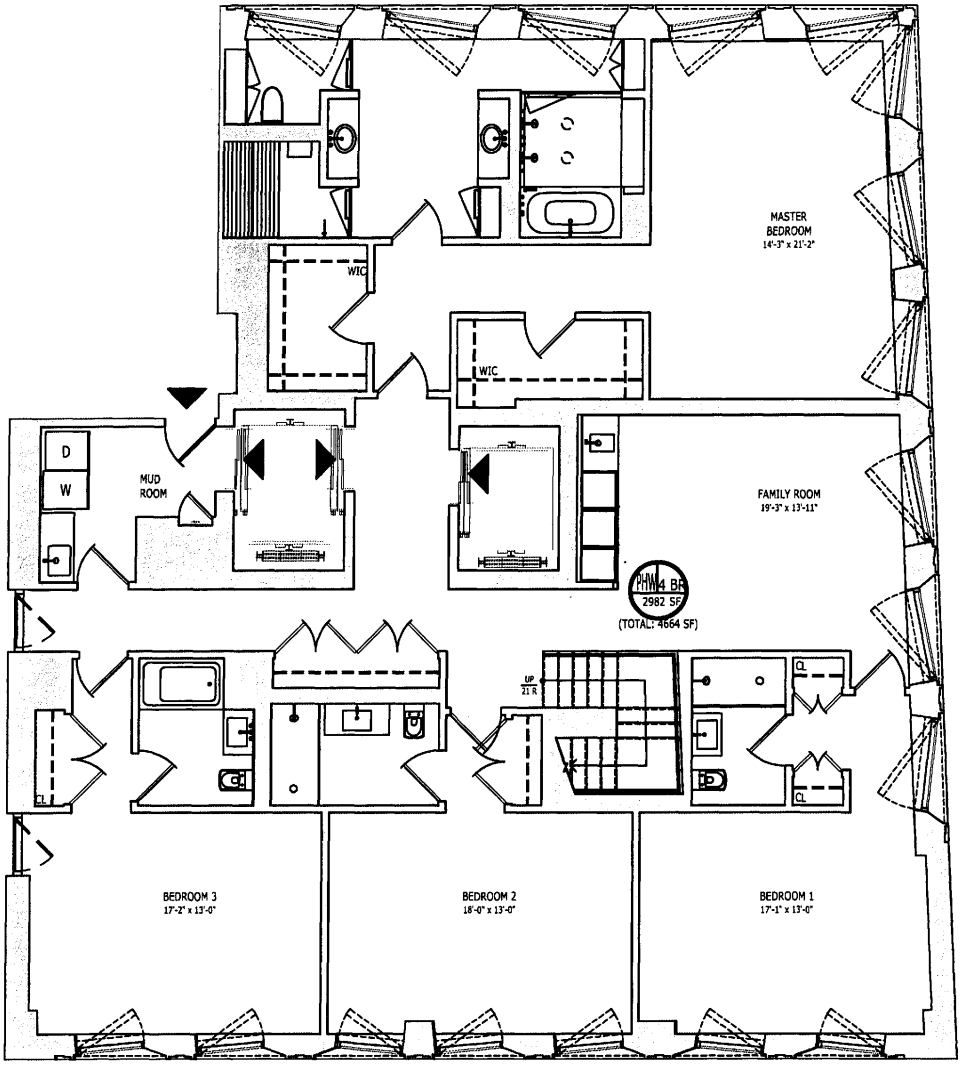




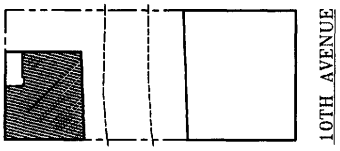


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

PENTHOUSE WEST RESIDENCE	9TH FLOOR 4 BEDROOMS DUPLEX 4.5 BATHS MUD ROOM / PRIVATE TERRACE	505 W 19TH STREET NEW YORK, NY	PLATE: 9

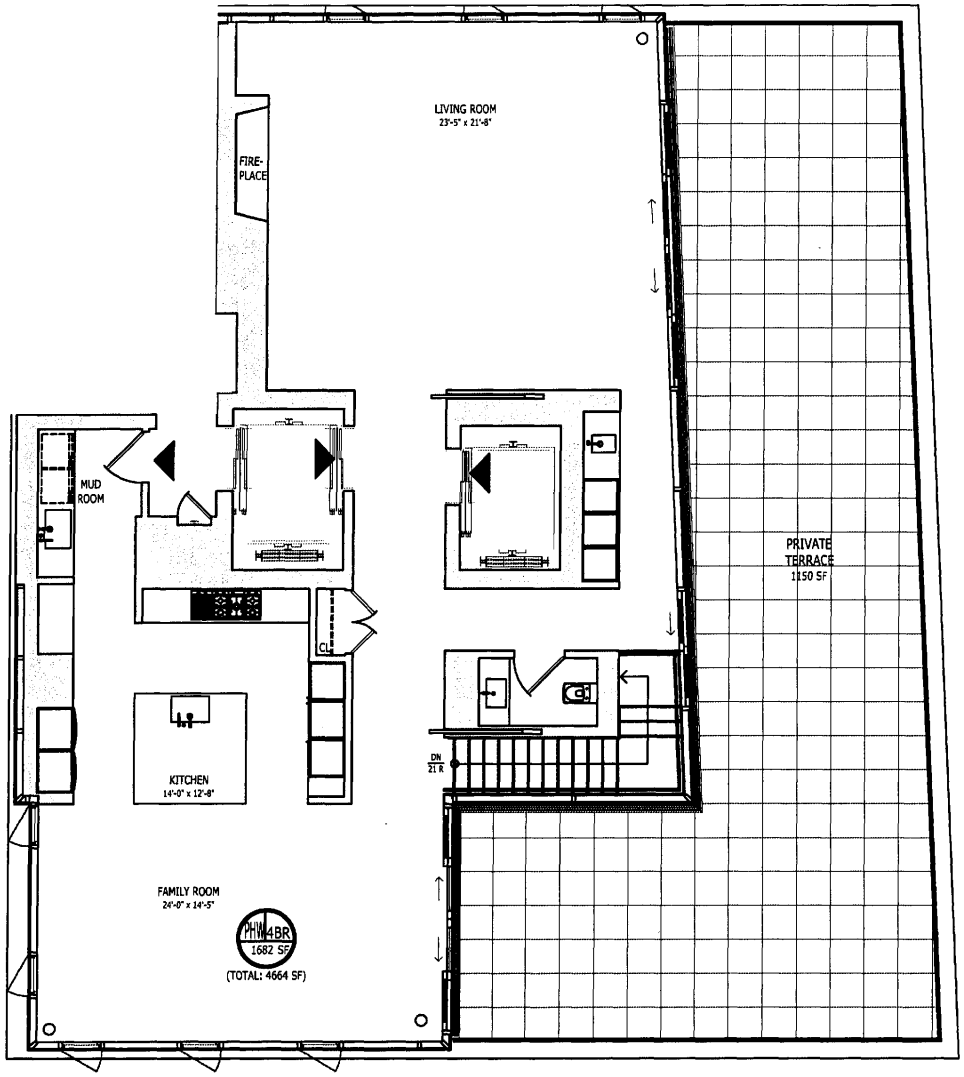


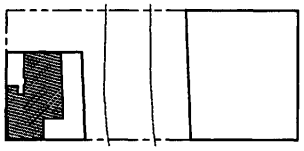


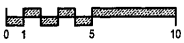


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

PENTHOUSE WEST RESIDENCE	10TH FLOOR 4 BEDROOMS DUPLEX 4.5 BATHS MUD ROOM / PRIVATE TERRACE	505 W 19TH STREET NEW YORK, NY	PLATE: 10

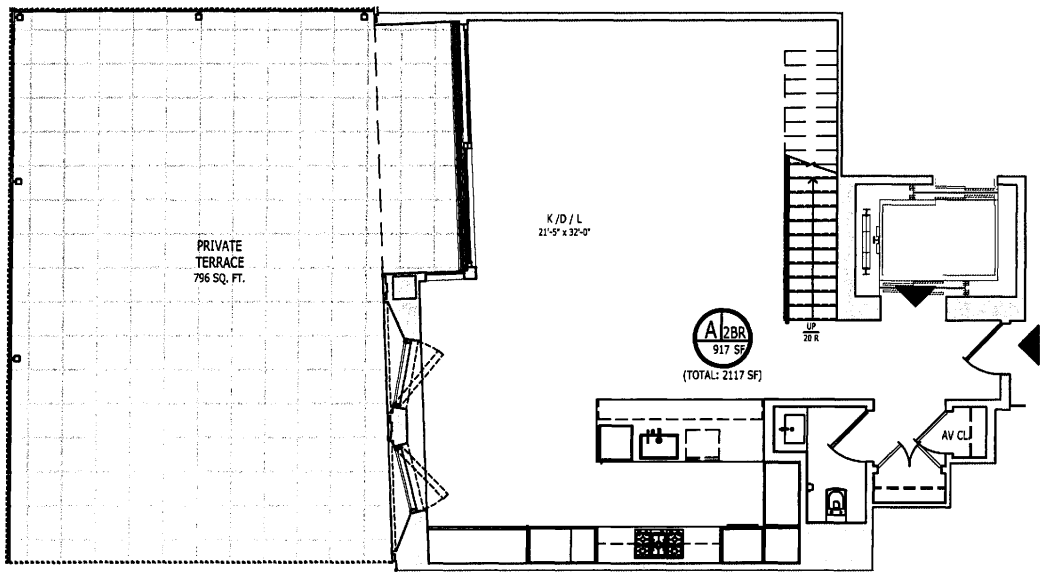


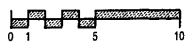


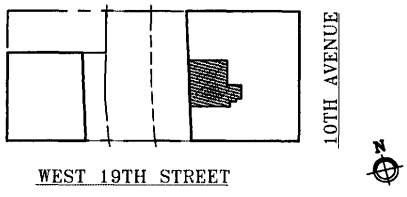


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

2A RESIDENCE	2ND FLOOR 2 BEDROOM DUPLEX 2.5 BATHS PRIVATE TERRACE	505 W 19TH STREET NEW YORK, NY	PLATE: 11

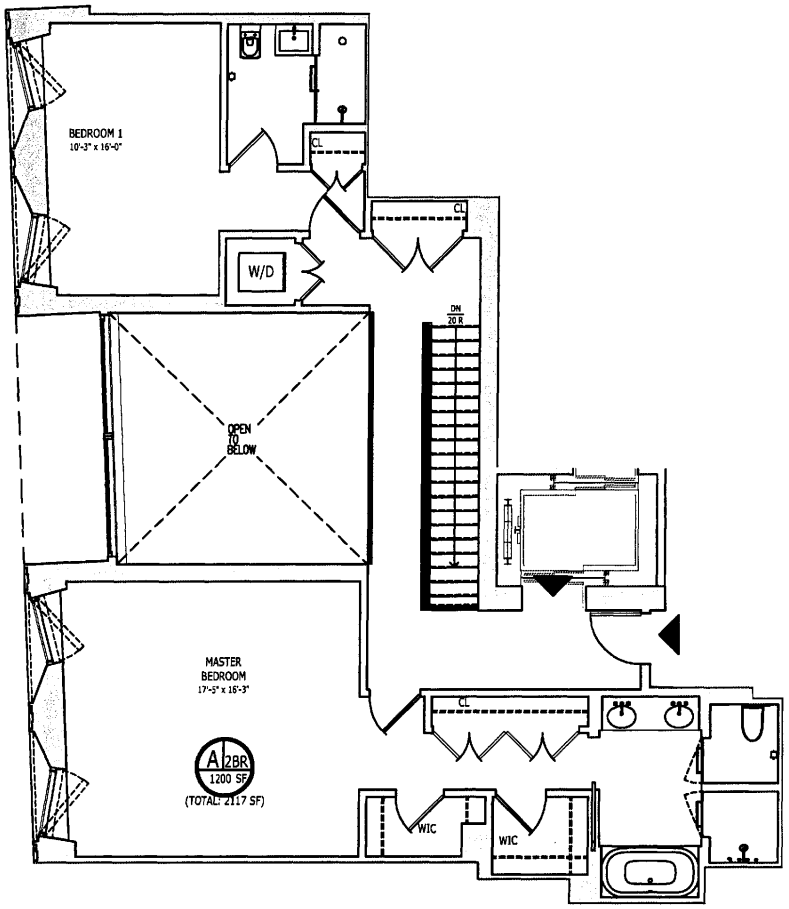


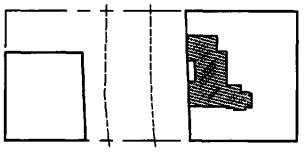


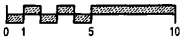


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

2A RESIDENCE	3RD FLOOR 2 BEDROOMS DUPLEX 2.5 BATHS PRIVATE TERRACE	505 W 19TH STREET NEW YORK, NY	PLATE: 12

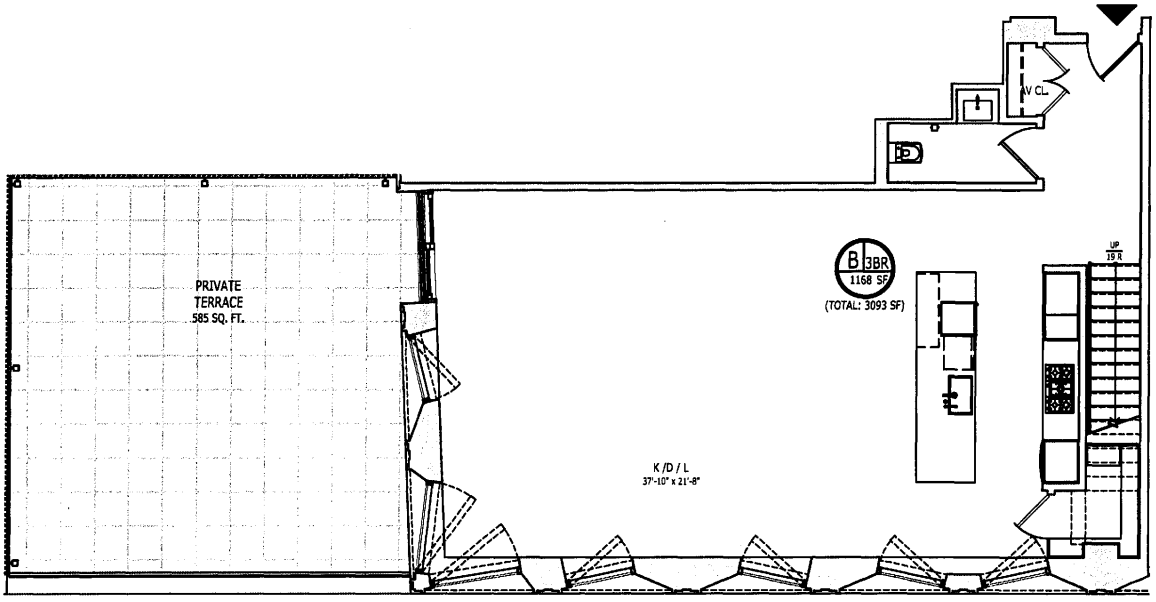


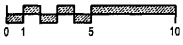


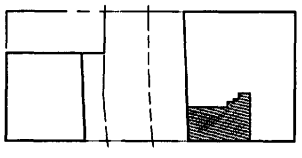


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

2B RESIDENCE	2ND FLOOR 3 BEDROOM DUPLEX 3.5 BATHS PRIVATE TERRACE / JULIET BALCONY	505 W 19TH STREET NEW YORK, NY	PLATE: 13

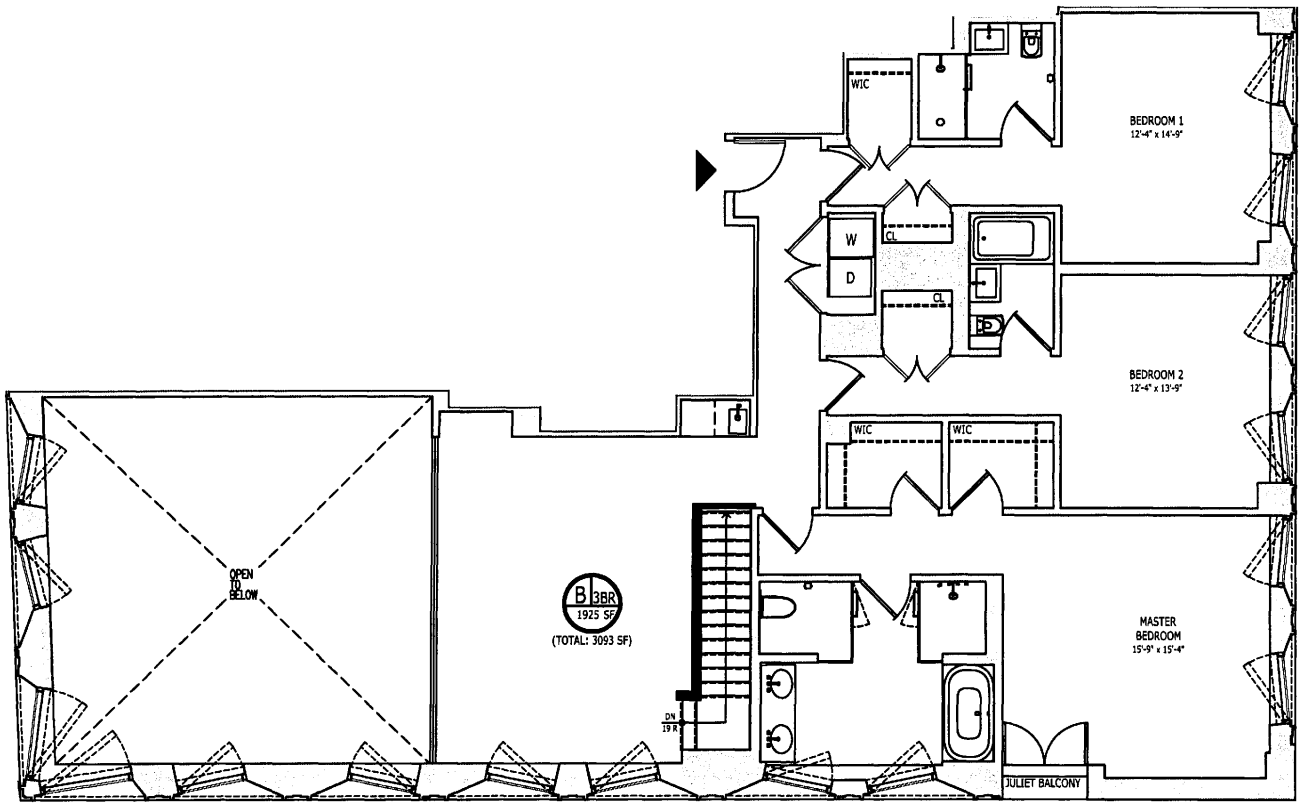


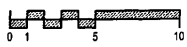


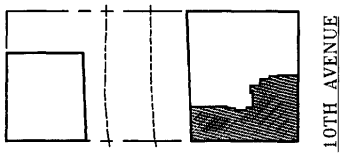


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

2B RESIDENCE	3RD FLOOR 3 BEDROOMS DUPLEX 3.5 BATHS PRIVATE TERRACE / JULIET BALCONY	505 W 19TH STREET NEW YORK, NY	PLATE: 14

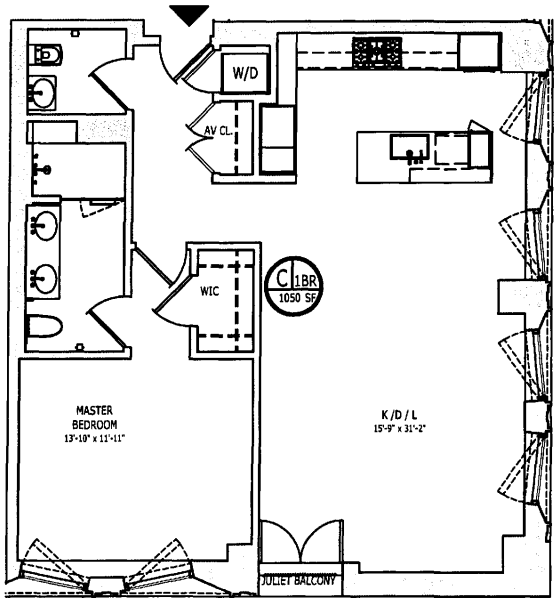


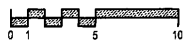


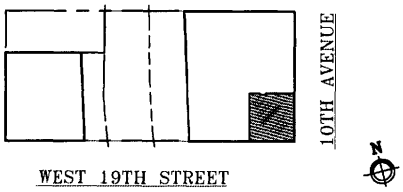


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

2C RESIDENCE	2ND FLOOR 1 BEDROOM 1.5 BATHS JULIET BALCONY	505 W 19TH STREET NEW YORK, NY	PLATE: 15

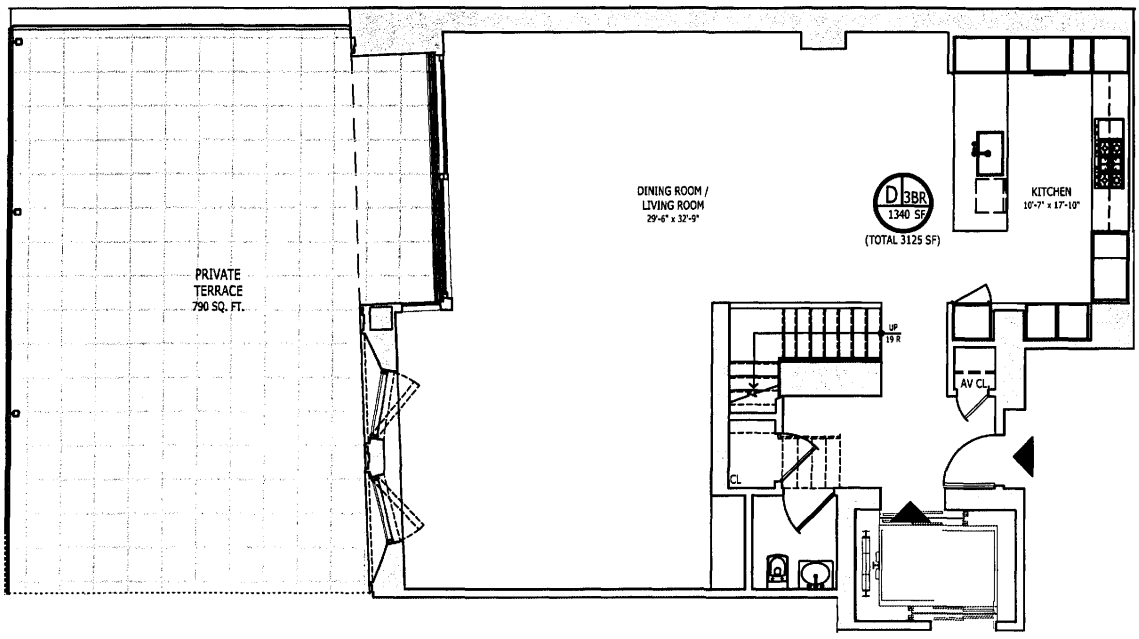


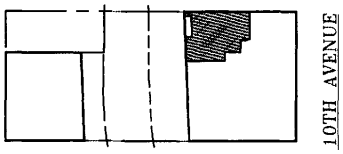


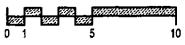


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

2D RESIDENCE	2ND FLOOR 3 BEDROOM DUPLEX 3.5 BATHS PRIVATE TERRACE	505 W 19TH STREET NEW YORK, NY	PLATE: 16

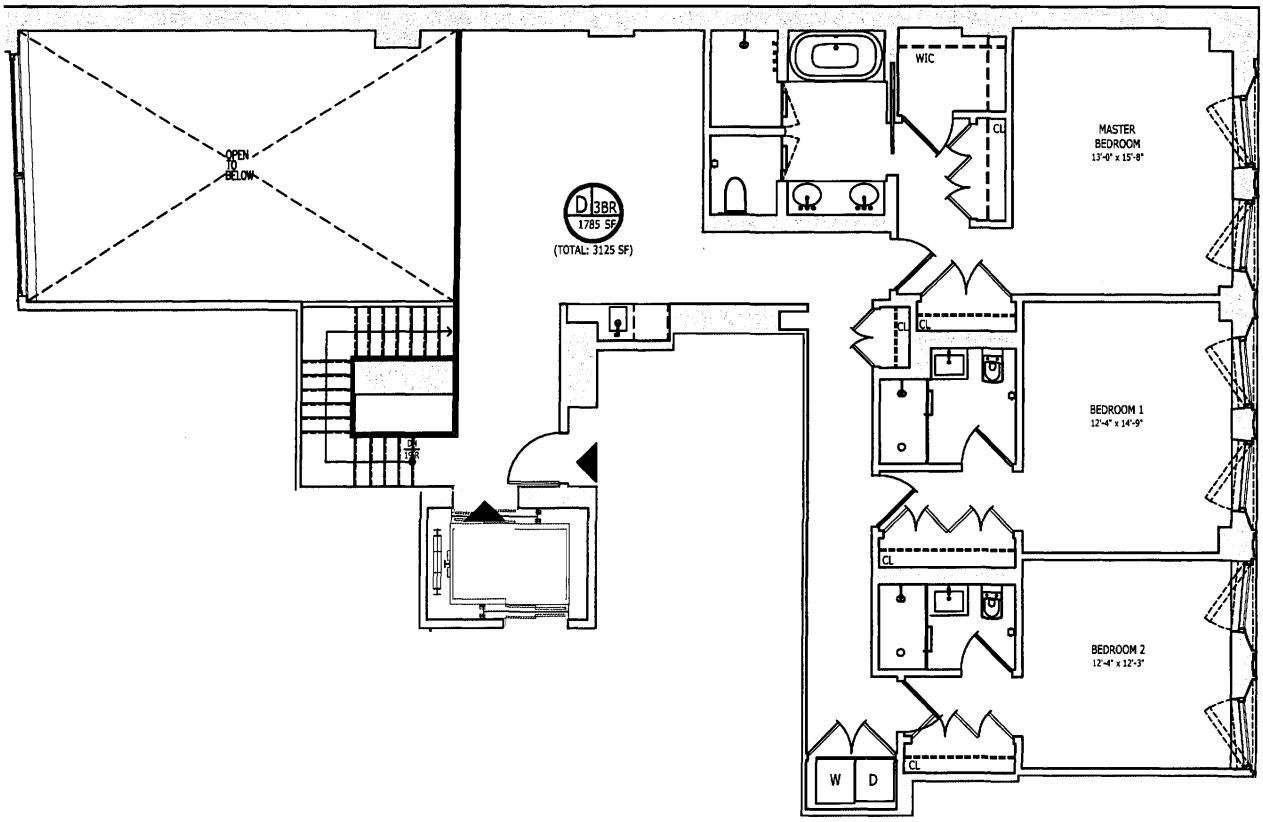


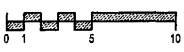


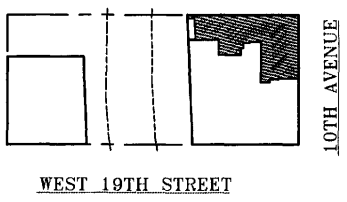


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

2D RESIDENCE	3RD FLOOR 3 BEDROOMS DUPLEX 3.5 BATHS PRIVATE TERRACE	505 W 19TH STREET NEW YORK, NY	PLATE: 17

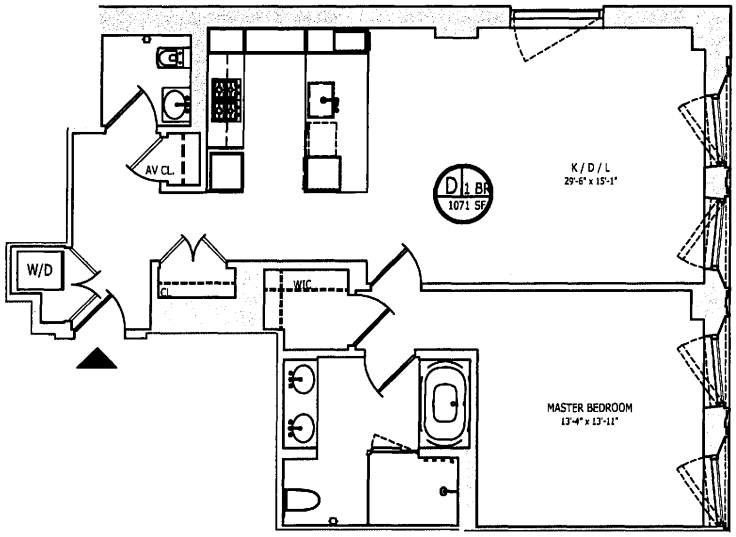


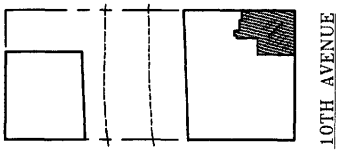


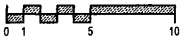


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

4D–8D RESIDENCE	4TH–8TH FLOOR 1 BEDROOM 1.5 BATHS	505 W 19TH STREET NEW YORK, NY	PLATE: 18

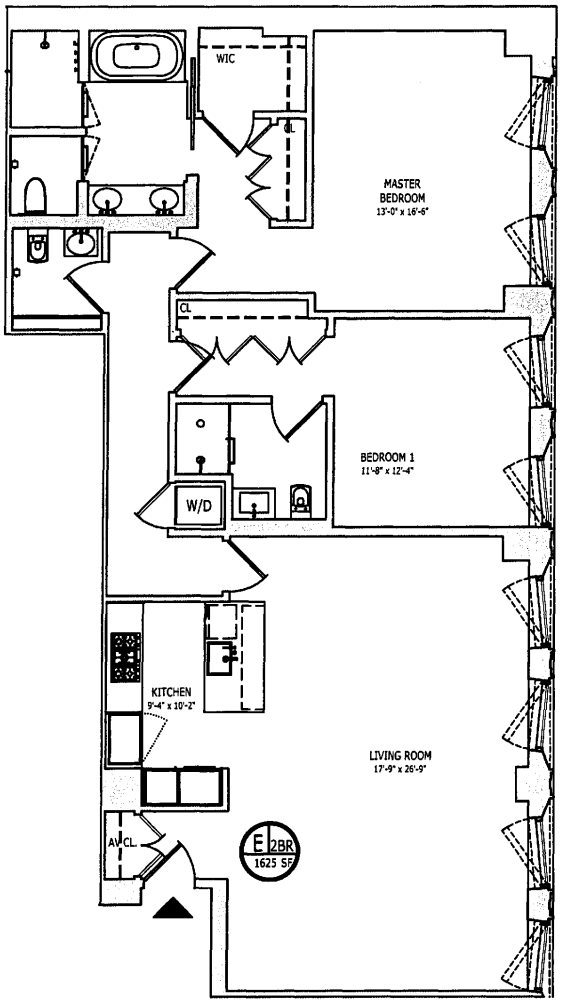


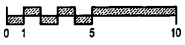


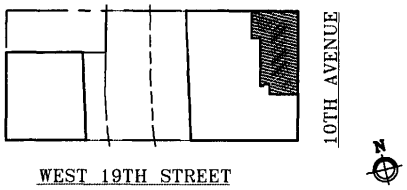


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

2E RESIDENCE	2ND FLOOR 2 BEDROOM 2.5 BATHS	505 W 19TH STREET NEW YORK, NY	PLATE: 19

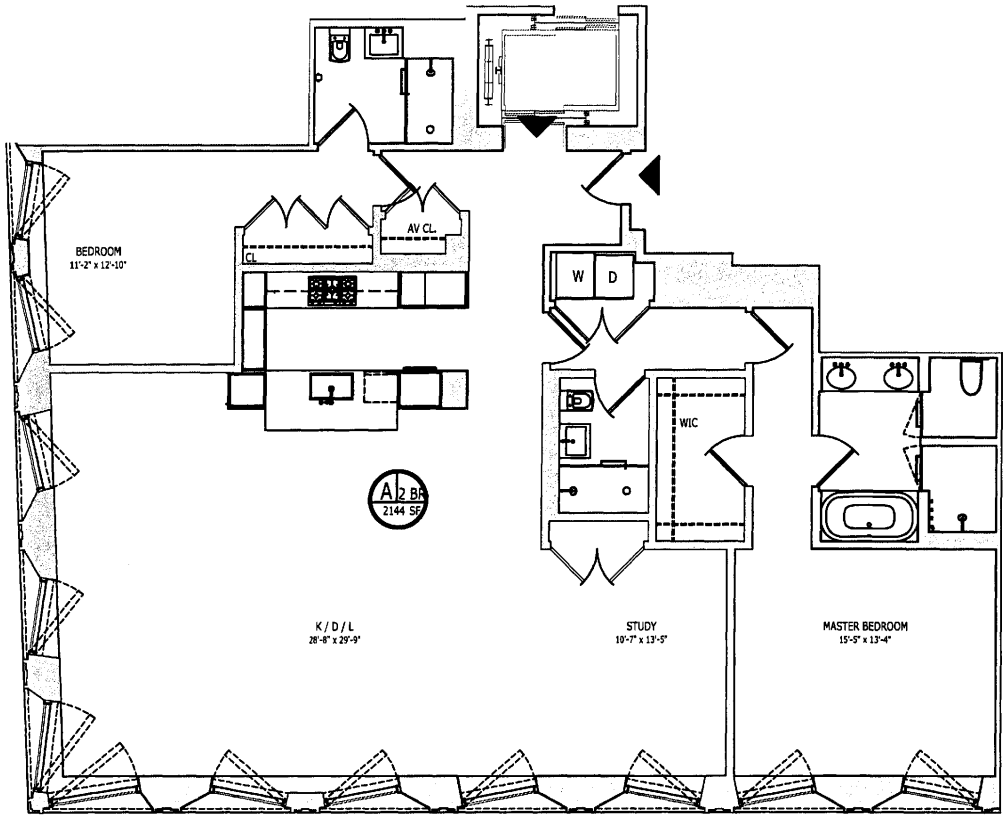


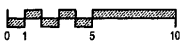


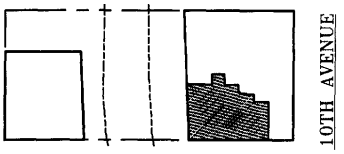


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

4A–7A RESIDENCE	4TH–7TH FLOOR 2 BEDROOMS 3 BATHS	505 W 19TH STREET NEW YORK, NY	PLATE: 20

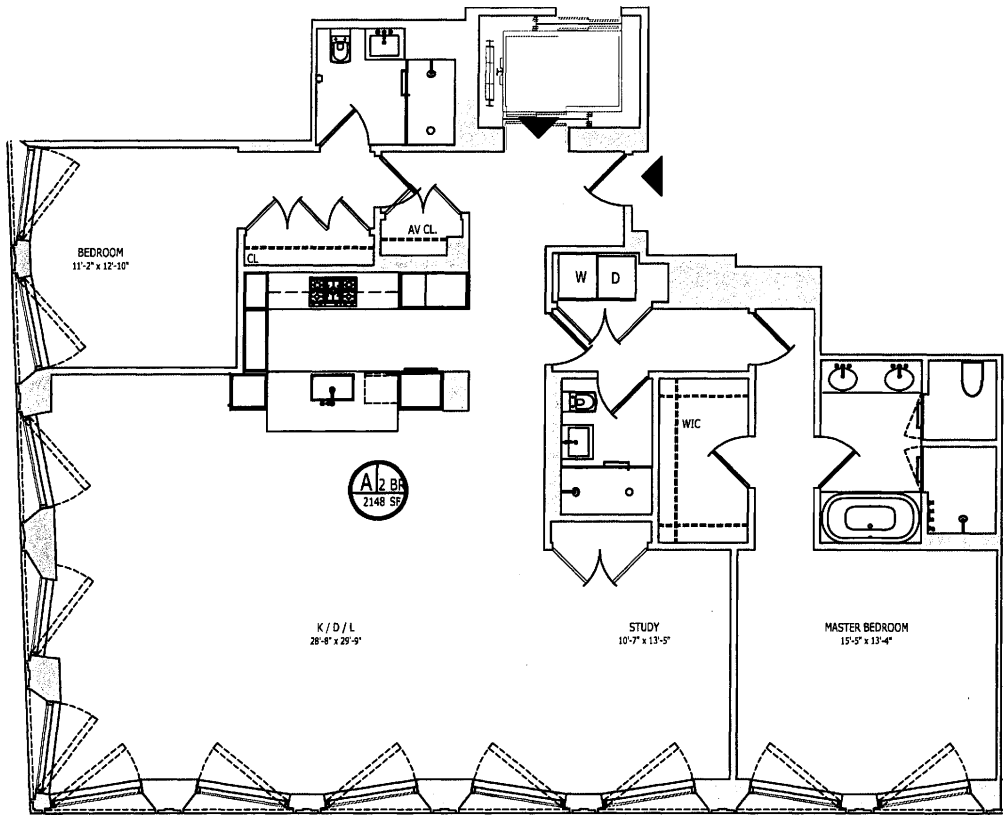


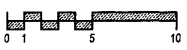


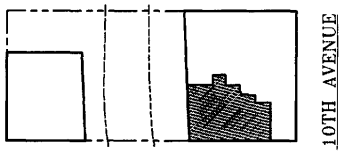


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

8A RESIDENCE	8TH FLOOR 2 BEDROOMS 3 BATHS	505 W 19TH STREET NEW YORK, NY	PLATE: 21

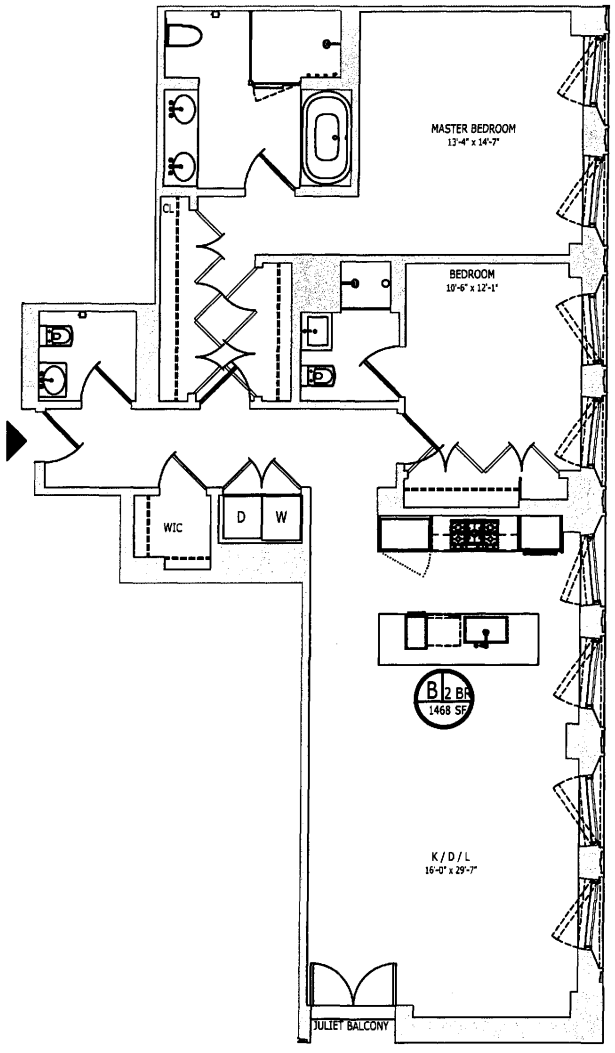


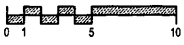


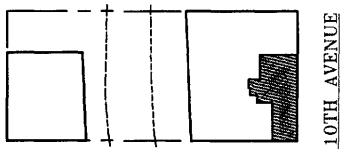


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

4B–8B RESIDENCE	4TH–8TH FLOOR 2 BEDROOMS 2.5 BATHS JULIET BALCONY	505 W 19TH STREET NEW YORK, NY	PLATE: 22

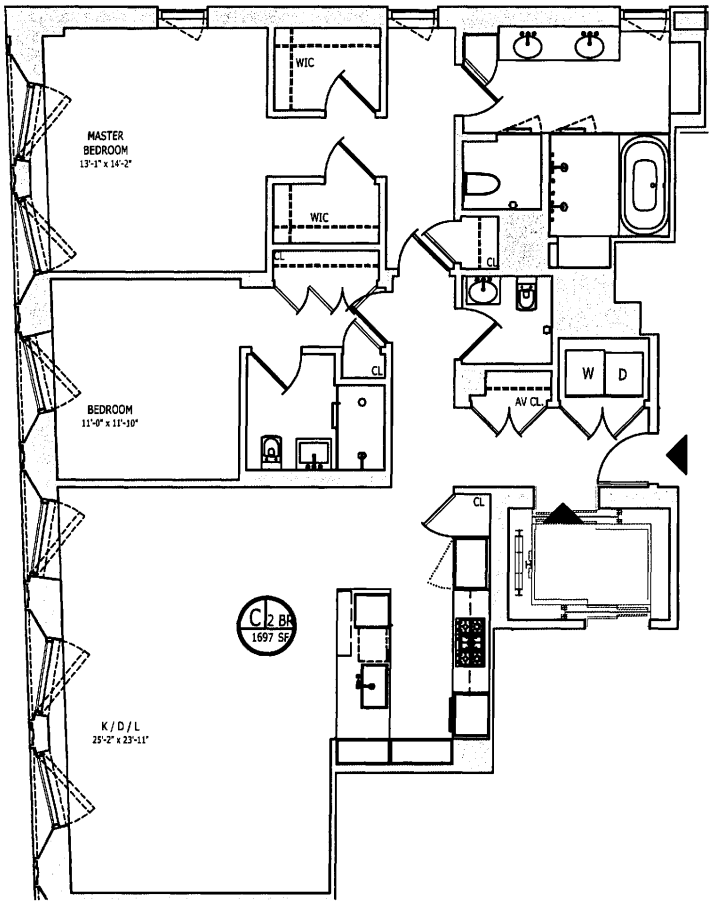


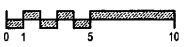


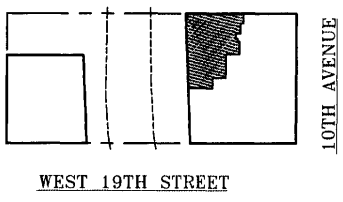


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

4C–5C RESIDENCE	4TH–5TH FLOOR 2 BEDROOMS 2.5 BATHS	505 W 19TH STREET NEW YORK, NY	PLATE: 23

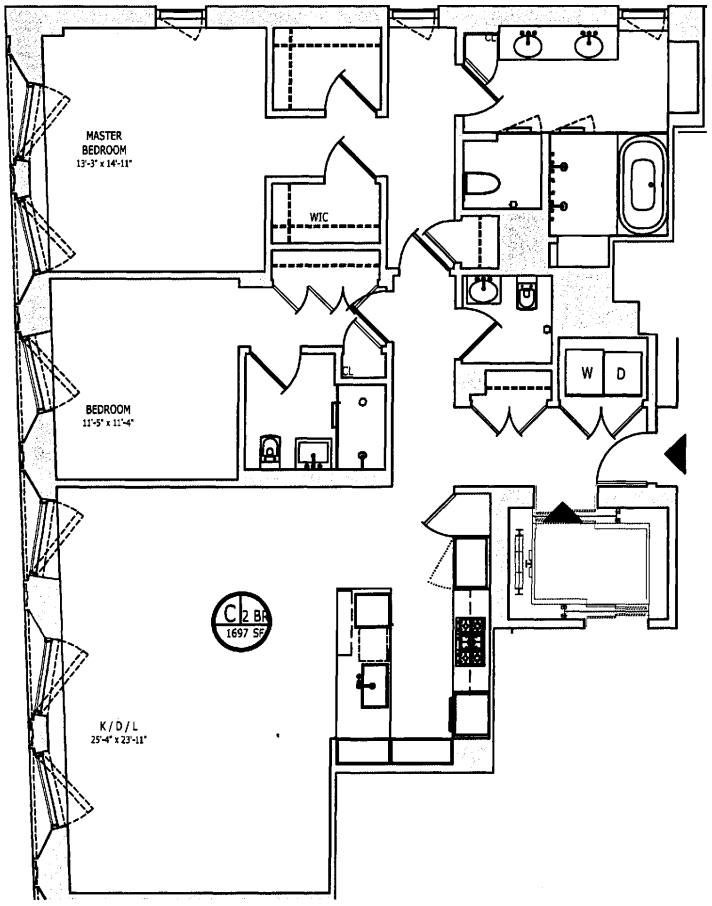


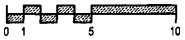


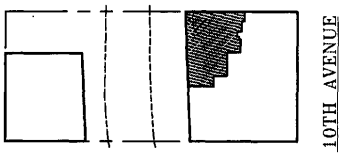


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

6C–7C RESIDENCE	6TH–7TH FLOOR 2 BEDROOMS 2.5 BATHS	505 W 19TH STREET NEW YORK, NY	PLATE: 24

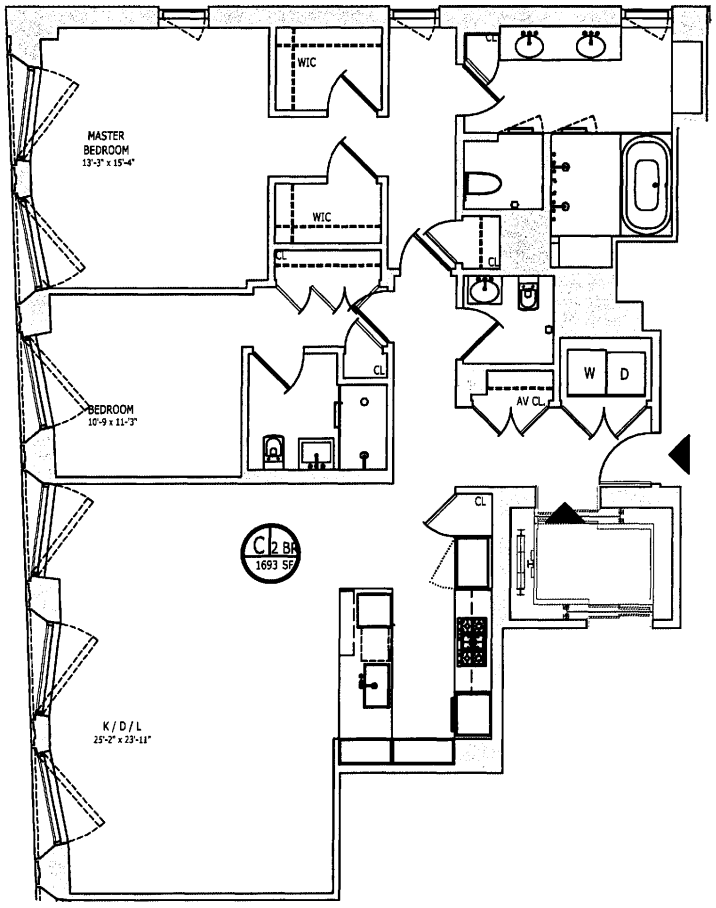


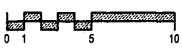


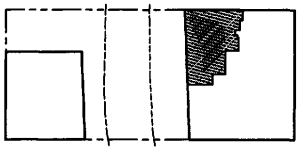


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

8C RESIDENCE	8TH FLOOR 2 BEDROOMS 2.5 BATHS	505 W 19TH STREET NEW YORK, NY	PLATE: 25







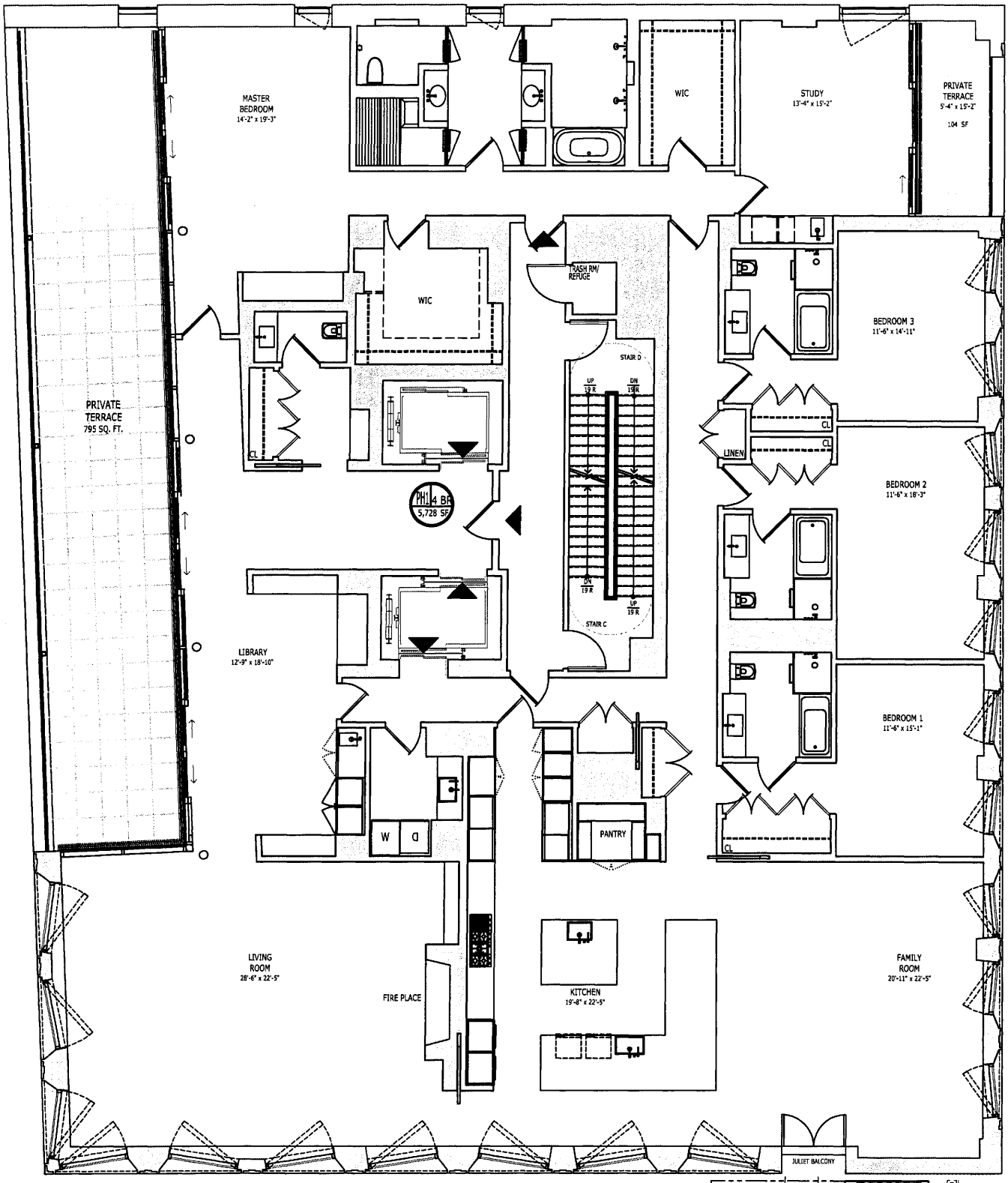
All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

PENTHOUSE ONE
RESIDENCE

9TH FLOOR
4 BEDROOMS + STUDY
4.5 BATHS
PRIVATE TERRACES/JULIET BALCONY

505 W 19TH STREET
NEW YORK, NY

PLATE: 26



All dimensions and square footages 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 Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

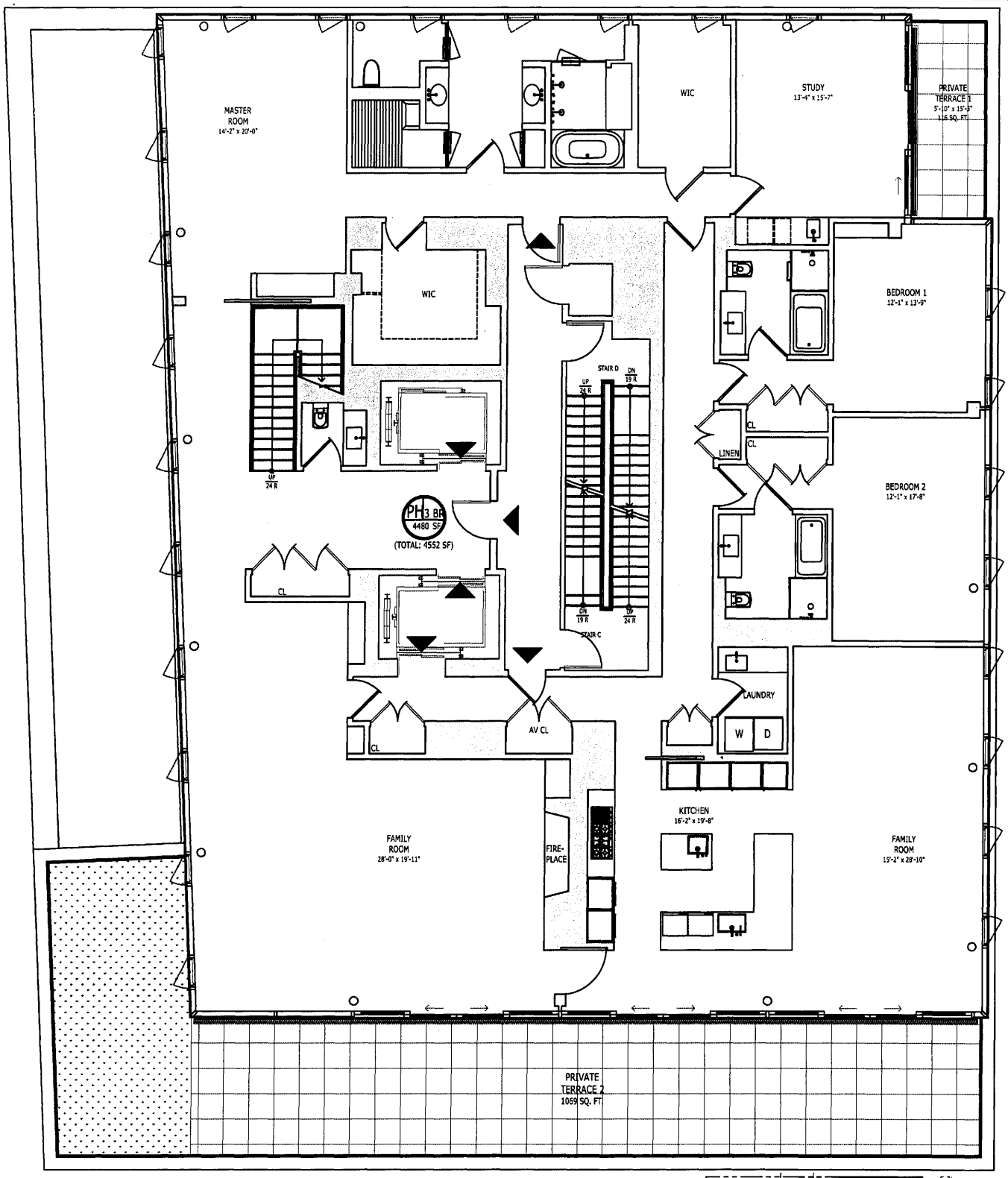
PENTHOUSE TWO
RESIDENCE

10TH FLOOR

3 BEDROOMS + STUDY
3.5 BATHS
PRIVATE TERRACES / ROOF TERRACE

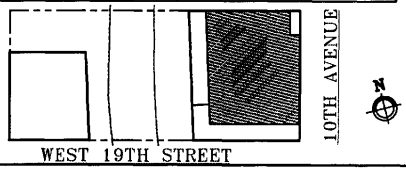
505 W 19TH STREET
NEW YORK, NY

PLATE: 27

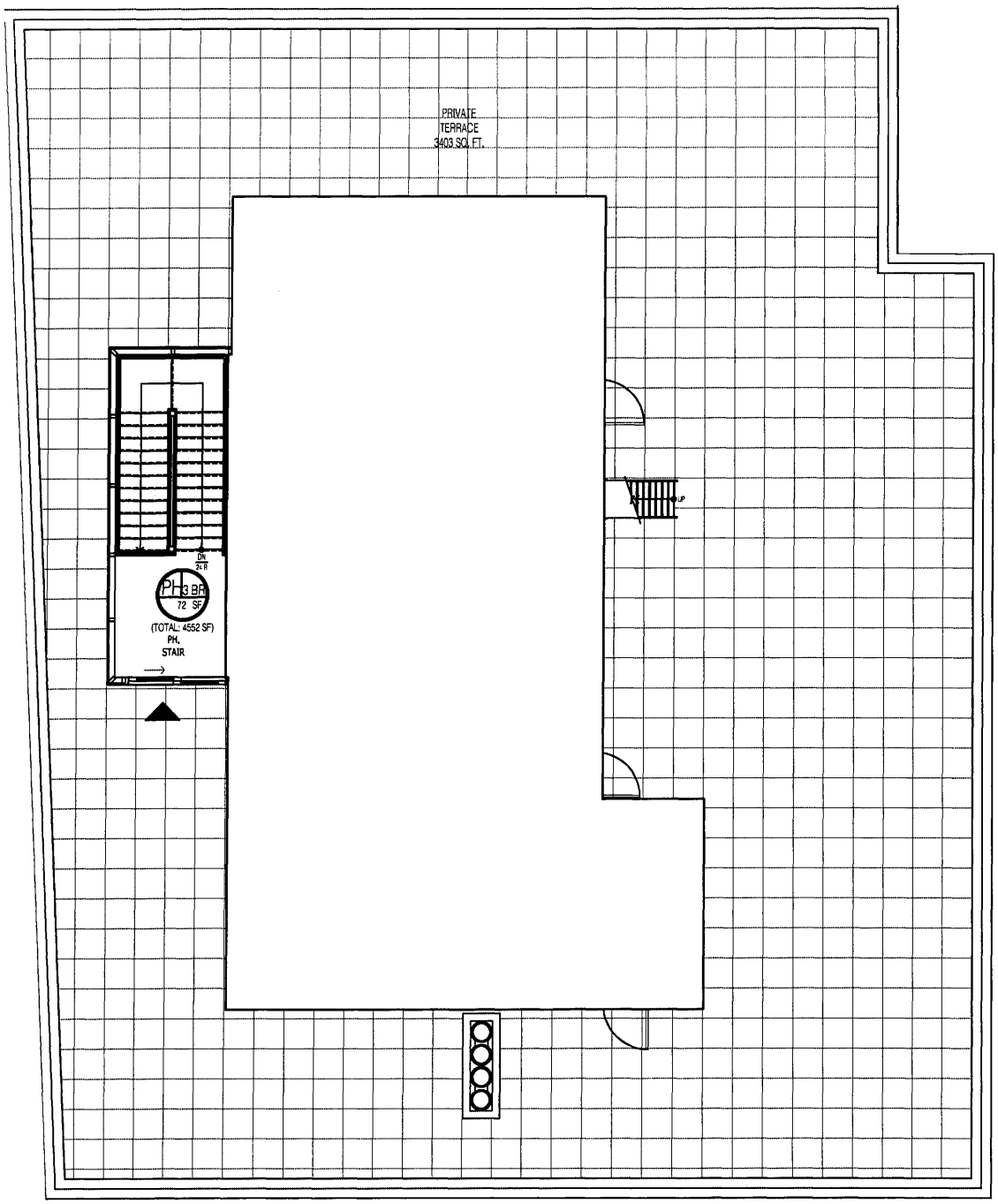


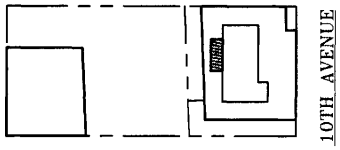
0 1 5 10

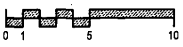
All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.



PENTHOUSE TWO RESIDENCE	ROOF (EAST BUILDING) PRIVATE ROOF TERRACE	505 W 19TH STREET NEW YORK, NY	PLATE: 28







All dimensions and square footages 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 Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

C
FLOOR

505 W 19TH STREET
NEW YORK, NY

PLATE:
29

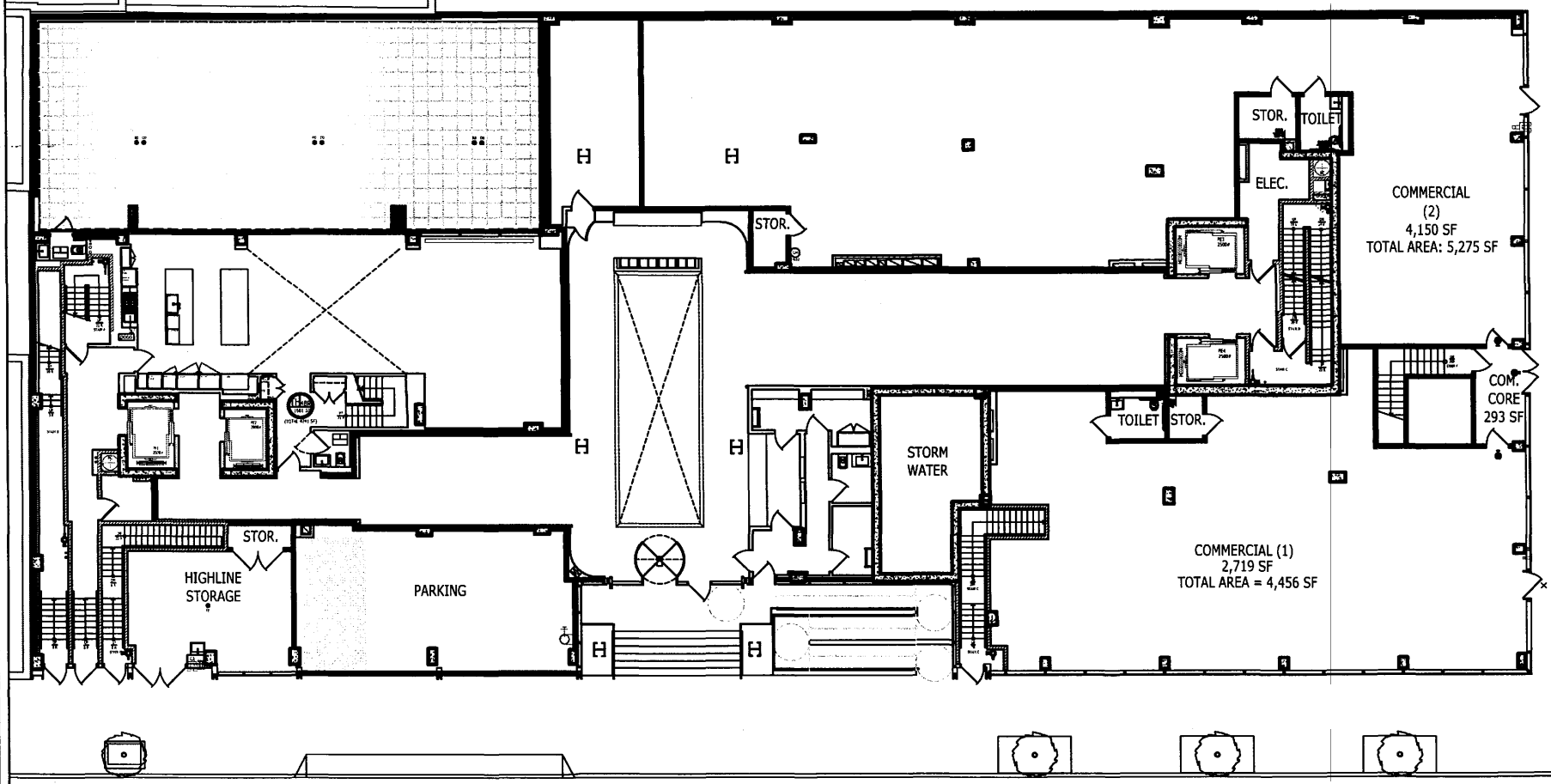


All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

1
FLOOR

505 W 19TH STREET
NEW YORK, NY

PLATE:
29A

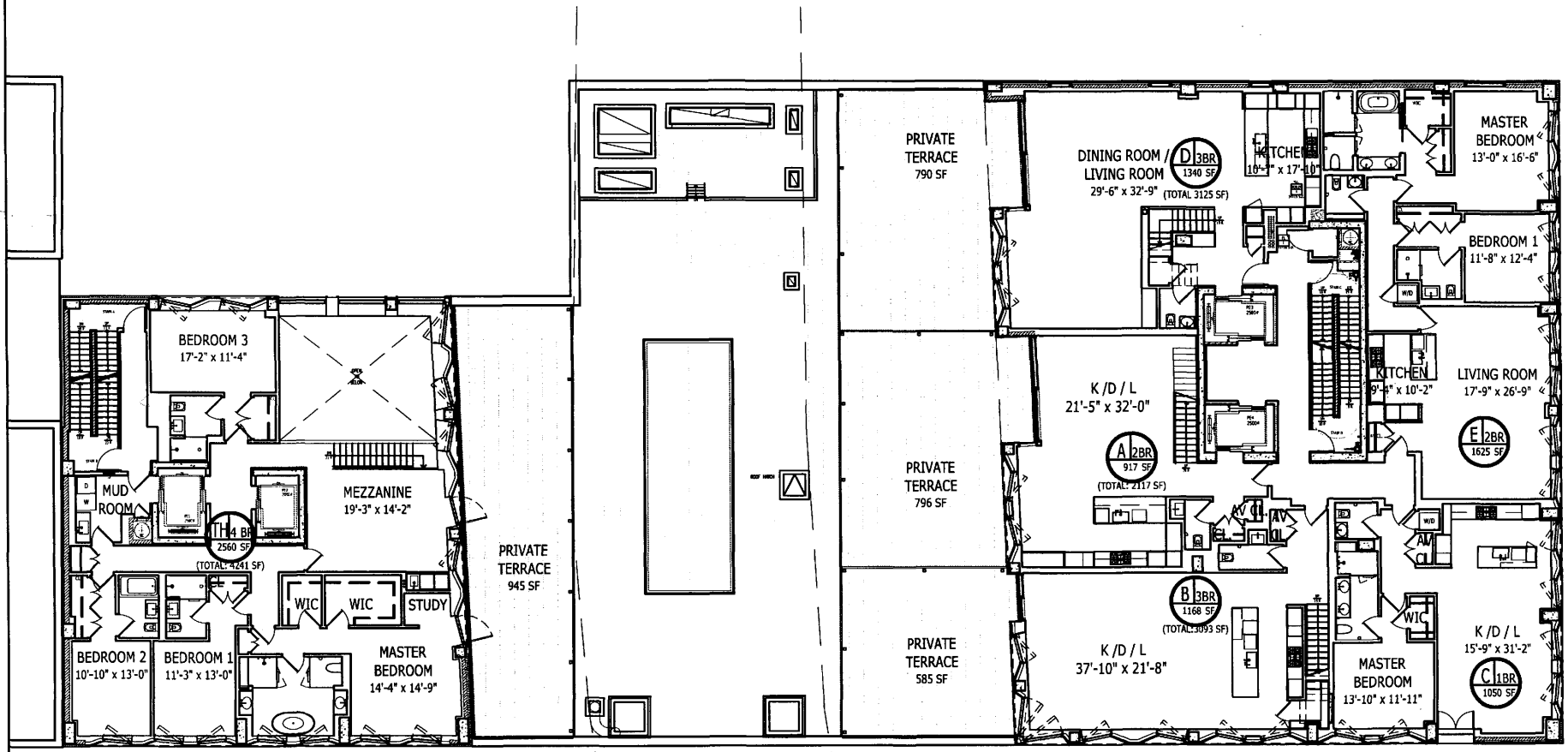


All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

2
FLOOR

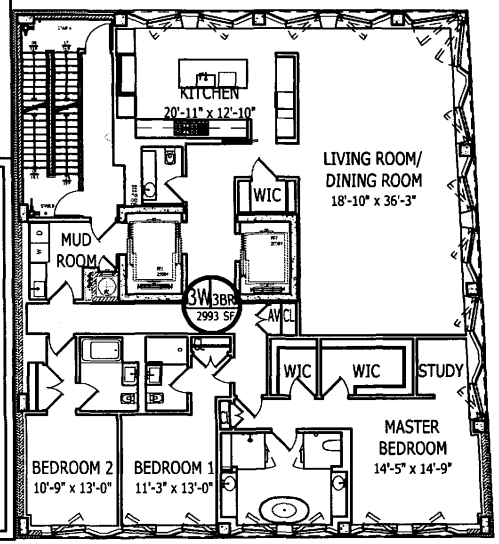
505 W 19TH STREET
NEW YORK, NY

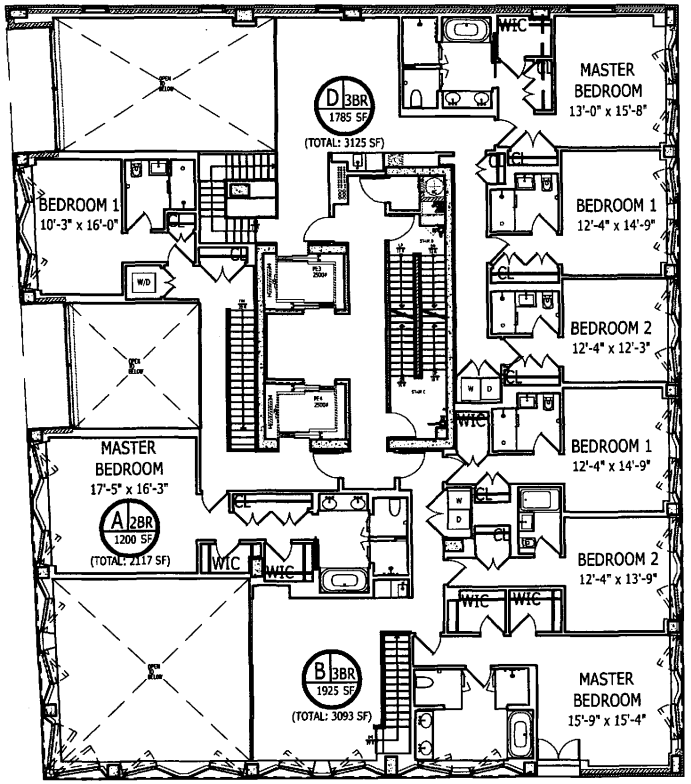
PLATE:
30



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 Offering Plan.

505 W 19TH STREET
NEW YORK, NY



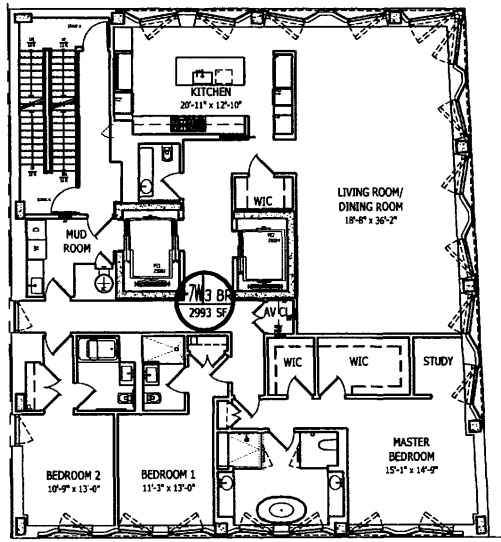


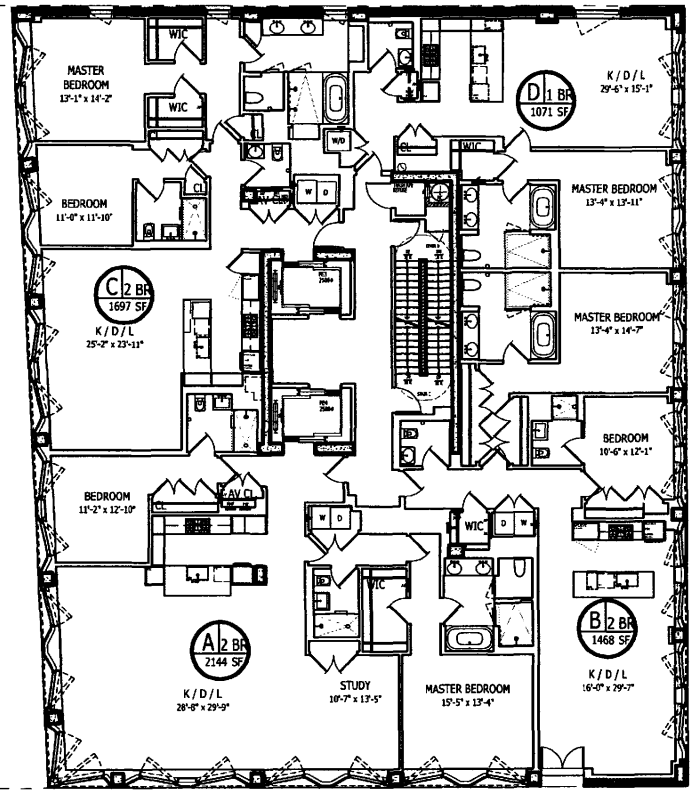
All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

4–7
FLOOR

505 W 19TH STREET
NEW YORK, NY

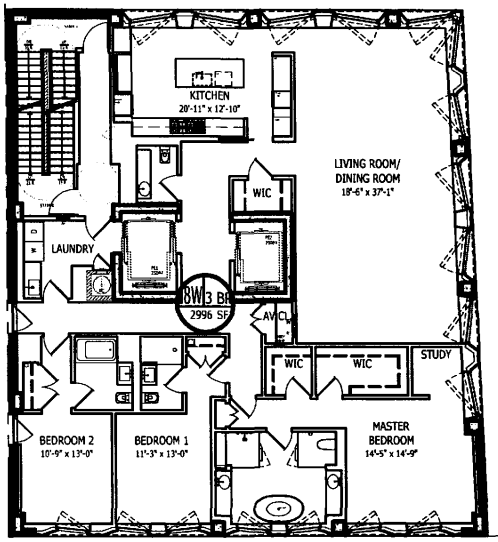
PLATE:
32

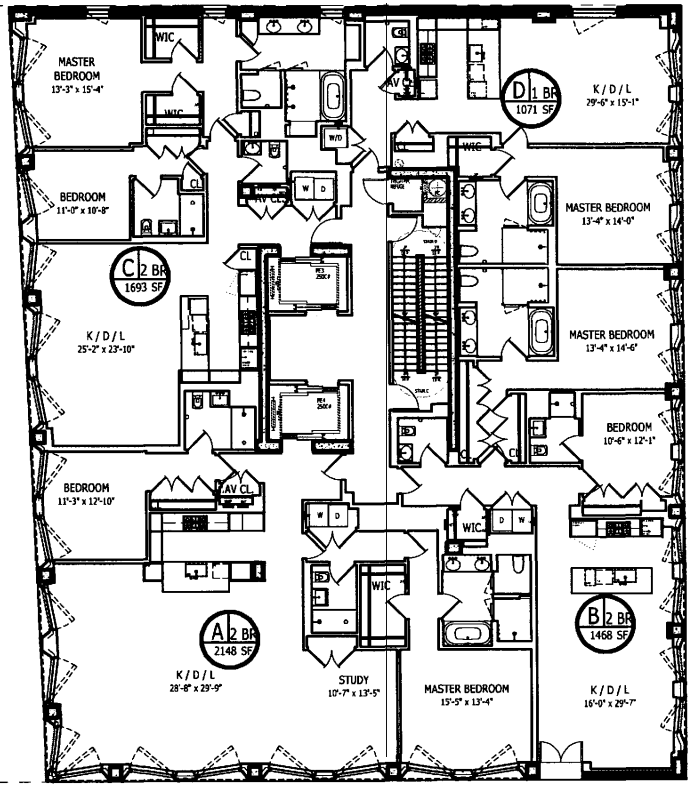




All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

8 FLOOR		505 W 19TH STREET NEW YORK, NY	PLATE: 32A





0 1 5 10

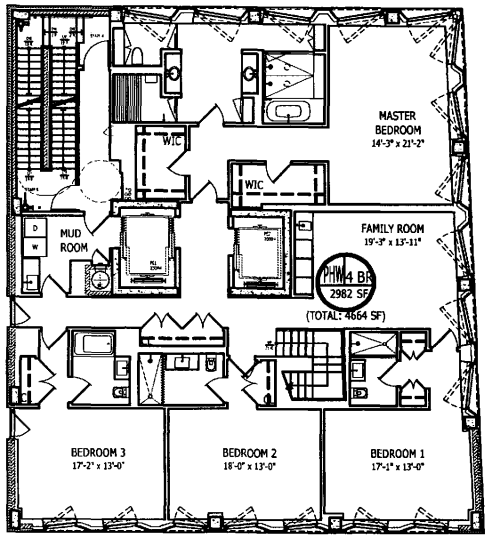
N

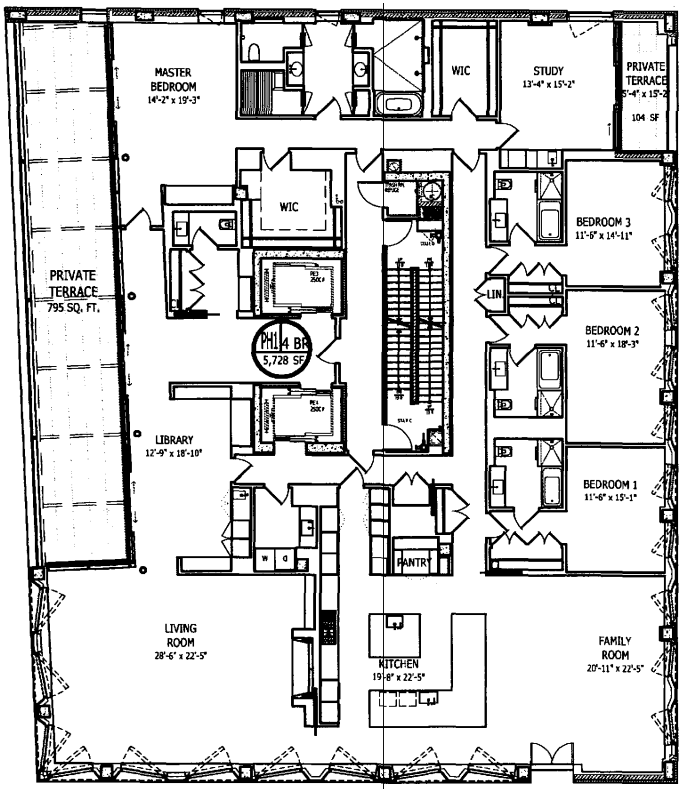
All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

9
FLOOR

505 W 19TH STREET
NEW YORK, NY

PLATE:
33







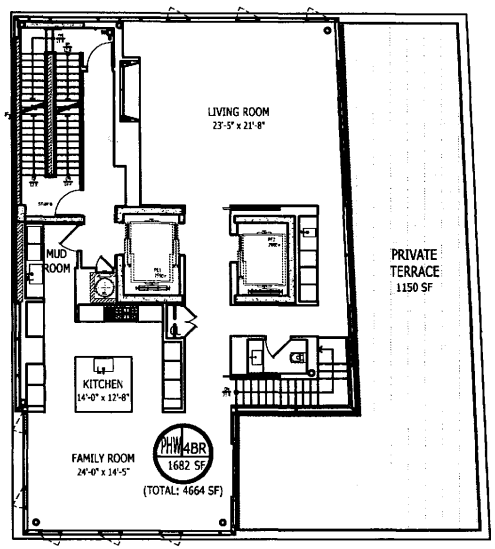


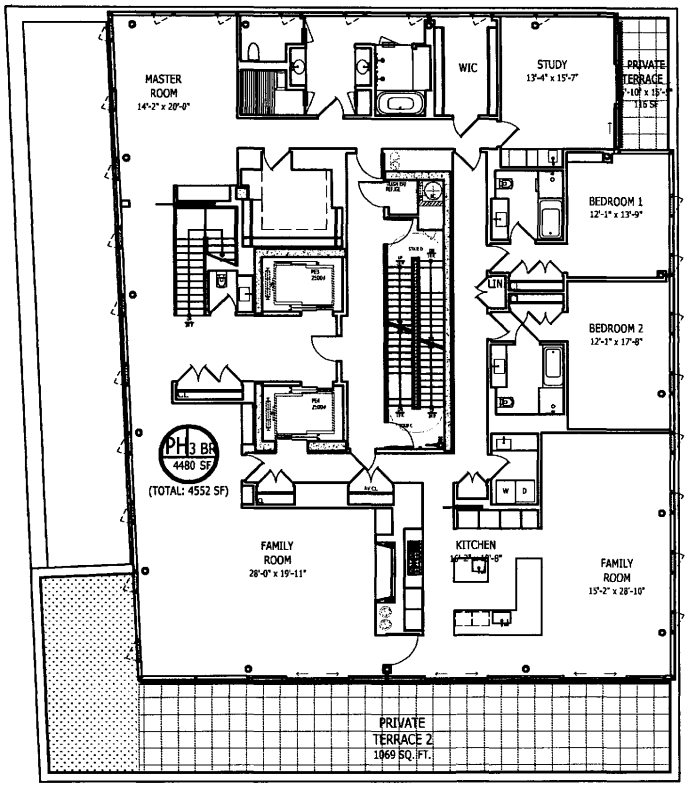
All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

10
FLOOR

505 W 19TH STREET
NEW YORK, NY

PLATE:
34





0 1 5 10

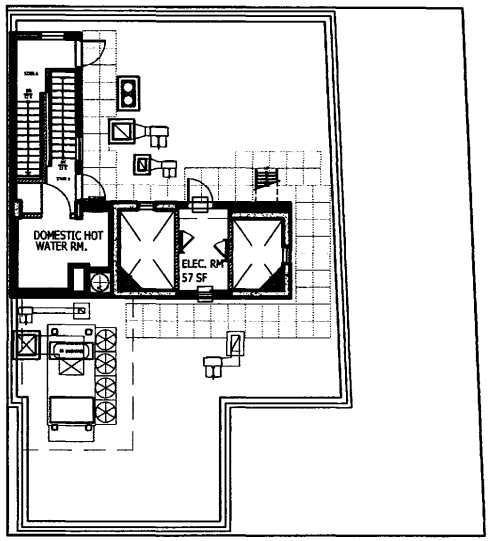
All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

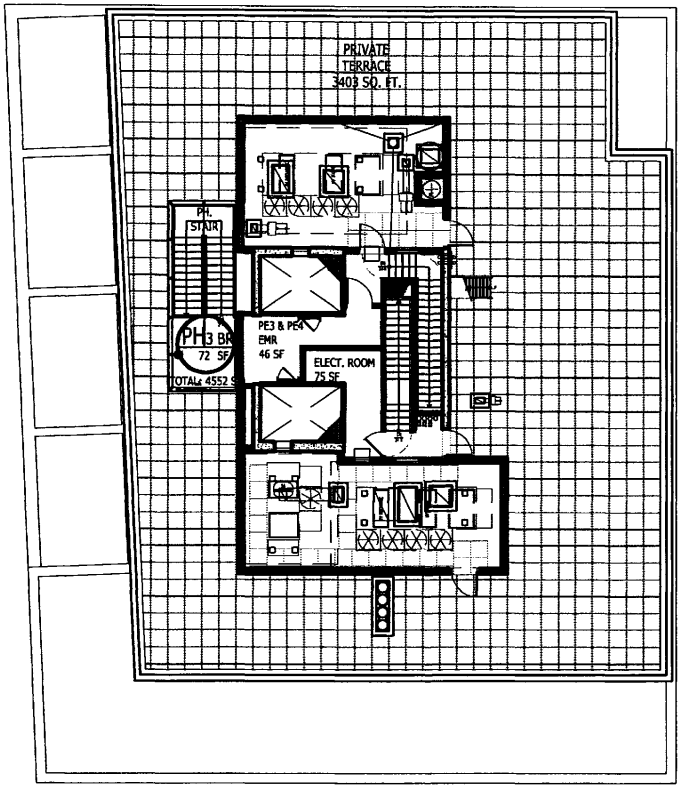
N

R
FLOOR

505 W 19TH STREET
NEW YORK, NY

PLATE:
35



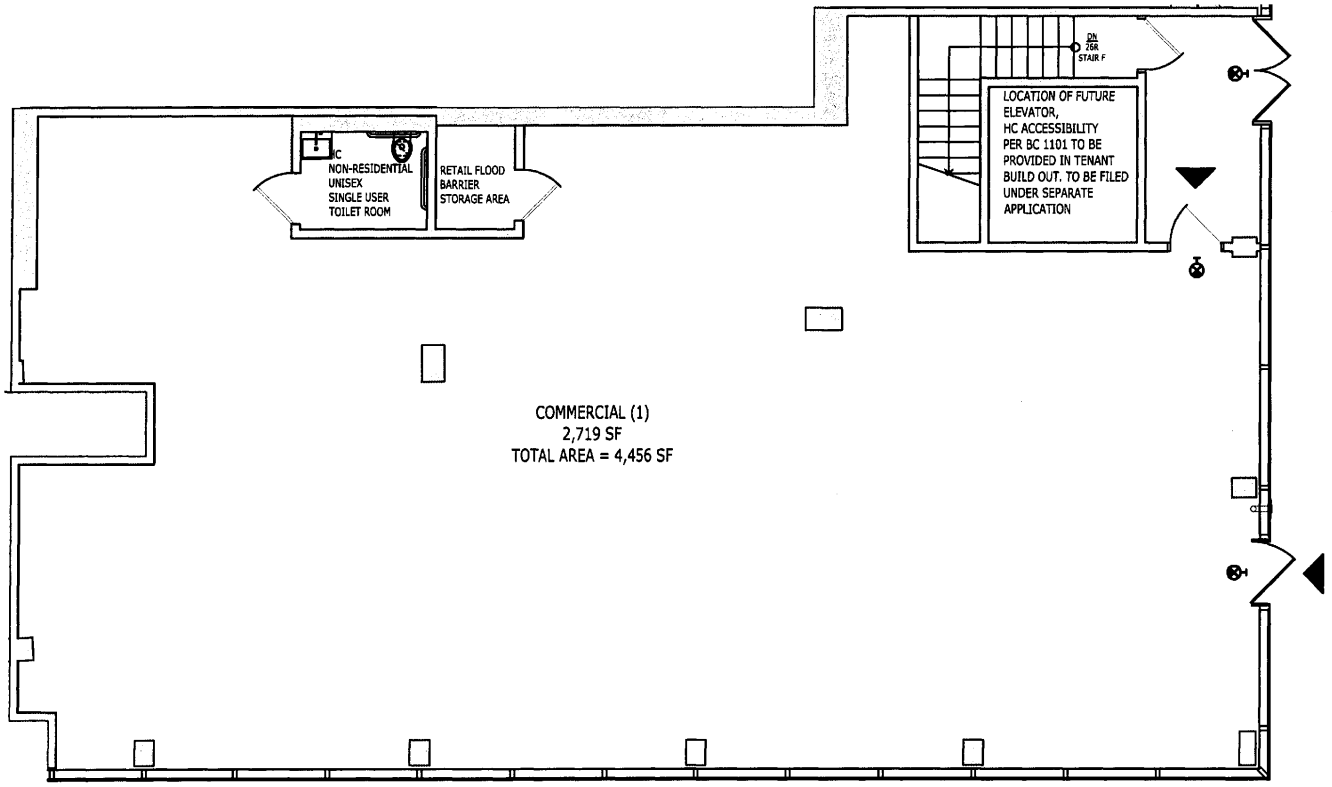


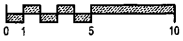
0 1 5 10

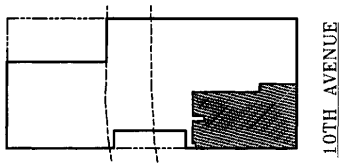
All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

N

1 COMMERCIAL	1ST FLOOR	505 W 19TH STREET NEW YORK, NY	PLATE: 36

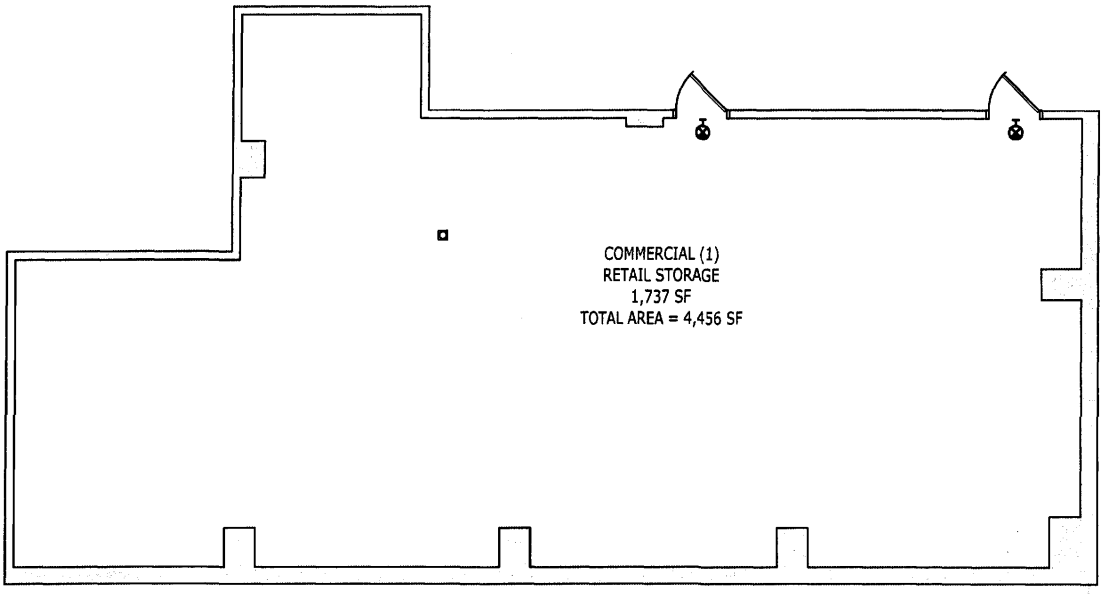


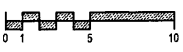


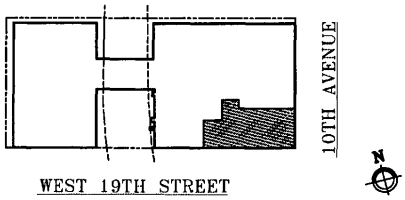


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

1 COMMERCIAL	CELLAR FLOOR	505 W 19TH STREET NEW YORK, NY	PLATE: 37

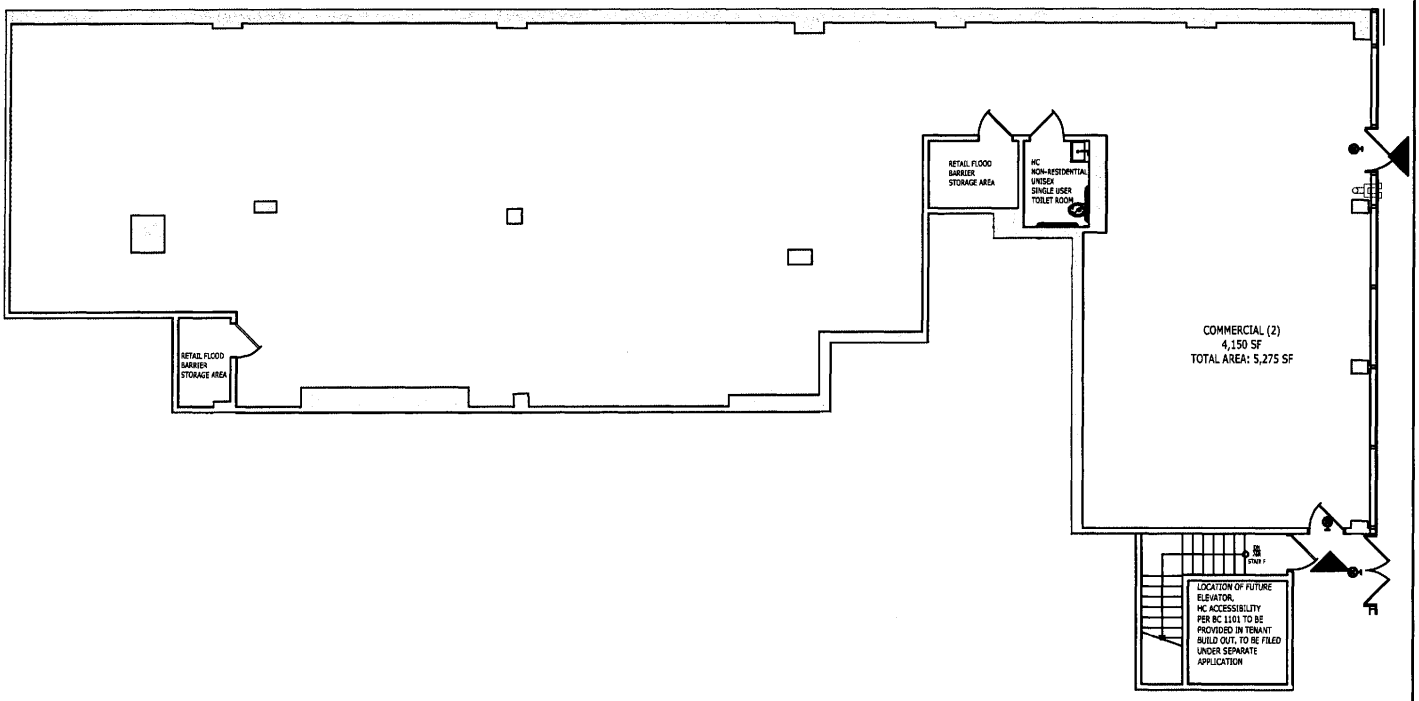


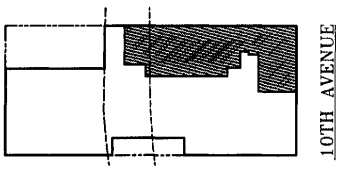




All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

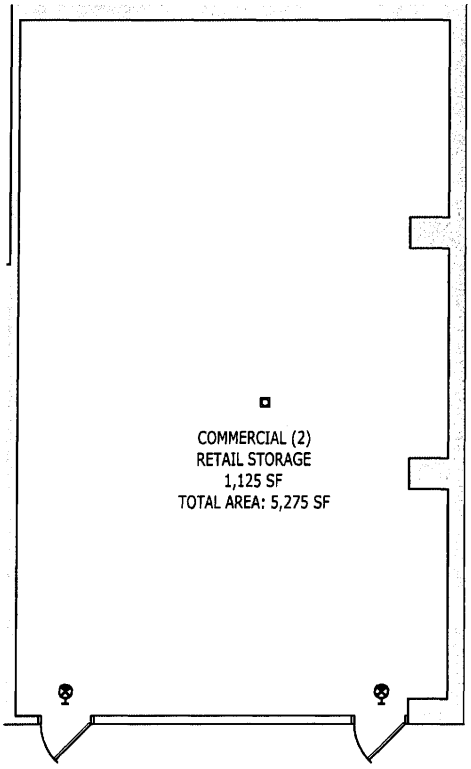
2 COMMERCIAL	1ST FLOOR	505 W 19TH STREET NEW YORK, NY	PLATE: 38

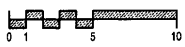


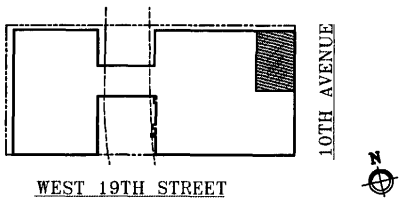


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

2 COMMERCIAL	CELLAR FLOOR	505 W 19TH STREET NEW YORK, NY	PLATE: 39

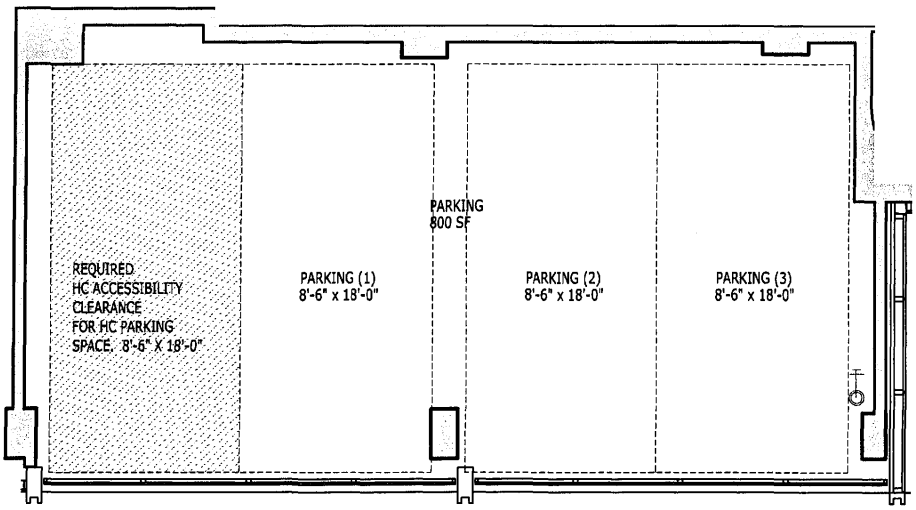




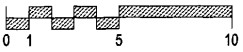


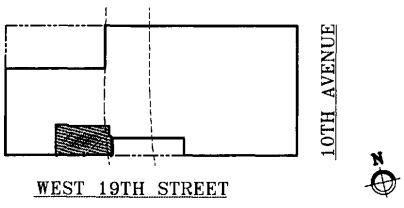
All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

P PARKING	1ST FLOOR PARKING 1 PARKING 2 PARKING 3	505 W 19TH STREET NEW YORK, NY	PLATE: 40



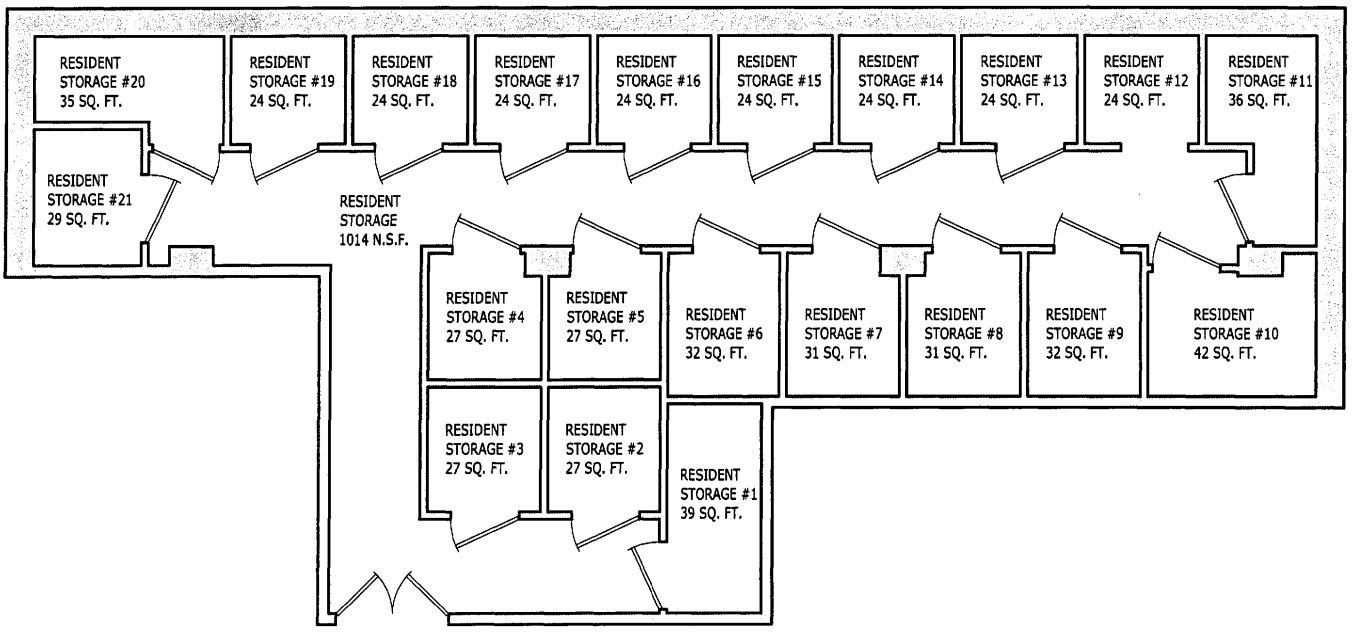


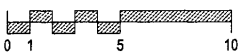


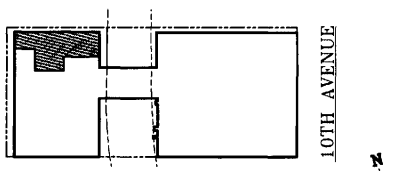


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

RESIDENCE	CELLAR FLOOR RESIDENTIAL STORAGE UNITS 1-21	505 W 19TH STREET NEW YORK, NY	PLATE: 41

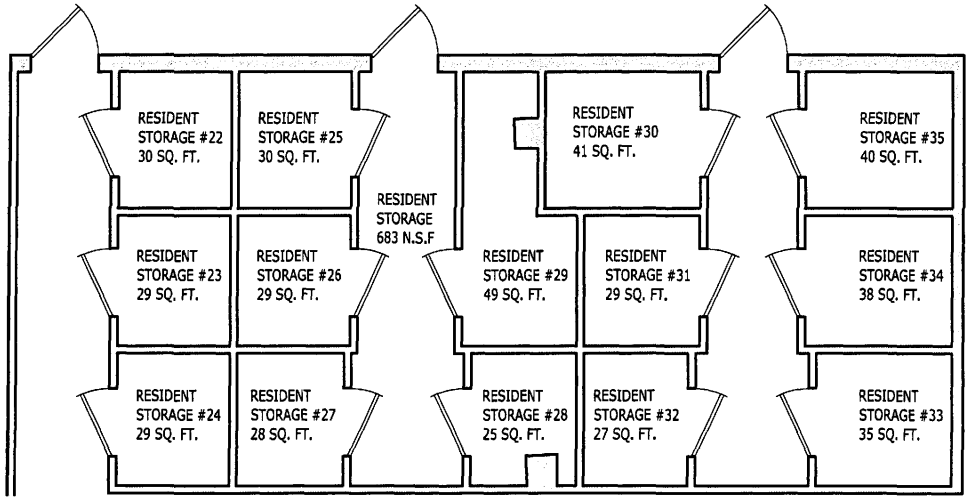


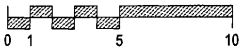


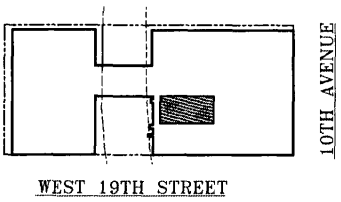


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

RESIDENCE	CELLAR FLOOR RESIDENTIAL STORAGE UNITS 22-35	505 W 19TH STREET NEW YORK, NY	PLATE: 42





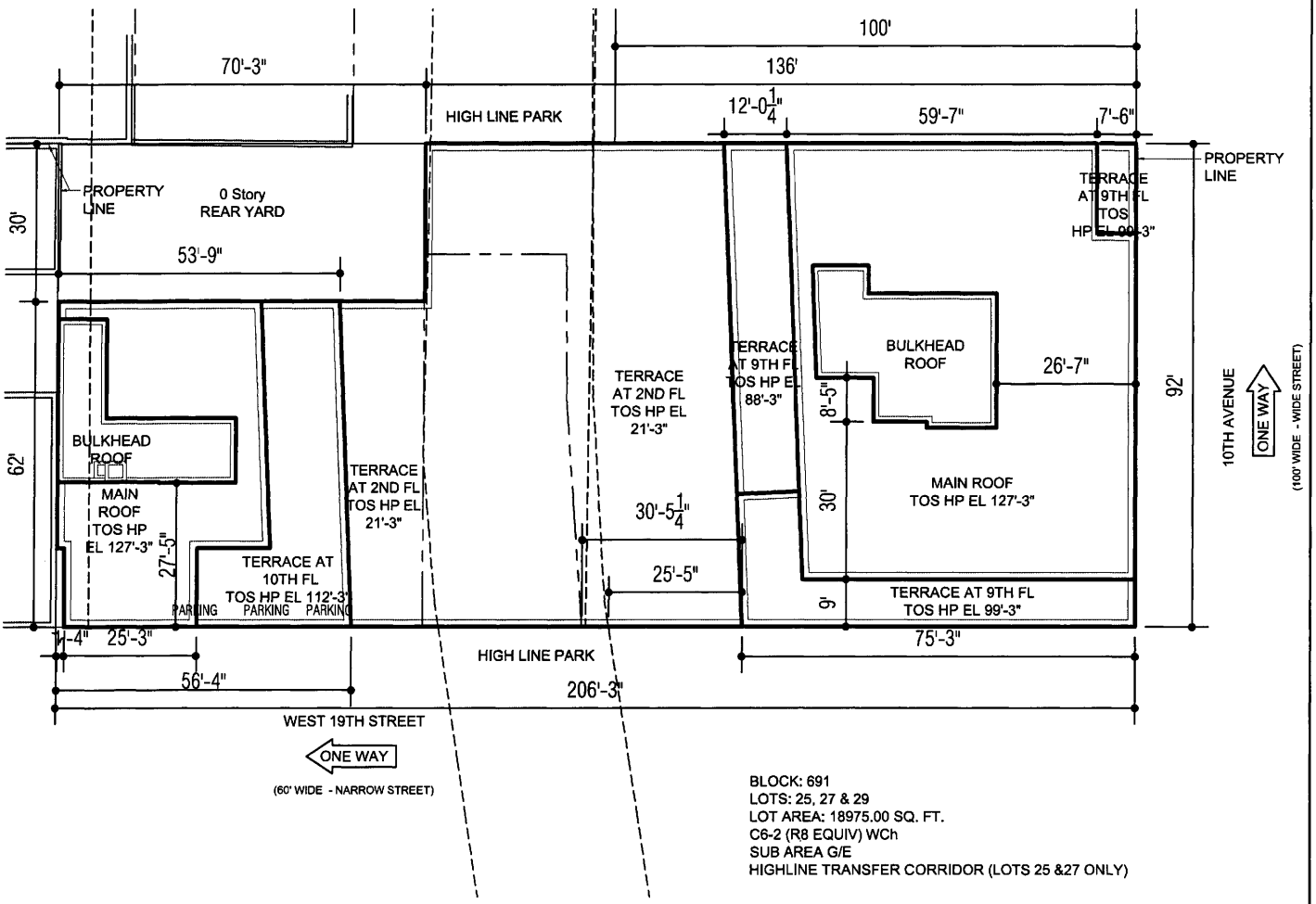


All dimensions and square footages are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

SITE PLAN

505 W 19TH STREET
NEW YORK, NY

PLATE: 43



BLOCK: 691
LOTS: 25, 27 & 29
LOT AREA: 18975.00 SQ. FT.
C6-2 (R8 EQUIV) WCh
SUB AREA G/E
HIGHLINE TRANSFER CORRIDOR (LOTS 25 &27 ONLY)

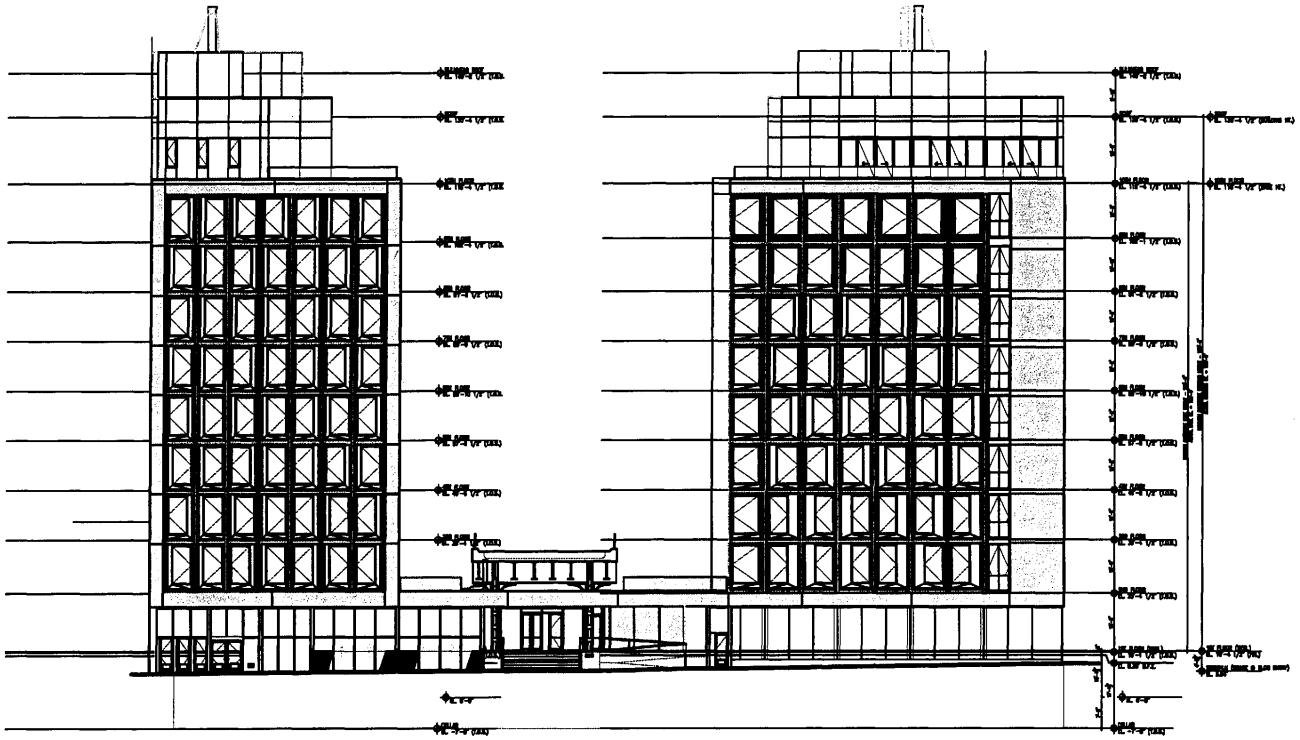
01 5 10

All dimensions and square footages 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 Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

SOUTH ELEVATION

505 W 19TH STREET
NEW YORK, NY

PLATE:
44



1 SOUTH ELEVATION (19TH STREET)

All dimensions and square footages 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 Offering Plan. The complete offering terms are in an offering Plan available from Sponser.

OPTION AGREEMENT

OPTION AGREEMENT

HFZ HIGHLINE PROPERTY OWNER LLC

Sponsor

With

Purchaser

Residential Unit Number _____

505 WEST 19TH STREET CONDOMINIUM
505 WEST 19TH STREET
NEW YORK, NEW YORK 10011

TABLE OF CONTENTS

Section		Page
1.	THE PLAN	1
2.	DEFINITIONS	1
3.	THE UNIT	2
4.	THE OPTION AGREEMENT	2
5.	PURCHASE PRICE	2
6.	PREMIUM PAYMENT TO BE HELD IN TRUST	3
7.	CLOSING DATE AND PLACE	3
8.	CLOSING DOCUMENTS	4
9.	STATUS OF TITLE	4
10.	CLOSING ADJUSTMENTS	5
11.	MORTGAGE TAX CREDIT	6
12.	CLOSING COSTS	6
13.	AGREEMENT NOT A LIEN OR ENCUMBRANCE	6
14.	DEFAULT BY PURCHASER	7
15.	AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE	7
16.	SPONSOR'S INABILITY TO CONVEY THE UNIT	8
17.	FIXTURES, APPLIANCES AND PERSONAL PROPERTY	8
18.	CONSTRUCTION	8
19.	INSPECTION OF THE UNIT	9
20.	DAMAGE TO THE UNIT	9
21.	NO REPRESENTATIONS	10
22.	PROHIBITION AGAINST ADVERTISING	10
23.	BROKER	11
24.	AGREEMENT MAY NOT BE ASSIGNED	11
25.	BINDING EFFECT	11
26.	NOTICES	11
27.	JOINT PURCHASERS	12
28.	LIABILITY OF SPONSOR	12
29.	FURTHER ASSURANCES	12
30.	AGREEMENT NOT CONTINGENT UPON FINANCING	12
31.	COSTS OF ENFORCING AND DEFENDING AGREEMENT	13
32.	SEVERABILITY	13
33.	STRICT COMPLIANCE	13

34. GOVERNING LAW 13
35. WAIVER OF JURY 13
36. ENTIRE AGREEMENT 13
37. CERTAIN REFERENCES 13
38. CAPTIONS 14
39. SUCCESSORS AND ASSIGNS 14
40. CONFIDENTIALITY 14
41. LETTER OF CREDIT IN LIEU OF PREMIUM PAYMENTS IN ESCROW 14
42. NO ORAL CHANGES 14
43. PERFORMANCE 14
44. COUNTERPARTS 14
45. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY 14
46. CERTIFICATION OF SPONSOR AND PRINCIPALS 15

SCHEDULE A – PERMITTED ENCUMBRANCES
SCHEDULE B – INSPECTION STATEMENT
SCHEDULE C – RIDER TO OPTION AGREEMENT RE: ESCROW PROVISIONS

OPTION AGREEMENT

RESIDENTIAL UNIT NUMBER ____

505 WEST 19TH STREET CONDOMINIUM
505 WEST 19TH STREET
NEW YORK, NEW YORK 10011

OPTION AGREEMENT (this "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 505 West 19th 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 Agreement together with the required Premium Payment 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 HFZ Highline Property Owner LLC, having an office c/o HFZ Capital Group, 600 Madison Avenue, Seventeenth Floor, New York, New York 1022. Sponsor's taxpayer identification number is _____.

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 Corcoran Sunshine Marketing Group, having an address at 888 Seventh Avenue, 39th Floor, New York, New York 10106. Telephone number: (212) 634-6501.

2.6 "Co-Broker" means _____.

2.7 "Escrow Agent" means Attorney for Sponsor.

2.8 "Title Company" means Commonwealth Land Title Insurance Company, having and office at 2 Grand Central Tower, 140 East 45th Street, 22nd Floor, New York, New York 10017. Telephone number: 212-949-0100 | fax: 212-986-3049.

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, together with the right to the exclusive use of Storage Locker #_____ in the Storage Locker Area.

4. THIS AGREEMENT

4.1 This Agreement is an "option agreement". By executing this Agreement, Sponsor is hereby granting Purchaser an option to purchase the Residential Unit for the Purchase Price described in Section 5.1 ("Option"). Purchaser's payment of the Initial Premium Payment and the Additional Premium Payment, described in Section 5.1(a) and (b) (collectively, "Premium Payments") constitute payment for the Option. The Premium Payments are nonrefundable regardless of whether or not the Purchaser exercises the Option. At least thirty (30) days prior to the date for the Closing of Title to the Unit, Sponsor shall give Purchaser written notice (i) of the planned date and time for the Closing, and (ii) that Purchaser shall have the right to exercise or terminate the Option ("Option Exercise and Initial Closing Notice") within fifteen (15) calendar days after the date of the Option Exercise and Initial Closing Notice ("Notice Period"). During the Notice Period, Purchaser shall give Sponsor written notice of Purchaser's election to either exercise or not exercise the Option. Purchaser's failure to respond within the Notice Period shall be deemed to mean that Purchaser is exercising the Option and shall proceed to Purchase the Unit.

4.2 In the event Purchaser exercises the Option (or fails to respond during the Notice Period), the Closing of Title to the Unit shall proceed and the Premium Payments shall be applied toward the Purchase Price pursuant to the terms of this Agreement. In the event Sponsor receives notice from Purchaser during the Notice Period that Purchaser is not exercising the Option, then (i) the Premium Payments shall be retained by the Sponsor as payment in full for the Option; (ii) Purchaser and Sponsor shall have no further rights or obligations under this Agreement; (iii) Sponsor and Purchaser shall be deemed to have waived any claims against the other arising from this Agreement or the purchase of the Unit; and (iv) 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. Notwithstanding anything contained herein to the contrary, the Premium Payments shall not be refundable.

5. PURCHASE PRICE

5.1 The Purchase Price for the Residential Unit ("Purchase Price") is $_____.

The Purchase Price is payable as follows:

(a) $_____, ("Initial Premium Payment"), due upon Purchaser's signing and delivering this Agreement, by check (subject to collection), receipt of which is hereby acknowledged;

(b) $_____ ("Additional Premium Payment;" the term "Premium Payment," as used herein, refers to both the Initial Premium Payment and, if the same has been paid at the time in question, the Additional Premium Payment), is due upon the earlier to occur of (i) 90 days after

Purchaser executes this Agreement, or (ii) within 15 days of the Presentation Date of the amendment declaring the Plan effective.

(c) $_____ ("Exercise 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 Premium Payment and Additional Premium Payment shall be due upon Purchaser's signing this Agreement.

5.2 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 Premium Payment shall be made payable to the direct order of "Starr Associates LLP, as Escrow Agent." The Exercise Price shall be made payable to the direct order of "HFZ Highline Property Owner 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 Premium Payment 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.

6. PREMIUM PAYMENT TO BE HELD IN TRUST

All Premium Payments 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 Premium Payment 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 C 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 Premium Payment 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 Premium Payment shall be returned to Purchaser, within 30 business days of Sponsor's notification to Purchaser that it cannot convey title.

7. CLOSING DATE AND PLACE

7.1 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. After the Option Exercise and 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 Option Exercise and 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.

7.2 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.

7.3 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."

8. CLOSING DOCUMENTS

8.1 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.

8.2 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.

8.3 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.

8.4 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.

8.5 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.

8.6 Purchaser's payment of the Exercise 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.

9. STATUS OF TITLE

9.1 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.

9.2 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.

9.3 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.

10. CLOSING ADJUSTMENTS

10.1 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;

(b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes; and

(c) if Purchaser is allowed to occupy the Unit prior to Closing, accrued rent and any other charges pursuant to a use and occupancy agreement, if any, covering the Unit.

10.2 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).

10.3 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.

10.4 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 14.2 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.

10.5 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.

10.6 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.

11. 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.

12. 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.

13. 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.

14. DEFAULT BY PURCHASER

14.1 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 Premium Payment, the Exercise 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 an Agreement between Purchaser and Sponsor for another Unit at the Property.

14.2 **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Additional Premium Payment, the Exercise 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 cancel this Agreement. 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, (a) the entire Premium Payment and any interest earned on the Premium Payment and (b) Unit Upgrade Funds. 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.

15. 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 and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Premium Payment, 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.

16. 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, and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against 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 Premium Payments 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).

17. 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.

18. CONSTRUCTION

18.1 The construction 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."

18.2 The construction 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.

18.3 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.

18.4 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.

19. INSPECTION OF THE UNIT

19.1 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 Exercise 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."

19.2 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 Premium Payment any monies in escrow at Closing as a result of any work set forth on the Inspection Statement.

20. 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:

20.1 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.

20.2 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 Premium Payments 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 Premium Payments and other such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

21. 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.

22. PROHIBITION AGAINST ADVERTISING

22.1 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.

22.2 Prior to the first anniversary of the Sponsor Sale, 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.

23. 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.

24. 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.

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 Premium Payment by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and cancelled and the Premium Payment 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 an 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 PREMIUM PAYMENTS IN ESCROW

Purchaser acknowledges and agrees that Sponsor has the right, in its sole discretion, to elect to withdraw the Premium Payment 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. 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).

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

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

HFZ HIGHLINE PROPERTY OWNER LLC

By: _____
Name: Ziel Feldman
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, concessionaire and Storage Locker Licenses, 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 Certificate of Occupancy 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: _____

HFZ Highline Property Owner LLC
1001 Pennsylvania Avenue, NW, Ste 220 S.
Washington, D.C. 20004

Re: Residential Unit No: _____ ("Unit")
505 West 19th Street Condominium
505 West 19th Street
New York, New York 10011 ("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

RIDER TO OPTION AGREEMENT RE: ESCROW PROVISIONS

This Rider is made as of _____, _____ between Sponsor, Purchaser and Escrow Agent.

Re: Residential Unit No: _____ ("Unit")
505 West 19th Street Condominium
505 West 19th Street
New York, New York 10011 ("Condominium")

1. ESCROW AND TRUST FUND REQUIREMENTS

All Premium Payments, down payments, advances and payments made by Purchasers prior to the Closing ("Premium Payments") 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 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 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 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 Agreement or otherwise enforcing Purchaser's obligations thereunder.

All Premium Payments 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 date of this 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 Capital One N.A., located at 90 Park Avenue, New York, NY 10016 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York. Premium Payments 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 Premium Payment tendered by Purchaser after the Initial Premium Payment will be placed in the Master Escrow Account within 10 business days after tender by Purchaser to Sponsor or Selling Agent.

All Premium Payments will be placed initially in the non-interest bearing portion of the Master Escrow Account (including Unit Upgrade Funds). 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 Premium Payment and the Agreement. If a Premium Payment is accompanied by a completed and signed Form W-9 or Form W-8, the Premium Payment will thereafter be promptly transferred to an individual interest bearing sub-escrow account in the name of Purchaser (except for Premium Payments for Unit Upgrade Funds). If a Purchaser does not deliver the Form W-9 or Form W-8, the Premium Payment will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Premium Payment is released, the Premium Payment 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 Premium Payments, except for Unit Upgrade Funds, 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 Premium Payment as per GBL § 352-h. Unit Upgrade Funds will initially be placed in the Master Escrow Account. However, Purchasers should note that such funds may be released from the Master Escrow Account by Escrow Agent to Sponsor to pay, or reimburse Sponsor, for such upgrades or extras. As a result, in the event Sponsor cancels the Agreement or Purchaser is entitled to rescind the Agreement in accordance with the Plan, Purchaser will not receive a refund of any of the Unit Upgrade Funds. Escrow Agent shall be under no duty to verify that Sponsor used or committed such funds for upgrades or extras.

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 Premium Payment. If Purchaser does not receive notice that the Premium Payment has been placed in the Master Escrow Account within 15 business days after tender of the Premium Payment, Purchaser may cancel the Purchase and rescind the Agreement so long as the right to rescind is exercised within 90 days after tender or crediting of the Premium Payment 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 Premium Payment 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 Premium Payments tendered by Purchaser after the Initial Premium Payment (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 Premium Payment Insurance Corporation ("FDIC") to a maximum of $250,000 per individual Premium Payment. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Premium Payment in excess of $250,000 such Premium Payment will not be FDIC insured in excess of $250,000; and (ii) while the Premium Payment is in the non-interest bearing portion of the Master Escrow Account, the Premium Payment may not be fully FDIC insured even if the Premium Payment 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 Premium Payment may be tendered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested,

overnight courier or express mail service. The Premium Payment shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

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

If a Purchaser tenders a Premium Payment without an executed Agreement, Sponsor shall have the right to reject the Premium Payment and return it to Purchaser: (i) within 5 business days after tender, if the Premium Payment has not been deposited into escrow, and (ii) within 10 business days, if the Premium Payment has been deposited into escrow and the Agreement has not yet been delivered by Purchaser. In the event a Premium Payment 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 Agreement, or (ii) Purchaser is entitled to a return of the Premium Payment. 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 May 31, 2013, 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 Premium Payment is cash or cash equivalent, or (y) 5 business days, if the Premium Payment is other than cash or cash equivalent, of the transfer of the Premium Payment 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 Premium Payment 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 Agreement will be deemed void ab initio (as if the Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within 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 Premium Payments within two (2) business days of tender of the Premium Payment 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 Premium Payments 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 Premium Payments if so directed:

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

Sponsor will not object to the release of the Premium Payments 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 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 Premium Payment to Sponsor in the event Sponsor and Purchaser close title under the 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 Premium Payments.

Sponsor may, upon application approved by the Department of Law, elect to withdraw Premium Payments from the Master Escrow Account and secure all or any portion of the Premium Payments 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 Premium Payments 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 Premium Payments 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 Premium Payments, if any, withdrawn by Sponsor for use in construction, less any sums returned to Purchasers or otherwise disbursed in accordance with the Plan. Premium Payments will cease to earn interest upon withdrawal from the Master Escrow Account.

PURCHASERS WILL EARN NO INTEREST ON PREMIUM PAYMENTS WHICH ARE PREMIUM PAYMENTED IN SPONSOR'S CONSTRUCTION FUND ACCOUNT, EXCEPT DURING SUCH PERIODS AS THE PREMIUM PAYMENTS 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 Premium Payments have been placed in Sponsor's construction fund account.

Escrow Agent shall be entitled to release the Premium Payments 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 Premium Payments 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 Premium Payments 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 an 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 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 Premium Payments 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 Premium Payment 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 Premium Payments, 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 Premium Payment pursuant to the Plan, Escrow Agent shall be fully released from all liability and obligation

with respect to the Premium Payment. Escrow Agent shall accept a Premium Payment 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 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 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 Premium Payment or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Premium Payment 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 Premium Payment nor deducted from the Premium Payment 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 Premium Payments from escrow.

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

2. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the 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 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 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:

HFZ HIGHLINE PROPERTY OWNER LLC

By: _____
Name: Ziel Feldman
Title: Authorized Signatory

ESCROW AGENT:

Executed solely in connection with the provisions set forth in this Escrow Rider.

STARR ASSOCIATES LLP

By: _____
Name:
Title:

RIDER TO OPTION AGREEMENT

RE: UNASSIGNED STORAGE LOCKER

This Rider is made as of _____, _____ between Sponsor and Purchaser.

Re: Residential Unit No: _____ ("Unit")
505 West 19th Street Condominium
505 West 19th Street
New York, New York 10011 ("Condominium")

1. STORAGE LOCKER LICENSE

1.1 Sponsor agrees to sell and Purchaser agrees to purchase Storage Locker #19 for a Purchase Price of $_____. At Closing, Purchaser shall enter into a Storage Locker License to use the specific Storage Locker designated by Sponsor, the form of which is set forth in Part II of the Plan.

1.2 The Purchase Price is payable as follows:

(a) $_____ ("Initial Premium Payment"), due upon Purchaser's signing and delivering this Agreement, by check (subject to collection), receipt of which is hereby acknowledged;

(b) $_____ ("Additional Premium Payment;" the term "Premium Payment," as used herein, refers to both the Initial Premium Payment and, if the same has been paid at the time in question, the Additional Premium Payment), is due upon the earlier to occur of (i) 90 days after Purchaser executes this Agreement, or (ii) within 15 days of the Presentation Date of the amendment declaring the Plan effective; and

(c) $_____ ("Exercise 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 Premium Payment and Additional Premium Payment shall be due upon Purchaser's signing this Agreement.

2. TEMPORARY CERTIFICATE OF OCCUPANCY

Purchaser will be required to consummate the purchase of the Unit and the Storage Locker simultaneously at Closing, even though a Temporary Certificate of Occupancy has not been issued, and access may not be available for the Storage Locker Area of the Building. In such event, the proceeds from the sale of the Storage Locker License will be held in escrow ("Storage Locker Escrow") by Escrow Agent until such time as a Temporary Certificate of Occupancy has been issued for the Storage Locker Area in which the Storage Locker is located.

3. DAMAGE TO THE STORAGE LOCKER AREA

If there is a fire or other casualty to the Storage Locker Area and Sponsor does not elect to repair or restore such area following such fire or casualty, then the Agreement shall be deemed modified to provide for the Closing of Title with respect to the Unit only. In such event, the Exercise Price of the Unit shall be reduced by the amount of the Premium Payment paid pursuant to the terms of this Rider.

4. WITHDRAWAL OF STORAGE LOCKER

As set forth in the Plan, Sponsor reserves the right to withdraw the offering of the Storage Locker. The withdrawal of the offering of the Storage Locker will be disclosed by Sponsor in an amendment to the Plan and Purchaser shall only be relieved of Purchaser's obligation to purchase the Storage Locker, but shall remain obligated to purchase the Unit. At Closing, Purchaser will receive a credit against the Exercise Price equal to the amount allocated to the withdrawn Storage Locker, to the extent any such money has been delivered to Sponsor.

5. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Agreement to which this Rider is annexed or in the Plan.

6. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

7. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Agreement remain unchanged and in full force and effect.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

HFZ HIGHLINE PROPERTY OWNER LLC

By: _____
Name: Ziel Feldman
Title: Authorized Signatory

RIDER TO OPTION AGREEMENT
RE: PARKING SPACE

This Rider is made as of _____, _____ between Sponsor and Purchaser.

Re: Residential Unit No: _____("Unit")
"Parking Space": _____
505 West 19th Street Condominium
505 West 19th Street
New York, New York 10001 ("Condominium")

1. PARKING SPACE

Upon and subject to the terms and conditions set forth herein and the Agreement to which this Rider is annexed, Sponsor agrees to sell and convey, and Purchaser agrees to purchase the Parking Space designated as Parking Space #_____ in the Declaration, together with its undivided ___% interest in the Common Elements appurtenant to such Parking Space ("Parking Space").

The Purchase Price is payable as follows:

(a) $_____ ("Initial Premium Payment"), due upon Purchaser's signing and delivering this Agreement, by check (subject to collection), receipt of which is hereby acknowledged;

(b) $_____ ("Additional Premium Payment"); the term "Premium Payment," as used herein, refers to both the Initial Premium Payment and, if the same has been paid at the time in question, the Additional Premium Payment), is due upon the earlier to occur of (i) 9 months after Purchaser executes this Agreement, or (ii) within 15 days of the Presentation Date of the amendment declaring the Plan effective; and

(c) $_____ (the "Exercise 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 Premium Payment and Additional Premium Payment shall be due upon Purchaser's signing this Agreement.

2. TEMPORARY CERTIFICATE OF OCCUPANCY

The Closing of Title to the Parking Space does not require the issuance of a Temporary Certificate of Occupancy. Purchaser will be required to consummate the purchase of the Parking Space simultaneously with the Closing of Title to the Unit. Alternatively, at Sponsor's sole discretion, the Closing of Title to the Parking Space may not occur simultaneously with the Closing of Title to the Unit which may result in additional costs to be incurred by Purchaser.

3. DAMAGE TO THE PARKING SPACE

If there is a fire or other casualty to the Parking Space and Sponsor does not elect to repair or restore the Parking Space following such fire or casualty, then this Rider shall be deemed cancelled and Purchaser will be required to consummate the Closing of the Unit and any Storage License which is the subject of a Rider only.

4. RIDER INCORPORATED INTO OPTION AGREEMENT

All of the rights, obligations, terms and conditions set forth in the Agreement with respect to the Unit shall apply to the Parking Space unless the context otherwise requires.

5. CROSS DEFAULT

A default by Purchaser under this Rider shall constitute a default under the Agreement for the Unit and any default by Purchaser under the Agreement for the Unit shall constitute a default under this Rider entitling Sponsor to those default remedies as more fully described in the Agreement and the Plan. Notwithstanding an earlier Closing of Title with respect to the Unit, the provisions of the Agreement with respect to the sale and purchase of the Parking Space shall survive the Closing of Title to the Unit.

6. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Agreement to which this Rider is annexed or in the Plan.

7. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

8. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Agreement remain unchanged and in full force and effect.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

HFZ HIGHLINE PROPERTY OWNER LLC

By: _____
Name: Ziel Feldman
Title: Authorized Signatory

UNIT DEED

UNIT DEED

THIS INDENTURE, made the ____ day of _____, ____, between HFZ Highline Property Owner LLC, having an office c/o HFZ Capital Group, 600 Madison Avenue, Seventeenth Floor, New York, New York 1022 ("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 505 West 19th Street Condominium ("Condominium") and by the street number 505 West 19th 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 Lots 25, 27 and 29 in Block 691 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of the Building, certified by Goldstein, Hill, & West Architects, LLP 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 right to the exclusive use of Storage Locker #____ in the Storage Locker Area;

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:

HFZ HIGHLINE PROPERTY OWNER LLC

By: _____
Name: Ziel Feldman
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:

[See the Schedule A set forth on the following page]

STORAGE LOCKER LICENSE

STORAGE LOCKER LICENSE
RE: UNASSIGNED STORAGE LOCKER

AGREEMENT made this _____ day of _____, _____ ("Agreement") by and between HFZ Highline Property Owner LLC, having an office c/o HFZ Capital Group, 600 Madison Avenue, Seventeenth Floor, New York, New York 1022 ("Sponsor"), and the Condominium Board of the 505 West 19th Street Condominium on behalf of all Unit Owners, having an address at 505 West 19th Street, New York, New York 10011 ("Condominium Board") (Sponsor and the Condominium Board are sometimes collectively referred to as "Licensor") and _____ having an address at _____ ("Licensee");

W I T N E S S E T H :

WHEREAS, the 505 West 19th Street Condominium ("Condominium") is governed by a certain Declaration of Condominium recorded in the Office of the Register of the City of New York, County of New York as the same has been or may be amended from time to time ("Declaration"), the by-laws of the Condominium, as the same has been or may be amended from time to time ("By-Laws") and the Rules and Regulations of the Condominium, as the same has been or may be amended from time to time ("Rules and Regulations") ("Declaration," the "By-Laws" and the "Rules and Regulations" are collectively, referred to as the "Condominium Documents"); and

WHEREAS, the Condominium is located at 505 West 19th Street, New York, New York 10011 ("Property"); and

WHEREAS, Storage Lockers have been installed in a portion of the Property ("Storage Locker Area"); and

WHEREAS, except for the Unassigned Storage Locker, all other Storage Lockers are assigned to a Residential Unit; and

WHEREAS, Licensee, owns or simultaneously herewith is acquiring Residential Unit No. _____ in the Condominium; and

WHEREAS, the Condominium Board granted Sponsor the exclusive right to sell, without charge, the Unassigned Storage Locker pursuant to a Storage Locker License and the Condominium will not be entitled to any of the proceeds from such sale; and

WHEREAS, Licensee desires the right to the exclusive use of the Unassigned Storage Locker for so long as Licensee owns a Residential Unit in the Condominium;

NOW THEREFORE, in consideration of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, its successors and assigns, a license for the exclusive use of Unassigned Storage Locker #____ ("Storage Locker License") and Licensee hereby accepts such Storage Locker License from Licensor for a term commencing on the date hereof.

2. The Condominium Board has the right to impose license fees on licensee in accordance with the By-Laws. Any license fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future, shall constitute "additional Common Charges" under the terms of the

Condominium Documents. Licensee's failure to pay the license fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future shall constitute a material default under the terms of the Condominium Documents.

3. The Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner and in no event shall any food or perishable items 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 in the Storage Locker.

4. Except for Sponsor and the Condominium Board, a Residential Unit Owner may not own the Storage Locker without also owning a Residential Unit.

5. Licensee shall not (a) store any property outside of the Unassigned Storage Locker; or (b) allow any other Person to use the Unassigned Storage Locker except in accordance with the terms hereof.

6. This Storage Locker License may be assigned by Licensee at any time provided the assignee (i) is a Residential Unit Owner at the Condominium, (ii) assumes the obligations hereunder in the form annexed hereto, (iii) notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) no outstanding monies are owed to the Condominium by Licensee and/or assignee. This Storage Locker License shall automatically terminate at such time as Licensee no longer owns a Residential Unit in the Condominium unless this Storage Locker License is assigned to and assumed by another Residential Unit Owner.

7. Licensee represents that Licensee has made a thorough inspection of the Unassigned Storage Locker and the Storage Locker Area and agrees to take same in its "as is" condition as of the date of this Storage Locker License. Storage Locker Licensee shall throughout the term of this Storage Locker License, take good care of and maintain the Unassigned Storage Locker. All repairs and replacements to the Unassigned Storage Locker as well as the Storage Locker Area shall be performed by the Condominium Board and the cost thereof shall be a Residential Common Expense, unless such repair or replacement is necessitated by the negligence, misuse, or abuse of a particular licensee, then the entire cost and expense of such repair or replacement shall be borne by such licensee.

8. Licensor nor Licensor's agents or employees shall be liable for any theft or damage to any property stored in the Storage Locker Area.

9. The terms of this Storage Locker License are subject to the terms of the Condominium Documents. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between the provisions of this Storage Locker License and the Condominium Documents shall be resolved in favor of the Condominium Documents.

10. Licensee acknowledges that the Condominium Board shall have the right to impose a monthly license fee payable to the Condominium. The monthly license fee, if imposed, shall constitute "additional Common Charges" under the terms of the Condominium Documents. Licensee's failure to pay the monthly license fee, if imposed, shall constitute a default under the terms of the Condominium Documents.

11. If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Unassigned Storage Locker until Licensee cures such default or (ii) terminate this Storage Locker License upon written notice to Licensee.

12. The Condominium Board or its agents shall have the right, but not the obligation, to open the Unassigned Storage Locker in an emergency at any time, and, at other reasonable times upon prior

notice to Licensee, to inspect and examine the Storage Locker Area and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary.

13. This Storage Locker License shall constitute a license only and shall not be construed under any circumstances to be a sale of the Unassigned Storage Locker or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between Licensor and Licensee with respect to this Storage Locker License.

14. Licensee shall indemnify and hold Licensor and their respective officers, directors, shareholders, unit owners, members, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including legal fees and expenses, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family members, servants, employees, agents, guests and invitees in connection with this Storage Locker License.

15. Licensee shall be obligated at its sole cost and expense to obtain and maintain insurance covering the Unassigned Storage Locker in amounts sufficient to cover the property located therein.

16. Licensee shall be obligated to reimburse Licensor for any legal fees and disbursements incurred by Licensor in defending the rights of Licensor under this Storage Locker License or, in the event Licensee defaults under this Storage Locker License beyond any applicable grace period, enforcing Licensee's obligations hereunder.

17. Neither this Storage Locker License nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

18. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Storage Locker License, which alone fully and completely express their agreement and that this Storage Locker License supersedes any and all such understandings and agreements with respect to the subject matter hereof.

19. If any provision of this Storage Locker License is invalid or unenforceable as against any party or under certain circumstances, the remainder of this Storage Locker License and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this Storage Locker License, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

20. 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 Storage Locker License 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.

21. Any failure by Licensor to insist upon strict performance by Licensee of any of the provisions of this Storage Locker License shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Storage Locker License to be performed by Licensee.

IN WITNESS WHEREOF, the undersigned have executed this Storage Locker License as of the day and year first above written.

Agreed to and Acknowledged by:

LICENSOR:

505 West 19th Street Condominium

By: _____
Name:
Title:

LICENSEE:

_____

_____

SPONSOR:

HFZ HIGHLINE PROPERTY OWNER LLC

By: _____
Name: Ziel Feldman
Title: Authorized Signatory

ASSIGNMENT AND ASSUMPTION OF STORAGE LOCKER LICENSE

ASSIGNMENT AND ASSUMPTION OF STORAGE LOCKER LICENSE RE: UNASSIGNED STORAGE LOCKER

THIS ASSIGNMENT AND ASSUMPTION OF STORAGE LOCKER LICENSE made as of the _____ day of _____, _____ by and between _____ ("Assignor"), having an address at _____, and _____ ("Assignee"), having an address at _____.

W I T N E S S E T H :

WHEREAS, Assignor executed a certain Storage Locker License Re: Unassigned Storage Locker dated _____, _____ ("Storage Locker License") to have the exclusive right to use Unassigned Storage Locker # ___ ("Storage Locker") located in the Building known as the 505 West 19th Street Condominium, located at 505 West 19th Street, New York, New York 10011, in accordance with the terms of the Condominium Offering Plan for the Building ("Plan"), as amended; and

WHEREAS, Assignor desires to assign to Assignee all of Assignor's right, title and interest in and to the Storage Locker License; and

WHEREAS, Assignee desires to assume all of the obligations and responsibilities of Assignor in and to the Storage Locker License; and

WHEREAS, the parties hereto wish to set forth their agreements with respect to this Assignment and Assumption of this Storage Locker License.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, the parties hereto agree as follows:

1. ASSIGNMENT: Assignor hereby assigns to Assignee, from and after the date hereof, all of Assignor's right, title and interest in and to the Storage Locker License, a copy of which is attached hereto and made a part hereof, for a Purchase Price of $_____.

2. ASSUMPTION: Assignee hereby assumes all of the obligations, promises, covenants and responsibilities of Assignor in and to the Storage Locker License as if Assignee had signed the Storage Locker License originally as "Licensee."

3. AUTHORIZATION AND DIRECTION: Assignor and Assignee hereby authorize and direct the Condominium to have the books and records of the Condominium reflect that Assignee has the exclusive right to use the Storage Locker.

4. EFFECTIVE DATE: This Assignment shall not be deemed effective unless and until signed by each of the parties hereto.

5. DEFINED TERMS: All terms not defined herein shall have the meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Assignment and Assumption of Storage Locker License on the day and year first above written.

APPROVED BY:

505 West 19th Street Condominium

By: _____
Name:
Title:

ASSIGNOR:

_____
(signature)

ASSIGNEE:

_____
(signature)

DECLARATION OF CONDOMINIUM

DECLARATION

Establishing a Plan for Condominium Ownership of the Premises Known as

505 WEST 19TH STREET CONDOMINIUM

and having a street address of

505 WEST 19TH STREET
NEW YORK, NEW YORK 10011

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

Name: **505 West 19th Street Condominium**

Sponsor: **HFZ Highline Property Owner LLC**
c/o HFZ Capital Group
600 Madison Avenue, Seventeenth Floor
New York, New York 10022

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 691 F/K/A Lots 25, 27 and 29, N/K/A Lots _____ - _____ on the Tax Map of the Borough of Manhattan, County of New York, City and State of New York

INDEX TO DECLARATION

Article	Subject	Page
ARTICLE 1	DEFINITIONS	1
ARTICLE 2	SUBMISSION OF THE PROPERTY	1
ARTICLE 3	NAME OF THE CONDOMINIUM	1
ARTICLE 4	THE LAND	1
ARTICLE 5	THE PROPERTY AND THE BUILDING	2
ARTICLE 6	THE UNITS	2
ARTICLE 7	THE COMMON ELEMENTS	3
ARTICLE 8	DETERMINATION OF COMMON INTEREST AND RESIDENTIAL COMMON INTEREST	5
ARTICLE 9	USE OF UNITS AND STORAGE LOCKERS	6
ARTICLE 10	EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS	7
ARTICLE 11	OTHER EASEMENTS	8
ARTICLE 12	ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND NON-RESIDENTIAL UNITS	10
ARTICLE 13	ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD	12
ARTICLE 14	POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD	13
ARTICLE 15	TERMINATION OF CONDOMINIUM	14
ARTICLE 16	COVENANT OF FURTHER ASSURANCES	14
ARTICLE 17	COVENANTS RUNNING WITH THE LAND	15
ARTICLE 18	EXCESS DEVELOPMENT RIGHTS	16
ARTICLE 19	AMENDMENTS TO THIS DECLARATION	17
ARTICLE 20	CONSENTS BY SPONSOR	20
ARTICLE 21	PERSON TO RECEIVE SERVICE	20
ARTICLE 22	INCORPORATION BY REFERENCE	20
ARTICLE 23	WAIVER	20
ARTICLE 24	SEVERABILITY	20
ARTICLE 25	SUCCESSORS AND ASSIGNS	21
ARTICLE 26	CAPTIONS	21
ARTICLE 27	CERTAIN REFERENCES	21
ARTICLE 28	GENERAL	21

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

505 WEST 19TH STREET CONDOMINIUM

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

HFZ Highline Property Owner LLC, a limited liability company organized under the laws of the State of Delaware, having an office at c/o HFZ Capital Group, 600 Madison Avenue, Seventeenth Floor, New York, New York 1022 ("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

2.1 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.

2.2 Excluded from the Property are any Excess Development Rights, which shall be retained by Sponsor, who shall have the exclusive right to utilize, sell or otherwise transfer any Excess Development Rights. Excess Development Rights shall inure solely to the benefit of Sponsor or other Development Rights Owner.

ARTICLE 3

NAME OF THE CONDOMINIUM

The Condominium shall be known as the 505 West 19th 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: 35 Residential Units (including 1 Resident Manager's Unit), 35 Storage Lockers, 3 Parking Spaces, 2 Commercial Units and 1 High Line Unit contained in a 10 story structure above grade (including roof level) with 1 cellar.

5.1.1 Twenty-seven Residential Units will be located in the East Tower on Floor 2 through Floor 10, and eight Residential Units will be located in the West Tower on the ground floor through Floor 10.

5.1.2 The Storage Lockers will be located on in the cellar.

5.1.3 The Parking Spaces will be located on the ground floor.

5.1.4 The Commercial Units will be located in the cellar and on the ground floor.

5.1.5 The High Line Unit will be located on the ground floor.

5.2 The Building is classified as being of fire proof construction. The Building structural system consists of reinforced concrete and masonry. The roof consists of an Insulated Roof Membrane Assembly.

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 Each Unit is measured horizontally from the exterior face of the exterior walls (perimeter mechanical pipes are not deducted) to the midpoint of the interior walls and the midpoint of partitions separating one Unit from another Unit, public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements. Any Common Elements located within a Unit shall not be considered a part of such Unit. Each Unit is measured vertically from the top of the concrete floor slab below (located under the finished flooring and sub-flooring materials) comprising the lowest floor to the Unit to the underside of the concrete slab forming the ceiling of the highest floor of the Unit.

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 the heating, electrical, mechanical equipment and water pipes servicing or operating the pool located on the Terrace appurtenant to Unit TH and

the liner of such pool). Plumbing, gas and heating fixtures and equipment as used in the preceding sentence 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.

6.4 Each Commercial Unit also includes, in addition to the items listed in Section 6.3 above, to the extent located in such Commercial Unit, and each Commercial Unit Owner shall be responsible for, any elevator, escalator, staircase, freight or service entrance, driveway, ramp, canopy and all related Facilities servicing such Commercial Unit exclusively including, outdoor signage for such Commercial Unit, the exterior side of all windows in or opening from such Commercial Unit and any loading docks exclusively servicing such Commercial 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 Except as otherwise stated in the Plan or the Condominium Documents, the Parking Spaces shall be treated in all respects like the Residential Units.

6.8 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 and Sponsor shall be deemed a licensee with respect to all Storage Lockers, 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. The Common Elements do not include the Developmental Rights which shall be initially retained by Sponsor.

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, except for the Development Rights.

(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 Commercial Units from a Residential Unit and/or Residential Common Element and/or a Limited Residential Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element or the Commercial 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 Commercial Units 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) plumbing and fire pump room, domestic water pump room, electrical room, sewer connection room, boiler room, and I.T. room, each of which are located in the cellar of the Building.

(v) 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.

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) all stairways, passenger elevators and their respective bulkheads, shafts, pits and equipment rooms and the residential hallways.

(ii) compactor rooms located in the cellar and their respective shafts and equipment.

(iii) super's office, laundry room, staff room, each of which are located in the cellar.

(iv) residential lobby, service entrances, exit corridors, restroom, concierge station, package storage room, mail room, mechanical room, storm water retention tank, each of which are located on Floor 1.

(v) fitness center and all equipment, finishings and furniture contained therein, located in the cellar.

(vi) bicycle storage room and the Storage Locker Areas, each of which are located in the cellar.

(vii) the Parking Space Area located on Floor 1.

(viii) 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 Commercial Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element.

(ix) 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.

(x) 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 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 5.5 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 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).

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 Certificate of Occupancy or Permanent Certificate of Occupancy for the Building and the By-laws, and (3) applicable Law.

9.2 The Commercial Units may be used for any purpose permitted by Law, except for manufacturing, workshop or industrial purposes, the storage of hazardous materials (other than in a de minimis amount for the customary purposes of cleaning), uses involving on-site food preparation, or any use that would pose a health or safety threat or result in excessive noise or noxious odors, dirt or other sanitary problems.

9.3 The Storage Lockers 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, 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. Sponsor shall have the right to use any Storage Locker appurtenant to an Unsold Residential Unit or any Unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of any Unassigned Storage Locker, subject, however, to the provisions of the By-laws. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

9.4 The Parking Spaces may be used for the parking of passenger automobiles and motorcycles only. Except for Sponsor and the Condominium Board, a Parking Space may not be owned independently of a Residential Unit.

9.5 The High Line Unit may only be used for storage in connection with the use and development of the High Line, for so long as the High Line Unit is owned by the City of New York, or an agency of the City of New York, or by the Friends of the High Line, or any successor not-for-profit entity that provides funding and other assistance related to the operation of the High Line. The High Line Unit may be used and accessed by the High Line Unit Owner and its Permitted Users for such use 24 hours a day, seven days a week. In the event the High Line Unit is conveyed to any other party, the Condominium Board may allow the High Line Unit to be used for any use available to the Commercial Units.

9.6 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 Locker 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 Commercial Unit Owner and its Permitted Users shall have the right and easement (i) for ingress and egress through all Common Elements for the purpose of accessing such Commercial Unit or any portion of the Building servicing such Commercial Unit, and (ii) to erect, maintain, repair and replace, from time to time, one or more signs, of such size and content as the Commercial Unit Owner shall determine, in the storefronts and windows of such Commercial Unit for the purpose of advertising the sale or lease of all or any portion of such Commercial Unit and the operation of any business of a Permitted User of all or any portion of such Commercial Unit. Subject to Sponsor's prior written consent for so long as Sponsor owns any Unsold Unit, each Commercial 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 Commercial Unit (including storefronts and windows of such Commercial 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 Commercial Unit Owners shall not be permitted to erect any signage and/or 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.

10.6 Notwithstanding anything to the contrary in the Condominium Documents, and except as otherwise provided in this Section, the High Line Unit Owner shall not have access to, or the right to use, any Common Elements of the Building. The High Line Unit will utilize the electricity and water utility service provided to it by the Condominium Board.

10.7 The City of New York and the Friends of the High Line, or any successor not-for-profit entity that provides funding and other assistance related to the operation of the High Line, will have an easement through the service entrance of the Building for the sole purpose of accessing the High Line for maintenance purposes, via a door located in a mechanical room on the ground floor.

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 Commercial Unit Owner with respect to a Commercial 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 Commercial 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 Commercial 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 (a) antennae, satellite dishes and other communications equipment, and (b) 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 Sponsor and any Development Rights Owner shall have an easement for ingress and egress through all of the Common Elements for any purpose in connection with Sponsor's or Development Rights Owner's utilization, sale or transfer of any Excess Development Rights, including without limitation (i) effecting a zoning lot merger or division; or (ii) creating a Combined Zoning Lot or any enlargement or subdivision thereof; or (iii) effecting a sale or transfer of Excess Development Rights in any manner permitted by Law.

11.7 Subject to the terms of the By-laws, each Commercial 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 Commercial 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.

11.8 The Condominium and Building shall be designated and known as the 505 West 19th 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.

11.9 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.

11.10 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 NON-RESIDENTIAL UNITS

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, each Commercial 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 alterations, additions, improvements, or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Commercial Unit (including, without limitation, to the storefronts and windows in such Commercial Unit);

(b) change the use or layout of, or number of rooms in the Commercial Unit;

(c) amend the Certificate of Occupancy for the Building as it relates to the Commercial Unit;

(d) change the size of the Commercial Unit by (w) subdividing the Commercial 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; and

(e) 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 Commercial Unit Owner shall comply with Law;

(iii) the Commercial Unit Owner 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.

In the event of the subdivision of a Commercial Unit into separate Commercial Units, the owner of each such newly created Commercial Units shall have all the rights, privileges and benefits, and shall be subject to all the obligations of the original Commercial 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 Commercial Units shall collectively continue to be entitled to designate 2 Member(s) 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 Commercial 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 Commercial Unit Owner's election, by the Commercial 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 Commercial Unit Owner.

12.3 The High Line Unit Owner shall not have any of the rights set forth in Article 12, except and until the Condominium Board, in its sole discretion, provides the High Line Unit Owner with any of the rights and obligations granted to a Commercial Unit Owner under Article 12.

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. All provisions applicable to Residential Units in the foregoing shall be applicable to Parking Spaces.

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:

(a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents ; and

(b) effectuate Sponsor's or any Development Rights Owner's utilization, sale or transfer of all or any portion of the Excess Development Rights, as set forth in this Declaration.

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 (including, but not limited to, the Resident Managers 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.

(f) All provisions applicable to Residential Units in the foregoing shall be applicable to Parking Spaces.

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 Commercial Unit Owners 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 Commercial Unit Owner, or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights as the case may be, then Sponsor, or a Commercial Unit Owner or a Development Rights Owner solely with respect to utilization, sale or transfer of Excess Development Rights 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 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 18

EXCESS DEVELOPMENT RIGHTS

18.1 Any Excess Development Rights shall be retained by Sponsor, who shall have the exclusive right to utilize, sell or otherwise transfer any Excess Development Rights. Excess Development Rights shall inure solely to the benefit of Sponsor or other Development Rights Owner. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Excess Development Rights.

18.2 In connection with its utilization of Excess Development Rights, Sponsor or Development Rights Owner, among other rights, may cause the Property to be divided into two or more parcels which collectively are referred to as the "Combined Zoning Lot."

18.3 Each Unit Owner by accepting a deed or otherwise succeeding to title to a Unit, and the Condominium Board, shall be deemed to have consented to and agreed that, if Sponsor or a Development Rights Owner seeks to enlarge the Combined Zoning Lot by adding other parcels of real property ("Additional Parcels") so as to create an enlarged Combined Zoning Lot, or seeks to utilize or transfer Excess Development Rights for the purposes and in accordance with the provisions of the Zoning Resolution or other applicable Law, the Condominium Board and the Unit Owner have (i) waived the right to execute any declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air or other document or instrument and the right to appear in opposition before any community board or governmental or quasi-governmental authority to oppose in any manner the utilization, sale or transfer of Excess Development Rights or the establishment of the Combined Zoning Lot or any enlargement, division or proposed use thereof; and (ii) consented as a party in interest, to any declaration or other agreement utilizing the Excess Development Rights in any manner, including by effecting a transfer of Excess Development Rights or a merger or division of any of the parcels comprising the Combined Zoning Lot with any other tax lots in order to form a single zoning lot for the purpose of transferring all or any portion of the Excess Development Rights from Sponsor or a Development Rights Owner.

18.4 Notwithstanding the provisions of the immediately preceding paragraph, each Unit Owner by accepting a deed or otherwise succeeding to title to a Unit, and the Condominium Board, shall be deemed to have granted to Sponsor and any Development Rights Owner an irrevocable power of attorney coupled with an interest, to execute, acknowledge and deliver any such declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air, or other document or instrument necessary or expedient to carry out the exercise of any rights, reserved, retained or granted to Sponsor or Development Rights Owner . Alternatively, upon demand of Sponsor or a Development Rights Owner, each Unit Owner and the Condominium Board shall execute any declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air, or other document or instrument requested by Sponsor or Development

Rights Owner in order that (i) Sponsor or Development Rights Owner may effectively utilize, sell or otherwise transfer Excess Development Rights to any Person designated by Sponsor or Development Rights Owner, and (ii) such Person may effectively utilize such Excess Development Rights.

18.5 Notwithstanding the foregoing, neither Sponsor nor any Development Rights Owner may utilize Excess Development Rights to increase the size, height, bulk or density of any portion of the Property.

18.6 All rights and obligations of Sponsor set forth in this Declaration with respect to the Excess Development Rights shall apply equally to any Development Rights Owner.

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 Commercial Unit Owner or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, 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 Commercial Unit Owner or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights , 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 Commercial Unit Owner or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, 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 and a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights 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 or a Development Rights Owner'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 or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights 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) with respect to Excess Development Rights, to effectuate Sponsor's or any Development Rights Owner's utilization, sale or transfer of any Excess Development Rights in any manner permitted by Law, provided that no such amendment shall enable Sponsor or Development Rights Owner to utilize Excess Development Rights to increase the size, height, bulk, configuration and/or density of the Property; or

(v) 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 Commercial 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 Commercial Unit Owner deems appropriate to effectuate the same:

(i) to reflect any changes in the Commercial Unit and/or the reapportionment of the Common Interest of the affected Commercial Unit resulting therefrom made by the Commercial Unit Owner in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by the Commercial Unit Owner to make a loan secured by a mortgage on the Commercial Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by the Commercial Unit Owner to insure title to any Commercial Unit, as such requirements relate solely to the Commercial 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 Commercial 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 or a Development Rights Owner pursuant to the terms of Section 19.2 hereof, by Sponsor or a Development Rights Owner, (ii) if on behalf of a Commercial Unit Owner pursuant to the terms of Section 19.3 hereof, by the Commercial 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 Residential Unit Owner, with the prior written approval of the Condominium Board changes the size and/or number of Residential Units owned by such Residential Unit Owner by either (i) subdividing a Residential Unit(s) into two or more separate Residential Units, (x) combining a Residential Unit into one or more Residential Units, (y) altering the boundary walls between any adjacent Residential Units owned by such Residential Unit Owner, or (z) otherwise, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the owner of such Residential Unit) which exclusively benefit a Residential Unit into such Residential Unit, then the Condominium Board on behalf of such Residential Unit Owner and at the Residential 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 Residential 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 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 (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 Commercial Unit Owner or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, if the same would (i) unreasonably interfere with the sale, lease, or other disposition of any Unit owned by either of them, or of Excess Development Rights, 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 Commercial Unit Owner, or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights unless Sponsor or the Commercial Unit Owner or the Development Rights Owner shall consent to such amendment in writing; or (iii) impose any discriminatory charge or fee against Sponsor or the Commercial Unit Owner or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, unless Sponsor or the Commercial Unit Owner or the Development Rights Owner shall consent to such amendment in writing.

19.7 Notwithstanding anything contained in the Condominium Documents to the contrary, no amendment to the Condominium Documents shall be effective in any respect against the High Line Unit Owner or the High Line Unit, if such amendment would have an adverse impact on the rights or obligations of the High Line Unit Owner, without the consent of the High Line Unit Owner in writing, which consent may be unreasonably withheld, refused or conditioned.

19.8 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 Commercial Unit Owner if the same relate to Sponsor or the Commercial Unit Owner.

19.9 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 each Commercial 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 each Commercial Unit Owner. Sponsor and each Commercial 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 Storage Lockers 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:

HFZ HIGHLINE PROPERTY OWNER LLC

By: _____

Name: Ziel Feldman
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:

[See the Schedule A set forth on the following page.]

EXHIBIT B TO THE DECLARATION

DESCRIPTION OF THE UNITS

505 West 19th Street Condominium
505 West 19th Street
New York, New York 10011

UNIT	NUMBER OF BEDROOMS/ BATHS	APPROXIMATE TOTAL SQ. FT. UNIT	BALCONY/ TERRACE	BLOCK 691 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 competed 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 and permanently 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 505 West 19th Street, New York, New York 10011, which consists of an east tower ("East Tower") and a west tower ("West Tower").

"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 Option Agreement.

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

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

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

"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 505 West 19th 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.

"Declarant" shall mean HFZ Highline Property Owner 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.

"Declaration Date" shall mean the date the Declaration is recorded and the Floor Plans are filed in the Register's Office.

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

"Development Rights Owner" shall mean Sponsor or any Person which acquires all or any portion of the Excess Development Rights from Sponsor.

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

"Excess Development Rights" shall mean certain rights, as determined by the Zoning Resolution of the City of New York ("Zoning Resolution"), that are available as of the date of the Declaration or may become available thereafter by any means, and are appurtenant to a zoning lot, whereby (a) contiguous tax lots may be merged into a single zoning lot ("Combined Zoning Lot") and the Combined Zoning Lot or a portion thereof may be developed by erecting thereon one or more structures with (i) "floor area" (as such term is defined in the Zoning Resolution); (ii) any bulk and density development rights permitted under the Zoning Resolution, (iii) any so-called bonus redevelopment rights hereafter appurtenant to the Property; or (b) excess "floor area" not utilized by the Building as of the date of the Declaration may be utilized on the zoning lot or transferred to other zoning lots as permitted by the Zoning Resolution.

"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.

"Hazardous Material(s)" means any petroleum and petroleum products, flammable explosives, radioactive materials (excluding radioactive materials in smoke detectors), biohazards and medical waste, polychlorinated biphenyls, lead, asbestos in any form that is or could become friable, hazardous waste, toxic or hazardous substances or other related materials whether in the form of a chemical, element, compound, solution, mixture or otherwise, including, but not limited to, those materials defined as "hazardous substances," "extremely hazardous substances," "hazardous chemicals," "hazardous materials," "toxic substances," "solid waste," "toxic chemicals," "air pollutants," "toxic pollutants," "hazardous wastes," "extremely hazardous waste," or "restricted hazardous waste" by Hazardous Materials Law or regulated by Hazardous Materials Law in any manner whatsoever. Hazardous Materials shall not include any customary cleaning solutions as long as same are stored and used as required by applicable Law.

"Hazardous Materials Law(s)" means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other binding governmental requirements now or hereafter enacted or in force, and any court judgments applicable to a Unit Owner or to the Premises relating to industrial hygiene or to environmental or unsafe conditions or to human health including, but not limited to, those relating to the generation, manufacture, storage, handling, transportation, disposal, release, emission or discharge of Hazardous Materials, those in connection with the construction, fuel supply, power generation and transmission, waste disposal or any other operations or processes relating to the Premises, and those relating to the atmosphere, soil, surface and ground water, wetlands, stream sediments and vegetation on, under, in or about a particular Unit.

"High Line Unit" shall mean the High Line Unit designated as such in the Declaration together with its Common Interest.

"High Line Unit Owner" shall mean the Unit Owner of the High Line Unit at the time in question.

"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 Commercial 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 Section 3 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 691, Lots 25, 27 and 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 Residential Unit Owners" shall mean Residential Unit Owners of more than fifty percent (50%) in aggregate Residential Common Interest appurtenant to all Residential Units or Residential Unit Owners of more than fifty percent (50%) in aggregate Residential Common Interests of only those Residential Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Residential Unit Owners at which a quorum is present.

"Majority of Unit Owners" shall mean 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.

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

"Parking Space" shall mean any parking space designated as a Parking Space in the Declaration together with its Common Interest. All such Parking Spaces are referred to, collectively, as the "Parking Spaces."

"Parking Space Area" shall mean an enclosed area located on the First Floor of the Building containing the Parking Spaces. The Parking Space Area is a Residential Common Element.

"Parking Space Owner" shall mean the owner of a Parking Space at the time in question. All such Parking Space Owners are referred to, collectively, as the "Parking Space Owners."

"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 Option 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.

"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 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.

"Premium Payment" shall mean any Premium Payment, advance or payment made by a Purchaser prior to the Closing of a Residential Unit.

"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.

"Purchaser" shall mean any Person named as a Purchaser in an Option 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.

"Reserve Fund", shall mean a fund, under the control of the Condominium Board, which may only be used for capital repairs, replacements and improvement relating to the Condominium.

"Resident Manager's Unit" shall mean the Residential Unit designated as the Resident Manager's Unit in the Declaration.

"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 a 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 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.

"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."

"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.

"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 HFZ Highline Property Owner LLC and its successors and assigns as well as any Person(s) designated by Sponsor, in a writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

Storage Locker" shall mean any storage locker located in the Storage Locker Area and shall include the structural framework and materials out of which the storage locker is constructed. Each Storage Locker is a Residential Limited Common Element.

"Storage Locker Area" shall mean an area located in the cellar of the Building containing the Storage Lockers. The Storage Locker Area is a Residential Common Element.

"Temporary Certificate of Occupancy" shall mean a Temporary Certificate of Occupancy for the Building or for a Unit 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 Commonwealth Land Title Insurance Company, having an office at 2 Grand Central Tower, 140 East 45th Street, 22nd Floor, New York, New York 10017, or any successor Title Company at the time in question.

"Unassigned Storage Locker" shall mean any Storage Locker 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.

"Unassigned Storage Locker Licensee" shall mean any Residential Unit Owner who licenses the Unassigned Storage Locker 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."

"Unit Upgrade Funds" shall mean all amounts expended by, or reimbursable to, Sponsor for upgrades or extras ordered by Purchaser and agreed to in writing by Sponsor.

"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.

"Working Capital Fund" shall mean a fund, under the control of the Condominium Board, which may only be used for (1) making repairs or replacements to Residential Common Elements; (2) the Residential Unit Owners' share of the cost of repairs and replacements to the General Common Elements; (3) the Residential Unit Owners' share of expenses directly related to the operation of the Building; and (4) the payment of closings costs for the Condominium's acquisition of the Resident Manager's Unit.

"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

505 WEST 19TH STREET CONDOMINIUM

Prepared by:

STARR ASSOCIATES LLP
ATTORNEYS AT LAW
245 FIFTH AVENUE
NEW YORK, NEW YORK 10016
(212) 620-2680

INDEX TO BY-LAWS

ARTICLE 1 GENERAL 1
Section 1.1 Purpose 1
Section 1.2 Definitions 1
Section 1.3 Applicability of By-laws 1
Section 1.4 Application of By-laws 1
Section 1.5 Principal Office of the Condominium 1

ARTICLE 2 CONDOMINIUM BOARD 1
Section 2.1 General 1
Section 2.2 Status of the Condominium Board 2
Section 2.3 Principal Office of the Condominium Board 2
Section 2.4 Powers and Duties of the Condominium Board 2
Section 2.5 Certain Limitations on the Powers of the Condominium Board 6
Section 2.6 Exercise and Delegation of Powers and Duties 7
Section 2.7 Number, Election and Qualification of Members 7
Section 2.8 Term of Office of Members 8
Section 2.9 Removal and Resignation of Members 8
Section 2.10 Vacancies 8
Section 2.11 Organizational Meeting of the Condominium Board 9
Section 2.12 Regular Meetings of the Condominium Board 9
Section 2.13 Special Meetings of the Condominium Board 9
Section 2.14 Waiver of Notice of Meetings 9
Section 2.15 Quorum of the Condominium Board 9
Section 2.16 Conduct of Meetings 10
Section 2.17 Decisions by the Condominium Board 10
Section 2.18 Compensation of Members 10
Section 2.19 Common or Interested Members of the Condominium Board 10
Section 2.20 Indemnification 11

ARTICLE 3 OFFICERS 11
Section 3.1 General 11
Section 3.2 President 12
Section 3.3 Vice President 12
Section 3.4 Secretary 12
Section 3.5 Treasurer 12
Section 3.6 Election, Term of Office and Qualification of Officers 12
Section 3.7 Removal and Resignation of Officers 12
Section 3.8 Vacancies 12
Section 3.9 Compensation of Officers 13
Section 3.10 Indemnification of Officers 13

ARTICLE 4 UNIT OWNERS 13
Section 4.1 Annual Meetings of the Unit Owners 13
Section 4.2 Special Meetings of the Unit Owners 13
Section 4.3 Place of Meetings 13
Section 4.4 Notice of Meetings 13
Section 4.5 Quorum of the Unit Owners 13
Section 4.6 Conduct of Meetings 14
Section 4.7 Order of Business 14
Section 4.8 Voting 14
Section 4.9 Election of Members of the Condominium Board 15

Section 4.10 Designation of Non-Residential Members to the Condominium Board 16
Section 4.11 Action Without a Meeting 16
Section 4.12 Title to Units 16
Section 4.13 Contractual Liability of Unit Owners 16

ARTICLE 5 OPERATION OF THE PROPERTY 16
Section 5.1 Maintenance and Repairs 16
Section 5.2 Alterations, Additions, Improvements, or Repairs in and to Units 19
Section 5.3 Alterations, Additions, or Improvements to the Common Elements 21
Section 5.4 Insurance 22
Section 5.5 Casualty or Condemnation 24
Section 5.6 Use of the Property 27
Section 5.7 Use of the Units 27
Section 5.8 Use of the Common Elements 28
Section 5.9.1 Use of the Storage Lockers 29
Section 5.9.2 Use of the Parking Spaces 30
Section 5.10 Rights of Access 31
Section 5.11 Modification of the Residential Rules and Regulations 32
Section 5.12 Real Estate Taxes 32
Section 5.13 Fuel 32
Section 5.14 Water Charges and Sewer Rents 32
Section 5.15 Electricity 33
Section 5.16 Record and Audits 33

ARTICLE 6 COMMON CHARGES 33
Section 6.1 Determination of Common Expenses and Fixing of Common Charges 33
Section 6.2 Payment of Common Charges 35
Section 6.3 Statement of Common Charges 36
Section 6.4 Common Charge Deposit for Foreign Owners 37
Section 6.5 Default in Payment of Common Charges 37

ARTICLE 7 SELLING AND LEASING OF UNITS AND ASSIGNMENT OF STORAGE LOCKER LICENSES 38
Section 7.1 General 38
Section 7.2 Right of First Refusal 38
Section 7.3 Acceptance of Offer 39
Section 7.4 Failure to Accept Offer 40
Section 7.5 Termination of, and Exceptions to, the Right of First Refusal 41
Section 7.6 No Severance of Ownership 42
Section 7.7 Payment of Common Charges and fees 42
Section 7.8 Power of Attorney 42
Section 7.9 Gifts and Devises, Etc. 42
Section 7.10 Commencement of Time 42
Section 7.11 Costs and Expenses 43
Section 7.12 Sale or Lease of Commercial Units 43
Section 7.13 Assignment of *Storage Locker* Licenses 44
Section 7.12 Sale or Lease of High Line Unit 44
Section 7.12 Sale of Parking Space 1 44

ARTICLE 8 MORTGAGING OF UNITS 45
Section 8.1 General 45
Section 8.2 Restrictions on Mortgaging 45
Section 8.3 Notice of Unpaid Common Charges and Default 45

Section 8.4 Performance by Permitted Mortgagees 46
Section 8.5 Examination of Books 46
Section 8.6 Consent of Mortgagees; Designation of Mortgage Representatives 46
Section 8.7 Notice to Permitted Mortgagees 46

ARTICLE 9 CERTAIN REMEDIES 47
Section 9.1 Self Help 47
Section 9.2 Abatement and Enjoinment 47
Section 9.3 Remedies Cumulative 47
Section 9.4 Costs and Expenses 48

ARTICLE 10 ARBITRATION 48
Section 10.1 Procedure 48
Section 10.2 Variation by Agreement 48
Section 10.3 Binding Effect 48
Section 10.4 Costs and Expenses 48

ARTICLE 11 NOTICES 49
Section 11.1 General 49
Section 11.2 Waiver of Service of Notice 49

ARTICLE 12 AMENDMENTS TO BY-LAWS 49
Section 12.1 General 49
Section 12.2 Special Amendments 50

ARTICLE 13 FURTHER ASSURANCES 51
Section 13.1 General 51
Section 13.2 Failure to Deliver or Act 51

ARTICLE 14 MISCELLANEOUS 52
Section 14.1 Inspection of Documents 52
Section 14.2 Waiver 52
Section 14.3 Conflict 52
Section 14.4 Severability 52
Section 14.5 Successors and Assigns 52
Section 14.6 Gender 52
Section 14.7 Captions 52

ARTICLE 15 TAX STATUS AS A HOMEOWNERS ASSOCIATION 53
Section 15.1 General 53
Section 15.2 Organization 53
Section 15.3 Inurement 53
Section 15.4 Residential Use 53

ADDENDUM TO THE BY-LAWS RESIDENTIAL RULES AND REGULATIONS 54

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 Commercial Unit Owners 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 5.4 hereof.

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners (except as otherwise provided herein); (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property.

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-laws.

(xii) to obtain and keep in force fidelity bonds, 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, Storage Lockers and Parking Spaces acquired by, and to sublease Residential Units and Parking Spaces 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 or a Development Rights Owner, with respect

to Sponsor's or a Development Rights Owner's utilization, sale or transfer of Excess 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, Parking Unit or Commercial Unit.

(xxvi) to acquire, finance the acquisition of, lease, sublease, license and maintain the Resident Manager's Unit and otherwise deal in any way with respect to such Resident Manager's Unit in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, including without limitation the execution, replacement or refinance of the purchase money mortgage(s) and note(s) with respect to the acquisition of such Resident Manager's Unit from Sponsor including, without limitation, the right to (i) assign to Sponsor and/or the institutional lender as additional collateral for the loan, the Condominium's rights in and to receive future income of all types, including the Common Charges; (ii) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds; (iii) agree to increase Common Charges to the extent necessary to pay the amounts due under the loans; and (iv) agree that Common Charges be treated as trust funds to the extent necessary to make required payments to either Sponsor or the institutional lender.

(xxvii) to prepare, execute and administer Storage Locker Licenses and assignments thereof and to impose license fees and/or Special Assessments in connection therewith, which shall constitute Additional Common Charges.

(xxviii) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-laws.

(xxix) to acquire in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners, Storage Locker Licenses terminated or surrendered to the Condominium.

(xxx) to adjust the First Year's Budget to reduce the Common Charges if the services or facilities are not available at the First Closing.

(xxxi) to take such actions as are necessary to provide for a new exhibit or rotating exhibits for the residential lobby.

(xxxii) to grant the High Line Unit Owner additional rights and obligations as set forth in Article 12 of the Declaration.

(xxxiii) to review materials submitted to the Condominium Board with respect to the resale of Parking Space 1 to a Residential Unit Owner requiring the use of an ADA accessible parking space, and to request additional, reasonable documentation, to determine the qualifications of such Residential Unit Owner, and to select a closing date and independent appraiser with respect to the sale of Parking Space 1 in accordance with the terms of Section 7.15 herein.

(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 Commercial Units shall be made by the Member(s) of the Condominium Board elected or designated by the Residential Unit Owners; and

(ii) Commercial Units and do not materially and adversely affect the use and operation of the Residential Units shall be made by the Member(s) of the Condominium Board designated by such Commercial 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 5 individuals, 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 2 of whom shall be designated by each of the Commercial Unit Owners ("Non-Residential Members"). The High Line Unit Owner shall not be permitted to elect, designate, or vote for a member to the Condominium Board. Except for Members designated by Sponsor and/or the Commercial Unit Owners 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 5 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 7 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 Residential 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. If any Member of the Condominium Board who was designated by Sponsor is removed, the successor shall only be designated by Sponsor. Any Commercial Member of the Condominium Board who was designated by a Commercial Unit Owner may be removed, with or without cause, only by such Commercial Unit Owner. If any Member of the Condominium Board who was designated by a Commercial Unit Owner, is removed, the successor shall also be designated by such Commercial 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 Commercial Unit Owner shall be filled by an individual designated by such Commercial 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 Commercial Units.

(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 Commercial Units.

(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 Premium Payment of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such Premium Paymentories 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 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 Commercial Units). 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 Commercial Units) 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). Notwithstanding anything to the contrary in the Condominium Documents, the High Line Unit Owner shall not be entitled to vote at meetings of Unit Owners.

(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. In addition, a majority of Residential Members of the Condominium Board must be owner-occupants or a member of an owner-occupant's household who are not related to Sponsor or its principals.

(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 Non-Residential Members to the Condominium Board.* Each Commercial Unit Owner (including Sponsor for so long as Sponsor shall own a Commercial Unit) shall be entitled to designate 2 Non-Residential 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 5.8 hereof, but excluding any other Common Elements contained therein) as well as the pool located on the Terrace appurtenant to Unit TH, including the pool liner, all heating, electrical, mechanical equipment, as well as pipes servicing the pool, shall be performed by the owner of such Unit at such Unit Owner's sole cost and expense (except for skylights located in the Unit which shall be performed by the Condominium Board at the sole cost and expense of the Unit Owner, and except for the Parking Units, which shall be performed by the Condominium Board as a Residential Common Expense); and

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board 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 (other than any Residential Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof), including the Storage Locker Area, 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 and the Parking Space Area (which shall be treated as a Residential Limited Common Element for the purposes of Section 5.1) 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).

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. The cleaning of the exterior portion of the glass surfaces of all windows must be performed by a professional window washing company engaged by the Condominium Board, the cost and expense of which shall be borne by all Residential Unit Owners as a Residential Common 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. Each Commercial 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 Commercial 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 5.1 (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.

Section 5.2 *Alterations, Additions, Improvements, or Repairs in and to Units.*

(A) Subject to the terms of paragraph (B) of this Section 5.2, no 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. In addition, each Commercial Unit Owner 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 a Commercial Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of a Commercial Unit, all without the approval of the Condominium Board. Notwithstanding the foregoing, all Unit Owners, including Sponsor and the Commercial Unit Owners, 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) 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 (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner 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 (C) 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.

(E) 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 Certificate of Occupancy or Permanent Certificate of Occupancy for the Building, or any amendment to, or extension of, the Temporary Certificate of Occupancy 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 Certificate of Occupancy or Permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the Temporary Certificate of Occupancy 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 Certificate of Occupancy or Permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the Temporary Certificate of Occupancy 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.

(F) The Parking Space Owners shall not have the right to perform alterations, additions or improvements to their respective Parking Spaces. The Condominium Board may, with the consent of the Parking Space Owners, perform alterations, additions or improvements to the Parking Spaces, the cost and expense of which will be a Special Assessment on the Parking Space Owners.

(G) The High Line Unit Owner shall not have the right to perform alterations, additions or improvements to the High Line Unit, except as otherwise set forth in Article 12 of the Declaration.

Section 5.3 *Alterations, Additions, or Improvements to the Common Elements.*

(A) 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.

(B) The Reserve Fund, if any, may only be used by the Condominium Board for capital repairs, replacements and improvements.

(C) The Working Capital Fund may only be used for (1) the purpose of making repairs or replacements to Residential Common Elements; (2) the Residential share of the cost of repairs and replacements to the General Common Elements; (3) the Residential share of expenses directly related to the operation of the Building; and (4) the payment of closings costs for the Condominium's acquisition of the Resident Manager's Unit.

Section 5.4 *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 5.5 hereof.

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least 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 or Storage Locker, if any);

(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 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-laws, shall be borne by the Unit Owners as a General Common Expense 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, and any Storage Lockers 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 Unit TH will be required to maintain insurance covering the pool located on the Terrace of UnitTH 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 5.5 *Casualty or Condemnation.*

(A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the General Common Elements and/or 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 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be $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 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, its appurtenant 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 Section 5.2 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 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, for Work to the General Common Elements 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 Commercial Unit Owners, to the extent

allocated to destroyed or damaged portions of the Commercial Units, 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 5.5(D) other than the requirements set forth in Section 8.7 of these By-Laws. The provisions of this Section 5.5(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 5.5, 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 5.5, 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 5.5; 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 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 *Use of the Property.*

(A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all 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 Commercial Units, and not as a result of the typical uses for which the Commercial Units may be occupied or for which commercial spaces in similar Building is normally occupied, the Commercial Unit Owners 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 5.7 *Use of the Units.*

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7.

(B) Subject to the terms of paragraphs (C) and (D) of this Section 5.7, each 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 Commercial Unit may be used for any purpose permitted by Law except that a Commercial Unit may not be used for manufacturing, workshop or industrial purposes, the storage of hazardous materials (other than in a de minimis amount for the customary purposes of cleaning), uses involving on-site food preparation, or any use that would pose a health or safety threat or result in excessive noise or noxious odors, dirt or other sanitary problems.. 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 Certificate of Occupancy 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 5.7, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission for the use of any Unsold 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 5.8 *Use of the Common Elements.*

(A) Subject to the terms of paragraphs (B) and (C) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Elements (except for those areas designated as Storage Locker Areas) without 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 5.8 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 5.9.1 *Use of the Storage Lockers.*

(A) Storage Lockers will be located in the Storage Locker Area of the Building. Each Storage Locker will be assigned to a Residential Unit and the purchase of a Residential Unit includes the exclusive right to use the designated Storage Locker appurtenant to such Residential Unit.

(B) A Storage Locker 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, 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 in a Storage Locker. Sponsor shall have the right to use a Storage Locker appurtenant to any Unsold Residential Unit or the Unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of the Unassigned Storage Locker, subject, however, to the provisions of the By-laws. Except for Sponsor and the Condominium Board, a Storage Locker may not be used independently of a Residential Unit.

(C) Residential Unit Owners may not store any property outside of their Storage Locker, or allow any other Person to use the Storage Locker except in accordance with the terms of the Declaration, By-Laws, and Residential Rules and Regulations.

(D) Residential Unit Owners shall be obligated at their sole cost and expense to obtain and maintain insurance covering the Storage Locker in amounts sufficient to cover the property located therein.

(E) 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 Locker.

(F) The Condominium Board and its agents and employees shall have the right, but not the obligation, to open the Storage Lockers in an emergency at any time, and, at other reasonable times upon prior notice to the Residential Unit Owner having ownership of the Storage Locker, to inspect and examine the Storage Locker, and to make any such repairs, replacements and improvements as the Condominium Board shall deem necessary.

(G) The Condominium Board has the authority to promulgate additional rules regarding the use of, insurance coverage for, and access to the Storage Lockers and Storage Locker Areas and the procedures for assigning such Storage Lockers including restrictions on the hours of access and use.

Section 5.9.2 *Use of the Parking Spaces* .

(A) The Parking Spaces will be located in the Parking Space Area of the Building. A Parking Space Owner will be assigned a specific Parking Space.

(B) A Parking Space may be used only for the parking of automobiles and motorcycles ("collectively, "Vehicle"). Sponsor, however, shall have the right to use any unsold Parking Space for any purpose permitted by Law, subject to the provisions of the By-Laws.

(C) Parking Space 1 is ADA complaint. A Residential Unit Owner (or such Residential Unit Owner's successors and assigns) who does not qualify for the use of an ADA compliant Parking Space may own Parking Space 1 ("Original Purchaser"). However, in the event that a Residential Unit Owner who qualifies for the use of an ADA compliant Parking Space wishes to purchase Parking Space 1 for such use ("New Purchaser"), the Original Purchaser will be required to sell Parking Space 1 to the New Purchaser at its then current fair market value ("FMV"). Parking Space 1's FMV shall be based upon the judgment of an independent appraiser, which appraiser shall be selected and mutually agreed upon by Original Purchaser and New Purchaser (and in the event the Original Purchaser and New Purchaser cannot agree within a reasonable timeframe, the independent appraiser shall be selected by the Condominium Board), but in no event will the FMV of Parking Space 1 be less than the purchase price paid by Original Purchaser. New Purchaser shall be responsible for the costs of the independent appraiser's services, along with all transfer taxes resulting from the sale of Parking Space 1. Original Purchaser, and each subsequent owner of Parking Space 1, shall only be subject to these provisions if they do not qualify for the use of an ADA compliant Parking Space. The deed for Parking Space 1, and each subsequent deed for such Parking Space, shall contain a restriction that ownership of Parking Space 1 is subject to these provisions. In no event shall any food or other perishable item, or any flammable or explosive items, 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 in a Vehicle.

(D) Parking Space Owners may not store any property outside of their Parking Space, or allow any other Person to use the Parking Space except in accordance with the terms of the Declaration, By-Laws, and Residential Rules and Regulations.

(E) Parking Space Owners shall be obligated at their sole cost and expense to obtain and maintain insurance covering the Parking Space and the Vehicle and/or any contents contained therein.

(F) 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 Vehicle.

(G) The Condominium Board and its agents and employees shall have the right, but not the obligation, to open any Vehicle in an emergency at any time, and, at other reasonable times upon prior notice to the Parking Space Owner having ownership of the Parking Space, to inspect and examine the Parking Space and the Vehicle, and to make any such repairs, replacements and improvements to the Parking Space Area as the Condominium Board shall deem necessary.

(H) The Condominium Board has the authority to promulgate additional rules regarding the use of, insurance coverage for, and access to the Parking Space and Parking Space Areas and restrictions on the hours of access and use.

Section 5.10 *Rights of Access.*

(A) Each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the Resident 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, and any Storage Locker and Storage Locker Area 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 Residential Unit, Storage Locker 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 Commercial Unit Owners or other occupants of the Commercial Units 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 5.11 *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 Commercial Unit Owner, without the prior written consent of Sponsor or the affected Commercial 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 Commercial Unit and the use thereof, without the prior written consent of the affected Commercial Unit Owner.

Section 5.12 *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 5.13 *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 Commercial Unit Owners as a General Common Expense for such portion attributable to the Commercial Units, 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 5.14 *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: (a) 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 5.15 *Electricity.*

(A) Electricity for each Residential Unit and the Commercial Units (including tenants occupying portions of the Commercial Units) 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 Commercial Units 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 5.16 *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 be a calendar year.

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 Lockers, which shall be levied solely against all Unit Owners owning such Storage Lockers. 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 Commercial Units, 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 Commercial Units, which percentages are deemed presumptive evidence of reasonableness. The Condominium Board may not modify these allocations without the unanimous consent of the Commercial Unit Owners. 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 (exclusive of reserves) are paid by Sponsor. Upon commencement of the collection of Common Charges from all Unit Owners, no assessment will be imposed for any item set forth in the approved budget for the Condominium. The Condominium Board shall remain obligated to update the budget for the Condominium in accordance with Law.

(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 Commercial Units, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure or sale or from the defaulting Commercial Unit Owners 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 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit) pursuant to the terms of Section 5.1, 5.2, or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

(F) Notwithstanding anything contained to the contrary in the Condominium Documents, the High Line Unit Owner will not be assessed Common Charges or Special Assessments by the Condominium Board since the High Line Unit Owner will have minimal usage of Common Elements.

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 Premium Payment 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 STORAGE LOCKER LICENSES

Section 7.1 *General.* Subject to the terms of Section 7.5 hereof, each Residential Unit Owner may (i) sell the Residential Unit together with its assigned Storage Locker 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 OPTION 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) Commercial Unit Owners;

(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 Commercial Unit, together with its Appurtenant Interests.

(E) 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 the High Line Unit, together with its Appurtenant Interests, in the event the High Line Unit is being sold, leased or conveyed to an agency of the City of New York, or to the Friends of the High Line, or any successor not-for-profit entity that provides funding and other assistance related to the operation of the High Line.

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 and (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. 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 Commercial Units.*

(A) The Commercial Unit Owners 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 Commercial 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 Commercial Unit Owners to sell or lease such Unit as provided in paragraph (A) above.

(C) Upon the written request of a Commercial Unit Owner, the Condominium Board shall deliver to such Commercial Unit Owner or any designee, a statement ("Estoppel Certificate") indicating that such Commercial 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 Commercial Unit. In addition, upon the written request of a Commercial 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 Commercial 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 Commercial Unit Owner, under the terms of the Lease but only to the extent of a percentage of the unpaid Common Charges due from the Commercial Unit Owner, equal to the percentage of the total square footage of the Commercial 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 Commercial 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 Commercial Unit holding a first mortgage on

such Commercial 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 Commercial Units, 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 *Assignment of Storage Locker Licenses.*

(A) Except for Sponsor, No Residential Unit Owner shall be permitted to assign, convey or lease any Storage Locker to anyone other than a Residential Unit Owner. A Storage Locker License may be assigned by a Residential Unit Owner at any time (and not subject to any right of first refusal by the Condominium Board) provided (i) the assignee is another Residential Unit Owner at the Condominium; (ii) the assignee assumes the obligations under the Storage Locker License; (iii) notification of the assignment is promptly delivered to the Condominium Board in compliance with its requirements; and (iv) all unpaid Common Charges and Special Assessments and other obligations due to the Condominium have been paid in full.

(B) If the Condominium Board terminates a Storage Locker License or a Residential Unit Owner surrenders a Storage Locker License without assigning the Storage Locker License to another Residential Unit Owner, the Condominium Board shall have the right to issue a new Storage Locker License for the Storage Locker to another Residential Unit Owner, in its sole discretion and the surrendering Unit Owner shall not be entitled to any compensation.

Section 7.14 *Sale or Lease of High Line Unit.*

The High Line Unit Owner may sell, lease or convey the High Line Unit without the consent of the Condominium Board, the Managing Agent, the other Unit Owners or any other Person.

Section 7.15 *Sale of Parking Space 1 .*

In the event that a (1) Residential Unit Owner who qualifies for the use of an ADA compliant Parking Space wishes to purchase Parking Space 1 for such use ("New Purchaser"), and (2) Parking Space 1 is owned by another Residential Unit Owner (or such Residential Unit Owner's successors and assigns) who does not qualify for the use of an ADA compliant Parking Space ("Original Purchaser"), then the New Purchaser can provide written notice to the Condominium Board of its intention to purchase the Parking Space, along with documentation of New Purchaser's qualification for use of the ADA compliant Parking Space ("New Purchaser Notice"). The Condominium Board may request additional, reasonable documentation from New Purchaser with respect to such qualifications. Provided New Purchaser has met the foregoing criteria, no later than sixty (60) days from receipt of the New Purchaser Notice, the Condominium Board shall provide written notification to the Original Purchaser and the New Purchaser of the permitted transfer of Parking Space 1. New Purchaser will be required to sell Parking Space 1 to the New Purchaser at its then current fair market value ("FMV"), on a closing date to be mutually agreed upon by New Purchaser and Old Purchaser. Parking Space 1's FMV shall be based upon the judgment of an independent appraiser, which appraiser shall be selected and mutually agreed upon by Original Purchaser and New Purchaser, but in no event will the FMV of Parking Space 1 be less than the purchase price paid by Original Purchaser. In the event the Original Purchaser and New Purchaser cannot agree on the closing date or the FMV of Parking Space 1 within a reasonable timeframe, the Condominium Board, in its reasonable

discretion, shall make the determination as to the closing date and the identity of the independent appraiser. New Purchaser shall be responsible for the costs of the independent appraiser's services, along with all transfer taxes resulting from the sale of Parking Space 1. Original Purchaser, and each subsequent owner of Parking Space 1, shall only be subject to these provisions if they do not qualify for the use of an ADA compliant Parking Space. The deed for Parking Space 1, and each subsequent deed for such Parking Space, shall contain a restriction that ownership of Parking Space 1 is subject to these provisions.

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 Commercial Unit Owners.

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 Commercial Unit Owners shall give to Sponsor or the Commercial Unit Owners 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 Commercial Unit Owners 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 Commercial Unit Owners, 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 Commercial Unit Owners 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 Commercial Unit Owners, 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 Premium Paymentory 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 Commercial Unit Owners, the Commercial Units 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 5.5 hereof; and

(ii) the terms of Section 5.7 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 Commercial Unit Owners, 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 Commercial Unit Owners, 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 Commercial Unit Owners certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or the Commercial Unit Owners 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 Commercial Unit Owners, unless and until Sponsor or the Commercial Unit Owners 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 these By-laws having an adverse effect on the High Line Unit or the High Line Unit Owner, shall be effective in any respect against the High Line Unit or the High Line Unit Owner, unless and until the High Line Unit Owner shall consent to the same in writing, which consent may be unreasonably withheld, conditioned or delayed.

(D) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) 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.

(E) 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 Commercial Unit or the subdivision of or combination of, or altering of, or improvement to a Commercial Unit and it is contemplated that in connection therewith a Commercial 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 Commercial 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 Commercial Unit Owner, or a Development Rights Owner, solely with respect to utilization, sale or

transfer of Excess Development Rights, as the case may be, then Sponsor, or a Commercial Unit Owner or a Development Rights Owner solely with respect to utilization, sale or transfer of Excess Development Rights, 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 Commercial Unit Owners as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of the Commercial Unit Owners.

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 service entrances or such other 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 service entrances.

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. 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 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. No Residential Unit Owner shall install any plantings on any Terrace or roof without the prior written approval of the Condominium Board. 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 placement of any items on the juliette balconies shall be prohibited. 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. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board and the Managing Agent.

33. Each Residential Unit Owner shall be obligated to heat and cool their respective Residential Units so as to maintain the appropriate temperature and humidity in the Residential Units in order to avoid causing damage to the Common Elements or the Units, including, without limitation, freezing pipes and damage to the wood floors and moldings and also help to mitigate contraction and expansion that can damage such floors and moldings. Protective felt pads and protective sheeting such as plywood or masonite should always be used for furniture or appliances and Residential Unit Owners should not use a wet mop on wood flooring because it can cause warping and cracking. In the event a Residential Unit Owner fails to so maintain the Residential Unit, such Residential Unit Owner may be liable for any damage arising from such failure, including, without limitation, any claims pertaining to environmental hazards such as mold or other bacterial contamination.

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 505 West 19th Street Condominium ("Condominium") and by the street number 505 West 19th Street, New York, New York 10011 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 505 West 19th 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.

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 691 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 (including, but not limited to, the Resident Managers 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;

(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.

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 691 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 HFZ Highline Property Owner LLC ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to:

(a) 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

(b) to effectuate Sponsor's and/or Development Rights Owner's utilization, sale or transfer of all or any portion of the Excess Development Rights, as set forth in the Declaration.

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

Commonwealth
LAND TITLE INSURANCE COMPANY

Policy Number: PROFORMA

OWNER'S POLICY OF TITLE INSURANCE

Issued by

Commonwealth Land 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, COMMONWEALTH LAND TITLE INSURANCE COMPANY, a Nebraska 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.

IN WITNESS WHEREOF, COMMONWEALTH LAND TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

COMMONWEALTH LAND TITLE INSURANCE COMPANY SEAL NEBRASKA

By: _____ President

ATTEST _____ Secretary

Countersigned: _____
Authorized Signature

Commonwealth
LAND TITLE INSURANCE COMPANY

SCHEDULE A

Amount of Insurance: $_____

Policy No. PROFORMA
Title No. NY130381

Date of Policy: _____, 2013

1. **Name of Insured:** _____

2. **The estate or interest in the land which is covered by this policy is:**

   Fee Simple

3. **Title to the estate or interest in the land is vested in the Insured by means of:**

   Deed made by HFZ Highline Property Owner LLC, a Delaware limited liability company to _____, dated _____, 2013 and to be recorded in the Office of the City Register, New York County.

4. **The land referred to in this policy is described on the annexed schedule.**

Commonwealth Land Title Insurance Company

Countersigned: _____
Authorized Officer or Agent

Valid Only if Schedule B and Cover Are Attached

SCHEDULE A - ITEM 4

The Condominium Unit (the "Unit") in the Building known as _____, located at and known as and by street number 505 West 19th Street, New York, New York, designated and described as Unit No. _____ in the Declaration establishing a plan for condominium ownership of said Building and the land upon which it is situate (the "Land") 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, County of New York under CRFN _____, said Unit also being designated as Tax Lot _____ in Block 691 of Section 3 of the Borough of Manhattan, on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the said Building filed in the Real Property Assessment Department of the City of New York as Condominium Plan No. _____ and also filed in the City Register's Office on _____ as Condominium Map No. _____ .

TOGETHER with an undivided _____ percent interest in Common Elements of the Condominium as described in the Declaration.

The land upon which the Building containing the Unit is situate is described as follows:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly line of West 19th Street with the westerly line of 10th Avenue;

RUNNING THENCE westerly and along the northerly line of West 19th Street, a distance of 206 feet 3 inches;

THENCE northerly and parallel with the westerly line of 10th Avenue, 92 feet to the center line of the block between West 19th and West 20th Streets;

THENCE easterly along said center line of the block and parallel with the northerly line of West 19th Street, a distance of 206 feet 3 inches to the westerly line of 10th Avenue; and

THENCE southerly along the westerly line of 10th Avenue, 92 feet to the first mentioned corner at the point or place of BEGINNING.

Policy No. PROFORMA
Title No. NY130381

SCHEDULE B
Exceptions from Coverage

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of the following:

1. Any state of facts which an accurate survey of the building and the unit would show, but policy insures that any encroachments by the Insured Unit on any adjoining Unit or on common areas may remain undisturbed as long as it shall stand.

2. Covenants, conditions, easements, agreements of records, etc., as follows:

   a. Covenants and Restrictions set forth in Deed made by Clement C. Moore to Lorenzo Moses, dated 1/17/1835 and recorded on 1/31/1835 in Liber 322 of Deeds, Page 502

      With respect thereto:

      i. Terms, Covenants, Conditions and Provisions of Modification Agreement made by Clement C. Moore to Lorenzo Moses, dated 12/1/1858 and recorded on 1/7/1859 in Liber 765 of Deeds, Page 590.

      There is no condition or right of re-entry or other provision for forfeiture under which the insured can be cut off, subordinated or otherwise disturbed.

   b. Covenants and Restrictions set forth in Deed made by Clement C. Moore to Benjamin B. Howell, dated 3/20/1835 and recorded on 4/15/1835 in Liber 330 of Deeds, Page 308.

      There is no condition or right of re-entry or other provision for forfeiture under which the insured can be cut off, subordinated or otherwise disturbed.

   c. Covenants and Restrictions set forth in Deed made by Benjamin Moore, sole acting Executor under the Last Will and Testament of Clement C. Moore, deceased to Henry Flaucke, dated 10/18/1866 and recorded on 3/7/1867 in Liber 1005 of Deeds, Page 325.

      There is no condition or right of re-entry or other provision for forfeiture under which the insured can be cut off, subordinated or otherwise disturbed.

   d. Terms, Covenants, Conditions and Provisions of Agreement made between The City of New York and The New York Central Railroad Company, dated 7/2/1929 and recorded on 8/6/1929 in Liber 3736 of Deeds, Page 8.

      With respect thereto:

      i. Terms, Covenants, Conditions and Provisions of Agreement made between The City of New York and The New York Central Railroad Company, dated 6/10/1935 and recorded on 9/9/1935 in Liber 3909 of Deeds, Page 289.

SCHEDULE B - Continued

ii. Terms, Covenants, Conditions and Provisions of Deed made by Robert W. Blanchette, Richard C. Bond and John H. McArthur, as Trustees of the Property of Penn Central Transportation Company (successor to New York Central Railroad Company), Debtor to Consolidated Rail Corporation, dated 3/30/1976 and recorded on 12/15/1978 in Reel 463 Page 1563.

iii. Terms, Covenants, Conditions and Provisions of Deed made by Despatch Shops, Inc. (successor to New York State Realty and Terminal Company) to Consolidated Rail Corporation, recorded on 12/15/1978 in Reel 463 Page 1624.

iv. Terms, Covenants, Conditions and Provisions of Quitclaim Deed made by Consolidated Rail Corporation to New York Central Lines LLC, dated as of 6/1/1999 and recorded on 3/17/2000 in Reel 3067 Page 1110.

v. Terms, Covenants, Conditions and Provisions of Correction Quitclaim Deed made by Consolidated Rail Corporation to New York Central Lines LLC, dated as of 8/24/2004 and recorded on 1/28/2005 under CRFN 2005000056400.

vi Terms, Covenants, Conditions and Provisions of Quitclaim Deed made by CSX Transportation, Inc., successor by merger to NYC Newco, Inc., successor by merger to New York Central Lines LLC to The City of New York, dated as of 11/4/2005 and recorded on 12/1/2005 under CRFN 2005000664404.

There is no condition or right of re-entry or other provision for forfeiture under which the insured can be cut off, subordinated or otherwise disturbed.

e. Terms, Covenants, Conditions and Provisions of Easement Agreement made between New York State Realty and Terminal Company to The New York Central Railroad Company, dated 6/8/1932 and recorded on 6/10/1932 in Liber 3829 of Deeds, Page 383.

With respect thereto:

i. Terms, Covenants, Conditions and Provisions of Modification of Easement Agreement made between New York State Realty and Terminal Company to The New York Central Railroad Company, dated 5/141947 and recorded on 6/13/1947 in Liber 4517 of Deeds, Page 375.

ii. Terms, Covenants, Conditions and Provisions of Deed made by Robert W. Blanchette, Richard C. Bond and John H. McArthur, as Trustees of the Property of Penn Central Transportation Company (successor to New York Central Railroad Company), Debtor to Consolidated Rail Corporation, dated 3/30/1976 and recorded on 12/15/1978 in Reel 463 Page 1563.

iii. Terms, Covenants, Conditions and Provisions of Deed made by Despatch Shops, Inc. (successor to New York State Realty and Terminal Company) to Consolidated Rail Corporation, recorded on 12/15/1978 in Reel 463 Page 1624.

iv. Terms, Covenants, Conditions and Provisions of Quitclaim Deed made by Consolidated Rail Corporation to New York Central Lines LLC, dated as of 6/1/1999 and recorded on 3/17/2000 in Reel 3067 Page 1110.

SCHEDULE B - Continued

v. Terms, Covenants, Conditions and Provisions of Correction Quitclaim Deed made by Consolidated Rail Corporation to New York Central Lines LLC, dated as of 8/24/2004 and recorded on 1/28/2005 under CRFN 2005000056400.

vi Terms, Covenants, Conditions and Provisions of Quitclaim Deed made by CSX Transportation, Inc., successor by merger to NYC Newco, Inc., successor by merger to New York Central Lines LLC to The City of New York, dated as of 11/4/2005 and recorded on 12/1/2005 under CRFN 2005000664404.

Policy insures that exercise of the easement will not materially interfere with the use and occupancy of the improvements located on the premises described in Schedule A herein.

f. Terms, Covenants, Conditions and Provisions of Party Wall Agreement (with Termination of Prior Agreement) made between 359 West 34th Street Inc., Anna Dorry, Emil Dielmann and Emigrant Industrial Savings Bank, dated 12/9/1940 and recorded on 12/13/1940 in Liber 4086 of Deeds, Page 75.

Policy insures that all present and future owners and their heirs, successors and assigns are allowed unlimited unrestricted use of the party wall other than restriction by reason of the mutual easement owners rights, in common and duties for joint maintenance.

g Terms, Covenants, Conditions and Provisions of Easement Agreement made between Tenth Avenue Realty Associates, LP and The City of New York, dated as of 11/4/2005 and recorded on 12/1/2005 under CRFN 2005000664415.

Policy insures that exercise of the easement will not materially interfere with the use and occupancy of the Improvements located on the premises described in Schedule A herein.

h. Terms, Covenants, Conditions and Provisions of Release, Waiver and Consent Not to Sue Agreement made between Tenth Avenue Realty Associates, LP and The City of New York, dated as of 11/4/2005 and recorded on 12/1/2005 under CRFN 2005000664416.

There is no condition or right of re-entry or other provision for forfeiture under which the insured can be cut off, subordinated or otherwise disturbed.

i. Terms, Covenants, Conditions and Provisions of Release, Waiver and Consent Not to Sue Agreement made between CSX Transportation Inc. and Tenth Avenue Realty Associates, LP, dated as of 11/4/2005 and recorded on 12/1/2005 under CRFN 2005000664417.

There is no condition or right of re-entry or other provision for forfeiture under which the insured can be cut off, subordinated or otherwise disturbed.

j. Declaration of Zoning Lot Restrictions dated 12/5/2012 made by 515 West 19th Street, LLC and HFZ Highline Property Owner LLC recorded on 12/14/2012 under CRFN 2012000490230. (Affects Lots No. 24, 25, 27 and 29)

There is no condition or right of re-entry or other provision for forfeiture under which the insured can be cut off, subordinated or otherwise disturbed.

SCHEDULE B - Continued

k. Zoning Lot Development and Easement Agreement dated as of 12/5/2012 made by 515 West 19th Street, LLC and HFZ Highline Property Owner LLC recorded on 12/14/2012 under CRFN 2012000490231. (Affects Lots No. 24, 25, 27 and 29)

There is no condition or right of re-entry or other provision for forfeiture under which the insured can be cut off, subordinated or otherwise disturbed.

Policy insures that exercise of the easement will not materially interfere with the use and occupancy of the improvements located on the premises described in Schedule A herein.

l. Access Easement Volume Agreement dated as of 1/24/2013 by and between HFZ Highline Property Owner LLC and The City of New York recorded on 2/8/2013 under CRFN 2013000055100.

Policy insures that exercise of the easement will not materially interfere with the use and occupancy of the improvements located on the premises described in Schedule A herein.

m. Transfer and Distribution of Floor Area pursuant to Section 98-33(a) of the Zoning Resolution of The City of New York dated as of 2/25/2013 made by HFZ Highline Property Owner LLC, as both transferor and transferee recorded on 3/18/2013 under CRFN 2013000108299.

There is no condition or right of re-entry or other provision for forfeiture under which the insured can be cut off, subordinated or otherwise disturbed.

n. Notice of Zoning Lot Restrictions dated as of 2/25/2013 made by HFZ Highline Property Owner LLC, as both transferor and transferee recorded on 3/19/2013 under CRFN 2013000110328. (Affects Lots No. 25, 27 and 29)

There is no condition or right of re-entry or other provision for forfeiture under which the insured can be cut off, subordinated or otherwise disturbed.

o. Restrictive Declaration dated as of 4/18/2013 made by HFZ Highline Property Owner LLC recorded on 5/22/2013 under CRFN 2013000206628.

There is no condition or right of re-entry or other provision for forfeiture under which the insured can be cut off, subordinated or otherwise disturbed.

p. Restrictive Declaration High Line Transfer of Development Rights dated as of 2/4/2013 made by HFZ Highline Property Owner LLC recorded on 4/25/2013 under CRFN 2013000165657.

With Regard Thereto:

(1) Corrective Restrictive Declaration High Line Transfer of Development Rights dated as of 2/4/2013 made by HFZ Highline Property Owner LLC recorded on 5/102013 under CRFN 2013000191467.

There is no condition or right of re-entry or other provision for forfeiture under which the insured can be cut off, subordinated or otherwise disturbed.

SCHEDULE B - Continued

3. Terms, covenants and conditions set forth in the Declaration of Condominium and By-Laws dated _____ and recorded on _____in _____, but policy insures against loss or damage occasioned by the premises not being a part of a Condominium validly created pursuant to Article 9B of the Real Property Law.

4. Power of Attorney to the Board of Managers to be executed by the purchaser and submitted for recording together with the closing deed.

Commonwealth
LAND TITLE INSURANCE COMPANY

Policy No. PROFORMA
Title No. NY130381

COMMONWEALTH LAND TITLE INSURANCE COMPANY

STANDARD NEW YORK ENDORSEMENT (OWNER'S POLICY)

Attached to and made a part of Policy No. **PROFORMA**

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 on 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.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Dated: __/__/2013

Countersigned:

_____
Authorized Signatory



By: Raymond R. Quirk
President

By: Michael L. Gravelle
Secretary

Commonwealth
LAND TITLE INSURANCE COMPANY

Policy No: PROFORMA
Title No: NY130381

COMMONWEALTH LAND TITLE INSURANCE COMPANY

CONDOMINIUM ENDORSEMENT
-NEW YORK-

Attached to and made a part of Policy No. PROFORMA

The Company insures the Insured against loss or damage sustained by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State of New York.
2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.
3. Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are created by the condominium documents, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the public record and is not excepted in Schedule B. The restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.
4. The priority of any lien for charges and assessments at Date of Policy provided for in the condominium statutes and condominium documents over the lien of any insured first mortgage identified in Schedule A.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements which exist at Date of Policy because of any present encroachments or because of any future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the amount of insurance.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Dated: __/__/2013

Countersigned:

By:_____
Authorized Officer or Agent

COMMONWEALTH LAND TITLE INSURANCE COMPANY NEBRASKA SEAL

By: _____ President

Attest: _____ Secretary

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 Risk 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

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.

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.

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 pr visions of the policy, (ii) modify any prior endorsement, (iii) extend t 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 unenforceable under applicable law, the policy shall be deemed not to include th provision or such part held to be invalid, but all other provisions shall remain in fu force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritte the risks covered by this policy and determined the premium charged therefi in reliance upon the law affecting interests in real property and applicab to the interpretation, rights, remedies, or enforcement of policies of tit insurance of the jurisdiction where the Land is located.
Therefore, the court or an arbitrator shall apply the law of the jurisdictio where the Land is located to determine the validity of claims against th Title that are adverse to the Insured and to interpret and enforce the terms c this policy. In neither case shall the court or arbitrator apply its conflicts c law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insure against the Company must be filed only in a state or federal court within th 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 b given to the Company under this policy must be given to the Company at

Commonwealth Land Title Insurance Company
P.O. Box 45023, Jacksonville, Florida 32232-5023
Attn: Claims Department

COMMONWEALTH LAND TITLE INSURANCE COMPANY



Commonwealth Land Title Insurance Company
P.O. Box 45023, Jacksonville, Florida 32232-5023

HIGH LINE EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT made as of the ___ day of _____, 2013, by and between HFZ HIGHLINE PROPERTY OWNER LLC ("**HFZ**"), a Delaware limited liability company having an address at 600 Madison Avenue, 17th Floor, New York, New York 10022, and THE CITY OF NEW YORK (the "**City**"), a New York municipal corporation having its offices at City Hall, New York, New York.

W I T N E S S E T H:

WHEREAS:

A. HFZ is the owner of certain premises (the "**Premises**") known as 505-511 West 19th Street, New York, New York, in the Borough of Manhattan, City, County and State of New York, also known as Block 691, Lot 29 on the tax map of the City of New York, County of New York and more particularly described on **Exhibit "A"** attached hereto.

B. A portion of the Premises is located within the High Line Transfer Corridor and passed over by the High Line, as such terms are defined in Section 98-01 of the Zoning Resolution of the City of New York, as amended (the **"Zoning Resolution").**

C. HFZ is developing a new first-class primarily residential building (the "**HFZ Building**") on the Premises and intends that the Premises be submitted to a condominium regime in accordance with the provisions of Article 9-B of the New York Real Property Law (the "**Lot 29 Condominium**").

D. The City is the owner of the street and sidewalk abutting the Premises and of the High Line. In connection with the use and development of the High Line by the City, the City desires storage space for the storage of materials used on the High Line.

E. HFZ desires to provide to the City storage space for use in connection with the High Line, and, in connection therewith, desires to construct a storage unit in the Lot 29 Condominium (the "**Storage Unit**") for the Storage Uses (as hereinafter defined) and convey to the City the Storage Unit after the issuance of a temporary certificate of occupancy for the Storage Unit.

F. Prior to the construction of the HFZ Building and the conveyance of the Storage Unit, HFZ desires to convey to the City, and the City desires to accept, an easement in and to the parcel of land on which the Storage Unit will be constructed.

NOW, THEREFORE, in consideration of the sum of One Dollar and other good and valuable consideration, the sufficiency of which is hereby agreed, the parties hereto hereby agree as follows:

1. HFZ hereby grants, conveys and releases to the City an easement (the "**Storage Unit Easement**") in, on and to the parcel of land more particularly described in Exhibit B annexed hereto (the "**Storage Unit Land**") solely for use and construction thereon of a building or portion thereof to be used for storage in connection with the use and development of the High Line (the "**Storage Uses**") subject to the terms and conditions hereinafter set forth. Use by the City of the Storage Unit Easement shall commence on the earlier of (a) the date that a temporary certificate of occupancy is issued by the Department of Buildings of the City of New York (the "**DOB**") for the Storage Unit (the **"Storage Unit TCO"**), and (b) the date that is seven (7) years after the date hereof (the "**CO End Date**") subject to the further provisions of this Agreement. Notwithstanding the foregoing, HFZ shall have the right, at its sole option, to the Unit Conveyance Option as hereinafter set forth.

2. HFZ shall construct the Storage Unit with the dimensions shown on Exhibit C annexed hereto, and a total floor area (as defined in the Zoning Resolution) of 393 square feet (all of such dimensions, the ("**Unit Dimensions**"). Notwithstanding anything to the contrary set forth herein, the exact location of the Storage Unit may vary from the location described in Exhibit B annexed hereto by up to two (2) and the Unit Dimensions may vary by up to five percent (5%) to allow for field conditions and other de minimus changes during construction. HFZ shall construct the interior and exterior walls, ceiling and floors of the Storage Unit at its sole cost and expense, including installation of:

(a) One (1) 20-amp electrical convenience outlet;

(b) One (1) slop sink with dimensions of approximately 24" x 20", with hot and cold water;

(c) One (1) floor drain; and

(d) One (1) manually operated entrance/exit door for the Storage Unit not less than six (6) feet wide and eight (8) feet high.

HFZ shall construct pipes and other systems in the HFZ Building as needed to provide electricity and water to the Storage Unit.

3. The Declaration of Condominium to be submitted to the New York State Attorney General for the Lot 29 Condominium ("the "**Condominium Declaration**") and/or the By-Laws of the Lot 29 Condominium (all of the forging, the "**Governing Documents**") shall include the following provisions:

(a) The board of managers of the Lot 29 Condominium (the "**Condominium Board**") shall have the right to have access to the Storage Unit in order to undertake inspections of the HFZ Building or for repairs or replacement thereto. Such entry shall be permitted on reasonable prior notice based on the nature of the repair or replacement or otherwise but in no event on less than two (2) 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 HFZ Building or for the safety of occupants of the HFZ Building, or other persons, or required to avoid the suspension of any necessary service in the HFZ Building).

(b) The Storage Unit Owner and the occupants and users of the Storage Unit shall have no right to use any of the common elements of the Lot 29 Condominium (as more particularly defined in the Governing Documents) except the electricity and water service provided to the Storage Unit.

(c) The Storage Unit may not be divided so as to create two condominium units, except with the consent of the Board of Managers, in its sole discretion.

(d) All uses of the Storage Unit shall conform with all applicable laws, statutes and ordinances, including, without limitation, all building codes, flood regulations, zoning regulations and environmental laws, and the written orders, rules, regulations, directives and requirements of any federal, New York State, New York City or other municipal or quasi-public body, agency, court, department, officer or authority having jurisdiction over the Lot 29 Condominium.

(e) The Storage Uses shall not include, and the Storage Unit Owner shall not be permitted to do any of the following:

(i) operate machinery in front of or within 200 feet of the doors to the Storage Unit in connection with the use of the

Storage Unit (but this is not intended to in any way affect the City's operation of the streets or the High Line within said 200 foot distance);

(ii) allow the Storage Unit to be used or occupied for the use, storage, production or generation of Hazardous Materials (as hereinafter defined) in violation of Hazardous Materials Law(s) (as hereinafter defined) (except for standard cleaning and other products that are in containers and commonly used in residential buildings or sold in retail establishments and are maintained in accordance with applicable law); or

(iii) engage in activities in or around the Storage Unit that (X) would result in an adverse impact on the safety or operation of the HFZ Building or on the safety of the owners of the other units in the Lot 29 Condominium, (Y) cause any noise, odors, fumes or other impacts outside of the Storage Unit that would adversely affect the use of the HFZ Building as a first-class residential condominium in Manhattan, or (Z) that comprise a public or private nuisance.

(f) The owner of the Storage Unit (the "**Storage Unit Owner**") shall not at any time have any obligation to pay any common charges or special assessments

assessed against the owners of other units in the Lot 29 Condominium or otherwise in accordance with the provisions of the Governing Documents.

(g) The Storage Unit Owner shall not have any voting rights with respect to the Condominium or any percentage interest allocated to the Storage Unit.

(h) The Governing Documents may not be amended, except to a de minimis extent, so as to negatively affect the rights or obligations of the Storage Unit Owner except with the consent of the Storage Unit Owner, in its sole discretion.

(i) There shall not be any limit on the days or hours that the Storage Unit may be used.

(j) The Condominium Board and the owners of all other units in the Lot 29 Condominium shall be responsible for all charges for electricity, heat, hot water, sewerage and security and for all other public or private utility services which shall be used, rendered or supplied upon or to the Storage Unit; provided, however, that the cost of any telephone service used in connection with the Storage Unit shall be the responsibility of the Storage Unit Owner. Notwithstanding anything to the contrary contained herein, no gas shall be provided to the Storage Unit.

(k) If the Storage Unit is owned by other than the City of New York, the Storage Unit Owner shall, at all times, keep and maintain, at its sole cost and expense, commercial general liability insurance, covering claims for bodily injury, death, and property damage on or about the Storage Unit or otherwise resulting from the use and

operation of the Storage Unit, which insurance shall name the Condominium Board as an additional insured on a primary non-contributing basis.

(l) The Condominium Board shall keep and maintain the exterior of the Storage Unit in good condition and repair, and shall keep the sidewalk in front of the Storage Unit reasonably clean, including removal of snow, in the same manner as it cleans all other sidewalks abutting the Lot 29 Condo.

(m) The Storage Unit Owner shall give to the Condominium Board the customary condominium power of attorney, which shall be consistent with the powers of attorney granted by all other owners of condominium units in the Lot 29 Condominium.

(n) The Storage Unit may be used only for the Storage Uses and for no other purposes.

(o) No signs shall be permitted on the exterior of the Storage Unit.

For the purposes hereof: "Hazardous Material(s)" means any petroleum and petroleum products, flammable explosives, radioactive materials (excluding radioactive materials in smoke detectors), biohazards and medical waste, polychlorinated biphenyls, lead, asbestos in any form that is or could become friable, hazardous waste, toxic or hazardous substances or other related materials whether in the form of a chemical, element, compound, solution, mixture or otherwise, including, but not limited to, those materials defined as "hazardous substances," "extremely hazardous substances," "hazardous chemicals," "hazardous materials," "toxic substances," "solid waste," "toxic chemicals," "air pollutants," "toxic pollutants," "hazardous wastes," "extremely hazardous waste," or "restricted hazardous waste" by Hazardous Materials Law or regulated by

Hazardous Materials Law in any manner whatsoever. Hazardous Materials shall not include any customary cleaning solutions as long as same are stored and used as required by applicable Law.

"Hazardous Materials Law(s)" means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other binding governmental requirements now or hereafter enacted or in force, and any court judgments applicable to a Unit Owner or to the Premises relating to industrial hygiene or to environmental or unsafe conditions or to human health including, but not limited to, those relating to the generation, manufacture, storage, handling, transportation, disposal, release, emission or discharge of Hazardous Materials, those in connection with the construction, fuel supply, power generation and transmission, waste disposal or any other operations or processes relating to the Premises, and those relating to the atmosphere, soil, surface and ground water, wetlands, stream sediments and vegetation on, under, in or about a particular Unit.

4. The City shall have the right (i) to transfer jurisdiction over the Storage Unit to any agency of the City, including but not limited to the Department of Parks and Recreation, and (ii) to convey the Storage Unit to Friends of the High Line or other not-for-profit entity that succeeds to its role in providing funding and other assistance related to the operation of the High Line. In the event that the City desires to convey the Storage Unit to any person or entity other than the Friends of the High Line, the Condominium Board shall have a right of first refusal to purchase the Storage Unit in accordance with the provisions of the Governing Documents applicable to all unit owners in the Lot 29 Condominium.

5. HFZ shall, within sixty (60) days after the later to occur of (i) the issuance by the DOB of the Storage Unit TCO and (ii) the first closing of the sale of a residential

condominium unit in the Lot 29 Condominium, convey fee title to the Storage Unit to the City (the "**Unit Conveyance Option**") by deed (the "**Unit Deed**"), substantially in the form of Exhibit D attached hereto. HFZ shall cause the Unit Deed to be recorded in the Office of the Register of New York County, indexed against the Storage Unit. The City shall cooperate with HFZ and shall execute all transfer tax questionnaires, forms and other documents required in connection with the recording of the Unit Deed in the Office of the Register of the City of New York.

6. The Storage Unit Easement granted herein shall terminate automatically upon the delivery of the Unit Deed, without any further acts or documents of the parties. Notwithstanding the foregoing, upon delivery of the Unit Deed, the City shall execute a Termination of Easement, substantially in the form of Exhibit E attached hereto, to confirm the termination of the Storage Unit Easement. Notwithstanding anything to the contrary contained herein, if the Unit Deed has not been executed by the CO End Date, the City shall have the right, commencing on the CO End Date, to enter upon the Storage Unit Land and construct on the Storage Unit Land, at the cost and expense of HFZ, a one-story building with dimensions not greater than the Unit Dimensions (the "**Storage Building**") to use for the Storage Uses and for no other purpose (the "**City Construction Condition**"). In the event of the City Construction Condition, (i) the Storage Unit Easement shall not terminate but shall be an exclusive perpetual easement, and (ii) HFZ shall reimburse the City, within thirty (30) days of demand therefor, for all costs and expenses incurred by the City in constructing the Storage Unit.

7. To the fullest extent permitted by law, the City shall indemnify, defend and hold HFZ, and its lenders, contractors, officers, directors, agents and employees, harmless (except for loss or damage resulting from the tortious acts of such other parties) from and against

any and all damages, liabilities, losses, demands, reasonable costs, claims, and reasonable expenses (including reasonable attorneys' fees) in connection with any loss of life, personal injury and/or damage to property, arising out of or caused, wholly or in part, by any negligence or intentional misconduct of the City related to the Storage Unit Easement granted herein, or any breach by the City of this Agreement. This indemnity does not include consequential or punitive damages.

8. No covenant or agreement contained herein shall inure to the benefit of any party other than to the City and HFZ, their respective heirs, distributees, successors and assigns, and any mortgagee of Premises which may become a "mortgagee-in-possession," a purchaser who acquires title to the Premises through a foreclosure proceeding or a "deed in lieu of foreclosure" or their respective heirs, distributees, successors and assigns, except as otherwise specifically provided herein.

9. Except as may be otherwise expressly provided in this Agreement, any bills, statements, notices, demands, requests, approvals, consents or other communications given or required to be given under or in connection with this Agreement ("Notices") shall be effective only if (a) in writing, (b) (i) delivered by hand; or (ii) sent by nationally recognized overnight courier services for next day delivery; and (c) addressed as follows:

If to HFZ: HFZ Highline Property Owner LLC
c/o HFZ Capital Group
600 Madison Avenue, 17th Floor
New York, New York 10022
Attention: Ziel Feldman

and to: HFZ Highline Property Owner LLC
c/o HFZ Capital Group
600 Madison Avenue, 17th Floor
New York, New York 10022

Attention: Laurie Golub, Esq.

with a copy to: Kramer Levin Naftalis & Frankel LLP
1177 Sixth Avenue
New York, New York 10036
Attention: Paul D. Selver, Esq.

If to the City:

Each Notice shall be deemed to have been rendered or given (i) on the date delivered, if delivered by hand, or (ii) on the next business day, if sent by nationally recognized overnight courier for nest day delivery. Either party may at any time change the address for Notices to such party by giving a Notice as aforesaid. A Notice may be given by either party or such party's attorney.

10. This Agreement shall be recorded in the Office of the City Register for New York County, at the cost and expense of HFZ.

11. All of the grants, interests, easements, covenants, agreements and conditions contained in this Agreement:

(a) shall run with the lands and buildings affected and the parties' respective interests therein;

(b) shall inure to the benefit of and be binding upon every party having any right, title or interest therein or any part thereof and the heirs, distributees, successors and assigns of any such party, and any mortgagee of such party which may become a "mortgagee-in-possession", a purchaser who acquires title to the Storage Unit Land

through a foreclosure proceeding or a "deed in lieu of foreclosure" or their respective heirs, distributees, successors and assigns;

(c) shall, to the extent rights hereunder are assigned to the holder of any mortgage encumbering any of the properties affected by this Agreement or any interest therein, be enforceable by any such assignee as provided under any such mortgage or documents ancillary thereto; and

(d) shall bind any third party who shall acquire any interest whatsoever in the Premises, whether from a party hereto or its heirs, legal representatives, successors or assigns, and such third party's interest shall be subordinate to the provisions of this Agreement as if such third party had been a signatory to this Agreement.

12. Notwithstanding anything to the contrary contained herein, the City shall look only to HFZ's then estate in the Storage Unit Land, including insurance proceeds if applicable, for the satisfaction of its remedies, and no other property or assets of HFZ or its principals, officers, directors, trustees, members and partners disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of the City's remedies hereunder.

13. This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, but all of which taken together shall be construed as and shall constitute but one and the same instrument.

14. . If any term of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or

the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law, with the parties hereto covenanting nonetheless to negotiate in good faith, in order to agree upon the terms of a mutually satisfactory provision to be substituted for the term or provision which is void or unenforceable.

[SIGNATURE LINES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

HFZ HIGHLINE PROPERTY OWNER LLC

By:_____
Name:
Title:

THE CITY OF NEW YORK

By:_____
Name:
Title:

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

June 11, 2013

HFZ Highline Property Owner LLC
c/o HFZ CAPITAL GROUP
600 Madison Avenue; 17th Floor
New York, NY 10022

Re: **505 West 19th Street Condominium**

Gentlemen:

In connection with the offering of condominium units under a plan entitled Condominium Offering Plan for 505 West 19th 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 Unit Owner will hold title to his Unit and an undivided interest in the Common Elements of the Property in fee simple. Under New York State law, each Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes. Each Unit Owner may place a separate mortgage on his 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 Unit Owner's Residential 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 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 505 West 19th 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 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 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 Units within the project is used by individuals for residential purposes. Units that are used for purposes auxiliary to residential use are considered as used for residential purposes. These auxiliary purposes include laundry areas, storage rooms, and areas used by maintenance personnel. A special limitation is established for transient use. No building or Unit will be considered as used for residential purposes if, for more than one half the days in the Association's taxable year, such Unit or building is occupied by a person or series of persons each of whom occupies the Unit or building for less than thirty days.

You have advised us that less than 85% of the total square footage of the Premises will be used by individuals for residential purposes. Accordingly, the "substantially all" test will not be met. As a result, it is our opinion that the Association will not be eligible to elect tax-exempt status under Code Sec. 528.[1]

Since the Association will not initially qualify as a tax exempt organization pursuant to Code § 528, the Association may be taxable as a corporation or partnership for federal income tax purposes.[2]

This opinion deals only with the specific tax matters discussed above, which do not necessarily comprise all tax matters which may be significant to purchasers of Units. 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

---

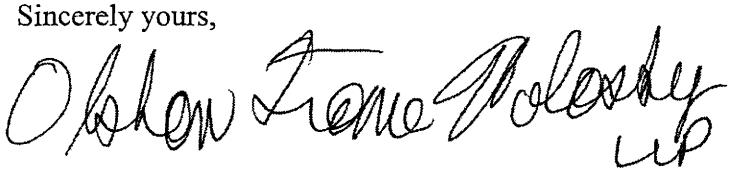
[1] If in the future the Association does meet the substantially all test and elects tax treatment under Code Sec. 528, all amounts received by the Association as exempt function income will be exempt from federal income tax. This consists of amounts received as membership dues, fees, or assessments from owners of Residential Units. However, the Association would 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 or from Commercial Unit Owners, 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.

[2] Pursuant to Income Tax Regulations, Section 301.7701-2 and 3, the Association may be able to elect to be treated as a corporation for federal income tax purposes if it files Form 8832 with the IRS within 75 days of its formation. If such election is not made, then the Association may be treated as a partnership and all Unit Holders would pay tax on their proportionate share of the income of the Association.

under the laws of any foreign jurisdiction. Accordingly, it is recommended that each prospective purchaser of a 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 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

REAL ESTATE TAX PROJECTION OPINION

MARCUS & POLLACK LLP

ATTORNEYS AT LAW

INCLUDING PROFESSIONAL CORPORATIONS

708 THIRD AVENUE

11TH FLOOR

NEW YORK, NY 10017-4112

(212) 490-2900

FAX: (212) 599-3167

www.marcuspollack.com

taxappeal@marcuspollack.com

JOEL R. MARCUS

ROBERT M. POLLACK

PHILIP H. AZARIAN

BRUCE A. BRASKY

May 29, 2013

HFZ Highline Property Owner, LLC
c/o HFZ Capital Group
600 Madison Avenue, 17th Floor
New York, NY 10022

Re: 505 West 19th Street
Manhattan, Block 691 Lots 25, 27, & 29

Dear Sir/Madam:

You have requested that we project the real estate tax liability for the residential and commercial condominium units to be created upon completion of the construction of a new ten story residential condominium building. Upon completion of construction, the New York City Department of Finance ("DOF") will apportion the existing tax lots into separately assessed residential and commercial condominium tax lots.

Since tax year 1982/1983, Real Property Tax Law §1805(3) has mandated that increases in assessed valuation must be phased in over a five year period, resulting in a Transitional Assessed Value. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitations, or additions of square feet to existing structures) changes directly into the taxable assessed valuation without the five-year phase-in. The Actual Assessed Value is the target value which will be reached at the end of the five year period, assuming the assessment is not increased in the interim. Taxes are payable based upon the lower of the two values, known as the Billable Assessed Value.

The total Actual (target) and Transitional Assessed Valuations for the subject property for the most recent tax year are set forth as follows:

Tax Lots	Tax Years	Actual Assessment	Transitional Assessment
25	2013/14	$281,250	$276,000
27	2013/14	$246,150	$244,200
29	2013/14	$587,700	$492,160

You have advised us of the following facts regarding this project:

1. The project will be the development of a new residential condominium building at 505 West 19th Street. Upon completion of the development, there will be thirty five (35) separately assessed Residential Condominium dwelling units with accessory use and residential common element space containing approximately 102,633 gross square feet, and two (2) Retail Commercial Condominium units containing approximately 10,985 gross square feet. The garage area in this project containing approximately 800 gross square feet with three (3) spaces for purchase by residents in a separate unit. The total gross square feet of the project is 114,418 gross square feet on ten floors.

2. The site which comprises the subject property currently consists of the tax lots identified on the New York City Department of Finance records as Block 691, Lots 25, 27, and 29 in Manhattan.

3. The construction is estimated to commence on June 10, 2013 and is projected to be completed by December 31, 2014. For the purposes of this analysis, we estimate that the property will be assessed as if the property was complete on January 5, 2015. As the estimated completions dated would occur prior to the tax status date for tax year 2015/2016, i.e., January 5, 2015, we estimate the 2015/2016 tax year should therefore be the first tax year in which the City's assessment roll reflects the value of the completely developed building.

4. Once construction has been completed, the property will consist of a single condominium building with separately assessed condominium tax lots for each condominium dwelling unit.

5. The first year of condominium operation is scheduled to extend from January 1, 2015 through December 31, 2015. As this period corresponds with the City's 2014/2015 and 2015/2016 tax assessment years, real estate taxes due for the first year of condominium operation will therefore be based on the assessed value of the residential and commercial tax lots for six (6) months of tax year 2014/15 and six (6) months of tax year 2015/2016. The 2014/2015 assessed valuations will reflect a building in the process of construction which has not yet been completed.

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 decrease the variations in operating expenses for residential 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. 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.

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 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 unit within a condominium by 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 assessed valuation among the units for the purpose of computing the portion of the condominium building's total assessed valuation that will be allocated to the residential or commercial units within the condominium building.

Reconciliation of the three approaches to valuation discussed above, including review of the tentative 2013/2014 assessed valuations for the current tax year for recently renovated residential apartment building throughout Manhattan, justifies an estimated overall Actual Assessed Valuation for the entire condominium building (including "land" and "building") upon completion of

construction of $14,874,340 or approximately $130 per square foot and we estimate the taxable Assessed Value of $14,405,200. The assessed value of the completed condominium building would first be reflected on the City's 2015/2016 tax assessment roll.

For our projections, we have placed preference to the Comparable Assessment Study. The Comparable Assessment studies generally indicate that the City's assessment is of newly constructed condominiums are often lower than what would normally be indicated by the capitalization of income method.

The most recent and currently available tax rate for tax year (2012/2013), for residential real property is 13.181% and for commercial property is 10.288%. For purposes of the following projections, we have assumed that these overall rates will remain in effect for the 2014/2015, 2015/2016, and 2016/2017 tax years. The estimated taxes payable during tax years 2014/2015, 2015/2016, and 2016/2017 for the residential and commercial condominium units as defined above, are projected as below:

Estimated Taxes Payable During Tax Year 2014/2015 – During the Course of Construction:

Pursuant to Section 11-209 of the New York City Administrative Code, properties in the course of construction as of the January 5 taxable status date and not ready for occupancy by the following April 15, are entitled to a "Progress Assessment" wherein only the land is to be assessed for real estate taxes. Inasmuch as construction commenced in June 2013 prior to the January 5, 2014 taxable status date for the 2014/15 tax year, the condominium will not be ready for occupancy by April 15, 2014 and the 2014/15 assessed valuation will be a land only Progress Assessment.

The total land only estimated actual assessed valuation for the 2014/15 assessment roll is estimated at $1,897,000. We have projected a land only billable assessment of $1,271,480 for 2014/15. It is estimated that for tax year 2014/15 the property will be assessed as a single residential tax lot and will not be subdivided into condominium tax lots. The assessed valuation will be multiplied by the Tax Class 2 tax rate for residential properties. For purposes of this analysis, we have applied the estimated overall Tax Class 2 rate for 2014/15 of 13.181% for the residential property to arrive at the estimated 2014/15 liability.

Estimated Taxes Payable During Tax Year 2015/2016 – Upon Completion of Construction:

For purposes of this analysis, we have estimated that as of the January 5, 2015 taxable status date governing the 2015/2016 assessment roll, the building will be assessed as a complete building and the total Actual Assessed Value of 505 West 19th Street, inclusive of the residential and commercial condominium units before the apportionment, to be $14,874,340 and the estimated total billable Assessed Value to be $14,405,200.

Estimated Taxes Payable During Tax Year 2016/2017

For purposes of this analysis, we have estimated that as of the January 5, 2016 taxable status date governing the 2016/2017 Assessment Roll, the total Actual Assessed Value of 505 West 19th Street, inclusive of the residential and commercial condominium units to be $14,874,340 and the estimated total billable Assessed Value before the apportionment to be $14,561,580.

We estimate taxable assessment for each condominium component after apportionment based upon each components proportionate share of the total gross square feet as follows;

	Percent Share	2014/15 Billable Assessment	2015/16 Billable Assessment	2016/17 Billable Assessment
Residential Component:	89.0922%	$1,132,790	$12,833,910	$12,973,232
Retail Component:	4.51484%	$ 57,405	$ 650,372	$ 657,432
Retail Component:	5.5341%	$ 70,365	$ 797,198	$ 805,852
Garage Component:	.8553%	$ 10,920	$ 123,720	$ 125,064

Estimated Real Estate Taxes for the First Year of Condominium Operation – January 1, 2015 through December 31, 2015

For the first year of condominium operation covering the period of January 1, 2015 through December 31, 2015, we project that the real estate taxes will be based on six (6) months of tax year 2014/15 and six (6) months of tax year 2015/16. Thus for the first year of condominium operation the estimated real estate tax liability for the condominium will be as follows:

Residential Component

January 1, 2015 to June 30, 2015
(6 months of tax year 2014/15)
$1,132,790 x 13.181% / 12 x 6 = $74,657

July 1, 2015 to December 31, 2015
(6 months of tax year 2015/16)
$12,833,910 x 13.181% / 12 x 6 = $845,819
Residential component first year estimated real estate taxes = $920,476

Retail Component – Unit 1

January 1, 2015 to June 30, 2015
(6 months of tax year 2014/15)
$57,405 x 13.181% / 12 x 6 = $3,783

July 1, 2015 to December 31, 2015
(6 months of tax year 2015/16)
$650,372 x 10.288% / 12 x 6 = $33,455
Retail component Unit 1 first year estimated real estate taxes = $37,238

Retail Component – Unit 2

January 1, 2015 to June 30, 2015
(6 months of tax year 2014/15)
$70,365 x 13.181% / 12 x 6 = $4,637

July 1, 2015 to December 31, 2015
(6 months of tax year 2015/16)
$797,198 x 10.288% / 12 x 6 = $41,008
Retail component Unit 2 first year estimated real estate taxes = $45,645

Garage Component

January 1, 2015 to June 30, 2015
(6 months of tax year 2014/15)
$10,920 x 13.181% / 12 x 6 = $720

July 1, 2015 to December 31, 2015
(6 months of tax year 2015/16)
$123,720 x 10.288% / 12 x 6 = $6,364
Garage component first year estimated real estate taxes = $7,084

We note once again, that the first year of condominium operation is projected to fall within part of tax year 2014/15 prior to completion of the construction. Real estate taxes in the second year of condominium operation will be higher reflecting twelve (12) months of taxes to be assessed on an estimated fully completed building in operation for tax years 2015/16 and 2016/17 based upon the projected completion date of December 2014.

Estimated Real Estate Taxes for the Second Year of Condominium Operation – January 1, 2016 through December 31, 2016

For the second year of condominium operation covering the period of January 1, 2016 through December 31, 2016 the estimated real estate tax liability for the condominium will be as follows:

Residential Condominium Component

Residential component second year estimated real estate taxes = $1,700,820

Retail Condominium Component – Unit 1

Retail component Unit 1 second year estimated real estate taxes = $67,273

Retail Condominium Component – Unit 2

Retail component Unit 2 second year estimated real estate taxes = $82,461

Garage Component

Garage component second year estimated real estate taxes = $12,797

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 substantially 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.

MARCUS & POLLACK LLP

We hereby consent to the inclusion of this letter in the Offering Plan.

Very truly yours,

Marcus & Pollack LLP

MP:sl

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 HFZ Highline Property Owner 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 505 West 19th Street Condominium and located at 505 West 19th Street, New York, New York 10011 ("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 (as such term is defined in the Attorney General's regulations) 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 (as such term is defined in the Attorney General's regulations). 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.

ESCROW AGENT shall not represent SPONSOR in any dispute arising with respect to the Deposit, except pursuant to a separate engagement letter. In such event, SPONSOR agrees to pay ESCROW AGENT for services rendered by its attorneys and paralegals and expenses incurred by ESCROW AGENT in connection with 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: _____
Name: Allan Starr, Esq.
Title: Partner

SPONSOR:

HFZ HIGHLINE PROPERTY OWNER LLC

By: _____
Name: Ziel Feldman
Title: Authorized Signatory

CERTIFICATION OF SPONSOR AND PRINCIPALS

CERTIFICATION OF SPONSOR AND PRINCIPAL

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

Re: Condominium Offering Plan
505 West 19th Street Condominium
505 West 19th Street
New York, New York 10011

We are the sponsor and the principal 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.

SPONSOR:

HFZ HIGHLINE PROPERTY OWNER LLC

By: _____
Name: Ziel Feldman
Title: Authorized Signatory

PRINCIPAL OF SPONSOR:

_____
Ziel Feldman

Severally sworn to before me
this 19th day of December, 2013

_____
Notary Public

CHRISTINE M. IOVINO
Notary Public- State of New York
No. 01106260404
Qualified in Queens County
My Commission Expires April 30, 2016

00022549.DOCX

CERTIFICATION OF ARCHITECT



Goldstein, Hill & West Architects, LLP

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

December 6, 2013

Re: Condominium Offering Plan
505 West 19th Street Condominium
505 West 19th Street
New York, New York 10011

The sponsor of the condominium offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). We examined the building plans and specifications that were prepared by us dated January 31, 2013 and prepared the Report dated October 31, 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/licensed engineer 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 construction, provided that construction is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

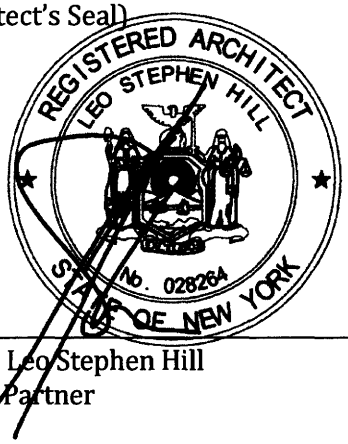
We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Sworn to before me this
6th day of December, 2013

Notary Public

SEAN DAWSON
NOTARY PUBLIC-STATE OF NEW YORK
No. 01DA6178763
Qualified in New York County
My Commission Expires December 10, 2015

Goldstein, Hill & West Architects, LLP
(Architect's Seal)



By: _____
Name: Leo Stephen Hill
Title: Partner

CERTIFICATION OF BUDGET EXPERT

HALSTEAD
PENMARK

PART 20: CERTIFICATION BY EXPERT AS TO
ADEQUACY OF CONDOMINIUM BUDGET

June 11, 2013

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

Re: Condominium Offering Plan
505 West 19th Street Condominium
505 West 19th Street
New York, New York 10011

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B and review Schedule B-1 (collectively, "Schedules") containing projections of income and expenses for the first year of condominium operation. Halstead Penmark Management LLC has been engaged in the management of residential real estate for many years, manages approximately 85 cooperative and condominium buildings and is licensed as a real estate broker 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 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;

HALSTEAD
PENMARK

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income 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.

Penmark Management LLC

By: _____
Name: Leslie Bogen Winkler
Title: Senior Vice President

Sworn to before me this
11th day of June, 2013

_____
Notary Public

LYNA M. SANDAU
NOTARY PUBLIC, STATE OF NEW YORK
NO. 486263
CERTIFICATE FILED IN NEW YORK COUNTY
COMMISSION EXPIRES SEPTEMBER 11, 2014

CERTIFICATION OF BUDGET EXPERT
AS TO ADEQUACY OF COMMON CHARGES
PAYABLE BY THE NON-RESIDENTIAL UNIT OWNERS

HALSTEAD
PENMARK

PART 20: CERTIFICATION BY EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER

June 11, 2013

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

Re: Condominium Offering Plan
505 West 19th Street Condominium
505 West 19th Street
New York, New York 10011

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B which includes projections of common charges payable by the owner of the commercial unit. Halstead Penmark Management LLC has been engaged in the management of residential real estate for many years, manages approximately 85 cooperative and condominium buildings and is licensed as a real estate broker 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 the commercial unit listed in Schedule B.

We have reviewed Schedule B as it impacts upon the commercial 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 commercial unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial 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 commercial unit:

(i) sets forth in detail the projected common charges for the commercial 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 of the commercial unit;

(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;

HALSTEAD
PENMARK

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial 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.

Penmark Management LLC

By: _____
Name: Leslie Bogen Winkler
Title: Senior Vice President

Sworn to before me this
11th day of June, 2013

_____
Notary Public

LYNA M. SANDAU
NOTARY PUBLIC, STATE OF NEW YORK
NO. 486263
CERTIFICATE FILED IN NEW YORK COUNTY
COMMISSION EXPIRES SEPTEMBER 11, 2014

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.

