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THIS PLAN HAS BEEN AMENDED. SEE INSIDE COVER.

CAST IRON HOUSE

SHIGERU BAN

CONDOMINIUM OFFERING PLAN
CAST IRON HOUSE CONDOMINIUM
67 FRANKLIN STREET
NEW YORK NY 10013

13 RESIDENTIAL UNITS: $103,300,000.00

THE CONDOMINIUM WILL ALSO INCLUDE A NON-RESIDENTIAL UNIT, WHICH IS NOT BEING OFFERED FOR SALE AT THIS TIME.

SPONSOR
361 BROADWAY ASSOCIATES HOLDINGS, LLC
c/o KNIGHTSBRIDGE PROPERTIES CORP.
68 THOMAS STREET
NEW YORK NY 10013

SELLING AGENT
CORCORAN SUNSHINE MARKETING GROUP
888 SEVENTH AVENUE
NEW YORK NY 10106
212 634 6500

FILING DATE OF THIS OFFERING PLAN: MARCH 28, 2014.
THIS OFFERING PLAN MAY NOT BE USED AFTER MARCH 27, 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		19
DEFINITIONS		26
DESCRIPTION OF PROPERTY AND IMPROVEMENTS		33
LOCATION AND AREA INFORMATION		38
SCHEDULE A – PURCHASE PRICES OF UNITS AND RELATED INFORMATION		41
SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION		47
SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET		63
OPINION OF COUNSEL RE: REAL PROPERTY LAW SECTION 339-I		69
REAL PROPERTY LAW SECTION 339-I COMPLIANCE LETTER		73
NON-RESIDENTIAL UNIT		77
CHANGES IN PRICES AND UNITS		81
USE AND OCCUPANCY AGREEMENTS		83
PROCEDURE TO PURCHASE		84
ESCROW AND TRUST FUND REQUIREMENTS		89
ASSIGNMENT OF OPTION AGREEMENTS		93
EFFECTIVE DATE		94
TERMS OF SALE		95
CLOSING COSTS AND ADJUSTMENTS		98
RIGHTS AND OBLIGATIONS OF SPONSOR		106
CONTROL BY SPONSOR		119
CONDOMINIUM BOARD		121
RIGHTS AND OBLIGATIONS OF UNIT OWNERS		122
RIGHTS AND OBLIGATIONS OF THE CONDOMINIUM BOARD/ SUMMARY OF BY-LAWS		133
INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM		139
REAL ESTATE TAXES		141
WORKING CAPITAL FUND AND APPORTIONMENTS		142
RESERVE FUND		144
MANAGEMENT AGREEMENT		145
IDENTITY OF PARTIES		147
REPORTS TO UNIT OWNERS		150
DOCUMENTS ON FILE		150
GENERAL		151
SPONSOR'S STATEMENT OF BUILDING CONDITION		152

TABLE OF CONTENTS

PART II

Section		Page
DESCRIPTION OF PROPERTY AND IMPROVEMENTS		155
ZONING LOT DEVELOPMENT AND EASEMENT AGREEMENT		187
FLOOR PLANS		211
OPTION AGREEMENT		249
UNIT DEED		281
DECLARATION OF CONDOMINIUM		289
BY-LAWS OF THE CONDOMINIUM		329
UNIT POWER OF ATTORNEY		391
UNIT OWNER'S SPECIMEN TITLE POLICY		395
ATTORNEY'S INCOME TAX OPINION		407
REAL ESTATE TAX PROJECTION OPINION		413
FORM W-8 (CERTIFICATION OF FOREIGN STATUS)		421
FORM W-9 (REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)		425
ESCROW AGREEMENT		429
CERTIFICATION OF SPONSOR AND PRINCIPALS		439
CERTIFICATION OF ARCHITECT		443
CERTIFICATION OF BUDGET EXPERT		447
CERTIFICATION OF BUDGET EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE NON-RESIDENTIAL UNIT OWNER		451
REAL PROPERTY LAW SECTION 339-kk		455
PROTECTING YOUR FAMILY FROM LEAD IN YOUR HOME		459

PART I

CONDOMINIUM OFFERING PLAN

CAST IRON HOUSE CONDOMINIUM
67 FRANKLIN STREET
NEW YORK, NEW YORK 10013

SPECIAL RISKS

Sponsor Control of the Condominium Board

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

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

(c) During the Initial Control Period, Sponsor will designate a majority of the Residential Members and shall have voting control of the Condominium Board. Therefore, Sponsor will have control of the maintenance and operation of, and the services to be provided by, the Condominium, and will determine the Common Charges to be paid by all Unit Owners. Sponsor may continue to exercise veto power over certain actions of or contemplated by the Condominium Board after the Initial Control Period. For so long as Sponsor shall continue to own Unsold Residential Units representing at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Common Charges or Special Assessment for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees from those described in the First Year's Budget, or (d) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's Budget, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business, or (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services, facilities or any line items set forth in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary and no other alternative is available to enable the Condominium Board to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer; or (iv) to ensure the health and safety of the occupants of the Building.

(d) 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.

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

Purchase of a Condominium Unit

2. (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 purchase the Unit is referred to as an Option Agreement. The 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. 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) 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.

(d) 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) 6 months 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.

(e) 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: (i) 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.

(f) 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.

(g) 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.)

(h) 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.)

(i) 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 0.03% 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.)

(j) 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.)

(k) Unit Upgrade Funds will initially be placed in the Master Escrow Account. However, Purchasers should note that such 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 any 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.)

Conveyance of Title

3. In the event of the existence of any lien, encumbrance or title defect other than Permitted Encumbrances which Sponsor fails or refuses to correct, the sole remedy of Purchaser under the Plan, provided Purchaser is not then in default, will be to either (i) take title to the Unit subject to the title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (ii) terminate the 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 Right to Rent Unsold Residential Units

4. (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

5. 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.)

Reserve Fund and Working Capital Fund

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

(b) The contingency provided for in Schedule B – First Year's Budget is intended to provide a fund for unanticipated expenses not included in the budget and for possible increases in operating

expenses above the amounts projected if the Working Capital Fund is not sufficient to cover such costs. The contingency is not intended and may not be sufficient to meet the cost of any major capital repairs or replacements which may be required. If additional funds are required to meet such costs, it may be necessary for the Condominium Board to increase Common Charges or impose Special Assessments.

(c) Each Purchaser of a Residential Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium. Such contribution, to be made at the time of Closing, shall be in an amount equal to 2 months' Common Charges with respect to the Residential Unit based on the Condominium's budget in effect as of the Closing Date of the Unit. The payment of the Working Capital Contribution shall be required of all Purchasers of Residential Units, whether purchased from Sponsor or on a resale.

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

Foreign Government Purchaser

7. Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (.i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the 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 deposit with the Condominium an amount equal to 2 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.)

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 fund its obligations set forth in the Plan. However, 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 can be 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 amenity areas) 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 elevators, will be restricted during the period that Sponsor is completing substantial renovation 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. In addition, the staff of the Condominium will be supervised by a non-resident superintendent.

Sponsor anticipates, but does not guarantee, that the superintendent will be engaged as of the First 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. (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 ("PCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), 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 TCOs and PCOs are issued by the Buildings Department. A TCO 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 TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO 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 TCO rather than a PCO. Sponsor anticipates this scenario may occur. Sponsor and its principal will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a PCO covering the entire building within two years from the date of the issuance of the first TCO, 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 and its principal make no representation or guarantee that the Buildings Department will issue the PCO within such two year period. Notwithstanding the foregoing, Sponsor and its principal are obligated to procure the PCO for the entire building, and shall exercise best efforts to obtain the PCO within such two year period while keeping the TCO current. Unit Owners and the Condominium Board shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings. Sponsor and its principal shall not be responsible for any costs or liabilities suffered by Unit Owners on account of delays in obtaining the PCO 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 PCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principal are obligated to procure the PCO. 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 PCO has been obtained.

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

(b) No Closing of a Residential Unit will occur prior to the issuance of a Temporary 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" Residential 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" Residential 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 few years of Condominium operation, construction workers and related personnel will be at the Building from time to time, completing construction of the Building, making adjustments and corrections and performing various tasks relating to the completion of construction. During this period, various building systems, including but not limited to, water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require substantial time to be completed after the First Closing. With regard to the foregoing, in executing an 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 major mechanical equipment, including, but not limited to, elevator machine rooms, fans, pumps, hot water storage tanks, condensing units (collectively, "Equipment") located in the sub-cellar, cellar, mezzanine and roof of the Building. While Sponsor is

endeavoring to reduce excessive noise and vibration emanating from the Equipment, which noise and vibration levels will be in compliance with Law and applicable codes, it is impossible to eliminate it entirely and, therefore, Residential Units and Common Elements in close proximity may be affected. Purchasers should note that subsequent to the First Closing, the Condominium Board and/or the Non-Residential 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 any 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.)

Non-Residential Unit

12. (a) An affiliate of Sponsor has entered into a long-term lease ("Lease") with T.D. Bank, N.A. ("T.D. Bank") for a portion of the Non-Residential Unit to be used as a retail bank branch and/or for the sale, provision and/or management of insurance, financial and/or investment services, and any other similar or incidental services offered by retail bank branches or financial services institutions. The use under the Lease contemplates, without limitation, the installation of an ATM with card-key access to the space, night depositories and other uses typical for bank branches. The Lease is for a twenty (20) year term with the right to extend the term for up to another twenty (20) years (in four (4) increments of five (5) years each). The Lease is to commence upon the fulfillment of specified conditions, including the granting of certain approvals and permits from the New York City Landmarks Preservation Commission, the Buildings Department, and T.D. Bank's own Board of Directors but not before June 1, 2014. The Lease will be subject and subordinate to all present and future underlying leases and mortgages, if any, and to the Declaration of Condominium.

(b) Other than the aforementioned Lease, no further representation is made with respect to who any future owners or tenants of all or any portion of the Non-Residential Unit may be at any time or as to the uses to which the Non-Residential Unit may be put at any time. Every use of the Non-Residential Unit, including use by T.D. Bank, may result in increased noise, fumes, traffic or other disturbances over which the Residential Unit Owners will have no control. The Non-Residential Unit may be used for any purpose permitted by Law, but may not be used for any of the following: (A) abortion clinic; (B) (i) any obscene or pornographic use, activity or performance, (ii) any sexually suggestive or sexually oriented use, activity or performance in each case which is distasteful or inappropriate, or (iii) the distribution or sale, rental or viewing of sexually explicit materials, sexually explicit live performances or pornographic goods; (C) any overtly violent use, activity or performance in each case which is distasteful or inappropriate; (D) dry cleaning and/or laundry store (but a drop off dry cleaning store and/or an "organic" (non- chemical) process dry cleaner is permitted); (E) restaurant, bar, tavern, nightclub or similar establishment; (F) the sale of alcoholic beverages or establishments with the sale of alcoholic beverages, the sale of food or beverages other than (a) the de minimis provision of complimentary (i.e., not for sale) non-alcoholic beverages exclusively for the benefit of the customers or a user of a Non-Residential Unit, (b) the sale of non-perishable packaged candy, gum and similar goods within a retail establishment for consumption outside such Retail Unit user's demised premises, which sale of goods is not the primary use employed by such user (except with respect to the sale of such goods within a "themed" retail establishment whose "theme" is the branding of such goods (i.e., the sale of M&Ms within the retail establishment commonly known as the "M&M Store")), is ancillary to, and does not detract from, such retail use and serves a broader first-class retail concept, and (c) the provision of complimentary (i.e., not for sale) (except in connection with a fund-raising event with respect to

which neither Non-Residential Unit Owner or user derives any profit from such sale) food and beverages by third party caterers exclusively for the benefit of the customers of a retail user and served at occasional special events that are intended to promote or market such user's business within the demised premises; (G) foreign governments and/or any other entity or person that is entitled to sovereign immunity; (H) military recruitment office; (I) manufacturing; (J) any use that would violate any laws or the certificate of occupancy for the Property or any portion thereof; (K) a casino or gambling establishment (but the foregoing shall not be construed as to prohibit the incidental sale of lottery tickets that is related to the business of a retail user (e.g., a newsstand); (L) use for any political or sociopolitical purpose or agenda (including, without limitation, the lobbying or campaigning for any political or sociopolitical purpose, agenda, image, slogan, message or ideology); (M) any use involving the storage, sale or repair of automobiles, motorcycles or other motor vehicles or parts; (N) any use involving the storage of petroleum products; (O) movie theater (other than a screening room or screening area provided by a retail user within its demised premises that displays content that is related to the use employed by such user, which screening room or screening area is not the primary use employed by such retail user and does not detract from the use employed by such user); (P) bowling alley; (Q) miniature golf course; (R) video arcade; (S) playground or jungle gym; (T) any use involving the sale of paraphernalia related to illegal drugs or substances; (U) any use involving or utilizing a loudspeaker system, phonograph or other sound system or advertising devise that projects noise outside of the Non-Residential Unit in a manner or at a decibel level that is inappropriate taking into consideration the Operating Standard; (V) any so-called head shop or other establishment which stocks, displays, sells, rents or offer for sale or rent any drug-related paraphernalia or merchandise or material commonly used or intended for use with or in consumptions of any narcotic, dangerous drug or other controlled substance, including without limitation, any hashish pipe, water pipe, bong, cilium, pipe screens, rolling papers, rolling devices, coke spoons or roach clips excluding any establishment for which the sale of such products constitutes a de minimis space in such establishment; (W) selling, leasing or displaying new or used automobiles, trucks, trailers, or recreational vehicles; (X) automotive parts, lube and oil or repair shop; (Y) bingo or similar games of chance; (Z) check cashing store (except as is typical in connection with the operation of a financial services institution); (AA) church, mosque, temple or other place or religious worship or meeting hall; (BB) dumping, disposing, incinerating or reducing of garbage (exclusive of dumpsters for temporary storage of garbage and any garbage compactors, in each case which are regularly emptied so as to minimize offensive odors); (CC) any establishment manufacturing, assembling, displaying or selling fireworks, ammunition or explosives; (DD) flea market; (EE) funeral home or establishment or mortuary; (FF) any so-called gentlemen's club featuring topless waitresses, nude dancing or private "one-on-one" booth or rooms; (GG) illicit non-therapeutic massage parlor; (HH) off-track betting parlor or other gambling facility; (II) pawn shop; (JJ) psychic, hypnotist, tarot card or palm reading business; (KK) any business practicing satanic or cult ritualistic activities including so called "devil worship," black magic or rites of passage involving self-mutilation or degradation; (LL) substance abuse rehab or detoxification recovery center; (MM) unemployment agency service or commission; (NN) tattoo parlor.

(c) T.D. Bank, as a tenant, and any subsequent owner and/or tenant or occupant of the Non-Residential Unit (subject to Sponsor's prior written consent in each subsequent instance provided Sponsor continues to own an Unsold Unit) shall have the right and easement, at its sole cost and expense and with on-going maintenance and repair obligations: (i) for ingress and egress through all Common Elements for the purpose of accessing any portion of such Non-Residential Unit or any portions of the Building servicing such Non-Residential Unit; (ii) to alter, modify, and/or restore the exterior façade of the Building adjacent to such Non-Residential Unit (including storefronts and windows of such Non-Residential Unit); (iii) to erect, maintain, replace and/or repair any sign (including illuminated signage) and/or lighting of such size and content as the Non-Residential Unit Owner shall determine, in the storefronts, windows and on the exterior façade adjacent to such Non-Residential Unit for the purposes of advertising the sale or lease of all or any portion of such Non-Residential Unit and/or operation of any business of a tenant or occupant of such Non-Residential Unit; (iv) to create additional means of ingress and egress from the sidewalks or street to such Non-Residential Unit; and (v) to use the sidewalks adjacent to such Non-Residential Unit for any purposes permitted by Law, including without limitation, food and beverage services and the placement of

outdoor seating, tables, lighting and signage on such sidewalks adjacent thereto provided the entrances to the Building are not impeded by such use. The foregoing notwithstanding, the exercise of all such privileges hereunder shall be in compliance with Law and the terms and conditions of the Declaration and By-Laws. Each Non-Residential Unit Owner shall be entitled to utilize such rights and easements for their own account or the account of their respective Permitted Users.

(d) The Non-Residential Unit may be subdivided (and subsequently recombined) by the Non-Residential Unit Owner into two or more separate condominium units without prior notice and without amendment to the Plan. Additionally, any Non-Residential Unit created as a result of such subdivision will retain the same rights afforded the Non-Residential Unit Owners as set forth herein. The Non-Residential Unit or any additional condominium units created as a result of a subdivision of a Non-Residential 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.

(e) Certain budgeted items (See the "Notes to Schedule B" for details) are allocated between the Residential Units and the Non-Residential 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 Non-Residential Unit Owners.

(f) See the Section of the Plan entitled "Non-Residential Unit" for details.

Apportionments with the Condominium

13. 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

14. 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 install, maintain, repair and replace, as necessary, the following shade ("Required Window Treatment") on all windows in the Residential Unit, all at the Residential Unit Owner's sole cost and expense.

Sun Shades:

Product: Phifer Sheerweave 2390 series fabric

Color: Oyster (P12)

Black-Out Shades:

Product: Phifer Sheerweave 7000 series fabric

Color: White (P62)

In the event the Required Window Treatment is not available at such time of initial installation or replacement, the Residential Unit Owner must obtain prior written approval from the Condominium Board with respect to replacements of such Required Window Treatment.

Effectiveness of the Plan

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

Option Agreement Not Contingent on Financing and Mortgage Tax Credit

16. (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 around June 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.

(d) 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. Alternatively, Sponsor may require, in its sole discretion, that a Purchaser, who is financing the purchase of the Residential Unit with a purchase money loan secured by a mortgage (the "Purchase Money Mortgage"), must cause the lender making such loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Purchase Money Mortgage as determined by Sponsor. Upon such assignment, the Purchase Money Mortgage will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor will be solely entitled to the benefits of any mortgage tax credit which Purchaser receives as a result of such assignment. Accordingly, at the Closing, Purchaser will pay to Sponsor an amount equal to the mortgage

recording tax which would have otherwise been due in connection with the recording of the Purchase Money Mortgage.

Special Rights of Sponsor

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

(c) During the Initial Control Period, the Condominium Board shall have the right, in its sole discretion, to waive Unit Owner obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided the basic operating costs of the Condominium (inclusive of insurance premiums and reserves required by lenders) are paid by Sponsor. If the Condominium Board elects to waive payment of Common Charges pursuant to the foregoing, Sponsor shall disclose such waiver of Common Charges and the expected period of time of such waiver of Common Charges ("Waiver Period") in the post-closing amendment to the Plan. 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. Any such material and adverse modification, addition or change will be reflected in a duly filed amendment to the Plan. 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 a Non-Residential Unit Owner unless the affected Non-Residential 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

18. Lot line windows exist on the 7th, 8th and 9th floors on the south wall 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). Such cost is currently estimated to be approximately $1,000.00 per window. Sponsor makes no representation or guarantee 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

19. 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

20. (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 side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit; or separating one Unit from stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit; or to the corridor side of the walls separating one unit from corridors; or to the exterior side of the opposite exterior walls. Each Unit is measured vertically from the top of the finished floor to the underside of the ceiling. Each terrace is measured from the outside face of the parapet to the outside face of the building or centerline of terrace privacy screens.

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

Window Guards

21. 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.)

Vault Space

22. (a) The sub-cellar and cellar contain an appurtenant vault space ("Vault Space") owned by the City of New York ("City"). The Vault Space on the sub-cellar level contains the individual Storage Lockers designated for the exclusive use of each Residential Unit, a storage room for the Building, the water room consisting of the steam room and sauna and a portion of the fitness center which is designated as a dance/yoga room. A portion of the Vault Space on the cellar level will be used by the Non-Residential Unit Owner. The City has the right to repossess the entire Vault Space or any portion thereof, in which event the Residential Unit Owners and /or Non-Residential Unit Owner, as may be applicable, will not have use of those areas, amenities and/or the Storage Lockers, as may be applicable and will no longer have the right to utilize the applicable portion of the Vault Space. In such event, the Condominium Board, at its option, may elect to move such Storage Locker or amenity to a different location in the Building, however, Sponsor makes no representation or guarantee that such substitute location will be available.

(b) Purchasers will be required to consummate the purchase of the Residential Unit at Closing even if access to the Storage Locker Area in which the Storage Locker is located is not yet available. In such event, Purchasers will not be able to use the Storage Locker until access is available. 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.

Subway Tunnel

23. A New York City subway tunnel and track run beneath the street adjacent to the Property ("Subway Tunnel"). Sponsor makes no representation as to the level of noise or vibrations, if any, that may occur as a result of the Subway Tunnel.

Certification of Sponsor and Principal

24. Consistent with a recent First Department decision, the principal of Sponsor expressly disclaims 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 such principal's execution of the Certification of Sponsor and Principal, 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).

Lead-Based Paint and/or Lead-Based Hazards

25. Under applicable Federal and local law, lead-based paint can no longer be used in the construction of a building. Under Federal Law, Sponsor must provide Purchasers with all available

records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of the Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead-based paint. In accordance with the terms of the rider annexed to the Agreement, Purchasers have the right to inspect their Residential Units for the presence of lead-based paint. While Sponsor has, to the best of its knowledge, received no specific reports regarding lead based paint in the Building, given the age of the Building and the widespread use of lead-based paint in preceding decades, it can be assumed that there is lead-based paint present in the Building. In addition, there are numerous layers of paint on the walls of the original building. Sponsor makes no representation as to the existence or non-existence of lead-based paint within the walls. Prospective purchasers are advised that, in the event they remove sheetrock at any time in the future, they may be responsible for removing and abating lead-based paint in accordance with applicable Law at their sole cost and expense. Set forth in Part II. See the Sections of the Plan entitled "Procedure to Purchase" and "Sponsor's Statement of Building Condition" and the Agreement set forth in Part II of the Plan for further details.

Access to Roof

26. Building mechanical equipment will be located on the roof. The roof will be accessed by the Condominium Board, Managing Agent, Sponsor, building staff and each of their Permitted Users by exiting the elevator on the 7th floor which opens into the common vestibule appurtenant to Unit 6B. Such access to the roof may result in increased foot traffic and noise in the common vestibule appurtenant to Unit 6B. The Unit Owner of Unit 6B shall be prohibited from placing any items in the common vestibule which would prevent access through same.

Building Name and Address

27. Sponsor is in the process of obtaining the necessary approvals to use 67 Franklin Street as the address of the Building. If such approval is not granted, the address of the Building will be changed and such change will be reflected in a duly filed amendment to the Plan.

Marketing Materials

28. 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 Residential 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. In addition, marketing materials may designate or label or use nomenclature to describe certain areas or rooms within Residential Units that differs from the designations utilized on the Floor Plans of the Residential Units set forth in Part II of the Plan, including, without limitation, closets, hallways, dens/media rooms and powder rooms. The use of such designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver such areas or rooms designed or fitted out in the manner depicted or implied in the marketing materials.

Zoning Lot Development and Easement Agreement; Additional Development Rights

29. Pursuant to a Zoning Lot Development and Easement Agreement ("ZLDA"), dated as of September 26, 2002, between Sponsor and 361 ZLDA LLC, a Delaware limited liability company ("361 ZLDA LLC"), and a deed recorded immediately prior to the recording of the ZLDA, 361 ZLDA LLC owns (in fee): (a) the volume of air bounded on four sides by the property lines of the Land above the Limiting Plane (which is defined as the horizontal plane 55 feet above the highest point on the roof of the

building on the Land on that date) ("Airspace"); and (b) all of the 361 Development Rights and Additional 361 Development Rights as described in the ZLDA (collectively, the "361 Development Rights"). The Airspace and the 361 Development Rights are not included in the Property and neither the Sponsor, the Condominium Board nor any Unit Owner has or shall have any right or interest in the Airspace or in the 361 Development Rights. Furthermore, the Property is subject to the ZLDA (and amendments thereto) and all subsequent owners and parties in interest with respect to the Property, including the Sponsor, the Condominium Board and the Unit Owners, are bound by the terms and provisions of the ZLDA. The contemplated development of the Property does not violate the terms of the ZLDA.

The ZLDA sets forth certain rights and restrictions relative to the Property and the Airspace, including, but not limited to, the following:

- 361 ZLDA LLC has exclusive ownership of the Airspace (with the exception that there is granted a permanent easement benefitting the Property to encroach upon and within the Airspace at any time after all the 361 Development Rights have been transferred to one or more parcels of land to which a transfer is permitted under the Zoning Resolution and pursuant to the terms of the ZLDA);

- 361 ZLDA LLC, is entitled to transfer the 361 Development Rights in accordance with the Zoning Resolution, and Sponsor is obligated to cooperate with 361 ZLDA LLC in connection therewith, at the sole cost and expense of 361 ZLDA LLC; and

- 361 ZLDA LLC, however, does not, as the owner of the Airspace, have any easement of support (from the Property) benefitting the Airspace, and, thus, the Airspace is not susceptible of being independently developed or improved. This circumstance reflects the intention of the parties, i.e., that the separate fee ownership of the Airspace by 361 ZLDA LLC was intended as nominal ownership, effected merely as a means of facilitating 361 ZLDA LLC's ownership of the 361 Development Rights, until such time as the same may be transferred to one or more parcels of land to which a transfer is permitted under the Zoning Resolution and the terms of the ZLDA.

The ZLDA, in Section 8 thereof [entitled "Tax Assessment"], provides that "until 361 [ZLDA LLC] so elects, no applications shall be made to have the Property divided into two separate tax lots" (the term "Property" as used in the ZLDA refers, collectively, to the Property, as defined herein, and the Airspace).

Sponsor (having previously obtained the approval of the New York City Department of Buildings required therefor) submitted an application (the "Subdivision Application") to the New York City Department of Finance ("DOF") requesting that the DOF effect a tax lot subdivision of the then-existing tax lot encompassing both the Property and the Airspace (designated as Block 174, Lot 31) (the "Existing Tax Lot"), which would remove the Airspace from the Existing Tax Lot, by the creation of a new tax lot (the "New Airspace Lot") comprised solely of the Airspace, thereby leaving the Property as the only property within the Existing Tax Lot. The DOF approved the Subdivision Application and assigned the New Airspace Lot the designation of "Block 174, Lot 9031" (the "Subdivision"). The long standing policy of DOF is that air parcels such as the New Airspace Lot (sometimes referred to as "9000 lots") are not the subject of tax assessment and thus not taxed.

Sponsor has taken the following positions with respect to (i) Section 8 of the ZLDA, (ii) Sponsor's submission of the Subdivision Application to the DOF, (iii) DOF's eventual effectuation of the Subdivision, and (iv) any claim that 361 ZLDA LLC might have against Sponsor under Section 8 of the ZLDA based on Sponsor's submission of the Subdivision Application to the DOF:

(a) Section 8 of the ZLDA contemplates and should only apply to, a tax lot subdivision of the two properties (i.e. the Property and the Airspace) which separates them into separate "tax lots" for "tax assessment" purposes. Accordingly, the provision should not apply to the Subdivision because the New Airspace Lot is not subject to tax assessment.

(b) The ZLDA's principal purpose was to allocate development rights appurtenant to the single zoning lot which consists of the Property and Airspace. In addition, the ZLDA, as in most other zoning lot development agreements, contains other provisions (like the provision in Section 8 of the ZLDA) which are secondary to this principal purpose and executory in nature, and their terms do not provide for any specific remedies for the breach thereof. Accordingly, as to such provisions, if a breach occurs, the remedies of the non-breaching party against the breaching party are limited to those generally available at law or in equity. In almost all cases, the remedy for a breach of the provision will be limited to a claim for its damages arising out of the breach. A breach of the provision in Section 8 of the ZLDA should not (i) result in (x) termination of the ZLDA or any part thereof, or (y) any forfeiture of the development rights allocable to the Property, or (z) any restrictions on the use of such development rights by the owner(s) of the Property, or (ii) otherwise affect title to the Property or any portion thereof.

(c) Without limiting the foregoing provisions of subsection (b) above in any respect, the prospective recording of the Declaration will be entirely unaffected by any breach of Section 8 of the ZLDA.

(d) In summary, either (i) the Sponsor's submission of the Subdivision Application did not result in a breach of Section 8 of the ZLDA, or (ii) the same did result in a breach of such section, but the breach is unlikely to result in any legal action being brought by 361 ZLDA LLC based thereon, or, if any such legal action is brought, such action is unlikely to result in any substantive remedy in favor of 361 ZLDA LLC. The last conclusion is based mostly on the view that 361 ZLDA LLC will not be able to prove any damages by reason of either Sponsor's submission of the Subdivision Application or the DOF's approval thereof.

Notwithstanding the Sponsor's positions delineated in subsections (a)-(d) above, if 361 ZLDA LLC commences any action based upon an actual or alleged breach of Section 8 of the ZLDA by Sponsor, then any such action could name one or more of Sponsor, the Condominium Board and the Unit Owners as parties in interest. In such event, Sponsor will defend and indemnify the Condominium Board and the Unit Owners with respect to any such action.

Sponsor makes no representation and does not guarantee that the ZLDA will or will not be modified at some future date. Purchasers shall be entitled to a right of rescission for any change to the ZLDA that results in a material and adverse change to the Plan.

Purchaser should refer to the ZLDA, a copy of which is set forth in Part II of the Plan, for further details.

Sponsor does not anticipate that any Additional Development Rights (with the exception of the 361 Development Rights reserved unto 361 ZLDA LLC under the ZLDA) will remain upon completion of the Building. However, if the applicable provisions of the Zoning Resolution change in the future, such changes may generate additional transferable development rights which are not and will not be included in the Property. If any Additional Development Rights are generated, a proportionate percentage of such Additional Development Rights shall inure to the benefit of Sponsor with the remainder inuring to the benefit of 361 ZLDA LLC pursuant to the ZLDA. Those Additional Development Rights which inure to the benefit of Sponsor shall remain the exclusive property of Sponsor and shall not inure to the benefit of the Condominium Board or any Unit Owner, who may be obligated to cooperate with Sponsor in realizing its ownership objectives. Notwithstanding the foregoing, Additional 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.

If the 361 Development Rights and/or any Additional Development Rights inure to the benefit of 361 ZLDA LLC or if any current or Additional Development Rights are transferred to an adjoining premises, the light and air of the Building and views from Units and/or Terraces may be adversely affected. In addition, if 361 ZLDA LLC does transfer Development Rights, as a result of the Landmark designation of the Property, the New York City Landmarks Preservation Commission ("LPC") may require, in addition to any existing LPC requirements, the issuance of a special permit which special permit may impose certain obligations on the Condominium regarding alterations and other work to the Building, the associated costs and expenses of which shall be borne by 361 ZLDA LLC.

First Closing

30. Sponsor anticipates that the First Closing of a Residential Unit will occur on or around June 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 unit occurs later than May 31, 2016, 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 around June 1, 2015, the Sponsor may schedule the closings of title to other units significantly later than such date. Unless a Purchaser's Purchase 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 such 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.

INTRODUCTION

Nature of the Transaction

361 Broadway Associates Holdings, LLC ("Sponsor") is a limited liability company organized and existing under the laws of the State of Delaware. 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 Cast Iron House Condominium and located at 67 Franklin Street, New York, New York 10013 ("Property"). The Property was originally acquired by 361 Broadway Associates, LLC, an entity affiliated with Sponsor, on September 26, 2002 from Blackacre First/Broadway LLC, SM First/Broadway LLC, LWH First/Broadway LLC and AF First/Broadway LLC (collectively, "Prior Owner") and subsequently deeded by 361 Broadway Associates, LLC to Sponsor. Sponsor was deeded the Property on October 29, 2013.

The principal of Sponsor who will be actively involved in this offering is Jourdan E. Krauss. (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) 13 Residential Units and (b) 1 Non-Residential Unit. The Residential Units and the Non-Residential Unit are collectively referred to as the "Units."

The Offering Plan

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

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

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

In addition, Sponsor has filed with the Department of Law, Exhibits to the Plan which, along with the Plan, constitute the entire offer of Sponsor. Copies of the Plan and all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the Plan shall be available for inspection by prospective Purchasers and their attorneys without charge and for copying at a reasonable charge by any Person who shall have purchased a Unit offered by the Plan at the Sales Office and available for inspection and copying at the office of the Department of Law. A prospective Purchaser may borrow the Plan upon payment of a $200 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition or (ii) the execution by the prospective Purchaser of 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 substantially renovated. Based upon the current construction schedule, Sponsor contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about June 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.

Storage Lockers

Each Purchaser of a Residential Unit will have the exclusive use of a designated Storage Locker, located in the Vault Space. The City has the right to repossess the entire Vault Space or any portion thereof, in which event the Residential Unit Owner of any Storage Locker, as may be applicable, will no longer have the right to utilize the applicable Storage Locker. The Storage Lockers shall be treated as Residential Limited Common Elements. The Storage Locker assigned to each Residential Unit is designated on the Floor Plans set forth in Part II of the Plan.

Purchasers will be required to consummate the purchase of the Residential Unit at Closing even if access to the Storage Locker Area in which the Storage Locker is located is not yet available. In such event, Purchasers will not be able to use the Storage Locker until access is available.

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 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 received a construction loan from Deutsche Bank Trust Company Americas, 60 Wall Street, 10th Floor, New York, New York 10005 ("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 (i) limit Sponsor's rights with respect to renting rather than selling Units or (ii) require Sponsor to enter into a specific minimum number of Purchase Agreements prior to declaring the Plan effective. The construction loan documents require Sponsor to meet certain minimum release prices prior to the Construction Lender's release of its lien against each Residential Unit.

Basic Aspects of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home in the case of a Residential Unit, and a building in the case of a Non-Residential 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 Non-Residential Unit Owners to mortgage Non-Residential 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 Non-Residential Unit Owner(s) to designate members of the Condominium Board, as set forth in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." When voting for members of the Condominium Board, each Residential Unit Owner shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Residential Unit per Residential Member to be elected.

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

Each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to any lien arising from the non-payment of real estate taxes assessed against other Units. In the opinion of Tax Counsel to Sponsor, which opinion is set forth in full in Part II of the Plan, a Residential Unit Owner who itemizes deductions may be eligible, under current Law, to deduct from income for income tax purposes, real estate taxes and interest paid on the Unit Owner's mortgage, subject to certain exceptions and limitations discussed in the "Attorney's Income Tax Opinion" set forth in Part II of the Plan. (See the Section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" for details.)

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

The cost of operating the Condominium will be borne entirely by the Unit Owners in accordance with allocations set forth in the "Schedule B – Projected Budget for First Year of Condominium Operation." As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Condominium Board determines, the Condominium Board will assess Unit Owners for Common Charges to meet Common Expenses. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or Residential Common Expenses attributable to Residential Unit Owners only. Common Charges will be assessed against Residential Unit Owners in the same proportion their respective Residential Units bears to the aggregate Common Interests of all Residential Units. The estimated Common Charges for each Unit for the First Year of Condominium Operation are set forth in Schedule A. Purchasers are obligated to pay monthly Common Charges pursuant to the Condominium Act (RPL Sections 339 (i) and (m)).

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

The Residential Common Interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Residential Unit bears to the aggregate Common Interests of all of the Residential Units in the Condominium.

Certain budgeted items (See the "Notes to Schedule B" for details) are allocated between the Residential Units and the Non-Residential Unit on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements. The Condominium Board may not modify these allocations without the unanimous consent of the Non-Residential Unit Owner(s). 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 Non-Residential Unit Owner(s) are sufficient to cover the expenses fairly attributable to the Non-Residential Unit(s). 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 Unit, any Residential Limited Common Elements appurtenant thereto, including the Storage Lockers, as well as liability insurance with respect to occurrences in or about the Unit, any Residential Limited Common Elements appurtenant thereto, including the Storage Lockers. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-Laws. (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 2 months' Common Charges assessed against the Residential Unit at Closing. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

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

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

discretion, grants permission for such use. Use and occupancy of the Residential Unit shall be subject to the Residential Rules and Regulations of the Condominium which may be amended from time to time.

A Storage 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.

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 a Non-Residential 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.

The Interstate Land Sales Full Disclosure Act, 15 U.S.C. §§1701 et seg. ("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 is fully exempt from all registration and disclosure requirements under §1702(a) of the Act, inasmuch as its provisions do not apply to the sale or lease of lots (units) in a subdivision containing less than twenty-five units. Since the Condominium will consist of 13 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:

"361 Development Rights" shall mean the rights to (a) the volume of air ("Airspace") bounded on four sides by the property lines of the Land above the Limiting Plane which is defined in the ZLDA as the horizontal plane above the Building which is fifty-five (55) feet above the highest point on the roof of the Building as of the date of the ZLDA which is owned by 361 ZLDA LLC in fee; and (b) all of the 361 Development Rights and Additional 361 Development Rights as described in the ZLDA.

"Additional 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. Additional Development Rights are subject to the terms and provisions of the ZLDA.

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

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

"Building" shall mean the building located at 67 Franklin Street, New York, New York 10013.

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

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

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

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

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

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

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve, or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); and (iii) generally, the conduct of the affairs of the Condominium. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or 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 Cast Iron House 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 361 Broadway Associates Holdings, LLC and its successors and assigns.

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

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

"Development Rights Owner" shall mean Sponsor, 361 ZLDA LLC or any Person which has or will acquire all or any portion of the development rights or additional development rights from Sponsor or 361 ZLDA LLC.

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

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of one or more of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, intercom equipment,

playground equipment, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drainage systems, sewers and/or storm pipes, drywalls, or detention tanks, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, sheetrock, interior walls, draperies, shades, window coverings, wallpaper, wallcoverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes, sockets, davits and rigs for window cleaning.

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

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

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

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

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

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

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

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

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

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

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

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

"Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust or a group of lenders which shall include one of the foregoing, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, or (iii) Sponsor, or (iv) with respect to loans secured by any Non-Residential 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 1 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 174, Lot 31 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 Unit Owners of more than fifty percent (50%) in aggregate Common Interest 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.

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

"Non-Residential Unit Owner" shall mean the Unit Owner of a Non-Residential Unit at the time in question. All such Unit Owners are, collectively, referred to as the "Non-Residential Unit 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 substantial renovation of the Building which (to the extent required by Law) have been or will be filed with the Buildings Department and which may from time to time be amended in accordance with the provisions of the Plan.

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

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

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

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

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

"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 361 Broadway Associates Holdings, 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 treated as a Residential Limited Common Element.

"Storage Locker Area" shall mean an area located in the Vault Space on the sub-cellar level of the Building containing the Storage Lockers.

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

"Terrace" shall mean any terrace, balcony or garden which is appurtenant to a Residential Unit as a Residential Limited Common Element and shall include any pavers, decking and drains, hose bibs,

electrical outlets, lighting and light fixtures, enclosures and dividers installed as part of the original construction of the Building. All such terraces, balconies or gardens are, collectively, referred to as the "Terraces".

"Title Company" shall mean Advantage Title, having an office at 201 Old Country Road, Suite 200, Melville, New York 10167. (631) 424-6100, (800) 672-1960, or any successor Title Company at the time in question.

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

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

"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 Unit" shall mean any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained by Sponsor or a principal of Sponsor at the time in question. All such Unsold Units are, collectively, referred to as the "Unsold Units."

"Zoning Lot Development and Easement Agreement" or "ZLDA" shall mean the Zoning Lot Development and Easement Agreement between Sponsor and 361 ZLDA LLC, an affiliate of Blackacre First/Broadway LLC, SM First/Broadway LLC, LWH First/Broadway LLC and AF First/Broadway LLC (collectively "Prior Owner"), dated as of September 26, 2002 and recorded at Reel 2646 Page 2369 which reserves onto 361 ZLDA LLC, the 361 Development Rights and, onto Sponsor, the Owner Development Rights, all as defined therein.

"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 67 Franklin Street in the Borough of Manhattan, City and State of New York. The entrance to the Building is located on Franklin Street.

Improvements - General Description of Units

The Condominium will consist of 13 Residential Units and 1 Non-Residential Unit located within a 9 story structure.

There will also be various amenities for the benefit of the Residential Unit Owners, including fitness center, children's playroom, lounge/recreation room, water room, outdoor courtyard, bicycle storage and laundry room, and various utility and service areas located throughout the Building. (See the subsection entitled "Services and Facilities" for details.)

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 13 Residential Units located on Floors 2 through 9, the square footages of which are set forth on Schedule A.

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

Storage Lockers

Each Purchaser of a Residential Unit will have the exclusive use of a designated Storage Locker, located in the Vault Space.

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 Storage Locker for any purpose permitted by Law or to change the permitted use of any Storage Locker, subject, to the provisions of the By-Laws.

Non-Residential Unit

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

Construction Data for Units and Common Elements

Sponsor has engaged Dean Maltz Architect as architect of record, Shigeru Ban Architects America as design architect, Robert Silman Associates as structural engineer and Icor Associates, LLC 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 substantial renovation of the Building will be completed in accordance with the Plans and Specifications, and applicable Law. However, Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details) and substitute in place of any materials, appliances, equipment and fixtures set forth in the "Description of Property and Improvements," items of substantially equal or better quality, provided, however: (i) any material change shall be set forth in an amendment to the Plan; (ii) any necessary approval of any governmental authority having jurisdiction is first obtained; and (iii) no such amendments, modifications or substitutions may be made if the same would materially and adversely affect any binding 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 June 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 an 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 any 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.

Doorman/Concierge

There will be doorman/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 a lobby attendant.

Building Staff

The staff of the Condominium will be supervised by a non-resident superintendent. Sponsor anticipates, but does not guarantee, that the superintendent will be engaged as of the First Closing. Purchasers should refer to the Footnotes to Schedule B for a complete description of the Building Staff, including the number of doorman/concierge to be engaged by the Condominium.

Residential Elevator Service

There will be 2 automatic passenger elevators in the Building, which are referred to herein as the east elevator and the west elevator. The east elevator will service Residential Units 2A, 2B, 4A, 4B, 6A and PHA. The west elevator will service Residential Units 2C, 2D, 4C, 4D, 6B, 6C and PHB. Each Residential Unit is accessed directly by the respective passenger elevator noted herein, which will be restricted to each individual owner/occupant of such Residential Unit, by way of elevator lock off, or other means permissible by Law. Except during times of service or repair, each passenger elevator will be in service 24 hours a day, 7 days a week. Purchasers should refer to the Description of the Property and Building Condition set forth in Part II for details concerning the passenger elevators.

Telecommunications

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

Mail

All incoming mail will be delivered to the Building and will either, as determined by the Condominium Board, be delivered to the individual Residential Units by Building Staff or placed by the United States Postal Service in mail boxes 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 sub-cellar of the Building.

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 room in the sub-cellar.

Communication Facilities and Intercom System

Each Residential Unit will be equipped with an intercom system which will enable the occupants to communicate directly with the concierge and/or doorman. 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 Broadway. Hours of access to the service entrance may be regulated by the Condominium Board in its sole discretion. The service entrance will also provide access by the Non-Residential Unit Owner and its Permitted Users to the cellar portion of the Non-Residential Unit

Fitness Center

A Fitness Center will be located in the sub-cellar of the Building. It will include exercise equipment to accommodate aerobic and weight training. It will also include a dance/yoga room located in the Vault Space.

Children's Playroom

A children's room will be located in the sub-cellar of the Building.

Lounge/Recreation Room

A lounge/recreation room will be located in the sub-cellar of the Building.

Bicycle Storage Room

A bicycle storage room will be located in the sub-cellar of the Building. Bicycle storage will be on a first-come, first-serve basis, or as otherwise may be determined by the Condominium Board.

Courtyard

The Residential Unit Owners will have use of an outdoor courtyard located on the sub-cellar level of Building which is accessible from the sub-cellar. The outdoor courtyard will contain a water feature.

Water Room

A water room will be located in the Vault Space on the sub-cellar level of the Building, which includes a steam room, sauna, showers and individual bath.

Residential Lobby

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

Sales Center Furniture, Furnishings and Equipment

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

Vault Space

The sub-cellar and cellar contain an appurtenant vault space ("Vault Space") owned by the City of New York ("City"). The Vault Space on the sub-cellar level contains the individual Storage Lockers designated for the exclusive use of each Residential Unit, a storage room for the Building, the water room consisting of the steam room and sauna and a portion of the fitness center which is designated as a dance/yoga room. The City has the right to repossess the entire Vault Space or any portion thereof, in which event the Residential Unit Owners , will not have use of those areas, amenities and/or the Storage Lockers, as may be applicable and will no longer have the right to utilize the applicable portion of the Vault Space. In

such event, the Condominium Board, at its option, may elect to move such Storage Locker or amenity to a different location in the Building, however, Sponsor makes no representation or guarantee that such substitute location will be available.

General

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

While it is anticipated that these services and facilities will be available at the time of the First Closing, prospective Purchasers are advised that some of these services and facilities (such as a full staff of Building personnel and usage of the amenity areas) 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 elevators will be restricted during the period that Sponsor is completing substantial renovation of the Building. However, at all times after the First Closing, the residential lobby will be attended 24 hours a day, 7 days a week and an interim level of staffing will be maintained.

Additionally, as more fully set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor," it is anticipated that for a significant period of time following the First Closing through, including and beyond the Closing of Title to any Residential Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete construction of the Building, including without limitation, the Residential Units, the amenities and facilities, Storage 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.

LOCATION AND AREA INFORMATION

Location

The Property is located at 67 Franklin Street in the Borough of Manhattan in the City and State of New York.

Surrounding Area, Shopping, Museums, Theatre and Parks

There are many universities, museums, libraries, theaters and cultural institutions in the New York area.

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

At 67 Franklin Street you are never more than a short distance from the arts, shopping, entertainment, and some of the best restaurants New York City has to offer.

Transportation

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

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

Medical, Educational and Religious Facilities

A number of excellent medical centers, such as New York Hospital, Cornell Medical Center, Memorial Sloan Kettering, Lenox Hill Hospital, New York University Medical Center, Mount Sinai Medical Center and Columbia Presbyterian Medical Center, are readily accessible.

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

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

Municipal Services

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

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

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

Mailing Address

The mailing address for the Building is 67 Franklin Street, New York, New York 10013.

Zoning

The Property is located within a C6-4A/R10-A equivalent zoning district in which residential, retail and commercial use is permitted.

Landmark Designation

The Building has been designated by the New York City Landmarks Preservation Commission ("LPC") with landmark status. As a result of such landmark designation, no alterations may be made to the Building façade without LPC approval.

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
Cast Iron House Condominium
New York, NY
Offering Prices and Related Information
Projected Carrying Costs for the First Year of Operation
June 1, 2015 through May 31, 2016

(1) UNIT	NUMBER OF BEDROOMS/ BATHROOMS	(2) APPROXIMATE INTERIOR SQUARE FOOTAGE	(2) APPROXIMATE EXTERIOR SQUARE FOOTAGE	(3) OFFERING PRICE	(4) COMMON INTEREST	(4) RESIDENTIAL COMMON INTEREST	(5) PROJECTED MONTHLY COMMON CHARGES	(5) PROJECTED ANNUAL COMMON CHARGES	(6) PROJECTED MONTHLY REAL ESTATE TAXES	(6) PROJECTED ANNUAL REAL ESTATE TAXES	(7) PROJECTED MONTHLY CARRYING CHARGES	(7) PROJECTED ANUAL CARRYING CHARGES
2A	4 / 3.0	3,208		$5,550,000	5.40%	6.14%	$3,023	$36,273	$4,668	$56,014	$7,691	$92,287
2B	3 / 3.0	2,990		$4,975,000	4.79%	5.44%	$2,678	$32,137	$4,136	$49,628	$6,814	$81,766
2C	3 / 3.0	2,859		$4,775,000	4.66%	5.29%	$2,604	$31,251	$4,022	$48,260	$6,626	$79,511
2D	4 / 3.0	3,772	100	$5,850,000	6.05%	6.88%	$3,387	$40,644	$5,230	$62,765	$8,617	$103,409
4A	4 / 3.0	3,197		$6,750,000	5.93%	6.74%	$3,318	$39,817	$5,124	$61,488	$8,442	$101,305
4B	3 / 3.0	2,861		$5,775,000	5.20%	5.91%	$2,909	$34,914	$4,493	$53,916	$7,402	$88,830
4C	3 / 3.0	2,850		$5,575,000	5.14%	5.84%	$2,875	$34,500	$4,440	$53,277	$7,315	$87,778
4D	4 / 3.0	3,764	100	$7,250,000	6.65%	7.56%	$3,722	$44,662	$5,747	$68,969	$9,469	$113,630
6A	5 / 4.0	4,250		$9,975,000	8.07%	9.17%	$4,514	$54,173	$6,971	$83,656	$11,486	$137,829
6B	4 / 4.5	3,783		$8,175,000	7.05%	8.01%	$3,943	$47,320	$6,089	$73,074	$10,033	$120,394
6C	5 / 5.0	4,897	100	$10,750,000	8.88%	10.09%	$4,967	$59,608	$7,671	$92,049	$12,638	$151,657
PHA	4 / 3.5	3,809	1,531	$12,950,000	9.03%	10.26%	$5,051	$60,612	$7,800	$93,600	$12,851	$154,212
PHB	5 / 5.0	4,568	1,431	$14,950,000	11.15%	12.67%	$6,237	$74,849	$9,632	$115,586	$15,870	$190,436
TOTAL RESIDENTIAL		46,808	3,262	$103,300,000	80.00%	100.00%	$49,230	$590,761	$76,024	$912,283	$125,254	$1,503,044
COMMERCIAL UNIT		8,322	0		20.00%	0.00%	$4,937	$59,239	$14,674	$176,084	$19,610	$235,323
TOTAL BUILDING		**55,130**	**3,262**		**100.00%**	**100.00%**	**$54,166.67**	**$650,000**	**$90,697**	**$1,088,367**	**$144,864**	**$1,738,367**

SEE NOTES TO SCHEDULE A

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 and location of the designated Storage Lockers. The number of bedrooms and bathrooms for each Residential Unit was determined by Sponsor's architect in accordance with industry practice for new construction condominiums and does not necessarily conform to the zoning room count or the method utilized by the Real Estate Board of New York. Each Residential Unit should be inspected to determine its actual dimensions, layout and physical condition prior to Closing.

2. The square footage of the Units listed in Schedule A or in the Declaration are approximate and may change due to field conditions, construction variances and tolerances and were obtained by using the method customarily used in New York City to measure condominium units. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit by 5% or less (excluding interior partitions) is not a material and/or adverse change. In the absence of such proof to the contrary, Sponsor's sole obligation if the net square footage of the Unit is so decreased shall be to refund the Premium Payment made under the Option Agreement and any interest earned thereon. Each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit; or separating one Unit from stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit; or to the corridor side of the walls separating one unit from corridors; or to the exterior side of the opposite exterior walls. Each Unit is measured vertically from the top of the finished floor to the underside of the ceiling. Each terrace is measured from the outside face of the parapet to the outside face of the building or centerline of terrace privacy screens. As is customary in New York, these square footages exceed the usable floor area of each Unit. The method of measurement is applicable to all Units. Any Common Elements located within or appurtenant to any Unit shall not be considered as part of that Unit. Terraces shown on Schedule A are Residential Limited Common Elements. Approximation of square footage shown on Schedule A are within reasonable tolerances.

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

The percentage interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Residential Unit bears to the aggregate Common Interests of all of the Residential Units in the Condominium.

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 year from June 1, 2015 to May 31, 2016. 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. If any Business Improvement District taxes are assessed against the Building such taxes will be incorporated into the Residential Common Expenses. 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.

   In is presently anticipated that the cost of electricity supplied to each Unit will be separately metered and payable by the Unit Owner directly to Con Edison. Alternatively, an application may be made to the New York State Public Service Commission in order to permit the Condominium Board to purchase electricity from Con Edison at a "bulk rate" (which may result in a savings to Unit Owners). In the event that such application is made, and subsequently granted, the Condominium Board will assess the cost of electricity provided to the Unit Owners. Each Unit will be billed by the Condominium Board for actual consumption on the basis of its submeter and the Condominium Board will, in turn, pay Con Edison.

   As discussed in the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities," the full range of services and facilities described in the Plan may not be available until approximately 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 $912,283, assuming (a) an actual apportioned assessed valuation for the Property of $5,695,624 for 2014/2015 representing the first month of the initial budget year and $6,800,000 for 2015/2016 representing the final eleven months of the initial budget year reflecting the assessment for a partially constructed property based on the real estate projection opinion prepared by Real Estate Tax Counsel dated January 16, 2014 set forth in Part II of the Plan, and (b) a tax rate of $13.60 per $100 of assessed valuation for the 2014/2015 and 2015/2016 tax years. Purchaser 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 $1,006,400, 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 Grome 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 2 months' Common Charges with respect to the Residential Unit based on the Condominium budget in effect on the Closing Date of the Unit. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B
CAST IRON HOUSE CONDOMINIUM
PROJECTED BUDGET FOR CONDOMINIUM OPERATION
JUNE 1, 2015 - MAY 31, 2016

		PROJECTED RESIDENTIAL	PROJECTED COMMERCIAL	PROJECTED TOTAL
INCOME				
1.	Residential Unit Common Charges	$590,761	$ 0	$590,761
2.	Commercial Unit of common Charges	$ 0	$ 59,239	$ 59,239
3.	**TOTAL INCOME**	**$590,761**	**$ 59,239**	**$650,000**
EXPENSES				
4.	Labor	$313,088	$ 15,559	$328,647
5.	Gas - Heating, Hot Water, Cooking	$ 4,272	$ 0	$ 4,272
6.	Electricity	$ 76,371	$ 4,423	$ 80,794
7.	Water / Sewer Charges	$ 22,145	$ 5,536	$ 27,681
8.	Service Contracts	$ 52,000	$ 3,000	$ 55,000
9.	Repairs, Maintenance & Supplies	$ 12,000	$ 3,000	$ 15,000
10.	Insurance	$ 66,009	$ 16,502	$ 82,511
11.	Management Fees	$ 16,800	$ 4,200	$ 21,000
12.	Audit & Legal Fees	$ 8,000	$ 2,000	$ 10,000
13.	Administrative & Misc. Expenses	$ 6,400	$ 1,600	$ 8,000
14.	Contingency	$ 13,676	$ 3,419	$ 17,095
TOTAL EXPENSES		**$590,761**	**$ 59,239**	**$650,000**
Net Difference		$ 0	$ 0	$ 0

Footnotes to Cast Iron House Condominium Budget

PROJECTED INCOME

(1) Residential Unit Common Charges **$590,761**

The amount of Common Charges is the estimated income needed to pay Common expenses attributable to the Common elements of the Condominium. The residential Common charges for individual units are based on percentage of interest in the Common Elements appurtenant to the units.

(2) Commercial Unit Common Charges **$ 59,239**

The Commercial Unit will be responsible for 20% of all Common Charges, except as specifically noted, including but not limited to the cost of elevator service, concierge payroll and electric usage for areas such as kitchen & dryer exhaust fans, lobby and hallway lighting, for which the Commercial Unit derives no benefit.

(3) Total Projected Income **$650,000**

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

In the event the projected commencement date of the first year of Condominium operation is to be delayed by six (6) months or more, the Plan will be amended to include a revised budget disclosing the then current budget projections. If the Common Charges in the revised budget projections exceed the earlier projections by twenty-five percent (25%) or more, the Sponsor will offer all purchasers the right to rescind their Option Agreements and have their Premium Payments refunded to them, together with interest earned therein.

Sponsor may not declare plan effective where there are any material changes to the Budget, if these changes have not been disclosed by a duly filed Amendment to the Offering Plan.

Footnotes to Cast Iron House Condominium Budget

PROJECTED EXPENSES

(4) Labor **$328,647**

The figure shown includes wages, workers' compensation and disability insurance, payroll taxes and payroll processing. It also includes pay for five (5) paid sick days and seven (7) paid holidays and two weeks vacation. The Condominium staff will consist of 1 full-time, Superintendent/Porter, working forty (40) hours per week at a salaried rate of $22.00 per hour, and full-time, 24/7 doorman/concierge, 168 hours per week at a salaried rate of $20.00per hour. The figures below assume non-unionized employees. Additional cost associated with the first year of operation are provided for in the labor cost.

Wage and Payroll Tax Details:

SUPERINTENDENT/PORTER/DOORMAN/CONCIERGE

Total annual wages	$260,023
FICA	$ 19,892
FUTA	$ 336
SUI	$ 727
Disability	$ 125
MTA Transit Tax	$ 884
Workers' compensation (estimated)	$ 10,000
Health Insurance (single coverage)	$ 34,560
Payroll Processing	$ 2,100
TOTAL	$328,647

TOTAL COST FOR ALL LABOR: $328,647

No warranty is made to the actual wages, salaries, benefits and related payroll taxes and similar expenses that will be applicable and in effect during the first year of Condominium operation. However, the projected expenses for wages, salaries and benefits, as well as the assumptions described herein, are believed to be reasonable and reflect the experience of comparable buildings.

Footnotes to Cast Iron House Condominium Budget

(5) Gas - Heating, Hot Water, Domestic $ 4,272

Domestic hot water is produced by two gas direct fired, fully condensing, fire-tube design with pressure tight sealed heat exchangers water heaters and two (2) hot water storage tanks, 200 gallon capacity each. The heaters are manufactured by Aerco or equal, Model INN 800. General space heating will be provided to the residential and commercial units by VRF heat pump systems consisting of rooftop condensing units and indoor heat pumps connected by refrigerant piping and heat recovery boxes for simultaneous heating and cooling. Each residential and commercial unit shall have their own system, for which they are responsible for all service and fuel costs. All amenities, lobby and back of house spaces will be provided with a similar VRF system (indoor heat pumps) tied to one condensing unit on the roof. All spaces will have the ability to heat year round and be supplied with a wall thermostat controller.

Gas will be provided by Con Edison Co. brought in on the cellar level from the main at Broadway. Gas service is metered with two dedicated meters, with the following application; All residential kitchen ranges, dryers, and hot water heaters on one meter, future commercial tenant(s) on a separate meter.

The estimated annual cost for gas consumption is based on the current rate of $1.30/therm, 910 therms for 8th floor radiant tubing and 1,950 therms for domestic cooking (total 2,860 therms) for a total cost of $9,345, to which a 15% cost contingency has been added to address all or part of cost inflation that may occur in the unit cost of natural gas, for a total cost of $4,272.

Actual consumption estimates for gas usage on the above described components have been provided by ICOR Associates, LLC 485C Route 1 South, Suite 200, Iselin, NJ 08830 in a letter dated June 6, 2013.

It is impossible to predict whether the budgeted figure will reflect the actual cost of operation for the first year of Condominium operation. this cost will vary with both the level of consumption of hot water and the tariff rate charged by the utility company. The level of consumption of fuel will be

Footnotes to Cast Iron House Condominium Budget

affected by the severity of the weather and any conservation measures (such as staggering the hours of heating, and room temperature settings in the Units and Common Elements) adopted by the Condominium Board.

It is believed that the budgeted figure will be sufficient to cover any reasonable increase in the cost of fuel during the first year of Condominium operation. However, no budget item is warranted.

(6) Electricity **$ 80,794**

Electricity service to the building will be provided by Con Edison, each residential unit will be separately metered and a separate meter will be provided for the House electrical loads. Each of the Residential and Commercial Units shall be provided with a dedicated meter and shall bear their own individual electric bills. Common electric use includes elevator, elevator control room & A/C, ventilation unit, toilet, kitchen & laundry exhaust, domestic water pumps, sewage and sump pumps, common area HVAC and common area lighting.

The estimated annual cost for electricity is 318,377 KWH at $0.22/KWH, for a cost of $70,256, to which a 15% cost contingency has been added to address all or part of cost inflation that may occur in the unit cost of electricity, for a total cost of $80,794.

In view of the varying costs of energy, it is not possible to predict with certainty whether the estimated figures will reflect the actual cost to be incurred during the first year of Condominium operation, although it is believed that reasonable provisions for increased costs have been made. The actual cost for electricity will vary depending upon various factors, including, the amount of consumption, the severity of the weather, conservation measures, if any, adopted by the Condominium Board or individual residents, the rates of the utility company which fluctuate periodically), and possibility of changes in the method of calculating charges by the utility company. While the rates and consumption of electricity may vary, it is anticipated that the allocations of costs of electricity for the General Common Elements and Residential Common Elements above will remain unchanged unless changed as a

Footnotes to Cast Iron House Condominium Budget

result of sub-metering or another verifiable method of allocation usage as determined by the Condominium Board.

Actual consumption estimates for electric usage on the above described components have been provided by ICOR Associates, LLC 485C Route 1 South, Suite 200, Iselin, NJ 08830 in a letter dated June 6, 2013.

(7) Water Charges & Sewer Rents $ 27,681

The City of New York provides water supply and combined sanitary and storm sewer service. The charges for water and sewer services provided to the building, including /Residential Units and the public areas of the Residential Section, will be levied on the basis of a master city meter and borne by the Residential Unit Owners as a Residential Common expense (commercial unit will be separately or sub-metered for direct billing of their usage).

The estimated annual cost for water / sewer consumption is 2946.1 Hundred Cubic Feet (HCF) of water at a cost of $8.17/HCF, for water/ sewer usage ($24,070), to which a 15% cost contingency has been added to address all or part of cost inflation that may occur in the unit cost of water/sewer, for a total cost of $27,681.

The actual cost of water and sewer services will depend, in part, on the level of water consumption and the rates and formulas for these services set by the City of New York. Consumption will largely be affected by the amount of water usage in the individual Residential Units.

Actual consumption estimates for water/sewer usage on the above described components have been provided by ICOR Associates, LLC 485C Route 1 South, Suite 200, Iselin, NJ 08830 in a letter dated June 6, 2013.

(8) Service Contracts $ 55,000

This figure is intended to cover service contracts for repair and maintenance of the following systems in the Condominium as

Footnotes to Cast Iron House Condominium Budget

well as a contingency for those not initially entered into at the time of construction (HVAC equipment service for individual units is a Unit Owner responsibility):

Exterminating:	$ 1,200
Elevator:	$ 15,000
Compactor:	$ 1,000
Landscaping (allowance)	$ 6,000
Sprinkler System:	$ 500
C/S Sprinkler Monitoring:	$ 3,000
Exterior Window Cleaning (2X year)	$ 15,000

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

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

Elevator service estimate proposal provided by Slade Elevator Industries Inc., 1101 Bristol Road, Mountainside, NJ 07092.

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

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

Exterior Window Cleaning Proposal provided by Apple Cleaning Services, Inc., PO Box 212, New York, NY 10113.

(9) Repairs, Maintenance & Supplies $ 15,000

Repairs & maintenance cover general repairs to the building structures as a whole, and in particular to the building's equipment and machinery. This includes but is not limited to repairs to carpentry, doors & windows, electrical systems, floors, intercom, ironworks, masonry, paint & plaster, plumbing and roofing. This figure only covers the cost of maintaining the common elements, as each unit owner shall be responsible for

Footnotes to Cast Iron House Condominium Budget

the cost of interior maintenance, repairs, decoration and painting of their respective units, including the appliances. During the first year of operation major repairs are not expected to be necessary, as all materials and systems listed above will be completely new, and many will be covered by warranties during the first year of Condominium operation.

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

(10) Insurance **$ 82,511**

This projection is based on the estimates of the annual premiums which were provided DeWitt Stern Group, Insurance Brokers, 420 Lexington Avenue, Suite 2700, New York, NY 10170 on May 8, 2013, and payable on the coverage listed below:

BUILDING	$42,000,000
Special Form	Included
Co-Insurance	Waived
Replacement Cost	Included
25% Extended Replacement Cost Real Property: Building	$10,500,000
Agreed Amount	Included
Terrorism	Included
PERSONAL PROPERTY	$ 50,000
LOSS OF INCOME (MAINTENANCE FEES)	Actual Loss Sustained with 12 month cap
EARTHQUAKE	$ 5,000,000
FLOOD (RISING WATERS)	$ 5,000,000
BACKUP OF SEWERS AND DRAINS AND UNDERGROUND WATER MAINS	Included
BUILDING ORDINANCE	
Loss to Undamaged Portion of Building	Included in Building limit

Footnotes to Cast Iron House Condominium Budget

Demolition and Increased Cost of Construction Blanket Sub-Limit	$ 5,000,000

DEDUCTIBLES

Flood	$ 25,000
Earthquake	$ 25,000
Seepage - Interior	$ 10,000
Underground Water Main	$ 10,000
Backup of Sewers and Drains	$ 10,000
All Other	$ 2,500

COMMERCIAL GENERAL LIABILITY COVERAGES

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

TERMS AND CONDITIONS

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

CRIME COVERAGES

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

BOILER & MACHINERY COVERAGES

"Comprehensive Form"

Footnotes to Cast Iron House Condominium Budget

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

UMBRELLA LIABILITY COVERAGE

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

DIRECTORS & OFFICERS LIABILITY

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

PREMIUM SUMMARY

Package	$ 79,016
Umbrella	$ 1,000
Excess Crime Policy	$ 195
Directors & Officers	$ 2,300
TOTAL	$ 82,511

PROPOSED COMPANIES

Commercial Package	Admiral Indemnity Co.
Umbrella	Great American Insurance Co.
Excess Crime	Travelers Casualty and Surety Co.
D & O	Travelers Casualty and Surety Co.

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

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

Footnotes to Cast Iron House Condominium Budget

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

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

Section 339-bb of the New York Real Property Law provides that in charging insurance premiums to Unit Owners, consideration may be given to the higher premium rates on some units than others.

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

(11) Management Fees **$ 21,000**

The Condominium will be managed by The Andrews Organization, Inc., having principal offices at 666 Broadway, 12th Floor, New York, NY 10012. The period of the initial management agreement shall be for one (1) year at an annual fee of $21,000, payable in equal monthly installments of $1,750.00, which fee falls within market standards for mixed use buildings of similar size and type located with New York City. In the opinion of The Andrews Organization, Inc., the management fee is comparable to the fees charged for such services at similar buildings. The Andrews Organization, Inc. has no affiliation with the Sponsor.

Footnotes to Cast Iron House Condominium Budget

(12) Legal Fees & Audit Fees **$ 10,000**

A certified public accountant will be responsible for auditing the Condominium's books and records and preparing the requisite audited financial statements. In addition the accountant will be responsible for filing federal, state and city income tax returns. A written quote for these services has been obtained from Michael A. Rozycki, CPA, PLLC, 629 Fifth Avenue, Suite 109, Pelham, NY 10803,in the amount of $5,500.

Legal fees of $4,500 will also be set aside to cover miscellaneous administrative legal matters which may arise during the first year of operation.

(13) Administrative and Miscellaneous Expenses **$ 8,000**

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

(14)Contingency **$ 17,095**

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

In the opinion of The Andrews Organization, Inc., the projected income for the Units of the Condominium is adequate to meet the estimated expenses for the year of Condominium operation

Footnotes to Cast Iron House Condominium Budget

commencing January 1, 2015. The budget, however, is not intended, and should not be taken, as a guaranty by anyone that the annual Common Charges or Common Expenses for the first or4 any subsequent year of operation of the Property 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

Icor Associates, LLC, having an office at 485C Route 1 South, Suite 200, Iselin, New Jersey 08830 provided the following estimate of annual electric energy costs for lighting and for operating the typical electrical appliances located in each Residential Unit.

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.

a. ESTIMATED COSTS OF ELECTRICITY FOR APARTMENTS

	Area (sq ft)	w/sf	Load (Kw)	Yearly Hours of Use (H)	Basic Rate (KwH)	Cost
Unit 1	2,700					
Lighting and Receptacles			5.4	730	3,942	$867.24
Cooling			8.6	900	7,740	$1,702.80
Heating			4.8	2,500	12,070	$2,655.39
Kitchen Appliances			8.0	876	7,008	$1,541.76
Floor Heat			1.2	400	480	$105.60
Washer			8.6	120	1,032	$227.04
Subtotal					**32,272**	**$7,099.83**
Unit 2	2,600					
Lighting and Receptacles			5.2	730	3,796	$835.12
Cooling			5.9	900	5,310	$1,168.20
Heating			4.6	2,500	11,623	$2,557.04
Kitchen Appliances			8.0	876	7,008	$1,541.76
Floor Heat			1.2	400	480	$105.60
Washer			8.6	120	1,032	$227.04
Subtotal					**29,249**	**$6,434.76**
Unit 3	2,600					
Lighting and Receptacles			5.2	730	3,796	$835.12
Cooling			5.9	900	5,310	$1,168.20
Heating			4.6	2,500	11,623	$2,557.04
Kitchen Appliances			8.0	876	7,008	$1,541.76
Floor Heat			1.2	400	480	$105.60
Washer			8.6	120	1,032	$227.04
Subtotal					**29,249**	**$6,434.76**
Unit 4	3,100					
Lighting and Receptacles			6.2	730	4,526	$995.72
Cooling			9.8	900	8,820	$1,940.40
Heating			5.5	2,500	13,858	$3,048.78
Kitchen Appliances			8.0	876	7,008	$1,541.76
Floor Heat			1.2	400	480	$105.60
Washer			8.6	120	1,032	$227.04
Subtotal					**35,724**	**$7,859.30**
Unit 5	2,700					
Lighting and Receptacles			5.4	730	3,942	$867.24
Cooling			9.0	900	8,064	$1,774.08
Heating			4.4	2,500	11,104	$2,442.96
Kitchen Appliances			8.0	876	7,008	$1,541.76
Washer			8.6	120	1,032	$227.04
Floor Heat			1.2	400	480	$105.60
Elec. Fin Tube Radiator			3.8	1,000	3,750	$825.00
Subtotal					**35,380**	**$7,783.68**
Unit 6	2,600					
Lighting and Receptacles			5.2	730	3,796	$835.12
Cooling			6.3	900	5,670	$1,247.40
Heating			4.3	2,500	10,693	$2,352.48
Kitchen Appliances			8.0	876	7,008	$1,541.76
Washer			8.6	120	1,032	$227.04
Floor Heat			1.2	400	480	$105.60
Elec. Fin Tube Radiator			1.5	1,000	1,500	$330.00
Subtotal					**30,179**	**$6,639.40**
Unit 7	2,600					
Lighting and Receptacles			5.2	730	3,796	$835.12
Cooling			6.3	900	5,670	$1,247.40
Heating			4.5	2,500	11,158	$2,454.76
Kitchen Appliances			8.0	876	7,008	$1,541.76
Washer			8.6	120	1,032	$227.04
Floor Heat			1.2	400	480	$105.60
Elec. Fin Tube Radiator			1.5	1,000	1,500	$330.00

Subtotal				**30,644**	**$6,741.68**
Unit 8	3,100				
Lighting and Receptacles		6.2	730	4,526	$995.72
Cooling		9.7	900	8,691	$1,912.09
Heating		5.3	2,500	13,304	$2,926.83
Kitchen Appliances		8.0	876	7,008	$1,541.76
Washer		8.6	120	1,032	$227.04
Floor Heat		1.2	400	480	$105.60
Elec. Fin Tube Radiator		1.5	1,000	1,500	$330.00
Subtotal				**36,541**	**$8,039.04**
Unit 9	3,600				
Lighting and Receptacles		7.2	730	5,256	$1,156.32
Cooling		13.7	900	12,371	$2,721.71
Heating		6.2	2,500	15,450	$3,398.90
Kitchen Appliances		8.0	876	7,008	$1,541.76
Washer		8.6	120	1,032	$227.04
Floor Heat		1.2	400	480	$105.60
Elec. Fin Tube Radiator		3.0	1,000	3,000	$660.00
Subtotal				**44,597**	**$9,811.33**
Unit 10	3,600				
Lighting and Receptacles		7.2	730	5,256	$1,156.32
Cooling		7.6	900	6,849	$1,506.78
Heating		6.4	2,500	16,093	$3,540.52
Kitchen Appliances		8.0	876	7,008	$1,541.76
Washer		8.6	120	1,032	$227.04
Floor Heat		1.2	400	480	$105.60
Elec. Fin Tube Radiator		1.2	1,000	1,200	$264.00
Subtotal				**37,918**	**$8,342.02**
Unit 11	4,300				
Lighting and Receptacles		8.6	730	6,278	$1,381.16
Cooling		12.0	900	10,800	$2,376.00
Heating		7.7	2,500	19,223	$4,228.95
Kitchen Appliances		8.0	876	7,008	$1,541.76
Washer		8.6	120	1,032	$227.04
Floor Heat		1.2	400	480	$105.60
Elec. Fin Tube Radiator		1.2	1,000	1,200	$264.00
Subtotal				**46,021**	**$10,124.51**
Unit 12	3,350				
Lighting and Receptacles		6.7	730	4,891	$1,076.02
Cooling		13.0	900	11,700	$2,574.00
Heating		4.8	2,500	11,981	$2,635.72
Kitchen Appliances		8.0	876	7,008	$1,541.76
Washer		8.6	120	1,032	$227.04
Floor Heat		1.2	400	480	$105.60
Subtotal				**37,092**	**$8,160.14**
Unit 13	4,000				
Lighting and Receptacles		8.0	730	5,840	$1,284.80
Cooling		17.0	900	15,300	$3,366.00

Heating	8.6	2,500	21,458	$4,720.69
Kitchen Appliances	8.0	876	7,008	$1,541.76
Washer	8.6	120	1,032	$227.04
Floor Heat	1.2	400	480	$105.60
Subtotal			**51,118**	**$11,245.89**
Total Residential Charges			**475,983**	**$ 104,716**

F. GENERAL

Electricity Rates and Energy Cost Assumptions

1. Individual Unit Energy Assumptions

   a. Lighting and receptacle loads are calculated based on average square footage – 2 w/sq. ft.; utilization of 50% of the total connected load for approximately 4 hours per day, 365 days per year.
   b. Appliance loads include TV, Computer, refrigerator, dishwasher and microwave with total load of 12 KW per apartment.
   c. Each apartment includes an electric washer with total load of 8.6 KW. The appliance loads are calculated based on 60% demand factor, 4 hours per day, 365 days per year. Washer is calculated based on average 10 hour usage (20 loads) monthly.
   d. Cooling and Heating to each apartment will be provided with Variable refrigerant system. Cooling loads are calculated based on 900 hrs a year and Heat load is calculated assuming 2500 hrs a year.

2. Utility Company Electricity Rates

   a. The estimated electrical cost is based on a current average flat residential utility rate available from the Con Edison Rates SC 9-1 as 22 cents per KWH.

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

STARR ASSOCIATES LLP
ATTORNEYS AT LAW

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NEW YORK, NY 10016
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FAX 212 696 5013
www.starr-lawfirm.com

February 26, 2014

361 Broadway Associates Holdings, LLC
c/o Knightsbridge Properties
68 Thomas Street
New York, New York 10013

Re: Cast Iron House Condominium
67 Franklin Street
New York, New York 10013 ("Property")

Ladies and Gentlemen:

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

In connection with the rendering of this opinion we have reviewed the determination of Common Interests as shown on Schedule A of the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is also based upon the factual determinations made by Andrews Building Corp. ("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 Andrews Building Corp. Accordingly, in the event that facts presented by Andrews Building Corp. 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 Andrews Building Corp. 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

Samantha Sheeber

Samantha Sheeber, Partner

REAL PROPERTY LAW SECTION 339-I COMPLIANCE LETTER

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

January 22, 2014

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

Re: *67 Franklin Street New York, New York*

Gentlemen:

I have reviewed the percentage of common interest allocated to each Unit as shown on Schedule A, for inclusion in the above referenced Offering plan for the subject property, which has been prepared by the Sponsor of 67 Franklin Street. In accordance with Section 339-i (1)(iv) of the Condominium Act, the percentage interest in the Common Elements allocated to each Unit has been determined upon the floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.

In my opinion, therefore, the Condominium Plan and the allocation of percentage interest in the Common Elements in the Land and Building at 67 Franklin Street, New York, New York, attributable to each Unit conforms to Section 339-i (1)(iv) of the New York Real Property Law.

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

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

67 Franklin Street
January 22, 2014
Page 2

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

Very Truly Yours,
THE ANDREWS ORGANIZATION, INC.

By: Stuart Smolar, Vice President

Sworn to before me this
22 day of January, 2014

Notary Public

CATHERINE BUSH
Notary Public-State of New York
No 5015816
My Commission Expires July 26, 2017

NON-RESIDENTIAL UNIT

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

Non-Residential Unit

The Non-Residential Unit will consist of approximately 8,322 square feet and will be located on portions of the cellar and first floors. The Non-Residential Unit Owner will have use of a portion of the Vault Space located on the cellar level.

General

The Non-Residential Unit is not being offered for sale pursuant to the Plan.

All or any part of the Non-Residential Unit may be leased or subleased by the Non-Residential Unit Owner, subject to compliance with Law and the Declaration.

An affiliate of Sponsor has entered into a long-term lease ("Lease") with T.D. Bank, N.A. ("T.D. Bank") for a portion of the Non-Residential Unit to be used as a retail bank branch and/or for the sale, provision and/or management of insurance, financial and/or investment services, and any other similar or incidental services offered by retail bank branches or financial services institutions). The anticipated use contemplates, without limitation, the installation of an ATM with card-key access to the space, night depositories and other uses typical for bank branches. The Lease is for a twenty (20) year term with the right to extend the term for up to another twenty (20) years (in four (4) increments of five (5) years each). The Lease is to commence upon the fulfillment of specified conditions, including the granting of certain approvals and permits from the New York City Landmarks Preservation Commission, the Buildings Department, and T.D. Bank's own Board of Directors and the satisfaction of certain other conditions but not before June 1, 2014. The Lease will be subject and subordinate to all present and future underlying leases and mortgages, if any, and to the Declaration of Condominium.

Other than the aforementioned Lease, no further representation is made with respect to who any future owners or tenants of all or any portion of the Non-Residential Unit may be at any time or as to the uses to which the Non-Residential Unit may be put at any time. Every use of the Non-Residential Unit, including use by T.D. Bank, may result in increased noise, fumes, traffic or other disturbances over which the Residential Unit Owners will have no control. The Non-Residential Unit may be used for any purpose permitted by Law, but may not be used for any of the following: (A) abortion clinic; (B) (i) any obscene or pornographic use, activity or performance, (ii) any sexually suggestive or sexually oriented use, activity or performance in each case which is distasteful or inappropriate, or (iii) the distribution or sale, rental or viewing of sexually explicit materials, sexually explicit live performances or pornographic goods; (C) any overtly violent use, activity or performance in each case which is distasteful or inappropriate; (D) dry cleaning and/or laundry store (but a drop off dry cleaning store and/or an "organic" (non- chemical) process dry cleaner is permitted); (E) restaurant, bar, tavern, nightclub or similar establishment; (F) the sale of alcoholic beverages or establishments with the sale of alcoholic beverages, the sale of food or beverages other than (a) the de minimis provision of complimentary (i.e., not for sale) non-alcoholic beverages exclusively for the benefit of the customers or a user of a Non-Residential Unit, (b) the sale of non-perishable packaged candy, gum and similar goods within a retail establishment for consumption outside such Retail Unit user's demised premises, which sale of goods is not the primary use employed by such user (except with respect to the sale of such goods within a "themed" retail establishment whose "theme" is the branding of such goods (i.e., the sale of M&Ms within the retail establishment commonly known as the "M&M Store")), is ancillary

to, and does not detract from, such retail use and serves a broader first-class retail concept, and (c) the provision of complimentary (i.e., not for sale) (except in connection with a fund-raising event with respect to which neither Non-Residential Unit Owner or user derives any profit from such sale) food and beverages by third party caterers exclusively for the benefit of the customers of a retail user and served at occasional special events that are intended to promote or market such user's business within the demised premises; (G) foreign governments and/or any other entity or person that is entitled to sovereign immunity; (H) military recruitment office; (I) manufacturing; (J) any use that would violate any laws or the certificate of occupancy for the Property or any portion thereof; (K) a casino or gambling establishment (but the foregoing shall not be construed as to prohibit the incidental sale of lottery tickets that is related to the business of a retail user (e.g., a newsstand); (L) use for any political or sociopolitical purpose or agenda (including, without limitation, the lobbying or campaigning for any political or sociopolitical purpose, agenda, image, slogan, message or ideology); (M) any use involving the storage, sale or repair of automobiles, motorcycles or other motor vehicles or parts; (N) any use involving the storage of petroleum products; (O) movie theater (other than a screening room or screening area provided by a retail user within its demised premises that displays content that is related to the use employed by such user, which screening room or screening area is not the primary use employed by such retail user and does not detract from the use employed by such user); (P) bowling alley; (Q) miniature golf course; (R) video arcade; (S) playground or jungle gym; (T) any use involving the sale of paraphernalia related to illegal drugs or substances; (U) any use involving or utilizing a loudspeaker system, phonograph or other sound system or advertising devise that projects noise outside of the Non-Residential Unit in a manner or at a decibel level that is inappropriate taking into consideration the Operating Standard; (V) any so-called head shop or other establishment which stocks, displays, sells, rents or offer for sale or rent any drug-related paraphernalia or merchandise or material commonly used or intended for use with or in consumptions of any narcotic, dangerous drug or other controlled substance, including without limitation, any hashish pipe, water pipe, bong, cilium, pipe screens, rolling papers, rolling devices, coke spoons or roach clips excluding any establishment for which the sale of such products constitutes a de minimis space in such establishment; (W) selling, leasing or displaying new or used automobiles, trucks, trailers, or recreational vehicles; (X) automotive parts, lube and oil or repair shop; (Y) bingo or similar games of chance; (Z) check cashing store (except as is typical in connection with the operation of a financial services institution); (AA) church, mosque, temple or other place or religious worship or meeting hall; (BB) dumping, disposing, incinerating or reducing of garbage (exclusive of dumpsters for temporary storage of garbage and any garbage compactors, in each case which are regularly emptied so as to minimize offensive odors); (CC) any establishment manufacturing, assembling, displaying or selling fireworks, ammunition or explosives; (DD) flea market; (EE) funeral home or establishment or mortuary; (FF) any so-called gentlemen's club featuring topless waitresses, nude dancing or private "one-on-one" booth or rooms; (GG) illicit non-therapeutic massage parlor; (HH) off-track betting parlor or other gambling facility; (II) pawn shop; (JJ) psychic, hypnotist, tarot card or palm reading business; (KK) any business practicing satanic or cult ritualistic activities including so called "devil worship," black magic or rites of passage involving self-mutilation or degradation; (LL) substance abuse rehab or detoxification recovery center; (MM) unemployment agency service or commission; (NN) tattoo parlor.

The Non-Residential Unit may be subdivided (and subsequently recombined) by the Non-Residential Unit Owner into two or more separate condominium units without prior notice and without amendment to the Plan. Additionally, any Non-Residential Unit created as a result of such subdivision will retain the same rights afforded the Non-Residential Unit Owners as set forth herein. The Non-Residential Unit or any additional condominium units created as a result of a subdivision of a Non-Residential 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.

A Non-Residential 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 Non-Residential Unit on a special basis which

reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements. The Condominium Board may not modify these allocations without the unanimous consent of the Non-Residential Unit Owner(s). In the opinion of Sponsor's budget expert, the allocated Common Charges payable by the Non-Residential Unit(s) are sufficient to cover the expenses fairly attributable to the Non-Residential Unit(s).

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 Non-Residential Unit(s).

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

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

(ii) a Non-Residential Unit Owner and its Permitted Users shall have an easement to use the sidewalks adjacent to such Non-Residential Unit for any purposes permitted by Law, including without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalks adjacent thereto provided the entrances to the Building are not impeded by such use. In the event a Non-Residential Unit Owner utilizes such sidewalks, the cost of maintenance and repair of such sidewalk during the period of such use or resulting from such usage shall be borne by such Non-Residential Unit Owner;

(iii) a Non-Residential Unit Owner and its Permitted Users shall have the right to make all arrangements for the prompt repair and restoration of such Non-Residential Unit to the extent a Non-Residential Unit is damaged or destroyed by fire or other casualty;

(iv) a Non-Residential Unit Owner and its Permitted Users shall have the right and an easement, at its sole cost and expense and with on-going maintenance and repair obligations: (i) for ingress and egress through all Common Elements for the purpose of accessing such Non-Residential Unit or any portion of the Building servicing such Non-Residential 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 a Non-Residential 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 (including illuminated signs) and lighting of such size and content as a Non-Residential Unit Owner shall determine, in the storefronts, windows and on the exterior façade adjacent to such Non-Residential Unit for the purposes of advertising the sale or rental of all or any portion of a Non-Residential Unit or the operation of any business of a tenant or occupant of a Non-Residential Unit;

(v) a Non-Residential 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 Non-Residential Unit Owner's sole cost and expense, to alter, modify, and/or restore the exterior façade of the Building appurtenant to such Non-

Residential Unit (including storefronts and windows of such Non-Residential Unit) and to create additional means of egress and ingress to such Non-Residential Unit, provided that such alterations, modifications and/or restorations are in compliance with Law and the terms of the Declaration and By-Laws;

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

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

(viii) notwithstanding any subdivision of any of a Non-Residential Unit, the Non-Residential Unit Owner(s) shall have the right to designate 1 member to the 4 member Condominium Board;

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

(x) any decisions by the Condominium Board which solely affect a Non-Residential Unit may be made only by the member of the Condominium Board designated by such Non-Residential Unit Owner(s).

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

CHANGES IN PRICES AND UNITS

Purchase prices for the Units offered hereby are negotiable and Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without giving prior notice (except as otherwise provided herein) and without the consent of the Condominium Board, any Unit Owner or mortgagee, to change the price, 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. Notwithstanding the forgoing, any terms and conditions for which disclosure is required pursuant to the Department of Law regulations must be disclosed in an amendment to the Plan.

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 which increases or decreases the square footage (excluding interior partitions) or Common Interest by more than 5%, or materially changes the Unsold Residential Unit size, the layout or Common Interest of such Unsold Residential Unit, unless the Purchaser consents to such changes. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in the Schedule A, by 5% or less

(excluding interior partitions) is not a material and/or adverse change. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any such change and will not affect a Purchaser's obligations under the 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 any 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.

USE AND OCCUPANCY AGREEMENTS

Sponsor reserves the right with respect to any Unsold Residential Unit, to enter into a pre-closing Use and Occupancy Agreement with the Purchaser of such Unsold Residential Unit on an interim basis on such terms and conditions as may be agreed to between Sponsor and Purchaser. Purchasers are advised that the occupancy under such Use and Occupancy Agreement is not subject to any governmental regulations, including, without limitation, rent regulations or continued occupancy. Such use and occupancy fees shall be determined by Sponsor in its sole and absolute discretion. No occupancy may commence until a Temporary Certificate of Occupancy has been obtained for such Unsold Residential Unit.

The Use and Occupancy Agreement will provide, among other things, that an uncured default by the Purchaser under the Option Agreement with respect to the Unsold Residential Unit which is the subject of the Use and Occupancy Agreement will constitute a default under the Use and Occupancy Agreement entitling Sponsor, at its option, to terminate such Use and Occupancy Agreement in accordance with Law. In addition, each Option Agreement will provide that an uncured default by the Purchaser under any Use and Occupancy Agreement with respect to the Unsold Residential Unit which is the subject of the Option Agreement will constitute a default under the Option Agreement entitling Sponsor, at its option, to terminate such Option Agreement and to exercise any remedies provided therein. In addition, in the event a Purchaser is permitted to take possession of the Unsold Residential Unit prior to Closing, such Purchaser will be required to obtain a casualty and liability insurance for their own benefit in such amounts as determined by Sponsor.

In the event (i) that Purchaser defaults under the terms of the Use and Occupancy Agreement which default is not cured within 10 days of notice (other than Purchaser's failure to make a Payment within ten (10) days of the first day of the month in which such Payment is due, in which event Sponsor shall not be required to send notice of default and the event of default shall be deemed to have occurred on the 11th day after the date on which such Payment is due) or (ii) of the expiration of the term of the Use and Occupancy Agreement, Purchaser agrees to vacate and deliver full possession of the Unit to Sponsor in broom-clean condition within 10 days of written notice from Sponsor or its attorney.

Purchasers entering into a Use and Occupancy Agreement for an Unsold Residential Unit will be required to pay the legal fees of Attorney for Sponsor in connection therewith upon execution of the Use and Occupancy Agreement. All other charges or other fees due under the Use and Occupancy Agreement will be adjusted as of the Closing of Title to the Unsold Residential Unit and no portion of the Use and Occupancy fee paid under the Use and Occupancy Agreement will be credited towards the Purchase Price of an Unsold Residential Unit unless the Use and Occupancy Agreement expressly provides. Notwithstanding the foregoing, Sponsor will be under no obligation to enter into any Use and Occupancy Agreement.

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 designated 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 around June 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 in an amount equal to 10% of the Purchase Price and an additional Premium Payment in an amount equal to 10% of the Purchase Price upon the earlier to occur of (i) 6 months 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 Exercise Price shall be payable simultaneously with the delivery of the deed to the Residential Unit, by wire transfer (at Sponsor's sole option) or, official bank check drawn on or issued by a bank or trust company which is a member of The New York Clearinghouse Association and shall be payable to the direct order of Sponsor, or otherwise if Sponsor shall so notify Purchaser. Any wiring fees charged by the initiating and/or receiving bank shall be paid by Purchaser. The deed will be substantially in the form as set forth in Part II of the Plan. Interest, if any, on Purchaser's 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 June 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 an 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 any 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 Sponsor elects to seek specific performance, then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close title to the Unit in accordance with the Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under this Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection).

If Purchaser fails for any reason to close title to the Residential Unit on the Scheduled Closing Date, other than due to Sponsor's failure or inability to Close: (a) the Closing apportionments described in the Section of the Plan entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the actual Closing occurs ("Actual Closing Date"), and (b) Purchaser will be required to pay to Sponsor an amount equal to 0.03% 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 DEPOSITS AND THE BALANCE OF THE PURCHASE PRICE. FUNDS DRAWN ON FOREIGN BANKS WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE.

If a Purchaser has entered into 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 deposit with the Condominium an amount equal to 2 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, except for Unit Upgrade Funds, 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, to the extent not covered by existing insurance, 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 (i) be in its sole discretion, and (ii) shall be made within 60 days of the damage to the Residential Unit) 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.

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

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

Under applicable Federal and local law, lead-based paint can no longer be used in the construction of a building. Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of the Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead-based paint. In accordance with the terms of the rider annexed to the Agreement, Purchasers have the right to inspect their Residential Units for the presence of lead-based paint. While Sponsor has, to the best of its knowledge, received no specific reports regarding lead based paint in the Building, other than those set forth in Part II of the Plan, given the age of the Building and the widespread use of lead-based paint in preceding decades, it can be assumed that there is lead-based paint present in the Building. In addition, there are numerous layers of paint on the walls of the original building. Sponsor makes no representation as to the existence or non-existence of lead-based paint within the walls. Prospective purchasers are advised that, in the event they remove sheetrock at any time in the future, they may be responsible for removing and abating lead-based paint in accordance with applicable Law at their sole cost and expense. Set forth in Part II See the Sections of the Plan entitled "Procedure to Purchase" and "Sponsor's Statement of Building Condition" and the Agreement set forth in Part II of the Plan for further details.

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. 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 Signature Bank, located at 261 Madison Avenue, New York, New York 10016, ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York. All Premium Payments (Initial and Additional) 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. 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 advances of 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 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 Deposit 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 May 1, 2013, the interest rate for the Escrow Bank is .30%. 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).

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 regulations of the Attorney General). 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 deposit 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 deposit.

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.

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 $1,250, 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 Units offered for sale. 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 Units offered for sale.

The Plan may not be declared effective where there are material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Plan. 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, and which are not waived by the Purchasers thereof; (2) a substantial damage to or destruction of the Building (or any portion thereof) by fire or other casualty that cannot be repaired prior to the date set for the First Closing for less than ½ of 1% of the total offering amount in the aggregate; or (3) a taking of a material portion of the Property in condemnation proceedings or by eminent domain. Excluded from the dollar amounts set forth in (1) and (2) above are attorneys' fees and title defects (including violations of record or work orders) or determinations of any authority or regulatory association which existed on the Filing Date of the Plan and were either known to Sponsor or were a matter of public record.

If the Plan is abandoned and Sponsor has accepted 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, except 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 the closing of title. A Purchaser will be required to consummate the purchase of the Residential Unit even though access to the Storage Locker Area in which the Storage Locker is located is not yet available.

(c) the recording or filing of the Declaration, By-Laws, Floor Plans and architect and tax authority certifications required by Section 339-p of the New York Condominium Act or other applicable Law and such other documents as may be required by Law.

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

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

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

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

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

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

(a) a bargain and sale deed with covenant against grantor's acts, substantially in the form set forth in Part II of the Plan, in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law upon delivery to Sponsor of the 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 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" Residential 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" Residential 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.

In the event of the existence of any lien, encumbrance or title defect other than Permitted Encumbrances, which Sponsor fails or refuses to correct, the sole remedy of Purchaser under the Plan, provided Purchaser is not then in default, will be to either (i) take title subject to the title defect or (ii) terminate the Option Agreement, within 15 days after receipt of notice or an amendment disclosing such lien, encumbrance or title defect. A Purchaser electing to proceed with the purchase of the Unit will not be entitled to any credit against, or abatement of, the Purchase Price set forth in the Option Agreement and will have no claim or right of action against Sponsor for damages or otherwise by reason thereof. Sponsor has no obligation to institute any action or proceeding or to expend any sum of money in excess of ½ of 1% of the Purchase Price of the affected Unit to make title insurable or to eliminate any encumbrances or title defects. If Purchaser elects to terminate the Option Agreement, Sponsor shall cause the Premium Payment together with any interest earned thereon, except for Unit Upgrade Funds to be returned to Purchaser, within 30 days after receipt of Purchaser's termination notice. Upon making such refund, Sponsor and Purchaser shall be relieved of all further obligations and liabilities under the Option Agreement and the Plan.

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

The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Units from such impermissible liens or encumbrances or otherwise enable the Title Company to omit such title exceptions from Purchaser's title insurance policy are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments. If existing mortgages or construction loans will not be satisfied at or prior to the First Closing, each mortgagee will 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 the Unit (if any) on the date the Option Agreement is executed or located within the Common Elements on the date the Declaration is filed, that is owned by Sponsor, is included in the conveyance unless specifically excluded in the Option Agreement or the Plan.

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 2 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. Advantage Title, having an office at 201 Old Country Road, Suite 200, Melville, New York 11747 (telephone: (631) 424-6100, facsimile: (800) 285-1551 ("Title Company"), has (i) reviewed the Plan and the Condominium Documents and has issued a letter to Sponsor that it is committed to insure that a valid Condominium will be created pursuant to the Condominium Act, (ii) issued the Speciman Title Policy set forth in Part II of the Plan, and (iii)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).

(f) If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording taxes, mortgage recording fees, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. Currently, the mortgage recording tax for mortgages under $500,000 is 2.05% of the face amount of the mortgage and 2.175% of the face amount of the mortgage if the mortgage is $500,000 or more. Of the total tax due, the mortgagee pays an amount equal to 0.25% of the face amount of the mortgage. In addition, there is a $30 exemption for residential property. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources.

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

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

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

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

(3) If Purchaser requires that the Closing occur other than at the office of Starr Associates LLP, or such other place as Sponsor may designate, and Sponsor consents to such change (in Sponsor's sole discretion), an additional attendance fee of $750 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 $1,250, 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 $750 for <u>each</u> rescheduled

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

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

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

(i) If Purchaser obtains a mortgage loan, Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s);

(j) If Purchaser is a Foreign Government Purchaser, Purchaser will be required to deposit with the Condominium an amount equal to 2 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) 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. Alternatively, Sponsor may require, in its sole discretion, that a Purchaser, who is financing the purchase of the Residential Unit with a purchase money loan secured by a mortgage (the "Purchase Money Mortgage"), must cause the lender making such loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Purchase Money Mortgage as determined by Sponsor. Upon such assignment, the Purchase Money Mortgage will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor will be solely entitled to the benefits of any mortgage tax credit which Purchaser receives as a result of such assignment. Accordingly, at the Closing, Purchaser will pay to Sponsor an amount equal to the mortgage recording tax which would have otherwise been due in connection with the recording of the Purchase Money Mortgage.

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 $6,150,000 and a mortgage of $3,000,000 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 $6,150,000 of owner's insurance	(70% first condo bulk sale rate)	$16,020.00
Mortgage Insurance Premium for $3,000,000 of lender's insurance	(21% first condo bulk sale simultaneous rate)	$2,072.00
NYC RPT Tax	NOTE: transfer taxes are based upon bulked-up consideration of $6,262,237.50. The NYC RPT rate is 1.425%.	$89,236.88
NYS Mansion Tax	1% of bulked-up consideration	$62,622.38
NYS Transfer Tax	The tax rate is $2 for every $500 of consideration or fraction thereof.	$25,050
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 $7,500	$57,720
Departmental and Bankruptcy Searches	Title Searches	$260
Estimated Recording Fees	(one deed, one mortgage and one condo power of attorney)	$1,000
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	2 months' Common Charges	See Schedule A
Total Estimated Closing Costs	Excluding Working Capital Contribution	$256,806.26

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 0.03% 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. Sponsor shall disclose the Tax Security delivered as of the First Closing in the post-closing amendment to the Plan. 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. Any such material and adverse modification, addition or change will be reflected in a duly filed amendment to the Plan. 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 received a construction loan from Deutsche Bank Trust Company Americas, 60 Wall Street, 10th Floor, New York, New York 10005 ("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 (i) limit Sponsor's rights with respect to renting rather than selling Units or (ii) require Sponsor to enter into a specific minimum number of Purchase Agreements prior to declaring the Plan effective. The construction loan documents require Sponsor to meet certain minimum release prices prior to the Construction Lender's release of its lien against each Residential Unit.

(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 June 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 an 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 any 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 substantial renovation and equipping of the Building, except that assignable warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in any Unit shall be assigned to the Purchaser on the Closing Date, including the warranties and undertakings received by Sponsor which relate to appliances, equipment, or fixtures located in the Units and the Common Elements. Sponsor makes no representation as to which, if any, of the warranties and other undertakings will continue to remain in force upon the Closing of any particular Unit. Sponsor shall have no liability or responsibility in the event a warrantor is unable, unwilling or for any reason, fails to perform under its warranty.

(h) Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a permanent certificate of occupancy ("PCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), 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 TCOs and PCOs are issued by the Buildings Department. A TCO 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 TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO 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 TCO rather than a PCO. Sponsor anticipates this scenario may occur. Sponsor and its principal will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a PCO covering the entire building within two years from the date of the issuance of the first TCO, 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 and its principal make no representation or guarantee that the Buildings Department will issue the PCO within such two year period. Notwithstanding the foregoing, Sponsor and its principal are obligated to procure the PCO for the entire building, and shall exercise best efforts to obtain the PCO within such two year period while keeping the TCO current. Unit Owners and the Condominium Board shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings. Sponsor and its principal shall not be responsible for any costs or liabilities suffered by Unit Owners on account of delays in obtaining the PCO 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 PCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principal are obligated to procure the PCO. 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 PCO has been obtained.

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

(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 amount retained in escrow pending the delivery of a Permanent Certificate of Occupancy for the Building and the architect's certification certifying such amount will be included in each post-closing amendment to the Plan. 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. Sponsor shall have no obligation to disclose these construction issues in an amendment to the Plan so long as Sponsor, in its sole judgment believes that corrective action can be or has been undertaken that will allow Sponsor to satisfy its obligations under the Plan.

(k) The Building will contain certain major mechanical equipment, including, but not limited to, elevator machine rooms, fans, pumps, hot water storage tanks, and condensing units (collectively, "Equipment") located in the sub-cellar, cellar, mezzanine and roof of the Building. While Sponsor is endeavoring to reduce excessive noise and vibration emanating from the Equipment, which noise and vibration levels will be in compliance with Law and applicable codes, it is impossible to eliminate it entirely and, therefore, Residential Units and Residential Common Elements in close proximity may be affected. Purchasers should note that subsequent to the First Closing, the Condominium Board and/or the Non-Residential Unit Owner(s), as applicable, will be responsible for the proper upkeep and maintenance of such Equipment in accordance with Law.

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

(m) Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Units, the Building or the Common Elements except as otherwise expressly provided in the

Plan. Sponsor agrees to complete substantial renovation and to cause all mechanic's liens with respect to the substantial renovation of the Building to be promptly discharged or bonded or to deliver any and all requested documents to the title company necessary to insure title to the Unit at no additional cost to Purchaser, if such mechanics lien creates a defect in title (all subject to Sponsor's rights to abandon the Plan).

(n) Each Residential Unit and the fixtures and personal property contained therein, are being sold and delivered as described in the Plan, at the time of transfer of title to such Unit unless Sponsor and the Purchaser otherwise agree in writing. With respect to Residential Units, upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Residential Unit within 7 days prior to the Closing Date and shall execute at such time an Inspection Statement acknowledging the Purchaser's acceptance of the Residential Unit in good condition and in accordance with the terms of the Plan. If Purchaser believes that the Unit has not been fully completed, then Sponsor or its designated representative and Purchaser will at the time of such execution agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed by Sponsor following the Closing without provision for escrow. Sponsor's obligation under the Inspection Statement shall survive delivery of the deed to the Purchaser. The failure of Sponsor to complete the work set forth on 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 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 substantial renovation of the Building, Common Elements or the Units or in the installation or operation of any appliances, fixtures, or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:

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

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

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

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

(iii) with respect to any defects (patent or latent) in the construction of the Common Elements, within 1 year from the date of substantial completion of the portion of the Common Elements claimed to be defective. The issuance of a temporary certificate of occupancy 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; or

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

f. variations in wood floor stains and finishes;

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

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

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

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

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

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

SUCH ITEMS AND CONDITIONS AND SHALL NOT BE LIABLE TO ANY PURCHASER OR CONDOMINIUM BOARD THEREFOR. IF PURCHASER OR CONDOMINIUM BOARD DESIRES TO CORRECT OR REPAIR ANY SUCH ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THE PURCHASER OR CONDOMINIUM BOARD MUST PROCEED AT ITS SOLE COST AND EXPENSE AND/OR UTILIZE ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO IT BY SPONSOR.

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

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

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

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

(u) Sponsor will pay or cause to be paid all contractors, subcontractors and materialpersons and all others involved in the substantial renovation 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 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" Residential 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" Residential 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.

(w) Sponsor will perform any work and/or supply any material necessary to obtain a Permanent Certificate of Occupancy.

(x) 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.

(y) At or subsequent to the First Closing, Sponsor will deliver to the Condominium Board copies of the following documents, as applicable, and as otherwise in Sponsor's possession: (i) mechanical, electrical and plumbing drawings for the Building; (ii) operating and maintenance manuals for mechanical equipment; (iii) electronic system manuals; (iv) major equipment.

(z) 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.

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

(bb) 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.

(cc) 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.")

(dd) 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.

(ee) 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.

(ff) 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.

(gg) 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, to the extent not covered by existing insurance, 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 (i) be in its sole discretion as set forth in the Option Agreement and (ii) shall be made within 60 days of the damage to the Residential Unit) 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 any 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.

(hh) 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.

(ii) 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.

(jj) 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.

(kk) Sponsor does not anticipate that any Additional 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. Any Additional Development Rights shall be governed by the ZLDA. If pursuant to the ZLDA, and to the extent set forth in the ZLDA, any Additional Development Rights shall inure to the benefit of Sponsor, they shall remain the exclusive property of Sponsor and not inure to the benefit of the Condominium Board nor any Unit Owner. If the 361 Development Rights and/or any Additional Development Rights are transferred to any adjoining premises, the light and air of the Building and views from Units and/or Terraces may be adversely affected and due to the Landmark designation of the Property, the issuance of a special permit may be required which may impose certain obligations on the Condominium regarding alterations and other work to the Building and on-going maintenance obligations. Notwithstanding the foregoing, Sponsor's Additional Development Rights, if any, may not be used to expand the size, height, bulk or density of any portion of the Property after the recording of the Declaration.

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

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

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

To the best of Sponsor's knowledge, as of the Filing Date of the Plan, Sponsor has sufficient resources to fund its obligations set forth in the Plan. Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time it is called upon to perform. No representation can be 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 wall coverings, window treatments and carpeting and the like ("FFE") therein and pay, in addition to the Purchase Price for the Unit, such amounts as Sponsor may determine.

FFE

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 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 Residential 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. In addition, marketing materials may designate or label or use nomenclature to describe certain areas or rooms within Residential Units that differs from the designations utilized on the Floor Plans of the Residential Units set forth in Part II of the Plan, including, without limitation, closets, hallways, dens/media rooms and powder rooms. The use of such designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver such areas or rooms designed or fitted out in the manner depicted or implied in the marketing materials.

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 a Non-Residential Unit Owner and/or Permitted Users. Sponsor reserves the right to install additional fireplace flues and mechanical equipment on the roof of the Building.

Condominium Name

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

CONTROL BY SPONSOR

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

The First Annual Meeting will be held approximately 30 days after the second anniversary of the First Closing.

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 4 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 1 of whom shall be designated by the Non-Residential Unit Owner(s) ("Non-Residential Member"). 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 not occurred, 2 of the 3 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, provided, however, that any Residential Member designated by Sponsor may only be removed and replaced by Sponsor, and further provided, however, that the Non-Residential Member of the Condominium Board may only be removed by the Non-Residential Unit Owner(s_, 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 Non-Residential Unit Owner(s).

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.

A Non-Residential Unit Owner is free to sell or lease all or any portion of a Non-Residential Unit without first notifying or obtaining the approval of the Condominium Board and without payment of any fee or charge to the Condominium Board or Managing Agent.

Notwithstanding anything contained herein to the contrary, prior to the Closing of Title to a Residential Unit, the 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.

Storage Lockers

Each Purchaser of a Residential Unit will have the exclusive use of a designated Storage Locker, located in the Vault Space. The City has the right to repossess the entire Vault Space or any portion thereof, in which event the Residential Unit Owner of any Storage Locker, as may be applicable, will no longer have the right to utilize the applicable Storage Locker. . The Storage Locker assigned to each Residential Unit is designated on the Floor Plans set forth in Part II of the Plan. The Storage Lockers shall be treated as Residential Limited Common Elements. Each Residential Unit Owner will be required to maintain insurance for the Storage Locker in amounts sufficient to cover the property located therein.

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

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 shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of such unassigned Storage Locker subject to the provisions of the By-Laws.

Use and occupancy of the Residential Units 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.

Subject to the provisions of the By-Laws, all or any portion of a Non-Residential Unit may be used for any purpose permitted by Law, but may not be used for any of the following: (A) abortion clinic; (B) (i) any obscene or pornographic use, activity or performance, (ii) any sexually suggestive or sexually oriented use, activity or performance in each case which is distasteful or inappropriate, or (iii) the distribution or sale, rental or viewing of sexually explicit materials, sexually explicit live performances or pornographic goods; (C) any overtly violent use, activity or performance in each case which is distasteful or inappropriate; (D) dry cleaning and/or laundry store (but a drop off dry cleaning store and/or an "organic" (non- chemical) process dry cleaner is permitted); (E) restaurant, bar, tavern, nightclub or similar establishment; (F) the sale of alcoholic beverages or establishments with the sale of alcoholic beverages, the sale of food or beverages other than (a) the de minimis provision of complimentary (i.e., not for sale) non-alcoholic beverages exclusively for the benefit of the customers or a user of a Non-Residential Unit, (b) the sale of non-perishable packaged candy, gum and similar goods within a retail establishment for consumption outside such Retail Unit user's demised premises, which sale of goods is not the primary use employed by such user (except with respect to the sale of such goods within a "themed" retail establishment whose "theme" is the branding of such goods (i.e., the sale of M&Ms within the retail establishment commonly known as the "M&M Store")), is ancillary to, and does not detract from, such retail use and serves a broader first-class retail concept, and (c) the provision of complimentary (i.e., not for sale) (except in connection with a fund-raising event with respect to which neither Non-Residential Unit Owner or user derives any profit from such sale) food and beverages by third party caterers exclusively for the benefit of the customers of a retail user and served at occasional special events that are intended to promote or market such user's business within the demised premises; (G) foreign governments and/or any other entity or person that is entitled to sovereign immunity; (H) military recruitment office; (I) manufacturing; (J) any use that would violate any laws or the certificate of occupancy for the Property or any portion thereof; (K) a casino or gambling establishment (but the foregoing shall not be construed as to prohibit the incidental sale of lottery tickets that is related to the business of a retail user (e.g., a newsstand); (L) use for any political or sociopolitical purpose or agenda (including, without limitation, the lobbying or campaigning for any political or sociopolitical purpose, agenda, image, slogan, message or ideology); (M) any use involving the storage, sale or repair of automobiles, motorcycles or other motor vehicles or parts; (N) any use involving the storage of petroleum products; (O) movie theater (other than a screening room or screening area provided by a retail user within its demised premises that displays content that is related to the use employed by such user, which screening room or screening area is not the primary use employed by such retail user and does not detract from the use employed by such user); (P) bowling alley; (Q) miniature golf course; (R) video arcade; (S) playground or jungle gym; (T) any use involving the sale of paraphernalia related to illegal drugs or substances; (U) any use involving or utilizing a loudspeaker system, phonograph or other sound system or advertising devise that projects noise outside of the Non-Residential Unit in a manner or at a decibel level that is inappropriate taking into consideration the Operating

Standard; (V) any so-called head shop or other establishment which stocks, displays, sells, rents or offer for sale or rent any drug-related paraphernalia or merchandise or material commonly used or intended for use with or in consumptions of any narcotic, dangerous drug or other controlled substance, including without limitation, any hashish pipe, water pipe, bong, cilium, pipe screens, rolling papers, rolling devices, coke spoons or roach clips excluding any establishment for which the sale of such products constitutes a de minimis space in such establishment; (W) selling, leasing or displaying new or used automobiles, trucks, trailers, or recreational vehicles; (X) automotive parts, lube and oil or repair shop; (Y) bingo or similar games of chance; (Z) check cashing store (except as is typical in connection with the operation of a financial services institution); (AA) church, mosque, temple or other place or religious worship or meeting hall; (BB) dumping, disposing, incinerating or reducing of garbage (exclusive of dumpsters for temporary storage of garbage and any garbage compactors, in each case which are regularly emptied so as to minimize offensive odors); (CC) any establishment manufacturing, assembling, displaying or selling fireworks, ammunition or explosives; (DD) flea market; (EE) funeral home or establishment or mortuary; (FF) any so-called gentlemen's club featuring topless waitresses, nude dancing or private "one-on-one" booth or rooms; (GG) illicit non-therapeutic massage parlor; (HH) off-track betting parlor or other gambling facility; (II) pawn shop; (JJ) psychic, hypnotist, tarot card or palm reading business; (KK) any business practicing satanic or cult ritualistic activities including so called "devil worship," black magic or rites of passage involving self-mutilation or degradation; (LL) substance abuse rehab or detoxification recovery center; (MM) unemployment agency service or commission; (NN) tattoo parlor.

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

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

No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Condominium Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Condominium Board shall have the right to adopt a no-pet policy for the Building.

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

Mortgage of Residential Units by Residential Unit Owners

Each Residential Unit Owner may mortgage the Residential Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York Board of Title Underwriters form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan, (b) the Condominium Board is notified in writing of the making of such mortgage and receives a conformed copy of the note and mortgage and (c) the owner making such mortgage first satisfies all unpaid liens against the Residential Unit, other than Permitted Mortgages. Sponsor shall have the right to mortgage any Unsold Residential Unit and Non-Residential 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 a Non-Residential Unit) and in proportion to their respective Residential Common Interest (in the case of Residential Units). Common Expenses include, among other things, (a) all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, (b) water charges and sewer rents in connection with the Building; and (c) amounts for certain other items as the Condominium Board may deem proper, such as amounts for reserves for capital expenditures or in connection with the purchase or lease by the Condominium Board of any Unit.

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

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. All 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 will 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 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 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

install, maintain, repair and replace, as necessary, the following shade ("Required Window Treatment") on all windows in the Residential Unit, all at the Residential Unit Owner's sole cost and expense.

Sun Shades:

Product: Phifer Sheerweave 2390 series fabric

Color: Oyster (P12)

Black-Out Shades:

Product: Phifer Sheerweave 7000 series fabric

Color: White (P62)

In the event the Required Window Treatment is not available at such time of initial installation or replacement, the Residential Unit Owner must obtain prior written approval from the Condominium Board with respect to replacements of such Required Window Treatment.

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

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

The By-Laws further require that those public or other areas of the Building exposed to public view that are required to be maintained by each Unit Owner or the Condominium Board, be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof pursuant to the Condominium Documents.

Alterations, Additions and Improvements of Units and Common Elements

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

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

Sponsor and the Non-Residential Unit Owner(s) 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 a Non-Residential Unit provided any alteration to such Unsold Residential Unit or Non-Residential Unit shall be in accordance with, and only as permitted by, the Condominium Act and Law.

Insurance

The Condominium Board is required to obtain and maintain the forms of insurance described in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." The Condominium Board is not required to obtain or maintain any insurance with respect to any property

contained in any Unit or any liability with respect to occurrences in or about each Unit or its Residential Limited Common Elements. Consequently, all Unit Owners are required to obtain casualty insurance with respect to the Unit, including, without limitation, the flooring, fixtures, furniture, furnishings and personal property located within the Unit, any Residential Limited Common Elements appurtenant thereto, including the Storage Lockers and liability insurance with respect to occurrences in or about the Unit, any Residential Limited Common Elements appurtenant thereto, including the Storage Lockers. 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, superintendent 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 Non-Residential 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, including the Storage Lockers 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 "Non-Residential Unit" for a summary of additional rights and obligations of a Non-Residential Unit Owner.

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

Condominium Board

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor (collectively, the "Members"). The Condominium Board will call the First Annual Meeting to elect a new Condominium Board approximately 30 days after the second anniversary of the First Closing. At such meeting, the incumbent Condominium Board shall resign and, subject to the rights of Sponsor and the Non-Residential Unit Owner(s) 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 4 members. (See the subsection below entitled "Meetings and Votes of Unit Owners" and the Section of the Plan entitled "Control by Sponsor" for details.) Thereafter, at each annual meeting, members of the Condominium Board shall be elected and/or designated and shall serve until the next annual meeting thereof and until a successor has been elected and/or designated.

Except for the Members of Condominium Board designated by Sponsor and/or the Non-Residential Unit Owner(s), 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. One (1) member of the Condominium Board shall be designated by the Non-Residential Unit Owner(s). In addition, the President may call a special meeting whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such meeting signed by Unit Owners having in aggregate not less than 40% of the total Common Interest. The Secretary of the Condominium Board shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice, which will be given at least 10 days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Residential Unit Owners, the presence in person or by proxy of Residential Unit Owners owning more than 40% of the total Residential Common Interests shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Residential Unit Owners.

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

Officers

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

Repair or Reconstruction after Fire or Other Casualty

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

If the Building is damaged or destroyed by fire or other casualty and the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds such amounts as may be necessary to reduce unpaid liens on the Unit, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

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

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

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Condominium Board in the event of a loss amounting to $1,000,000 or less. In the event that such proceeds are in excess of $1,000,000, such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

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

The fire insurance policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions described in the By-Laws.

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

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured or (iv) pro rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least 30 days' prior written notice to the Condominium Board and to all of the insureds, including all Unit Owners and Permitted Mortgagees who have requested the same from the Condominium Board in writing. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees, who have requested the same from the Condominium Board in writing. Renewals shall be obtained at least 10 days prior to the expiration of the then current policies.

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Condominium Board may from time to time determine, covering (1) the Condominium Board, Managing Agent or agents thereof, each Condominium Board member and each officer and employee of the Condominium, and (2) each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owners Unit or within the Common Elements, if any, exclusive to such Unit Owners Unit. The Condominium Board shall review such limits not less than once each year. Until the first meeting of the Condominium Board following the First Annual Meeting, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

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

All Unit Owners are required to obtain casualty and liability insurance for their own benefit covering their Units, any Residential Limited Common Element appurtenant thereto including the Storage Lockers. 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 a Non-Residential Unit Owner and any Development Rights Owner, (solely with respect to utilization, sale or transfer of Additional 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 Non-Residential Unit Owner and/or any Non-Residential Unit without the prior written consent of the affected Non-Residential 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 Non-Residential 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 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 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 Non-Residential Unit Owner(s) 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 Grome Wolosky LLP, tax counsel to Sponsor ("Tax Counsel"), a copy of which is set forth in Part II of the Plan.

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

Income Tax Deductions to Residential Unit Owners

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

It is the opinion of Tax Counsel that a Residential Unit Owner who uses the Residential Unit as a personal residence will, under present Law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that deductions, if applicable, may vary in future years due to changes in the interest rate or the Residential Unit Owner's mortgage or from changes in the allocation of the constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property. Purchasers who are individuals should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire, construct or substantially improve a principal or second residence (or which constitutes a refinancing of such debt) (up to a total indebtedness of $1 million, $500,000 for married tax payers filing separately) plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of these limitations would not be deductible. In addition, Residential Unit Owners should note that special limitations may apply to the deductibility of points and prepaid interest, if any, on their mortgage loans and to the overall allowance of itemized deductions.

Tax Status of the Condominium

As discussed in the Attorney's Income Tax Opinion, the Condominium should meet the requirements for qualification as a "homeowners association," under Internal Revenue Code Section 528 and accordingly, may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Unit Owners.

If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve fund (less expenses directly connected with the production of such income).

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

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

The qualification of an organization as a "homeowners association" is determined annually at the close of each taxable year, and it is possible that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more future years.

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of the City of New York will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof upon which Tax Counsel bases its opinion, will not change. In addition, none of the aforesaid give any warranties with respect to the tax consequences of the Plan or the tax consequences of ownership of any Residential Units offered under the Plan, and no one has been authorized to give any warranties.

REAL ESTATE TAXES

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

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. This overall assessment is then apportioned among the 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 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 ("Working Capital Fund") in an amount equal to 2 month's Common Charges with respect to the Residential Unit based on the Condominium budget in effect at the time of Closing. The payment of the Working Capital Fund contribution shall be required of all Purchasers of Residential Units, whether purchased from Sponsor or on a resale.

At or subsequent to the First Closing, Sponsor will apportion with the Condominium the following items as of midnight of the day preceding the First Closing, to the extent applicable:

(1) employees' wages, vacation and severance pay, pension and welfare benefits and accruals and all other payments or obligations relative to the employees of the Condominium.

(2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any.

(3) charges for electricity and other utilities for the Common Elements.

(4) cost of fuel on hand (plus sales tax), if any.

(5) charges and receipts in connection with service, maintenance and concession contracts.

(6) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units).

(7) cost of building supplies on hand at Sponsor's cost (including sales tax).

(8) premiums for transferable insurance policies, if any.

(9) janitorial service fees, if any.

(10) management fees.

(11) building supplies (including, but not limited, to uniforms, cleaning supplies, carts, luggage).

(12) other customary closing adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as set forth above, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and the other matters mentioned above.

If the result of the Closing adjustments is a net credit in favor of the Condominium, Sponsor will contribute the amount of such net credit to the Working Capital Fund. If the result of the Closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be evidenced by an unsecured, negotiable promissory note, without interest, to be executed by the Condominium Board and delivered to Sponsor at the First Closing to be repaid on the first anniversary of the First Closing. The promissory note may be prepaid by the Condominium in full at any time, or in part from time to time, without penalty.

The Working Capital Fund will be used for working capital, a reserve for repairs or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented by allocations from the monthly Common Charges. While Sponsor controls the Condominium Board, the Working Capital Fund will not be used to reduce Common Charges. (See the Section of the Plan entitled "Control By Sponsor" for details.)

The Condominium Board will be able to utilize the funds in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Residential Units.

No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, including repairs, replacements or major improvements, for the first or any subsequent year of Condominium operation. If additional funds are required over and above the Working Capital Fund to cover expenses of the Building operation, it may be necessary to increase Common Charges or make Special Assessments. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

RESERVE FUND

No provision has been made to establish a reserve fund for capital replacements or repairs, because the Building, upon completion of the substantial renovation to be performed by Sponsor will be predominately new construction. While Sponsor does not anticipate the imminent need for capital repairs, replacements and/or improvements, no warranty or guaranty is given that such needs will not arise in the future. Therefore, Unit Owners will be obligated to pay their share of the cost of repairs, replacements and/or improvements to the Common Elements as the need for such arises, unless there are sufficient Working Capital Funds or other funds available. The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by Special Assessment or by increases in Common Charges.

MANAGEMENT AGREEMENT

At the First Closing, Sponsor will assign, and the Condominium Board will assume, the Management Agreement for the Condominium between Sponsor and Andrews Building Corp. ("Managing Agent"), having an office at 666 Broadway, 12th Floor, New York, New York 10012 ("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 one (1) year commencing on the date of the First Closing ("Commencement Date"). Thereafter, the Management Agreement will be automatically renewed from year to year, but may be cancelled by either party without cause, upon not less than 60 day's prior written notice.

Managing Agent will receive an annual fee of $21,000, payable in equal monthly installments during the term of the Management Agreement. 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 an insurance policy in favor of the Condominium for any loss resulting from fraudulent or dishonest acts committed by Managing Agent, its directors, officers or employees.

The Management Agreement provides that the Condominium Board shall indemnify Managing Agent with respect to claims in connection with Managing Agent's carrying out the provisions of the Management Agreement or acting under the express or implied directions of the Condominium Board, unless arising from the gross negligence, bad faith or willful misconduct of Managing Agent in carrying out its duties.

Sponsor reserves the right during the Initial Control Period to designate any other reputable managing agent to perform all of the duties and services to be performed by Managing Agent under the Plan and if Sponsor does so, Sponsor will cause such other managing agent to accept employment on terms substantially similar to the terms specified above. The Management Agreement may not be assigned by Managing Agent without the prior written consent of the Condominium Board. The Condominium Board may not assign the Management Agreement.

There are presently no contracts or leases binding on the Condominium.

IDENTITY OF PARTIES

Sponsor

361 Broadway Associates Holdings, LLC is a limited liability company organized under the laws of the State of Delaware, with an office at c/o Knightsbridge Properties, 68 Thomas Street, New York, New York 10013 ("Sponsor").

The principal of Sponsor who will be actively involved in this offering is Jourdan E. Krauss. Mr. Krauss began his Real Estate development career in 1997 and is the founder of Knightsbridge Properties Corp., having an address at 68 Thomas Street, New York, New York 10013. He is responsible for the creation and implementation of the Company's high-level business strategies, as well as the management of global operations and resources. Mr. Krauss leads the vision and overall development of the Company's projects. He has been actively involved in real estate construction and finance for over 20 years and has been directly responsible for the acquisition and development of over 20 buildings in the United States and Europe.

Prior Offerings

Principal of Sponsor has not taken part in any prior public offerings which were initially offered during the past 5 years.

There have been no prior felony convictions of Sponsor, or any principal of Sponsor and no prior convictions, injunctions and judgments against Sponsor, or any principal of Sponsor that may be material to the Plan or an offering of securities generally that occurred within 15 years prior to the submission of the Plan.

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. Samantha Sheeber, 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 Grome Wolosky LLP, having an office at Park Avenue Tower, 65 East 55th Street, 2nd Floor , New York, New York 10022 to prepare the Income Tax Opinion for the Condominium and Unit Owners under the direction of Warren Gleicher, Esq.

Selling Agent

Selling Agent for the Condominium will be Corcoran Sunshine Marketing Group, having an address at 888 Seventh Avenue, 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 The Andrews Organization, Inc., having an office at 666 Broadway, 12th Floor, New York, New York 10012. 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 over 25 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

Dean Maltz Architect, having an office at 330 West 38th Street, Suite 811, New York, New York 10018 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 the Metal Shutter Houses, the Nomadic Museum, the Camper Store and the Sagaponac House.

b) Design Architect

Shigeru Ban Architects America having an office at 330 West 38th Street, Suite 811, New York, New York 10018, is the design architect for the Building ("Design Architect"). The Design Architect has been providing architectural services for many years and has been the design architect of many buildings including the Metal Shutter Houses, the Nomadic Museum, the Camper Store and the Aspen Art Museum.

c) Structural Engineer

Robert Silman Associates, having an office at 88 University Place, New York, New York 10003, 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 for many Manhattan buildings.

d) Mechanical Engineer

Icor Associates, LLC, having an office at 485C Route 1 South, Suite 200, Iselin, New Jersey 08830, 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 many Manhattan buildings.

Condominium Budget Expert

Sponsor has engaged Andrews Building Corp., having an address at 666 Broadway, 12th Floor, New York, New York 10012, as Sponsor's Budget Expert. The Budget Expert estimated all amounts of income

and expenses in "Schedule B - Estimated Budget for Projected First Year of Condominium Operation" in consultation with Sponsor. The Budget Expert has rendered a certification as to the adequacy of the First Year's Budget and a certification as to the adequacy of the Common Charges payable by the Non-Residential Unit Owner(), which may be found in Part II of the Plan.

Related Parties

Sponsor and its principals have no affiliation with Selling Agent, Sponsor's Attorneys, the Architects/Engineers, Managing Agent, or the Budget Expert, the Construction Professionals, or any person or firm who will provide services to the Condominium subsequent to the First Closing. Neither the Condominium Budget Expert, the Construction Professionals nor the Attorneys have any financial interest in the Property, the Units, the Condominium, or this offering, except for their fees for services rendered.

No Pre-Sales

Neither Sponsor nor its principals have entered into contracts or agreements, written or oral, or accepted any 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 a substantial renovation there are neither commercial nor residential tenants occupying the Building as of the date of the Plan.

No party other than Purchasers shall have any right or benefit herein or herefrom, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

Sponsor reserves the right, from time to time prior to the First Closing, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Residential Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor and Purchasers. However, Sponsor may not unilaterally cancel 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.

Under applicable Federal and local law, lead-based paint can no longer be used in the construction of a building. Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of the Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead-based paint. In accordance with the terms of the rider annexed to the Agreement, Purchasers have the right to inspect their Residential Units for the presence of lead-based paint. While Sponsor has, to the best of its knowledge, received no specific reports regarding lead based paint in the Building, other than those set forth in Part II of the Plan, given the age of the Building and the widespread use of lead-based paint in preceding decades, it can be assumed that there is lead-based paint present in the Building. In addition, there are numerous layers of paint on the walls of the original building. Sponsor makes no representation as to the existence or non-existence of lead-based paint within the walls. Prospective purchasers are advised that, in the event they remove sheetrock at any time in the future, they may be responsible for removing and abating lead-based paint in accordance with applicable Law at their sole cost and expense. Set forth in Part II See the Sections of the Plan entitled "Procedure to Purchase" and "Sponsor's Statement of Building Condition" and the Agreement set forth in Part II of the Plan for further details.

PART II

CONDOMINIUM OFFERING PLAN

CAST IRON HOUSE CONDOMINIUM
67 FRANKLIN STREET
NEW YORK, NEW YORK 10013

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

DESCRIPTION OF PROPERTY & SPECIFICATIONS

CAST IRON HOUSE CONDOMINIUM
67 FRANKLIN STREET
NEW YORK, NEW YORK, 10013
MARCH 12, 2014

a.) Location and Use of Property:

1. Address: 67 Franklin Street, New York, New York, 10013
2. Block & Lot Number: Block 174, Lot 31
3. Zoning: C6-4A with R10-A equivalent
   Converted pursuant to Article 1, Chapter 5
   Project complies with Quality Housing requirements:
   - 28-12: 9 street trees paid to Parks Department.
   - 28-21: Size of dwelling units larger than 400 sf.
   - 28-22: Residential windows will be double glazed.
   - 28-23: Refuse rooms provided.
   - 28-24: Laundry facilities within all dwelling units.
   - 28-31: Recreation space provided.
4. Permissible Use(s): Use Groups 1 & 2 Residential
   Use Groups 5 & 6 Retail & Commercial

The property and its proposed use will comply with all zoning and use requirements at the completion of construction. This is an existing commercial building being converted to residential use in accordance with NYS Multiple Dwelling Law Article 7-B and NYC Zoning Resolution Article 1 Chapter 5.

Where materials, appliances, equipment, fixtures, and other construction and design materials and details are specified in this report, Sponsor has reserved the right to substitute in their place similar materials, appliances, equipment, and/or fixtures of equivalent or better quality.

b.) Status of Construction: The project date of substantial completion is on or about June, 2015 unless delayed by weather, strikes, lockouts, acts of God, shortages of or inabilities to obtain materials, equipment or labor, government restrictions or preemption, damage by fire or elements or any other cause of which the sponsor has no control.

1. Year built: 1882; Date of Alteration: June, 2015
2. Class of Construction: The building will be classified Class 1C (non-combustible).
3. Certificate of Occupancy: Latest C of O No. 103223030F. After completion of construction, the sponsor will apply for a new Certificate of Occupancy for the building from the City of New York ("Department of Buildings").
4. Alteration job number: 120954770. The existing 6 story building will be converted in to a 9 story building, which will include the addition of a 2 story penthouse.

c.) Site: The rectangular site is situated on the southwest corner of the intersection of Broadway and Franklin Street. The site is relatively level and is bounded to the south by a commercial property, to the west by a residential property, to the north by Franklin Street, and to the east by Broadway.

1. Size: Total site area is 8,711 SF

2. Number of Buildings & Use: The project consists of (1) building with (13) residential units and (1) commercial unit, converted from an existing structure. The floor levels will have the following usage:
   a. Sub-Cellar Floor: shall contain a Courtyard with Green Wall (exterior), a Resident Lobby, accessory Fitness Center, accessory Yoga / Dance studio, accessory Hydrotherapy Room (w/ Sauna, Steam Room, Showers, and Individual bath), accessory Treatment Room, accessory Shower & Changing Rooms, accessory Resident Lounge (w/ pantry), accessory Children's Playroom, an accessory Laundry Room, Private Resident Storage, Bicycle Storage, Maintenance Room, Super Office, Storage Room, Compactor Room, Elevator Control Room, Telecom, and Booster Pumps.
   b. Cellar Floor: shall contain a commercial space and the building utility rooms -- the Electrical Room, Water & Gas Meter Room, and Fire Pump Room.
   c. Floor 1: shall be used for residential lobby and commercial space.
   d. Mezzanine Floor: shall be used for mechanical equipment.
   e. Floors 2 – 9: shall be used for residential.
   f. Roof: shall be used for mechanical equipment.

3. Streets: The site has a street frontage of 54'-2 ½" along Broadway and 165'-3" along Franklin Street.
   i. Paving: The streets adjacent to the property are owned and maintained by the City of New York.
   ii. Curbing: The existing curbs on Broadway and Franklin Street are granite and are in satisfactory condition.
   iii. Catch Basins: Catch basins are owned and maintained by the City of New York.
   iv. Street Lighting: The street lighting at adjacent streets is owned and maintained by the City of New York.
   v. The curbing is in conformance with the local fire district and municipal codes.
   vi. A New York City subway tunnel and track run beneath the street adjacent to the Property

4. Sidewalks:
   i. Paving: The existing sidewalk paving adjacent to Broadway and Franklin Street is granite and is in satisfactory condition. The existing sidewalk paving within 5'-0" of the building is steel diamond plate. Along the Broadway street front, the steel diamond plate will be removed and replaced in kind. The steel diamond plate will be painted with 1 coat primer and 2 finish coats. Along the Franklin Street front, the steel diamond plate will be removed and replaced with cast iron and glass skylights to match the historic condition.
   ii. Curbing: See item 3.iii.2 above.
   iii. Catch Basins: See item 3.iii.3 above.
   iv. Street Lighting: See item 3.iii.4 above.
   v. The sidewalks are in conformance with the local fire district and municipal codes. Sidewalks providing access to the building shall be free of tripping hazard & ponding, and the condominium shall be responsible for maintaining the sidewalks per the requirements of DOT or AHJ. Sidewalks and curb cuts shall be ADA compliant. Sidewalks shall be sloped so as to drain water away from the foundation of the building.

d.) Utilities:

1. Domestic Water – One new 3" domestic water service is designed to be brought into the Building from a 12" water main located in Broadway. The new domestic water service will be equipped with one main water meter and an approved NYC backflow prevention device.

2. Fire Protection – One new 6" fire protection service is designed to be brought into the Building from a 12" water main located in Broadway. The new water service will be equipped with approved NYC backflow prevention.

3. Sewer – All sanitary wastes from the building will be discharged to the city sewer system. Storm water from roofs, areaways and other areas open to the outside air will be discharged to the city sewer. Storm water system will be independent from sanitary system throughout the Building. One 8" combined sewer will be provided and connected to 14" existing city sewer located in Broadway. No meters are required. Billing is based on water usage by the city.

4. Natural Gas – Low pressure gas will be brought in to the building at the cellar level from city main at Broadway. Gas service in the building is metered with two dedicated meters, for each of the following applications:

   i. All residential kitchen gas ranges and grills, dryers, and hot water heaters will be on one Con Edison meter.
   ii. Future commercial tenants will be on separate Con Edison meter

5. The building will be served from existing Con Edison service takeoff rated at 2500A, 208V, 3 phase, 4 wire. Dedicated, directly metered service switches will provide power to the distribution equipment for the Residential, Commercial and Building support loads. All new main distribution equipment will be located in the cellar electrical room.

6. Provisions for underground telephone, cable TV, and data service will be provided to equipment in the Telecom Room in the Sub-Cellar. Each unit owner will be responsible to set up their own telephone service with the telephone company and each will be billed individually by the telephone company.

e.) Sub-soil Conditions:

1. Existing Foundations: Existing building foundations consist of granite stone blocks on reinforced concrete strip footings bearing on medium dense fine sand (see geotechnical report dated May 18, 2012 by RA Consultants, LLC). There is no evidence of uneven foundation movement or settling.

2. New Foundations: Newly installed reinforced concrete grade beams will be poured in the southwest corner of the site to support four new steel columns. These grade beams will bear on the existing concrete strip footings. Two new elevator pits will be installed in the southern half of the building, composed of reinforced concrete structurally adhered to the existing construction and bearing on undisturbed soil.

3. Vaults: (1) existing vault under the sidewalk along Broadway is (2) stories, aligning with the Sub-Cellar and Cellar floor levels. (1) existing vault under the sidewalk along Franklin Street is (2) stories, aligning with the Sub-Cellar and Cellar floor levels. Existing vault structural steel will be repaired or replaced as necessary to accommodate the required loads. At the Cellar level, the Broadway vault contains the incoming water, electrical, gas, and city sewer connection. The Franklin vault contains the Commercial vault space. At the Sub-cellar level, both vaults contain a portion of the building amenities including the individual storage rooms, the Yoga / Dance Studio, and the Hydrotherapy Room. The east wall of the Broadway vault is a party wall with the NYCT. All vaults are subject to NYC revocable consent and no integral components of the building are to be installed within vaults.

4. The building is located in Flood Zone X (un-shaded) of the revised FEMA Flood Map – areas determined to be outside the 0.2% annual chance floodplain. No flood prevention measures are required. There is no evidence of moisture, seepage, or groundwater infiltration.

f.) Landscaping and Enclosures:

1. Grass Cover: None
2. Plantings:
   i. An ivy clad green screen (approximately 12' tall) will be provided along the west edge of the Sub-Cellar Courtyard.
   ii. Plantings will be provided in glass-fiber reinforced concrete planter boxes at the south and west ends of the 8th floor terraces.
3. Trees: Bamboo trees (approximately 30' tall) will be provided along the south edge of the Sub-Cellar Courtyard. The trees will be contained within a 2' deep planting bed, surrounded on all sides by a steel plate.
4. Fencing:
   i. Painted aluminum louvered visual screen (7' tall) to be provided to shield mechanical equipment on the building roof.
   ii. Painted aluminum frame and frosted glass privacy screen (9' tall) to be provided between penthouse terraces at 8th floor.
5. Gates: 3' wide minimum integral with painted aluminum louvered visual screen to access rooftop mechanical equipment.
6. Garden Walls: An ivy clad green screen (approximately 12' tall) mounted on 3" x 3" posts will be provided along the west edge of the Sub-Cellar Courtyard, as described above in f.2.ii.
7. Retaining Walls: None
8. Fountain: Stone water fountain (approx. 3' tall) to be provided in Sub-Cellar Courtyard.
9. Open Recreation Space and Terraces:
   i. In accordance with the New York Zoning Resolution ZR 28-31, all residential units will have access to a common exterior Accessory Recreation Yard ~~Space~~ located at the Sub-Cellar Courtyard. The floor area for this Accessory Space has been calculated based on 2.8% of the total new additional floor area (9,388.7 SF) = 263 SF. ZR 28-01 states that the portions of non-residential buildings constructed prior to December 1, 1961 that are converted to dwelling units do not need to comply with the Quality Housing provisions of chapter 28. Therefore only the new additional floor area is calculated for the required Accessory Space.

ii. Units 2D, 4D, and 6C shall have access to private balconies adjoining the lower level of the duplexes at the 2nd floor, 4th floor, and 6th floor, respectively.
iii. Penthouse Units A and B shall have access to private terraces at the 8th and 9th floors.

g.) Building Size:

1. Total Height: The total building height is approximately 116'-2", measured from the northeast base corner point. Once completed, the building will be subject to NYC Local Law 11; future inspections are the responsibility of the building per terms of the law.
2. Crawl Spaces: None
3. Cellars: (1) Sub-Cellar and (1) Cellar
4. Number of Floors: (10) above grade floors, which includes (2) penthouse floors.
5. Equipment Rooms: The Sub-cellar contains an Elevator Control Room, Telecom Room, Booster Pump Room, Laundry Room, and Compactor Room. The Cellar contains an Electrical Room, Gas Meter Room, Water Meter Room, and Fire Pump Room. The Mezzanine contains an HVAC mechanical room. The Roof contains a Boiler Room and an exterior Mechanical Equipment space.
6. Parapets: Approximately 4'-6", measured from new 8th floor to top of existing parapet. For new parapets, approximately 3'-6" measured from new 8th floor.

h.) Structural System: The building's structural system original to its 1880's construction consists of round or C-shaped cast-iron columns and masonry load bearing walls supporting a floor plate that is composed of steel I-beams with heavy wooden planks bearing on the top flanges of the beams (for structural purposes) and double-wythe masonry barrel arches bearing on the bottom flanges (presumably for fire protection). The modifications to the existing building include new steel framing with concrete slabs on metal decking, with an integration of both the existing and new floor plate constructions occurring on five different levels. The newly constructed rooftop penthouse addition will be composed of steel framing with spray-on fireproofing and concrete slabs on metal deck.

1. Exterior of Buildings:
   i. Walls - Existing: There are two existing exterior walls systems: a) cast iron and b) brick. The cast iron has been recently restored with new Glass Fiber Reinforced Concrete (GFRC) cornice profiles and metal flashing to match the original 1880s design. The recent restoration of these surfaces included the sealing and painting of these elements to form a weather tight system. This wall system comprises the East and North facades of the existing building.

   Brick masonry comprises the West and South facades of the existing building. This will be resurfaced with a cementitious parging where exposed above adjacent structures. The interior side of these walls will be insulated and refinished with metal studs and gypsum wall board.

   Walls – New: There will be two new wall systems: a) aluminum cladding and b) stucco. The aluminum cladding wall system will consist of aluminum plates, aluminum extrusions and a textured aluminum panel cladding system over a water resistive vapor permeable membrane and exterior wall board. All exposed surfaces will have a factory applied paint finish. This finish will have a 20 year warranty. These systems are supported on back up walls of metal studs with batt

insulation. On the North, East & West elevations of the penthouse floors (8th & 9th), the aluminum cladding system frames large openings of both sliding glass door panels and fixed glass panels. These glass panels are set in thermally broken extruded aluminum frames with a factory applied paint finish.

The South and West Courtyard walls will be new construction and will consist of textured aluminum spandrel panels set between ribbon windows of both fixed and operable units. Stucco will be applied to the bounding edge of the walls framing the Courtyard. The stucco will be a vented 3 coat elastomeric system with a 10 year warranty.

ii. Windows: The windows will be of three types: aluminum framed, wood framed to match existing and stationary fire rated lot line windows.

The aluminum framed windows will have thermally broken frames at the head, jamb and sill around insulated glass units (IGUs) as described below. The aluminum frames will be thermally broken with gaskets meeting the standards of AAMA 1503.1 and factory painted. These windows will occur as both fixed and operable window units. The operation types for the operable window units will be sliding, awning and swinging. Where required opening limiters will be installed in lieu of window guards on operable window units. No screens are to be provided. These windows occur throughout the 8th & 9th floor in addition to the west and south Courtyard elevations for the full height of the building. The manufacturer of the aluminum framed windows shall be Schuco, Skyframe, or Alumico.

The wood framed windows will be double hung. The frames will match and replace the existing windows of the same type. All of the double hung windows will be operable. The window units on the 3rd & 4th floors will have operation limiters in lieu of window guards. No screens are to be provided. These windows occur at the 2nd through 7th floors on the north and east facades of the building. All of the wood framed windows will have painted mahogany frame and sills with insulated glass units (IGUs) as described below. The manufacturer of the wood framed windows shall be Fenestra America or Artistic Doors & Windows.

14 fire rated lot line windows are located on the South wall adjacent to 359 Broadway. These windows are distributed as follows: 2 are in the 7th floor corridor, 2 are in the 8th floor corridor, 1 is in the 9th floor corridor, 2 are in Unit 6a, 2 are in Unit 6c, 2 are in PHA, and 3 are in PHB. All fire rated lot line windows are 5'-6" (height) x 3'-4" (width). In compliance with NYC building codes these windows cover less that 10% of the wall area and will have glass and frames rated for ¾ hour fire protection. Lot line windows will not be considered when calculating air and light requirements. If the neighboring building increases in height above the lot line windows, the window openings will need to be filled in or upgraded to a 2 hour rating as required by code. The manufacturer of the fire rated windows shall be SaftiFirst.

The south facing court yard and penthouse level windows are also lot line windows in that they are less than 30' from the south property line. However, these windows meet the building code requirements for allowable unprotected openings based on the size and distance from the property line. Therefore, these

windows are not required to be fire rated nor do they carry any risk or requirement for future modification.

The window glazing on this project will consist of an insulated glass unit (IGU) assembly comprised of one layer of 3/16" thick glass, a 1/2" air space, and two additional layers of 3/16" glass laminated together with .060" PVB interlayer. This is a high performance glass assembly maintaining a high visible light transmittance (70% min.) while reducing the solar heat gain coefficient (.50 max.) and sound transmittance. This glass will be used throughout the building and have a warranty period of 10 years. No special maintenance/care is required. Window guards will not be provided.

iii. Landmark Status: The building has been designated by the New York City Landmarks Preservation with Landmark status.

2. Parapets & Copings: Parapets & Copings are to be capped with aluminum flashing or glass fiber reinforced concrete (GFRC). Where the existing parapet occurs as the terrace railing at the 8th floor, GFRC will be used as a cap and cladding on the interior facing surfaces. This cap and cladding will be attached using stainless steel anchors. The aluminum cap flashing will occur at the uppermost roof and will also serve as a gravel stop for the roofing insulation ballast.

3. Chimneys & Caps: The trash chute shall have a 6' extension above the top of roof, and will be capped with a spark arrestor, as required by NYC building code. The trash chute shall consist of aluminum-coated cold-rolled commercial quality, steel sheet ASTM A463, Type 1 with T1-40 coating, gage U.S. No. 16. The diameter shall be 24". The manufacturer of the trash chute shall be one of the following approved vendors: Midland-Metalcraft Corp; US Chutes Corp; or Wilkinson Chutes. (2) boiler flues 6" in diameter shall extend 3'-0" above the stair bulkhead and shall be double wall metal vents – inner shell to be Type 29-4c stainless steel or as rated per boiler manufacturer and the outer jacket shall be stainless steel. The manufacturer of the boiler flue shall be one of the following approved vendors: Heat-Fab Inc; Metal-Fab Inc; or Selkirk Inc.

4. Balconies and Terraces: Private exterior balconies will occur at the 2nd floor (Unit 2D), 4th floor (Unit 4D), and 6th floor (Unit 6C). The exterior balconies will be sloped by 1/8" per 1'-0" towards the exterior guardrail, which will have gaps for drainage away off of the façade. Private exterior terraces will occur at the 8th floor and at the 9th floor (Penthouse Units A & B). The exterior terraces will be sloped by 1/8" per 1'-0" towards the exterior guardrail, which will have gaps of 4" on both ends for drainage away off of the façade.
   i. Terrace Finish: The walkable surface of all balconies and terraces will be 1 ½" thick limestone pavers with a slip resistant finish. These pavers will rest on setting blocks and serve as ballast for the roof insulation. The waterproofing at the roof terraces will be a cold applied liquid reinforced membrane. This roofing membrane system will have a 20 year warranty.
   ii. Railings: Glass railings will occur at all residential terraces where a parapet does not occur. These railings consist of two layers of tempered 3/8" glass laminated together with a .060" thick interlayer. All glass railings are topped with a ½" factory painted aluminum cap. At the roof top, a wire mesh railing will consist of a painted 2" steel tube frame with a cable net wire mesh infill.
   iii. Copings: See item h.1.(ii) above.

iv. Soffits and Ceilings: Exterior Soffits and Ceilings will be aluminum panel cladding with factory applied paint.
v. Doors: Doors to terraces will be swing or sliding with factory painted aluminum frames thermally broken with gaskets meeting the standards of AAMA 1503.1. Door glazing will be Insulated Glass Units including laminated glazing on the indoor lite.

5. Exterior Entrances: Exterior at grade entrances are to be provided for the commercial space and for the residential lobby. The residential lobby will include a glass and steel canopy. Entrances are to be free of tripping hazards and are to be ADA compliant; providing the required maneuvering clearances with no threshold greater than 1/2". All newly installed metal fasteners shall be corrosion resistant; existing non-corrosion fasteners may remain.

i. Exterior Doors and Frames: Commercial exterior doors and service exterior doors will be wood and glass with solid wood frames to match historic doors. Residential exterior doors will be frameless glass with recessed stainless steel frame.
ii. Vestibule Doors and Frames: No vestibules at entrances.
iii. Exterior Stairs: Exterior stairs along Broadway and Franklin Street will be glass bullet and cast iron panels to match historic condition.
iv. Railings: Painted steel railings will be provided at the (2) stairways in front of the commercial entrances.
v. Mail Boxes: No exterior mailboxes will be provided. Painted aluminum ADA compliant mail boxes are to be located on the 1st floor, just beyond the residential elevator lobby.
vi. Lighting: The residential entrance will be lit by (2) recessed dimmable pinhole downlights above the entrance way to illuminate the exterior floor surface in front of the entrance.

6. Service Entrances: A service entrance will be provided at Broadway and will have a dual function – a service entry for the residential building and as an entry for the cellar floor retail space.

i. Exterior doors will be wood and glass to match the historic frame profile and color. The doors will have electronic locks activated by the 24 hour doorman / concierge desk or from the cellar floor retail spaces.
ii. Gates will not be provided.
iii. Exterior stairs will not be provided.
iv. Railings will not be provided.

7. Roof and Roof Structures:

i. Type of Roof for all areas:
   1. Material: All flat roofs will be cold liquid applied reinforced membranes applied to concrete slabs and covered with a drainage mat, insulation and ballast. Ballast will consist of river gravel and concrete pavers or stone pavers at terraces and balconies. Sloping roofs over stair and mechanical bulkheads will be standing seam aluminum over a waterproof membrane.
   2. All roofs are to be insulated. All flat roofs and terraces will be insulated with a minimum of 4" rigid foam with R-5 per inch or better. Soffits will be

insulated with a minimum 8" batt insulation of R3 per inch or better. Sloped roofs will be insulated with a minimum of 4" rigid foam with R-5 per inch or better.

3. Surface finish; see item h).(vii).1.i above
4. Bond or guarantee: A 20 year manufacturer warranty and 5 year applicator warranty are specified for all roof assemblies.
5. Flashing material to match roofing material. Counter-flashing material to be sheet metal.

ii. Drains:
   a. Location, Material, Type: Storm drains will be cast iron and will connect to cast iron piping that connect to the city sewer system.
   b. Gutters and Leaders: Not provided.

iii. Skylights: Operable skylights with clear insulating glass or plastic (as per code) and thermally broken coated aluminum frames will be provided at the roof top bulkhead above the (2) fire stairs, as per code.

iv. Bulkheads:
   a. Stairs: The interior egress stairs will terminate in bulkheads. The bulkheads will be finished with preformed aluminum siding.
   b. Elevators: No elevator bulkheads will be provided.

v. Metal Work at Roof Levels:
   a. Exterior Metal Stairs: Not provided
   b. Vertical ladders: Not provided
   c. Railings: Painted steel pipe railings with steel mesh netting infill will be provided around penthouse roof.
   d. Hatches to Roof: (2) coated steel hatches will be provided above elevator shafts for smoke exhaust, as per code.
   e. Dunnage: Will be provided for HVAC equipment and shall be shop primed and painted with exterior grade corrosion resistant paint. Equipment shall be installed on vibration isolators and surrounded by visual screens as described in f.4.i, above.
   f. No lightning protection is provided.

vi. Rooftop Facilities: The roof shall not be accessible common space.

8. Fire Escapes: Egress by way of (2) interior fire stairs will be provided at all floors.

9. Yard and Courts: There is one inner court which abuts the west and south property lines and extends down to the sub-cellar floor level. The court will be accessed from the sub-cellar lobby and gym.
   i. Paving: The surface of the inner court will be limestone pavers.
   ii. Drainage: Drains will be cast iron and connect to cast iron piping that connects to the city sewer system.
   iii. Railings: There will be no railings.
   iv. Stairs: There will be no stairs.
   v. Fencing: There will be no fencing.

vi. Walls: The court will be bounded on the west and south by the masonry walls of the adjacent properties. It will be bounded on the north and east by the aluminum and glass curtainwall and stucco walls of the property.
vii. Fresh Air Intake: Fresh air intake shaft with louvers will be provided on the east wall of the court. Louvers will remain clear of debris and unobstructed at all times.
viii. Lighting: Surface mounted dimmable LED accent light mounted on the building, will be provided to illuminate the court and landscaping at night. Grow lights will be mounted on the building to provide supplemental light for the bamboo trees. Additionally, recessed LED uplights will be provided at the base of the landscaping elements.

10. Interior Stairs: (2) fire stairs will run from the sub-cellar to the roof top and will access all floors with exiting at the ground floor level. Additionally, (1) fire stair will be provided by the future retail tenant within the commercial space, between the cellar and ground floor level. Interior convenience stairs will be provided in all (13) residential units.
    i. Number of Stairs of Each Type: There will be (2) fire stairs for the building, (1) fire stair for the cellar level commercial space, and (13) convenience stairs within the residential units.
    ii. Enclosure: The fire stairs will be enclosed by (2) hour fire rated partitions. The interior finish will be paint.
    iii. Stair Construction: The fire stairs will be concrete filled steel pan construction. The convenience stairs will be wood framed with wood finish treads and risers.
    iv. Stringers: See item iii above.
    v. Treads: See item iii above.
    vi. Risers: See item iii above.
    vii. Handrails: At the fire stairs and convenience stairs, handrails will be painted steel.
    viii. Balustrades: The convenience stair balustrades will be glass.

11. Interior Doors and Frames:
    i. Residential unit entrances will be 45 minute, C label, fire rated, solid wood with painted wood frames. Interior doors within residential units will be solid core painted wood, with painted wood frames. All doors meet or exceed fire/safety standards.
    ii. Corridor and service doors and frames will be painted hollow metal (steel). All doors meet or exceed fire/safety standards.
    iii. Stair hall doors and frames will be 90 minute, B label, fire rated, painted hollow metal (steel). (2) stair doors at the ground floor will be fire rated glass and steel with the same ratings as above. All doors meet or exceed fire/safety standards.
    iv. Roof & Cellar doors and frames will be painted hollow metal (steel). Sub-cellar doors will be a combination of frameless glass doors and wood doors and frames at the amenity spaces. At the service and utility spaces, the doors and frames will be painted hollow metal (steel). All doors meet or exceed fire/safety standards.

12. Elevators:
    i. There will be (2) newly installed elevators in the building.
    ii. The elevators will be 2500 lb. capacity and maximum 15 persons. The manufacturer shall be Hollister Whitney.
    iii. Both elevators will be passenger / service elevators.
    iv. Control: Automatic

v. The east elevator will service all floors from sub-cellar to 8th floor (12 stops). The east elevator will service apartment units 2a, 2b, 4a, 4b, 6a, and PHA. The west elevator will service all floors from sub-cellar to 8th floor, except the cellar, service entrance level, and mezzanine floors (9 stops). The west elevator will service apartment units 2c, 2d, 4c, 4d, 6b, 6c, and PHB.
vi. The elevators will be gearless electric traction.
vii. All elevator doors will be automatic sliding type.
viii. The elevators are machine room less. The control room will be located remotely in the sub-cellar.
ix. DC Motor: Not applicable.
x. All motors will be AC type.

13. Elevator Cabs:
    i. Manufacturer: Hollister Whitney. The cabs will have an approximately 10'-0" high ceiling.
    ii. Floor: Marble floors to match the lobby floor.
    iii. Walls: Mirror wall panel on one side, stainless steel wall panels on all other walls.
    iv. Ceiling: Stretched fabric panels.
    v. Lighting: Fluorescent lighting above stretched fabric panels.
    vi. Alarm & Safety System: Alarm buttons in elevator cabs to activate alarm bells located in hoistway and alarm buzzer at remote location.

i.) Auxiliary Facilities:

1. Laundry Rooms:
    i. (1) Laundry Room will be provided in the Sub-Cellar.
    ii. (2) electric washers will be provided.
    iii. (2) gas dryers will be provided.
    iv. Fresh air for the laundry room will be ducted from the exterior.
    v. The gas dryers are to be vented to the roof.

2. Refuse Disposal:
    i. Incinerators: Not Applicable.
    ii. Compactors: (1) compactor with a roller tray for residential rubbish, chute fed in to plastic bags. The unit will be located in the Sub-Cellar in the Trash Compactor Room.
    iii. Approvals by authorities having jurisdiction will be obtained.
    iv. Initial Storage Location: The compacted bags will be stored in the Trash Compactor Room until they are transferred to the street by the building maintenance staff.
    v. Pick-Up Schedule: The bags will be picked up at the street by the New York City Department of Sanitation on their regular schedule.

j.) Plumbing and Drainage:

1. Water supply: A new 3" domestic water service will be brought into the building at the cellar level from a 12" main on Broadway. The service will be provided with a water meter and backflow preventer assembly. Main building water service valve will be located in cellar water meter room. Domestic water service will be equipped with 3" "Wilkins" mod.375 RPZ backflow preventer. Fire Service will be equipped with 6" "Wilkins" mod.350DA Double Check detector Assembly Backflow Preventer. All

backflow Preventers, Service valves and Water Meter will be located in Cellar Water Meter Room.

2. Since residual pressure taken from water main at Broadway as result of flow test is 49 psi, and is not adequate for building system supply, the building will be equipped with a duplex domestic water booster pump system as manufactured by Syncroflo or approved equal, Model 550H73GAF. Each pump is rated to produce 100 gpm at 127 ft. TDH. Cold water is supplied from the booster water pumps via a distribution main located in the cellar. Domestic water will be delivered to plumbing fixtures. There will be single zone systems, with maximum pressure supplied to fixtures not more than 85 psi.

3. Domestic hot water is produced by two gas direct fired, fully condensing, fire-tube design with pressure tight sealed heat exchangers water heaters and (2) hot water storage tanks, 200 gal capacity each. Each heater recovery rate is 1158 gph at 80° F temperature rise. The heaters are manufactured by Aerco or equal, Model INN 800

4. All domestic water system distribution piping is new. Piping is designed to be type L copper.

5. Hot And Cold water piping will be insulated throughout.
   Domestic Hot & Cold water piping insulation shall be one of the following:
   a. Cellular Glass: 1-1/2 inches thick.
   b. Flexible Elastomeric: 1 inch thick.

6. Domestic Water Pressure and how maintained: Pressure in building will be maintained between 30 and 80 psi through constant pressure booster system.

7. Sanitary sewage system:
   i. Fully vented sanitary system will be provided to drain plumbing fixtures and equipment throughout the building. Gravity house sewer will combined with storm sewer before leaving the building with house traps on sanitary and storm sewer. Backwater valve shall be provided for both-sanitary & storm sewer to prevent backflow to residential & tenant fixtures. 8" Combined House sewer will connect to City sewer on Broadway
   ii. All sewer system distribution piping is new. All underground sanitary and vent piping has been designed to be bell and spigot cast iron with lead and oakum or neoprene compression joints. Aboveground sewer and vent piping has been designed to be hubless cast iron with stainless steel bends.
   iii. Below cellar plumbing fixtures and drains will discharge to a duplex sewage ejector for discharge to the gravity sewer. Each pump is rated to produce 80 gpm at 30 ft TDH. The pumps are manufactured by Flyght or approved equal, Model NP3085WL.

8. Storm drainage system:
   i. Storm drainage from roof and terrace areas will be provided. Controlled flow roof drains will be used to restrict flow to city sewer as required by NYC DEP. Piping material will be similar to sanitary drainage piping (see 20.7 j) (5) above for details. A 8" combined (sanitary and storm) sewer will discharge to a sewer on Broadway in accordance and as approved by New York City Department of Environmental Protection

ii. Sump pump will be provided to discharge unrestricted storm flow from area drain at recreation backyard at the back of the building. Duplex pump system shall be rated 80 gmp at 30 ft TDH (each pump) and manufactured by Flyght, model CP3068.180
iii. Sump pits will be provided at the elevator pits. The pumps shall be rated at 50 gpm at 30 ft TDH. The pump will be manufactured by Stancor or approved equal, model SE-50 with oil sensor.

9. Fire Protection System:
   i. A 6" fire protection service will be brought into the building at the cellar level from a 12" water main located in Broadway. A backflow preventer will be provided. Water connection and backflow device will be installed by plumbing contractor.
   ii. A combined sprinkler/standpipe system will be provided.
   iii. An automatic fire pump, located in the Cellar will be provided. The pump is rated to produce 500 gpm at 230 tdh. The pump will be manufactured by Peerless Pump or approved equal, Model 5PVF11. A Jockey pump will be provided.
   iv. A fire standpipe system will be provided with 2-1/2" fire hose valves located at the standpipe risers in stairs at each floor.
   v. A locked storage cabinet will be provided on the main entrance lobby and contain open nozzles, spanner wrenches, coupling and 375 ft of 1 ½" hose. Key cabinet will be installed near storage cabinet openable by Fire Department Standard Key.
   vi. An automatic wet sprinkler system will be provided throughout the building. Each floor will be considered as a fire zone and equipped with floor control valve assembly located at the connection to the riser. A wet sprinkler system will be hydraulically designed based on the following criteria; light hazard occupancy for residential area; ordinary Group I hazard occupancy for storage areas and mechanical rooms, and places of assembly
   vii. Schedule 40 black steel piping will be provided for wet sprinkler standpipe system.
   viii. Sprinklers will be a combination of quick response/residential concealed, upright, pendant, sidewall and extended coverage sidewall.
   ix. Siamese connection: One 3" x 3" x 6" combined FSP/sprinkler Fire Department connection has been designed on the Franklin Street building facade.

k.) Heating:

1. General space heating will be provided to the residential and commercial units by VRF (Variable Refrigerant for added efficiency) heat pump systems consisting of rooftop condensing units and indoor heat pumps connected by refrigerant piping and heat recovery boxes for simultaneous heating and cooling. Each residential and commercial unit will have their own system with indoor controls for maintaining space temperature within each heating zone. All double-height living rooms will be provided with electric heating elements along the perimeter to supplement the forced air VRF heating system. LG is basis of design for this project.

2. Refer to following table for all VRF systems, model numbers, capacities and efficiencies.

CONDENSING UNIT TAG	MODEL	TOTAL COOLING CAPACITY (BTUH/HR)	SENSIBLE COOLING CAPACITY (BTUH/HR)	COOLING PERFORMANCE EER@ 80/67f	HEATING CAPACITY (BTUH/HR)	HEATING PERFORMANCE (COP)
CU-1	ARUB121BT3	120,000	90,000	12.5	135,000	3.45
CU-2	ARUB96BT3	96,000	72,000	13.6	108,000	3.53
CU-3	ARUB96BT3	96,000	72,000	13.6	108,000	3.53
CU-4	ARUB144BT3	144,000	108,000	11.5	162,000	3.4
CU-5	ARUB121BT3	120,000	90,000	12.5	135,000	3.45
CU-6	ARUB96BT3	96,000	72,000	13.6	108,000	3.53
CU-7	ARUB96BT3	96,000	72,000	13.6	108,000	3.53
CU-8	ARUB144BT3	144,000	108,000	11.5	162,000	3.4
CU-9	ARUB144BT3	144,000	108,000	11.5	162,000	3.4
CU-10	ARUB96BT3	96,000	72,000	13.6	108,000	3.53
CU-11	ARUB144BT3	144,000	108,000	11.5	162,000	3.4
CU-12	ARUB168BT3	168,000	126,000	12.3	189,000	3.59
CU-13	ARUB216BT3	216,000	162,000	11.2	243,000	3.53
CU-14	ARUB288BT3	288,000	216,000	11.2	324,000	3.3
CU-15	ARUN216BT3	216,000	162,000	11.2	243,000	3.53
CU-16	ARUN144BT3	144,000	108,000	11.5	162,000	3.4
CU-17	ARUN216BT3	216,000	162,000	11.2	243,000	3.53
CU-18	ARUN144BT3	144,000	108,000	11.5	162,000	3.4

3. VRF equipment shall be warranted by the manufacturer's limited warranty for a period of one year from date of installation or 18 months from date of delivery whichever is shorter. An extended warranty including 1 additional year parts and 5 additional years compressor shall be granted upon submission to the manufacturer and acceptance by the manufacturer of proper installation with documentation including:

    i. Selection output and layout of the VRF system.
    ii. 60 minutes of operational history upon commissioning from the VRF service tool.
    iii. Completed commissioning report as per the VRF equipment manufacturer. During this period, any part failing to function properly due to faulty workmanship or material shall be repaired or replaced at the VRF equipment manufacturer's discretion and shall not include labor.

4. All amenities, lobby, and back of house spaces will be provided with a similar VRF system (indoor heat pumps) tied to one condensing unit on the roof. All spaces will have the ability for heating year round and be supplied with a wall thermostat controller. LG is basis of design for this project.

5. All master bathrooms will be provided with electric radiant floor heating.

6. The 8th floor, lower floor of the penthouse, will be provided with a HW radiant floor system in addition to an overhead heating airside system (VRF units). This system will have its own controls to operate the boilers & pumps associated with the HW system.

7. All common corridors with exterior windows will be provided with electric perimeter heating elements to offset the heating loss in the space.

8. The main entrance lobby will be provided with a dedicated electric fan coil unit located below the space to supply hot air up thru the slab at the entrance area.

9. Operation and Maintenance manuals shall be provided by sponsor.

10. Original Air Testing and Balancing Report shall be provided by sponsor.

l.) Gas Supply:

1. Low pressure gas will be brought into the building at the cellar level from City main at Broadway. Gas will supply residential unit dryers, residential unit ranges, residential gas grills, hot water heaters, heating roof boilers. No separate meters will be provided for each residential unit. Separate metering will be provided for future commercial building tenants. Maximum gas pressure within the building will not exceed 12" w.c. Piping is designed to be schedule 40 black steel.

m.) Air Conditioning:

1. General space cooling will be provided by the VRF heat pump system consisting of rooftop condensing units and indoor heat pumps connected by refrigerant piping and heat recovery boxes for simultaneous heating and cooling. Each tenant will have their own system with indoor controls for maintaining space temperature within each cooling zone. All zones will have the ability for cooling down to 14 degrees F. and be supplied with a wall thermostat controller. LG is basis of design for this project.

2. All amenities, lobby, and back of house spaces will be provided with a similar VRF system (indoor heat pumps) tied to one condensing unit on the roof. All spaces will have the ability for cooling down to 14 degrees F. and be supplied with a wall thermostat controller. LG is basis of design for this project.

3. All rooftop equipment will be provided with vibration isolation as per Mechanical Specification (fans, condensers).

4. All exterior metals exposed to elements shall be corrosion resistant.

5. Refrigerant Suction and Hot-Gas Flexible Tubing shall be insulated with one of the following types:

    a. Flexible Elastomeric: 1-1/2 inches thick.
    b. Mineral-Fiber: 1-1/2 inches thick.

n.) Ventilation:

1. OA Ventilation

    i. Within the residential portion of the building, OA ventilation will be provided through operable windows.
    ii. The common corridors between tenants will be provided with 100% outside air to satisfy the NYC Mechanical Code from RTU-1 located on the roof (AAon). This unit also supplies some back of house corridors and common areas requiring ventilation.
    iii. The occupied amenity spaces and lobbies will be provided with outside air through an exterior louver located on the first floor mezzanine level facing the Courtyard. This air will be ducted to multiple indoor heat pumps on the VRF systems, and also used for future retail space ventilation.

2. Tenant Exhaust Systems (Dryer/Toilet/Kitchen)

    i. There will be common systems for all tenants (floors 2 thru 9) within the building consisting of four risers for each type of exhaust system. These systems will have an outdoor rooftop utility fan with a ductwork riser connected to branch ductwork at each required floor. All toilet rooms, dryers, and kitchen hoods will be part of a duct fan system discharging on the roof. These fans will run continuously and be monitored through the building management system. The dryer exhaust fan and the kitchen exhaust fan will be provided with a variable speed motor to allow minimum to maximum cfm exhaust quantities depending on the appliances in use.

o.) Electrical System:

1. Service from main service switchgear (amperes, voltage, phases, wire, protective equipment):

    Electrical Service Entrance:

    i. The building will be served from existing Con Edison vault and service take-off. Service for this project is at the utilization voltage of 120/208 volts, 3 phase, 4 wire. New service will utilize existing 2500A (amps) take-off to support distribution to residential units, retail tenants and building support loads.

2. The service associated with residential units will be 120/208 volts, 3 phase, 4 wire. Electric service risers will supply residential unit panels directly from dedicated meter pan and meter within meterbank located in the main electrical room at the cellar level. Residential unit panels will be sized to support connected loads plus twenty percent of spare capacity and breakers to support future loads.

3. Adequacy: General Electrical Provisions – all residential units will be provided with adequate appliance outlets and lighting control devices as required to comply with applicable codes and are suitable for modern use.

    i. Bedrooms:

a. All 120 volt circuits will be protected by Arc Fault Circuit Interrupter (AFCI) type circuit breaker. Dedicated neutrals will be provided from each AFCI protected circuit back to the circuit breaker in the associated panel.
b. All receptacles will be spaced maximum 12 feet on center on any single wall wider than 24 inches.

ii. Kitchens:

a. Dedicated 20A, single pole (120V) circuits and dedicated outlets for appliances such as microwave, dishwasher, refrigerator, wine cooler, range, garbage disposal, hood, washing machine, etc.
b. Dedicated 20A and 30A, two pole (208V) circuits and dedicated outlets for appliances such as ovens, dryers, etc.
c. All countertop receptacles shall be protected by a ground fault circuit interrupter (GFCI) type circuit breaker

iii. Living/Dining Rooms

a. All receptacles will be spaced maximum 12 feet on center on any single wall wider than 24 inches.
b. Floor receptacles will be provided in Living Rooms for convenience.

iv. Bathrooms

a. Minimum of one dedicated GFCI type receptacle per bathroom to be fed from dedicated circuit.

v. Washer/Dryer Rooms

a. 20 amps, 1 pole, 120V receptacle fed from dedicated circuit for washing machine.
b. 30 amps, 2 poles, 208V receptacle fed from dedicated circuit for dryer.

vi. Electric Oven

a. 20 amps, 1 pole, 120V receptacle fed from dedicated circuit for range cook top.
b. 30 amps, 2 poles, 208V receptacle fed from dedicated circuit for electric oven.

vii. Electric Baseboard Heating

a. Dedicated 20A, 1 pole dedicated outlet and circuit for each baseboard heater.

viii. Motorized Window Shades

a. Each residential unit will be provided with a dedicated 20A, 1 pole circuit breaker and associated circuit for motorized window shades. Window shades are to be purchased by individual unit owners at own cost and expense.

ix. Motorized Windows

a. Residential units 5 thru 11 will be provided with a dedicated 20A, 1 pole circuit breaker each and associated circuiting for motorized windows.

x. Corridor/Hallway

a. Hallways and corridors longer than 10 feet will be provided with one convenience receptacle outlet.

xi. Service Closet

a. AV/IT equipment will be provided with (3) three, 20A, 120V dedicated circuits.
b. Lighting control (Lutron) equipment will be provided with (2) two, 20A, 120V dedicated circuits.

xii. Outside Roof Terraces

a. At least one weatherproof, GFCI convenience receptacle will be provided for each balcony or terrace.

xiii. Outdoor Receptacles and Electrical Equipment

a. Are specified as weather-proof as required.

p.) Intercommunication and Door Signal Systems, Security Closed Circuit TV

1. Common area spaces will be monitored by a closed circuit TV system.
2. The residential entrance door will be monitored visually from the 24 hour doorman / concierge desk and will be equipped with an intercom system capable of communicating with and opening the door for visitors. The intercom will be in compliance with state and local codes for multiple dwellings/apartment houses. The intercom manufacturer will be Siedle, model SSS, with a 24 month warranty.
3. The service entrance doors will be monitored via a closed circuit TV and will be equipped with an intercom system capable of communicating with and opening the door for visitors.
4. Each residential unit will be equipped with an intercom system, linked to the 24 hour doorman / concierge desk and to the elevator and will be capable of providing access for visitors to their respective residential unit.

q.) Public Area Lighting:

1. Building Public Light and Power Distribution:

i. Provide panels and circuitry associated with public area lighting and power circuits.

2. Emergency Lighting Provisions:
   i. Entrance halls, Corridors, Stairs, Recreation Rooms and Cellar public spaces will be provided with adequate emergency lighting for egress. Emergency lighting in public corridors, fire stairs, egress paths, mechanical equipment rooms, electrical service room and elevator machine room will be provided.
   ii. Emergency lighting shall be provided by dedicated inverter system listed to support emergency lighting for a minimum of 90 minutes.
   iii. Exit signs will provided throughout as required by code for egress path indication. Exit signs will be LED illuminated type with integral battery backup.

r.) Garages and Parking Areas: Not Applicable

s.) Swimming Pools: Not Applicable.

t.) Tennis Courts, Playgrounds, and Recreation Facilities:
1. No tennis courts
2. No playgrounds
3. Recreation facilities as follows:
   i. Accessory Courtyard with Green Wall on Sub-Cellar floor, approximately 600 square feet, capacity for 40 simultaneous users; finished and equipped as described above in section f.
   ii. Accessory Fitness Center on Sub-Cellar floor, approximately 1,050 square feet, capacity for 70 simultaneous users; finished and equipped as described below in x.3.
   iii. Accessory Yoga / Dance Studio on Sub-Cellar floor, approximately 387 square feet, capacity for 39 simultaneous users; finished and equipped as described below in x.4.
   iv. Accessory Hydrotherapy Room on Sub-Cellar floor, approximately 545 square feet, capacity for 46 simultaneous users; finished and equipped as described below in x.5-7.
   v. Accessory Resident Lounge on Sub-Cellar floor, approximately 683 square feet, capacity for 13 simultaneous users; finished and equipped as described below in x.11.
   vi. Accessory Children's Playroom on Sub-Cellar floor, approximately 417 square feet, capacity for 41 simultaneous users; finished and equipped as described below in x.12.

u.) Permits and Certificates: The following permits will be obtained prior to construction sign-off and issuance of the Certificate of Occupancy:
1. Building Construction Permits
2. Elevator Installation Permits
3. Electrical Permits
4. Plumbing Permits

5. Sprinkler Permits
6. Fire Alarm Permits
7. Mechanical Permits
8. DOT Permits
9. Subdivision Permits

v.) Violations: Any current building code violations will be corrected prior to issuance of Certificate of Occupancy.

w.) Unit Information: See Schedule A for unit types identifying number of bedrooms and baths; for other rooms, see unit plans attached.

1. The approximate area of each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit; or separating one Unit from stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit; or to the corridor side of the walls separating one unit from corridors; or to the exterior side of the opposite exterior walls. Each Unit is measured vertically from the top of the finished floor to the underside of the ceiling. Each terrace is measured from the outside face of the parapet to the outside face of the building or centerline of terrace privacy screens.

2A. Residential Units Finish Materials: All finishes are subject to sponsor's right to substitute finishes of equal or better quality.

i. Living Rooms, Dining Rooms, Kitchens, Entry Foyers, Laundry, and Bedrooms:
   a. Ceilings: Gypsum board, painted white flat finish: 1 coat Eco Spec WB Interior Latex Primer (N 372), 2 coats Eco Spec WB Interior Latex Flat (N 373).
   b. Walls: Gypsum board, painted white satin finish: 1 coat Fresh Start Alkyd Enamel Underbody (217), 2 coats Satin Imprevo Low Luster Enamel (N 373).
      Kitchen cabinets shall be white lacquer with stone slab countertop. Laundry Room cabinets shall be white lacquer with solid surfacing countertop. All other millwork throughout the units (except bathrooms) shall be white lacquer.
   c. Floors: White oak wood floors (5" wide x 3/4" thick) with satin poly finish. Acoustic underlayment shall consist of Ecore "QTscu" or "QTrbm" product line and shall comply with all NYC Code requirements.
      Laundry floors will be stone tile. In the Penthouse Units A & B; the floors shall be stone tile throughout the 8th floor in the following rooms - Living, Dining, Kitchens, Entry Foyers, Laundry, and Guest Bedroom.
   d. Doors & Base Trim: Painted wood.

ii. Master Bathrooms, Secondary Bathrooms, and Powder Rooms:
   a. Ceilings: Painted gypsum board.
   b. Walls: Stone or ceramic tile

c. Floors: Stone
d. Tub deck and lavatory and lavatory millwork: Solid surfacing
e. Doors: Painted wood.

2B. Commercial Units Finish Materials: Unfinished.

3. Bathroom and Laundry Room Fixtures: All fixtures are subject to sponsor's right to substitute finishes of equal or better quality.

Unit	Room	Bath Tub	Lavatory	Toilet	Shower
2A - 2C 4A - 4C	Guest Bathrm 1	NA	Single Type L.1	Type T.1	Type S.1
	Small Bathrm 2	Type B.1	Single Type L.1	Type T.1	See B.1
	Master Bathrm 3	Type B.2	Double Type L.1	Type T.2	Type S.2
2D, 4D	S/Bathrm 2 (x2)	Type B.1	Single Type L.1	Type T.1	See B.1
	M/Bathrm 5	Type B.3	Double Type L.1	Type T.1	Type S.2
6A	G/Bathrm 1 (x2)	NA	Single Type L.1	Type T.1	Type S.1
	M/Bathrm 4	Type B.2	Double Type L.1	Type T.2	Type S.2
	S/Bathrm 10	Type B.1	Double Type L.1	Type T.1	See B.1
6B	G/Bathrm 1	NA	Single Type L.1	Type T.1	Type S.1
	S/Bathrm 2	Type B.1	Single Type L.1	Type T.1	See B.1
	M/Bathrm 4	Type B.2	Double Type L.1	Type T.2	Type S.2
	Powder Rm 9	NA	Single Type L.1	Type T.1	NA
	S/Bathrm 11	Type B.2	Single Type L.1	Type T.2	Type S.2
6C	G/Bathrm 1 (x2)	NA	Single Type L.1	Type T.1	Type S.1
	S/Bathrm 2	Type B.1	Single Type L.1	Type T.1	See B.1
	M/Bathrm 6	Type B.3	Double Type L.1	Type T.2	Type S.2
	S/Bathrm 8	Type B.2	Single Type L.1	Type T.1	Type S.2
PH A	G/Bathrm 1	NA	Single Type L.1	Type T.1	Type S.1
	Powder Rm 9	NA	Single Type L.1	Type T.1	NA
	S/Bathrm 10	Type B.1	Double Type L.1	Type T.1	See B.1
	M/Bathrm 12	Type B.3	Double Type L.1	Type T.1	Type S.2
PH B	G/Bathrm 1 (x3)	NA	Single Type L.1	Type T.1	Type S.1
	S/Bathrm 2	Type B.1	Single Type L.1	Type T.1	See B.1
	M/Bathrm 7	Type B.3	Double Type L.1	Type T.1	Type S.2

NA = Not Applicable

Bathtub Type B.1: Undermount American Standard model 2396.202 with Dornbracht model 26-403-625 wall mounted hand shower set and Dornbracht model 34-200-979 wall mounted thermostat control and tub filler set.

Bathtub Type B.2: Undermount Kaldewei model 113 with Dornbracht model 27-312-885 deck mounted tub mixer set and Dornbracht model 35-910-970-90 remote pressure balanced valve.

Bathtub Type B.3: Free standing Agape Spoon XL with Dornbracht model 13-672-885 tub filler with Dornbracht model 35-437-970-90 roughing and

Dornbracht model 36-416-979 thermostat with Dornbracht model 36-310-979 wall valve.

Lavatory Type L.1: Custom integrated Dupont model 810 lavatories within Dornbracht model 36-810-625 wall mounted faucets.

Toilet Type T.1: Floor mounted Toto, model MS863113E.

Toilet Type T.2: Floor mounted Toto, model MS990CGR.

Shower Type S.1: Custom shower stall with stone walls and frameless glass shower doors. Dornbracht model 28-508-979 wall mounted shower head with Dornbracht model 36-416-979 thermostat with Dornbracht model 36-310-979 wall valve.

Shower Type S.2: Custom shower stall with stone walls and frameless glass shower doors. Dornbracht model 34-457-892 wall mounted thermostat w/ rainhead and hand shower.

Medicine Cabinet: All small and master bathrooms shall have recessed medicine cabinets behind vanity mirrors with hinged mirror door and adjustable shelves inside.

4. Kitchen and Laundry Equipment: All equipment is subject to sponsor's right to substitute finishes of equal or better quality.

Unit Number	Equipment	Manufacturer	Finish
All Units	Refrigerator	Gaggenau - RB491700	Custom Lacquer Panel
All Units	Cook top	Gaggenau - VG295214CA	Stainless Steel
All Units	Hood	Gaggenau - AH900791	Stainless Steel
All Units	Oven	Gaggenau - BO281611	Stainless Steel
All Units	Steam Oven	Gaggenau - BS261610	Stainless Steel
All Units	Kitchen Sink	Kohler - K6625	Enameled Cast Iron
All Units	Kitchen Faucet	Dornbracht 33-870-790	Polished Chrome
All Units	Disposal	InSinkErator–Evolution Excel	Stainless Steel
All Units	Dishwasher	Gaggenau - DF260760	Custom Lacquer Panel
2A – 2D, 4A - 4D	Washer	Miele – W3033	White
2A – 2D, 4A - 4D	Dryer	Miele – T8003	White
6A–6C, PHA, PHB	Washer	LG - WM3470HWA	White
6A–6C, PHA, PHB	Dryer	LG - DLGX3471W	White
6A–6C, PHA, PHB	Lndry Rm Sink	Dupont – 881	Solid Surfacing
6A–6C, PHA, PHB	Lndry Rm Faucet	Dornbracht – 33-500-885	Polished Chrome
All Units	Microwave	Gaggenau – BM 281710	Custom Lacquer Panel
2A, 2D, 4A, 4D, 6A – 6C, PHA	Wine Cooler	Gaggenau - RW414760	Custom Lacquer Panel
2B, 2C, 4B, 4C, PHB	Wine Cooler	Gaggenau – RW404760	Custom Lacquer Panel

x.) Finish Schedule of Spaces other than Units: All finishes are subject to sponsor's right to substitute finishes of equal or better quality.

1. Sub-Cellar Elevator Lobby and Corridor:
    i. Floor: Stone tile
    ii. Walls: Venetian plaster and stone tile
    iii. Ceiling: Venetian plaster
2. Sub-Cellar Resident Lobby:
    i. Floor: Stone tile
    ii. Walls: Venetian plaster, stone tile, and wood panels
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.
    iv. Remarks: Room will be equipped with lounge furniture
3. Sub-Cellar Fitness Center:
    i. Floor: Resilient floor tiles
    ii. Walls: Existing brick painted white semi-gloss with 1 block filler coat and 2 finish coats, wood panels, and gypsum board painted white satin finish: 1 primer coat, 2 finish coats.
    iii. Ceiling: Acoustic ceiling panel and gypsum board painted white flat finish: 1 primer coat, 2 finish coats.
    iv. Remarks: Room will be equipped with fitness equipment, wall mounted mirrors, and custom millwork with wood door panels.
4. Sub-Cellar Yoga / Dance Studio:
    i. Floor: White oak wood floors (5" wide x 1/2" thick) with satin poly finish.
    ii. Walls: Existing brick painted white semi-gloss with 1 block filler coat and 2 finish coats
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.
    iv. Remarks: Room will be equipped with wall mounted mirrors and custom millwork.
5. Sub-Cellar Hydrotherapy Room:
    i. Floor: Stone tile
    ii. Walls: Stone tile
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.
    iv. Remarks: Room will be equipped with shower heads, single fill tub, and other shower equipment.
6. Sub-Cellar Sauna:
    i. Floor: Wood, cedar
    ii. Walls: Wood, cedar
    iii. Ceiling: Wood, cedar and glass
    iv. Remarks: Room will be equipped with sauna equipment.
7. Sub-Cellar Steam Room:
    i. Floor: Stone tile
    ii. Walls: Stone tile
    iii. Ceiling: Glass
    iv. Remarks: Room will be equipped with steam equipment.

8. Sub-Cellar Corridor @ Hyrdrotherapy Room:
    i. Floor: Stone tile
    ii. Walls: Glass, wood panel, and existing brick painted white semi-gloss w/ 1 block filler coat and 2 finish coats
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.
9. Sub-Cellar Shower Rooms and Water Closet:
    i. Floor: Stone tile
    ii. Walls: Stone tile
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.
    iv. Remarks: Room will be equipped with custom white lacquer lockers.
10. Sub-Cellar Treatment Room:
    i. Floor: White oak wood floors (5" wide x 1/2" thick) with satin poly finish.
    ii. Walls: Gypsum board, painted white satin finish: 1 primer coat, 2 finish coats.
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.
11. Sub-Cellar Resident Lounge:
    i. Floor: Carpet and stone tile
    ii. Walls: Wood panel
    iii. Ceiling: Existing plaster barrel vaults, painted white flat finish w/ 1 block filler coat and 2 finish coats.
    iv. Remarks: Room will be equipped with moveable furniture, game equipment, custom millwork with wood door panels, pantry with under counter refrigerator, microwave, and sink.
12. Sub-Cellar Children's Playroom:
    i. Floor: Resilient floor tile
    ii. Walls: Gypsum board, painted white satin finish: 1 primer coat, 2 finish coats.
    iii. Ceiling: Existing plaster barrel vaults, painted white flat finish w/ 1 block filler coat and 2 finish coats.
13. Sub-Cellar Laundry Room:
    i. Floor: Resilient floor tile
    ii. Walls: Gypsum board, painted eggshell finish: 1 primer coat, 2 finish coats.
    iii. Ceiling: Gypsum board, painted eggshell finish: 1 primer coat, 2 finish coats.
    iv. Remarks: Room will be equipped with (2) electric washers and (2) gas dryers.
14. Sub-Cellar Private Resident Storage, Bicycle Storage, Super's Office & Maintenance Room:
    i. Floor: Resilient floor tile
    ii. Walls: Gypsum board, painted eggshell finish: 1 primer coat, 2 finish coats.
    iii. Ceiling: Gypsum board, painted eggshell finish: 1 primer coat, 2 finish coats.
    iv. Remarks: Resident Storage to be segmented by chain link fence installed between the piers. The Bicycle Storage to be equipped with stackable Bicycle Storage equipment.
15. Sub-Cellar Compactor Room, MEP Rooms, and Building Storage:
    i. Floor: Concrete, epoxy paint w/ 1 primer coat and 2 finish coats.
    ii. Walls: Gypsum board, painted eggshell finish: 1 primer coat, 2 finish coats. Masonry painted white eggshell finish with 1 block filler coat and 2 finish coats.

iii. Ceiling: Concrete painted white eggshell finish with 1 block filler coat and 2 finish coats.

16. Sub-Cellar Maintenance Staff Restroom:
    i. Floor: Ceramic tile
    ii. Walls: Ceramic tile
    iii. Ceiling: Gypsum board, painted eggshell finish: 1 primer coat, 2 finish coats.
17. Stairs:
    i. Floor: Painted concrete treads & risers, epoxy paint w/ 1 primer coat and 2 finish coats.
    ii. Walls: Gypsum board, painted white satin finish: 1 primer coat, 2 finish coats. Marble at center wall of stair 3 and part of stair 1.
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.
18. Cellar Corridor:
    i. Floor: Painted concrete, epoxy paint w/ 1 primer coat and 2 finish coats.
    ii. Walls: Gypsum board, painted white satin finish: 1 primer coat, 2 finish coats.
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.
19. Cellar MEP Rooms and Building Storage:
    i. Floor: Painted concrete, epoxy paint w/ 1 primer coat and 2 finish coats.
    ii. Walls: Gypsum board, painted eggshell finish: 1 primer coat, 2 finish coats. Masonry painted white eggshell finish with 1 block filler coat and 2 finish coats.
    iii. Ceiling: Concrete painted white eggshell finish with 1 block filler coat and 2 finish coats.
20. Cellar Commercial Space:
    i. Floor: Unfinished
    ii. Walls: Unfinished
    iii. Ceiling: Unfinished
21. 1st Floor Residential Lobby:
    i. Floor: Marble
    ii. Walls: Venetian plaster and custom lacquer millwork & marble 24 hour doorman / concierge desk.
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.
    iv. Remarks: Refrigerated storage (Manufacturer: True TSD-47) will be provided behind 24 hour doorman / concierge desk within custom millwork.
22. 1st Floor Residential Elevator Lobby and Corridor:
    i. Floor: Marble
    ii. Walls: Venetian plaster, marble tile, and gypsum board, painted white satin finish: 1 primer coat, 2 finish coats.
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.
    iv. Remarks: Curving wall to be a painted mural.
23. 1st Floor Residential Mail Room:
    i. Floor: Marble
    ii. Walls: Marble tile
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.
    iv. Remarks: Mailboxes to be stainless steel or painted metal, manufactured by Seidle.

24. 1st Floor Service Entry, Lobby, and Luggage Cart Room:
    i. Floor: Polished concrete
    ii. Walls: Gypsum board, painted white satin finish: 1 primer coat, 2 finish coats.
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.
25. Mechanical Mezzanine:
    i. Floor: Painted concrete, epoxy paint w/ 1 primer coat and 2 finish coats.
    ii. Walls: Gypsum board, painted eggshell finish: 1 primer coat, 2 finish coats.
    iii. Ceiling: Gypsum board, painted eggshell finish: 1 primer coat, 2 finish coats.
26. Trash Rooms, Floors 2, 4, 6, 8:
    i. Floor: Painted concrete, epoxy paint w/ 1 primer coat and 2 finish coats.
    ii. Walls: Gypsum board, painted eggshell finish: 1 primer coat, 2 finish coats.
    iii. Ceiling: Gypsum board, painted eggshell finish: 1 primer coat, 2 finish coats.
27. Floors 2 – 9 Common Corridors:
    i. Floor: Painted concrete, epoxy paint w/ 1 primer coat and 2 finish coats.
    ii. Walls: Gypsum board, painted white satin finish: 1 primer coat, 2 finish coats.
    iii. Ceiling: Gypsum board, painted white flat finish: 1 primer coat, 2 finish coats.

y.) Safety and Warning Devices:

1. An automatic fire alarm system without alarm notification will be provided.
2. Main Fire Alarm Control Panel will be located in the main lobby of the building. The control panel shall be fully addressable.
3. System shall be automatic smoke / heat detection, sprinkler waterflow fire alarm system.
4. Area smoke detection shall be provided for each mechanical equipment room, elevator equipment room, electrical service room, each elevator lobby, top of each elevator shaft, top of each fire stair, and each control panel location. Provide control relays for operation of venting dampers in each fire stair and elevator machine room.
5. System will provide for elevator recall connections to each elevator. Provide for indications of recall to each elevator controller.
6. System to be provided with central office connection, remote alarm annunciator in Building Super's Office, and system printer for reporting the status.
7. System shall be wired with the FDNY approved Teflon wiring installed in EMT type conduit unless permitted otherwise by New York City Building and Electrical codes. Riser, junction boxes/auxiliary panels to be located in closet next to the fire stairs.
8. Each residential unit will have carbon monoxide and smoke alarm detectors, ceiling mounted in the corridors within 15 feet outside of each sleeping area and ceiling mounted inside of each sleeping area. Detectors shall be 120 volt type with battery backup and shall be interconnected in such a manner that activation of one will activate all of the alarm/detectors within the same dwelling unit.
9. All systems described above are required by applicable NYC codes.

z.) Additional Information Required:

1. Site Plan: A site plan has been attached for reference.

2. Area Map: Condominium is in highly urban area, no Area Map required.
3. Floor Plans for each unit, to scale, with room dimensions, are attached.
4. Floor to ceiling heights of units:
    i. Units 2A – 2D:
        a. Vestibule, Foyer, Living Room (single height area), Dining Room, Kitchen, Library/Guest Room, Bedrooms = approximately 8'-0"
        b. Living Room (double height area) = approximately 17'-7"
        c. Laundry, Bathrooms = approximately 7'-6"
    ii. Units 4A – 4D:
        a. Vestibule = approximately 8'-6" at Units 4B, 4C
        b. Vestibule = approximately 9'-3" at 4th floor and approximately 10'-10" at 5th floor of Units 4A, 4D
        c. Foyer, Living Room (single height area), Dining Room, Kitchen, Library/Guest Room = approximately 9'-3"
        d. Living Room (double height area) = approximately 23'-2"
        e. Laundry, Bathrooms = approximately 8'-9" (except approximately 9'-3" at Unit 4D 4th floor bathroom and approximately 10'-10" at Master Bathroom)
        f. Bedrooms on 5th floor = approximately 10'-10"
    iii. Units 6A – 6C:
        a. Vestibule (Unit 6B) = approximately 8'-6"
        b. Vestibule (Unit 6A, 6C) = approximately 10'-10" at 6th floor and approximately 11'-3" at 7th floor
        c. Foyer, Living Room (single height ceiling), Dining Room, Kitchen, Library/Guest Room = approximately 10'-10"
        d. Living Room (double height ceiling) = approximately 25'-2"
        e. Laundry, Bathrooms = approximately 8'-9" (except approximately 11'-3" at Master Bathroom of Unit 6C)
        f. Bedrooms on 7th floor = approximately 11'-3"
    iv. Units PHA, PHB:
        a. Vestibule, Foyer, Living Room (single height ceiling), Dining Room, Kitchen, Laundry, Library/Guest Room = approximately 9'-0"
        b. Living Room (double height area) = approximately 20'-2"
        c. Bathrooms = approximately 9'-0" (except approximately 8'-9" at bathrooms adjacent to Guest Bedroom)
        d. Bedrooms = approximately 9'-0"
5. Approximate Total Area of Each Unit: See attached Unit Plans.
6. Master Floor Plan: See key plan on attached Unit Plans, indicating unit boundaries and relationships of units to each other.

aa.) Asbestos: ACP-21 form will be obtained upon completion of asbestos abatement work.

bb.) Lead Based Paint: The finished building will have no exposed lead paint surfaces. All interior partitions in the residential units are new and therefore do not contain any lead paint. The inside surface of the exterior walls will receive new gypsum board and new paint. The

ceilings in the residential units will have hung gypsum board ceiling and new paint. The floors will have new finish flooring material and therefore will not contain any lead paint. In the Cellar and Sub-Cellar, the existing masonry walls and brick arch ceilings will be repainted with new paint. The floors in the Cellar and Sub-Cellar will have new finish flooring material and therefore will not contain any lead paint.

cc.) Sulfide: All newly installed gypsum or drywall materials shall not contain Sulfide.

dd.) Particular Concerns: Building frame and envelope components (including but not limited to: brick masonry, cast iron trim, steel lintels, structural steel, masonry arches, foundations, etc.) are existing from 1882 and their condition is commensurate with their age. No building components with known deficiencies are to remain at the conclusion of the conversion. Drywall materials with sulfide are not scheduled to be incorporated in the building.

ee.) Documents to be Transferred to the Condo Management upon transfer of control:

1. Final as-built drawings, e.g. structural, mechanical, electrical, plumbing, approved shop drawings
2. Operation and maintenance manuals for mechanical equipment
3. Electronic system manuals, as applicable
4. Commissioning Manual
5. Equipment warranties
6. Manufacturer's roof warranty
7. Major equipment start-up sheets and control system as-built
8. Original test and balance report for HVAC system
9. Post construction in-door air quality report
10. Post construction asbestos report

END OF PROPERTY DESCRIPTION

Dean Maltz

Dean Maltz Architect

ZONING LOT DEVELOPMENT AND EASEMENT AGREEMENT

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ZONING LOT DEVELOPMENT AND EASEMENT AGREEMENT

Between

361 BROADWAY ASSOCIATES, LLC

and

361 ZLDA LLC

Premises:

361 BROADWAY
NEW YORK COUNTY
BLOCK 174
LOT 31

As of Sept. 26, 2002

Title #02-ANY-24841

RECORD AND RETURN TO:

Solomon and Weinberg LLP
685 Third Avenue
New York, New York 10017
Attention: Howard R. Shapiro, Esq.

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ZONING LOT DEVELOPMENT AND EASEMENT AGREEMENT

THIS ZONING LOT DEVELOPMENT AND EASEMENT AGREEMENT (the "**Agreement**"), dated as of Sept. 26, 2002, between 361 BROADWAY ASSOCIATES, LLC, a New York limited liability company, having an office c/o Knightsbridge Properties Corp., 833 Northern Boulevard, Great Neck, New York 11021 ("**Owner**"), and 361 ZLDA LLC, a Delaware limited liability company, having an office c/o Himmel + Meringoff Properties, 30 West 26th Street, New York, New York 10010 ("**361**").

WITNESSETH:

WHEREAS, Owner is the owner of a fee interest in that certain parcel(s) of land located in the Borough of Manhattan, County, City and State of New York, known as Lot ___ in Block ___ on the Tax Map of the City of New York, and as and by the street address 361 Broadway, New York, New York, and more particularly described in **Exhibit "A"** (the "**Land**"), together with the building(s) and improvements located on the Land (which building(s) and improvements are hereinafter referred to collectively, as the "**Building**"; and the Land and the Building are hereinafter referred to collectively as the "**Owner Premises**");

WHEREAS, the Building (i) contains less floor area, as defined in the Zoning Resolution (as hereinafter defined), than is now available for use on the Owner Premises pursuant to the Zoning Resolution, and (ii) does not utilize all of the Development Rights (as hereinafter defined) available under the Zoning Resolution to improve and develop the Owner Premises; and

WHEREAS, Owner acquired the Owner Premises from 361 on the date hereof pursuant to a certain Agreement of Purchase and Sale, dated as of March 26, 2002 (as thereafter amended, the "**Contract**"), which Contract provided, among other things, that 361 would retain and continue to own the 361 Development Rights and the Airspace (both as hereinafter defined; which 361 Development Rights and Airspace, together with the Land and Building, are hereinafter referred to as the "**Property**"), and in the Deed, dated of even date herewith, and executed in connection with the closing of the transactions contemplated by the Contract, 361 specifically excluded the 361 Development Rights and the Airspace from the conveyance to Owner, so that 361 today owns the 361 Development Rights and the Airspace, and Owner has no right, title or interest in either the 361 Development Rights or the Airspace;

WHEREAS, pursuant to the Zoning Resolution, the Property may be the granting site with respect to the transfer of 361 Development Rights or Additional Development Rights (as hereinafter defined) to a parcel of land which is eligible to receive such 361 Development Rights or Additional Development Rights pursuant to the Zoning Resolution or other similar authority, and Owner agrees to cooperate with 361 in connection therewith; and

WHEREAS, Owner and 361 wish to allocate their respective rights in the Property; to provide to the maximum extent possible for each to exercise its rights in the future

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without having to seek any consent, approval or other action from the other; and to provide further that, except as specifically set forth in this Agreement, Owner shall have all rights, both real and personal, choate and inchoate inuring to, or as a result of, the Land, Building and the Owner Development Rights, and 361 shall have all rights, both real and personal, choate and inchoate, inuring to, or as a result of, the 361 Development Rights, the Airspace, the Additional 361 Development Rights, the Additional Parcels and the Special Permit.

NOW, THEREFORE, in consideration of the premises, and the mutual covenants and agreements herein contained and other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Certain Definitions. The following terms used herein shall have the meanings and definitions as hereinafter set forth:

(a) "**Additional Parcels**" shall mean any parcels of real property that are located in the County of Manhattan, other than the Property, which become part of a merged zoning lot that includes the Property.

(b) "**Additional Conveyed Development Rights**" shall mean those certain 12,000 square feet of presently unused Development Rights allocated to Owner as measured from the highest point of the roof of the Building to a horizontal plane above the Building to the Limiting Plane.

(c) "**Additional Development Rights**" shall mean any Development Rights that are or may become available for transfer to and utilization by the Property, pursuant to (i) the merger of Additional Parcels with the Property, (ii) the issuance of a Special Permit, or (iii) any provision of the Zoning Resolution applicable to such merger or such Special Permit, but specifically excluding any Additional 361 Development Rights and any Additional Owner Development Rights.

(d) "**Additional Owner Development Rights**" shall mean, in the event of an increase in the Development Rights available in respect of the Property as a result of a change subsequent to the date hereof in the Zoning Resolution, the amount of Development Rights calculated by multiplying such additional Development Rights by a fraction, the numerator of which is the Base Utilized Development Rights plus the Additional Conveyed Development Rights and denominator of which is the aggregate Development Rights available in respect of the Property on the date hereof.

(e) "**Additional 361 Development Rights**" shall mean, in the event of an increase in the Development Rights available in respect of the Property as a result of a change subsequent to the date hereof in the Zoning Resolution, the amount of Development Rights calculated by multiplying such additional Development Rights by a fraction, the numerator of which is the Base Excess Rights and the denominator of which is the aggregate Development Rights available in respect of the Property on the date hereof.

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(f) Intentionally omitted.

(g) "**Airspace**" shall mean that volume of air bounded on four sides by the property lines of the Land and above the Limiting Plane.

(h) "**Base Excess Rights**" shall mean all of the Development Rights appurtenant to the Property on the date hereof which are in excess of the Base Utilized Development Rights and the Additional Conveyed Development Rights.

(i) "**Base Utilized Development Rights**" shall mean all of the Development Rights appurtenant to the Property on the date hereof that are utilized by the Building as it exists on and as of the date hereof.

(j) "**City Agencies**" shall mean the New York City Planning Commission, the New York City Council, the New York City Department of Buildings, the Landmarks Preservation Commission and any relevant or necessary city agencies, or any successor entity to any of the foregoing.

(k) "**Development Rights**" shall mean the rights, as determined in accordance with the Zoning Resolution, which are appurtenant to a zoning lot, to develop the zoning lot by enlarging an existing building or other structure thereon or by erecting a new building or other structure thereon, in each case having a total floor area determined by (i) multiplying the area of the zoning lot by the floor area ratio established for the zoning district or districts in which the zoning lot is located, (ii) the inclusion of any bonus floor area available to the zoning lot pursuant to the Zoning Resolution, and (iii) the further inclusion of any use, bulk, density, and other development rights permitted under the Zoning Resolution and which may be authorized to be developed by the appropriate agency of the City of New York from time to time.

(l) "**Landmarks Preservation Commission**" shall mean the New York City Landmarks Preservation Commission.

(m) "**Limiting Plane**" shall mean the horizontal plane above the Building which is fifty-five (55) feet above the highest point of the roof of the Building.

(n) "**Owner Development Rights**" shall mean (i) the Base Utilized Development Rights, plus (ii) the Additional Conveyed Development Rights, plus (iii) the Additional Owner Development Rights.

(o) "**Plan**" shall mean, in connection with an application for a Special Permit, a plan for the maintenance and preservation of the Building in form and substance sufficient to satisfy any requirements of Section 74-79 or other applicable provision of the Zoning Resolution or other similar authority.

(p) "**Special Permit**" shall mean a special permit granted or issued pursuant to Section 74-79 or other applicable provision of the Zoning Resolution or other similar authority to transfer the 361 Development Rights (or any portion thereof) and/or the Additional Development Rights (or any portion thereof) to a parcel of land which is eligible to receive such

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361 Development Rights and/or Additional Development Rights pursuant to the Zoning Resolution or other similar authority; provided, however, that nothing in this Agreement shall prohibit Owner from applying for any special use permit in connection with the Owner Premises, which does not otherwise prohibit or otherwise materially and adversely effect 361's use of the 361 Development Rights or the Airspace as intended pursuant to this Agreement.

(q) "**361 Development Rights**" shall mean (i) the Base Excess Rights, plus (ii) the Additional 361 Development Rights.

(r) "**Zoning Resolution**" shall mean the Zoning Resolution of the City of New York, as in effect as of the date hereof and as amended or restated from time to time hereafter.

(s) Undefined terms used in this Agreement which are defined in the Zoning Resolution -- such as, without limitation, the terms "**bulk**," "**dwelling unit**", "**height**," "**floor area**," "**floor area ratio**," "**lot area**," "**parties in interest**," and "**zoning lot**" -- shall be defined and construed as those terms are defined in and construed pursuant to Section 12-10 of the Zoning Resolution.

2. Use of Airspace; Easement.

(a) Except as expressly set forth in Sections 2(b) or 11 hereof, Owner shall not use or occupy, and it hereby covenants not to use or occupy, any portion of the Airspace for any purpose. 361 shall comply with all applicable laws, rules and regulations in the use of the Airspace, and it shall promptly cure any violations within the Airspace of such laws, rules and regulations as would adversely affect Owner's power, authority and/or ability to utilize the Owner Premises in any manner permitted under this Agreement.

(b) Owner hereby grants to 361 a perpetual easement for light and air, and unobstructed view, over all of the Property, beginning at the Limiting Plane (the "**Airspace Easement**"). Owner covenants and agrees that no new buildings, improvements, alterations or additions (each of the foregoing an "**Addition**") shall be constructed or allowed to exist on the Property, and no demolition, construction, addition, reconstruction, replacement, repair, alteration or rebuilding of the Building (each of the foregoing, a "**Rebuilding**"), whether following a casualty or otherwise, shall be made, to the extent that any such Addition or Rebuilding shall (i) encroach into the area of the Airspace Easement granted herein (but nothing contained in this Section 2(b) shall be deemed to prohibit or restrict, and 361 hereby grants to Owner a perpetual easement for, the placement or replacement, or continued maintenance, on or above the roof of the Building or any Rebuilding thereof of any ordinary fixtures which are a part of or affixed to the roof of the Building, provided the same do not extend more than 10 feet above the Limiting Plane and do not decrease the 361 Development Rights), (ii) have a total "floor area" in excess of the total "floor area" of the Building as it exists on the date hereof plus any additional "floor area" as may be permitted by the Additional Conveyed Development Rights plus any additional "floor area" as may be permitted by any Additional Owner Development Rights, (iii) create a non-compliance by the Property or by any property to which the 361 Development Rights have been transferred with any requirement of the Zoning Resolution or

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(iv) utilize any Development Rights allowed to the Property pursuant to the Zoning Resolution, other than the Owner Development Rights.

(c) Nothing set forth in this Agreement, including the provisions of this Section 2, shall be interpreted or construed so as to allow 361 to build or rebuild any permanent or temporary building, improvement, alteration or addition within the Airspace or in such a manner as to cantilever over the Land or the Building; provided that 361 shall have the right to utilize the air space over the improved or unimproved portions of the Owner Premises for temporary projections and/or intrusions which are reasonably required in connection with any demolition or Rebuilding of any existing building upon any Additional Parcel.

3. Use of the Building. Owner (a) shall not change, or permit the change of, the use of the Property to any use prohibited by the Zoning Resolution, unless a variance is received, (b) shall not in any way create, or permit the creation of, a new (or increase any existing) nonconforming use or non-compliance under the Zoning Resolution with respect to the Property, and (c) shall comply, and use reasonable efforts to cause all parties-in-interest of the Owner Premises to comply, with all applicable laws, rules and regulations in the occupancy, use operation, maintenance or Rebuilding of the Building. Owner shall promptly cure all violations of any laws, rules and regulations relating to the Owner Premises which would adversely affect 361's power, authority and/or ability to utilize the Airspace, the 361 Development Rights, any Additional Development Rights, any Additional Parcels or any Special Permit in any manner permitted under this Agreement.

4. Allocation of Development Rights; Development Limitations.

(a) As of the date hereof, the Base Excess Rights consists of 25,730 square feet of floor area, (which excludes the Additional Conveyed Development Rights). Owner owns all of the floor area within the Building, all of the Owner Development Rights and any and all of the Additional Owner Development Rights, and 361 owns all of the 361 Development Rights, the Airspace and any and all Additional 361 Development Rights. Except as expressly set forth in this Agreement, (i) neither party shall, and each party hereby covenants to the other party that it shall not (A) utilize, or attempt to utilize, all or any portion of any Development Rights owned by the other party, or (B) make any applications to incorporate all or any portion of any Development Rights owned by the other party into its respective premises, and (ii) each of Owner and 361 retains full ownership and control over its respective interests in the Property. Any decrease in the amount of the Development Rights (or Additional Development Rights, as the case may be) by reason of an amendment to the Zoning Resolution changing the zoning district within which the Owner Premises is mapped or modifying one or more of the rules applicable within the zoning district within which it is currently mapped shall burden Owner and 361 in the same proportion and calculated in the same manner as an increase of Additional Development Rights would be calculated pursuant to Sections 1(d) and 1(e) hereof. In the event of a casualty at the Building, Owner shall be entitled to perform any Rebuilding of the Building as permitted by the Zoning Resolution, provided such Rebuilding of the Building (1) shall use no more than the Owner Development Rights; (2) except as expressly permitted pursuant to Section 11 hereof, shall not encroach into the Airspace Easement; (3) is in

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accordance with the Zoning Resolution, (4) does not create a non-compliance by any building on an Additional Parcel with any requirement of the Zoning Resolution, or (5) does not adversely affect 361's use or development of the 361 Development Rights, any Additional Development Rights, any Special Permit or any Additional Parcel permitted under this Agreement.

(b) Other than in accordance with the request of 361, Owner shall not enter into any agreement effecting, or purporting to effect, a merger of the Property with any parcel of land.

(c) 361 shall be permitted to enter into any agreement effecting, or purporting to effect, a merger of the Property with any parcel of land or 361 Development Rights attributable thereto; provided, however, 361 shall not enter into any agreement effecting, or purporting to effect, a merger of the Property with any parcel of land, if such agreement would (i) create a non-compliance by the Building with any requirement of the Zoning Resolution, (ii) adversely affect the maintenance of a permanent certificate of occupancy for the Building, or (iii) adversely affect the use of the Owner Premises or development of the Owner Development Rights, as permitted under this Agreement.

(d) Owner acknowledges that the owners of other properties which may hereafter be merged into a zoning lot with the Property, may reserve or retain certain Development Rights attributable to their respective properties, and Owner covenants that it shall not (i) utilize, or attempt to utilize, all or any portion of any such reserved or retained Development Rights, or (ii) make any applications to incorporate all or any portion of any such Development Rights into the Owner Premises.

(e) Owner acknowledges that Additional Development Rights and a Special Permit may become available to the Property, and Owner covenants that: (i) any Additional Development Rights and Special Permit(s) shall be allocated proportionately between Owner and 361, as provided in Sections 1(d) and 1(e) hereof, and Owner shall not utilize, or attempt to utilize, all or any portion of any such Additional Development Rights or Special Permit(s) beyond Owner's allocable share thereof; (ii) other than with respect to Owner Development Rights or Additional Owner Development Rights, Owner shall not make any applications for or independently acquire any 361 Development Rights or any Additional 361 Development Rights; (iii) Owner shall not make any applications to incorporate all or any portion of any 361 Development Rights or Additional 361 Development Rights into the Owner Premises; (iv) Owner shall not make any applications to any of the City Agencies for any Special Permit; (v) no Rebuilding of the Building shall be made with respect to the Property so as to utilize any 361 Development Rights or Additional Development Rights beyond Owner's allocable share thereof; and (vi) Owner shall not take any action which would, in the reasonable judgment of 361, in any way, directly or indirectly, interfere with any application by 361 to any of the City Agencies, provided such action is not reasonably required for Owner to make use of its Owner Development Rights or the Owner Premises and does not otherwise violate the provisions of this Subsection 4(e).

5. Floor Area Notice; Retention of Ownership and Control. Notice is hereby given that this Agreement restricts Owner and the Owner Premises, and benefits 361, the

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Airspace and any Additional Parcels, by reducing (subject to the terms of this Agreement) the Development Rights which are appurtenant to the Owner Premises and available for use by Owner by the amount of the 361 Development Rights.

6. Additional Parcels; Additional Development Rights; Special Permit.

(a) Owner, by its execution of this Agreement and without any further action on its part, and all present and future "parties in interest" to the Property, including Owner, are each hereby deemed to have consented to, waived objection to, and to have subordinated its respective interest in the Property to the zoning lot merger of one or more additional parcels with the Property, to any and all future enlargements to, and subdivisions of, any zoning lot which includes the Property, to the transfer, utilization or redistribution by 361 of any 361 Development Rights or Additional 361 Development Rights to such additional parcels, and to any and all agreements entered into in connection therewith; provided that such merger, enlargement, subdivision or agreement does not impose any additional material obligations on Owner, does not create a non-compliance by the Owner Premises or the property to which the 361 Development Rights have been transferred to with any requirement of the Zoning Resolution, does not diminish Owner's rights to utilize the Owner Development Rights, and does not materially, adversely affect Owner's use of the Owner Premises as permitted under this Agreement. Without limiting the generality of the foregoing but subject to the proviso in the immediately preceding sentence, this paragraph constitutes a waiver by Owner and all present and future "parties in interest" to the Property of (i) their respective right to execute and their subordination to any declaration of zoning lot restrictions or similar instrument required by the Zoning Resolution to create, enlarge or subdivide a zoning lot including the Property, and any zoning lot development agreement or similar instrument executed in connection with such creation, enlargement or subdivision and (ii) each addition, amendment or replacement to any such declaration of zoning lot restrictions, any such zoning lot development agreement and/or this Agreement, whether or not such parties sign such addition, amendment or replacement. Notwithstanding the foregoing, if requested by 361, Owner shall, within thirty (30) days after such request, at no cost to Owner, execute, acknowledge and deliver and shall make reasonable efforts to cause any and all "parties in interest" to the Property to execute or cause the execution, acknowledgement and delivery of all such instruments as may reasonably be required or necessary, in the reasonable discretion of 361, to effectuate the intent of this paragraph; provided that (1) 361 shall have provided Owner with all reasonably necessary documents and information in connection with such request, and (2) such instruments do not create a non-compliance by the Owner Premises or the property to which the 361 Development Rights have been transferred to with any requirement of the Zoning Resolution, do not diminish Owner's rights to utilize the Owner Development Rights, or do not materially and adversely affect Owner's use of the Owner Premises in accordance with this Agreement. In addition, if required by law, Owner shall, at no cost to Owner, cause the certificate of occupancy of the Building to be amended to reflect the existence of such enlarged or subdivided zoning lot.

(b) Owner acknowledges that the Property may be the granting site, pursuant to the issuance of a Special Permit, with respect to the transfer of 361 Development Rights or Additional 361 Development Rights to a parcel of land which is eligible to receive such

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361 Development Rights or Additional 361 Development Rights pursuant to the Zoning Resolution or other similar authority. Owner, by its execution of this Agreement and without any further action on its part, and all present and future "parties in interest" to the Property, including Owner, are each hereby deemed to have consented, waived objection to and to have subordinated its respective interest in the Property to (i) any present and future applications, agreements, declarations or documents or such other actions as may be required by 361 for any Special Permit, (ii) the transfer of any 361 Development Rights or Additional 361 Development Rights pursuant to any Special Permit, (iii) any matters relating to the transfer, utilization or redistribution by 361 of any 361 Development Rights or Additional 361 Development Rights, and (iv) any and all agreements (including any transfer of development rights and notice of restrictions or additions, amendments or replacements to this Agreement) entered into in connection therewith (whether or not such parties sign such agreements); provided that the foregoing do not create a non-compliance by the Owner Premises or the property to which the 361 Development Rights have been transferred to with any requirement of the Zoning Resolution, do not diminish Owner's rights to utilize the Owner Development Rights, and do not materially, adversely affect Owner's use of the Owner Premises as permitted under this Agreement. Without limiting the generality of the foregoing but subject to the proviso in the immediately preceding sentence, this paragraph constitutes a waiver by Owner and all present and future "parties in interest" to the Property of their respective right to execute and their subordination to any transfer of development rights and notice of restrictions or similar instrument required by the Zoning Resolution for the transfer, utilization or redistribution by of any 361 Development Rights or Additional 361 Development Rights, and any zoning lot development agreement or similar instrument executed in connection therewith, and (ii) each addition, amendment or replacement to any such transfer of development rights and notice of restrictions, any such zoning lot development agreement and/or this Agreement, whether or not such parties sign such addition, amendment or replacement. Notwithstanding the foregoing, if requested by 361, Owner shall, within thirty (30) days after such request, at no cost to not Owner, execute, acknowledge and deliver and shall make reasonable efforts to cause any and all "parties in interest" to the Property to execute or cause the execution, acknowledgement and delivery of all such instruments as may reasonably be required or necessary, in the reasonable discretion of 361, to effectuate the intent of this paragraph, including, but not limited to, the execution, acknowledgement and delivery of any instrument that may reasonably be required in connection with the addition of Additional 361 Development Rights to the Property, any Special Permit, or in connection with the utilization of the Air Space, the 361 Development Rights and/or the Additional 361 Development Rights, including, but not limited to, a transfer of development rights and notice of restrictions or the amendment or modification of this Agreement, and the execution of or joinder in any applications and any documentation, plans or certifications in connection with the Airspace, the 361 Development Rights, any Special Permit and/or the Additional 361 Development Rights; provided that (1) 361 shall have provided Owner with all reasonably necessary documents and information in connection with such request, and (2) such instruments do not create a non-compliance by the Owner Premises or the property to which the 361 Development Rights have been transferred to with any requirement of the Zoning Resolution, do not diminish Owner's rights to utilize the Owner Development Rights, or do not materially and adversely affect Owner's use of the Owner Premises in accordance with this Agreement.

(c) In the event that in connection with the application by 361 for a Special Permit, the approval of such application for a Special Permit shall be conditioned upon the implementation of a Plan, 361 shall prepare and propose such Plan and 361 agrees to consult with Owner regarding the scope of the work to be included in such proposed Plan. 361 shall use reasonable efforts to incorporate in such proposed Plan any concerns or priorities delivered by Owner, in writing, to 361, provided such concerns or priorities do not unreasonably increase the cost of the work that will be required to be performed pursuant to such proposed Plan or affect 361's ability to transfer or utilize the 361 Development Rights and/or any Additional 361 Development Rights, or to proceed with the Special Permit. Owner shall perform any work on or in the Building required under the Plan at the sole cost and expense of 361; provided that (i) 361 shall reimburse Owner for its reasonable out-of-pocket costs and expenses (including, but not limited to, reasonable attorneys' and other professionals' fees and expenses) incurred by Owner in connection with the implementation of the Plan and/or performance of any work required under the Plan and (ii) if the Plan requires the performance of structural improvements or non-structural improvements which materially adversely affect the use of the Owner Premises, the Plan shall be subject to Owner's reasonable approval. In furtherance of the foregoing, Owner hereby grants 361, its agents, contractors and representatives, and to the extent necessary, the Landmarks Preservation Commission, a license to enter and an easement onto and over the Owner Premises to the extent reasonably necessary for 361 to perform any work required under the Plan (the "**Work**") if Owner fails to commence the performance of such Work within fifteen (15) days following written notice from 361 or thereafter fails to continuously and diligently prosecute such Work to completion; provided, however, 361 covenants and agrees that such license to enter and completion of Work (a) shall only occur after written notice to Owner and (b) shall only occur at reasonable times; and provided, further, that during the period of such license to enter and complete such Work, 361 shall procure and maintain liability insurance, naming Owner (and any mortgagee of the Owner Premises of which 361 has notice) as an additional insured, in the form and in the amounts customarily carried in connection with a license to enter and completion of such Work. In addition, 361 may, at its option, maintain any action permitted at law or in equity or by statute against Owner with respect to the completion of such Work, including an action for injunctive relief to compel Owner to complete such Work and/or a suit for damages arising from the failure by Owner to complete such Work.

7. Utilization of 361 Development Rights and Additional Development Rights; Cooperation.

(a) Subject to the terms of this Agreement and that certain Development Rights Option Agreement, of even date herewith, between Owner and 361 (the "**Option Agreement**"), 361 shall be entitled to transfer, utilize or re-distribute the 361 Development Rights and/or any Additional 361 Development Rights in accordance with the Zoning Resolution. Except as otherwise expressly provided in this Agreement and the Option Agreement, Owner shall have no rights in and to the 361 Development Rights, any Special Permit, any Additional Parcels and/or any Additional 361 Development Rights.

(b) Owner shall take all reasonable and appropriate steps and shall cooperate, at 361's sole cost and expense, with 361 in connection with the transfer, utilization or

redistribution of the 361 Development Rights and any Additional 361 Development Rights by 361 including, without limitation, the prosecution of all applications for Special Permits requested by 361 relating thereto, and the applications and filings for a building permit or permits for the construction of any building allowing utilization of the 361 Development Rights and/or any Additional 361 Development Rights. 361 shall have the right at any time to make application to any governmental authority for such licenses, permits, approvals, certificates, rulings, or amendments (collectively, the "**Approvals**"), as 361, in its sole discretion and as permitted by this Agreement, shall deem necessary or desirable in connection with the Airspace, the 361 Development Rights, any Additional 361 Development Rights, any Special Permit, any Additional Parcels, and any development on the Additional Parcels. Owner shall, at 361's sole cost and expense, cooperate with 361 and is hereby deemed to have given all necessary consents in connection with the filing and prosecution of applications for the Approvals, and shall execute such documents and applications and furnish such information as may be reasonably requested by 361 in connection with such applications. Without limiting the generality of the foregoing, Owner covenants and agrees that:

(i) Owner shall cooperate with 361, at 361's sole cost and expense, in the development of any Additional Parcel, including, without limitation, the prosecution and execution of all applications for Special Permits and applications for other approvals relating to any new development and the incorporation therein of the 361 Development Rights or any Additional 361 Development Rights, and the execution of all other documents pertaining thereto and reasonably required therefor;

(ii) Neither Owner nor any principal or affiliate thereof shall appear in opposition to 361 in any application, action, or hearing brought, sought or defended by 361 before any City Agency or any other municipal, governmental department, court or agency of the City of New York, the State of New York or the United States of America arising out of or in connection with or relating to the Airspace, the 361 Development Rights, any Additional 361 Development Rights, any Additional Parcel or a Special Permit, or any other certificate, amendment, permit, approval, license or ruling, or any other application for or proceeding with respect to an Approval, or in connection with any other proceedings that, in each such case in the reasonable judgment of 361, affects or may affect the ability of 361 to conduct a Rebuilding of any new or additional buildings on any parcels of land to which such transfer is permitted pursuant to the provisions of the Zoning Resolution and to incorporate or re-distribute the 361 Development Rights or any Additional 361 Development Rights therein, or which may affect 361's ability to obtain any Special Permit or develop an Additional Parcel or otherwise to utilize the 361 Development Rights, the Additional 361 Development Rights and/or the Airspace, provided the foregoing are in compliance with and permitted by this Agreement;

(iii) Except as otherwise expressly provided in this Agreement, Owner shall not (1) change the existing use of the Building to any use prohibited by the Zoning Resolution (unless Owner obtains a variance with respect thereto) or amend or make an application to amend the certificate of occupancy for the Building which shall, or may reasonably be expected to, prevent 361 from obtaining a certificate of occupancy for any building which may be located on an Additional Parcel, provided that such prohibition to change the existing use and amend the certificate of occupancy does not materially adversely effect Owner's use of the

Building as lawfully permitted, (2) permit to exist any condition (including any violation of law) or use the Property in any way which shall, or may reasonably be expected to, prevent 361 from obtaining a certificate of occupancy for any building which may be located on an Additional Parcel, (3) in any way create a new (or increase any existing) nonconforming use or non-compliance under the Zoning Resolution with respect to the Property, (4) subdivide or combine the Property with any other zoning lot, except in accordance with the express directions of 361, (5) apply for or execute any documents consenting to any changes in the zoning of the Property unless (x) prior notice thereof is given to 361 and (y) such change does not reduce the 361 Development Rights or impair the right of 361 to utilize the same, (6) take, suffer or permit any act that Owner knows or should know would constitute a violation of this Agreement, or (7) except as otherwise permitted by this Agreement, utilize or use in any way the Air Space, any of the 361 Development Rights, any Special Permit, any Additional Parcels and/or any Additional 361 Development Rights;

(iv) The failure of any party to execute, acknowledge and/or deliver any document or instrument to which it has given its consent pursuant to this Section 7 shall not be deemed to negate such consent; and

(v) Notwithstanding anything to the contrary set forth in this subsection (b), Owner's cooperation pursuant to this subsection (b) shall not be deemed to impose on Owner or the Owner Development Rights or any Additional Owner Development Rights, any continuing obligation or restriction not otherwise provided for in this Agreement.

8. Tax Assessment. Owner agrees that, until 361 so elects, no applications shall be made to have the Property divided into two separate tax lots. Upon the request of 361, Owner agrees to cooperate with 361 in connection with any applications, filings and appearances that may be necessary to create two separate tax lots, consisting of (i) the Owner Premises, and (ii) the Airspace, and to execute such documents or instruments as may reasonably be required in connection therewith and in support thereof. Until such a tax subdivision has been applied for and is approved and separate tax assessments for each party's tax lot have been established, 361 shall not mortgage or place any lien or encumbrance on the Airspace that materially and adversely effects Owner. Each party shall bear its own costs and expenses (including, but not limited to, attorneys' and other professionals' fees and expenses) in connection with the application for and creation of such two separate tax lots.

9. Owner Representations. Owner represents and warrants to, and covenants with, 361 that (a) to Owner's knowledge, it is the only party in interest with respect to the Owner Premises that has not waived its right to execute this Agreement, (b) it will execute or procure any further assurances reasonably required by 361 of its right to enter into this Agreement, (c) the execution, delivery and performance of this Agreement by it does not violate the provisions of any mortgage or any other agreement or instrument to which it is a party or by which it is bound, and (d) Owner is not a "foreign person" as defined in section 1445(b)(3) of the Internal Revenue Code and the regulations issued thereunder.

10. Violation Cure Rights. In the event that at any time hereafter there exists any violation of any applicable laws, rules and regulations relating to the Owner Premises,

Rel 3646 2397

including, without limitation, any violation of the Plan, which adversely affects the rights of 361 with respect to the 361 Development Rights, the Additional 361 Development Rights, the Airspace, any Special Permit or any Additional Parcel, Owner shall commence a cure within thirty (30) days after receiving notice of the same from 361, and shall proceed diligently and continuously to cure, remove and discharge of record the same as rapidly as possible (or, if the cure, removal and discharge cannot with due diligence be completed in such thirty (30) day period, Owner shall commence the cure, removal and discharge within such thirty (30) day period and diligently prosecute to completion, the cure, removal and discharge of any violation). In the event that Owner does not commence such cure and proceed diligently and continuously with such cure as required by the immediately preceding sentence, 361 shall have the right to cure any such violation at the expense and for the account of Owner (and if necessary, in the name of Owner), and Owner will execute and deliver such documents as may be required in connection therewith, it being agreed that 361 shall have a license and is hereby granted an easement to have access to the Owner Premises for the purpose of effecting such cure; provided, however, 361 covenants and agrees that such access and cure (a) shall only occur after written notice to Owner and (b) shall only occur at reasonable times; and provided, further, that during the period of such access and cure, 361 shall procure and maintain liability insurance, naming Owner (and any mortgagee of the Owner Premises of which 361 has notice) as an additional insured, in the form and in the amounts customarily carried in connection with the access and cure of such violation. In addition, 361 may, at its option, maintain any action permitted at law or in equity or by statute against Owner with respect to such violation, including an action for injunctive relief to compel Owner to cure such violation and/or a suit for damages arising from the failure by Owner to cure such violation.

11. Easement into Airspace. Upon the request of Owner, which may be made at any time after all of the 361 Development Rights (for purposes of this Section, as existing at the time such request is made) have been transferred to one or more parcels of land to which a transfer is permitted under the Zoning Resolution and this Agreement, 361 shall grant to Owner a permanent easement to encroach upon and within the Airspace (as such Airspace may be modified by the Option Agreement); provided that Owner pays all reasonable out-of-pocket costs and expenses (including, but not limited to, attorneys' and other professionals' fees and expenses) incurred by 361 in connection therewith; and provided, further, that Owner shall procure and maintain liability insurance, naming 361 (and any mortgagee of the Airspace of which Owner has notice) as an additional insured, in the form and in the amounts customarily carried (or otherwise acceptable to 361) in connection with such encroachment and/or permanent easement.

12. Binding Effect. All of the rights, interest, covenants, agreements and conditions contained in this Agreement:

(a) shall run with the Property and the parties' respective interests therein;

(b) shall inure to the benefit of and be binding upon each party to this Agreement and such party's heirs, legal representatives, successors and assigns of any such party, and any mortgagee of such party which may become a "mortgagee-in-possession";

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(c) shall inure to the benefit of and be binding upon any party who joins in any declaration of zoning lot restrictions or similar instrument required by the Zoning Resolution to create, enlarge or subdivide a zoning lot which includes, or shall include, the Property, or executes a waiver of their right to join in any such declaration of zoning lot restrictions or similar instrument, and any zoning lot development agreement or similar instrument executed in connection with such creation, enlargement or subdivision, and any such party's successors and assigns;

(d) shall inure to the benefit of and be binding upon all present and future "parties in interest" with respect to the Property; and

(e) shall, to the extent rights hereunder are assigned to the holder of any mortgage or any interest therein, be enforceable by any such assignee as provided under any such mortgage or documents ancillary thereto.

13. Future Transfers. The parties executing this Agreement agree that any third party who shall acquire any interest whatsoever in the Property, whether from a party hereto or its heirs, legal representatives, successors or assigns, shall be bound by and subordinate to the provisions of this Agreement, and any future modifications hereto, to the same extent that it would have been had it been a signatory to this Agreement, or any future modifications thereto.

14. Power of Attorney. Owner grants to 361 an irrevocable Limited Power of Attorney, coupled with an interest, authorizing 361 to act as its attorney in fact solely in the execution of any consent, document or instrument which Owner has agreed to execute or waived its right to execute (after failure to respond to a two (2) Business Day written request therefor), as provided in this Agreement, including, but not limited to Section 6 and Section 7 hereof, in order to permit 361 to utilize the Airspace, the 361 Development Rights, any Additional Development Rights and/or any zoning modifications in any manner permitted by this Agreement, provided such document or instrument does not materially adversely affect Owner's use of the Building as lawfully permitted or the Owner Development Rights.

15. No Third Party Beneficiaries. No covenant or agreement contained herein shall inure to the benefit of any party, including, without limitation, any occupant of the Property, other than to Owner and 361, their respective heirs, distributees, successors and assigns, and any mortgagee, of either the Property or any parcel which may be merged into one zoning lot with the Property, which may become a "mortgagee-in-possession," except as otherwise specifically provided herein. The parties hereto further acknowledge and agree that nothing herein contained grants to any party the right or easement of access upon or over the Land of any other party, or the right to perform any construction upon the Land of any other party, except as specifically provided herein or in any separate agreement that may be entered into by or among any of the parties hereto.

16. Notices. All notices, demands and requests ("Notices") which may be given by either party to the other pursuant to the provisions of this Agreement shall be in writing. All Notices may be delivered to either party either personally or by Federal Express (or other

R. 3646 - 7394

reputable overnight delivery service), and shall be deemed to have been duly given as of the time received or refused by the addressee (if personally delivered) or the next business day (in the case of a delivery by Federal Express or such other service). All Notices shall be addressed, if intended for Owner to it at 833 Northern Boulevard, Great Neck, New York 11021, Attention: Jourdan Krauss, with a copy to Lazar, Aptheker, Feldman, Rosella & Yedid, P.C., 225 Old Country Road, Melville, New York 11747, Attention: Samuel Yedid, Esq. or, if intended for 361, to it at c/o Himmel + Meringoff, 30 West 26th Street, New York, New York 10010, Attention: Leslie Himmel, with a copy to, Solomon and Weinberg LLP, 685 Third Avenue, New York, New York 10017, Attention: Howard R. Shapiro, Esq., or such other address or addresses as either party may designate by written notice to the other as herein provided. Notice given by the attorneys for Owner and 361 shall be deemed notice by the respective parties.

17. Estoppel Certificates. Whenever requested by a party upon at least ten (10) business days' prior written notice, the other party shall furnish to the requesting party a written statement setting forth: (a) whether this Agreement is in full force and effect; (b) the extent to which this Agreement has been assigned, modified or amended by any instrument, whether or not of record (and if it has, then stating the nature thereof); (c) whether the other party has served any written notice of default under this Agreement, which default remains uncured; (d) that the statement may be relied upon by the requesting party; and (e) to the best of its knowledge, there exists no state of facts which, with the giving of notice, the passage of time, or both, would constitute a default by the requesting party under this Agreement. Such certificate shall act as a waiver of any claim by the party furnishing such certificate to the extent such claim is based upon facts which are contrary to those asserted in the certificate but only to the extent the claim is asserted against a bona fide encumbrancer or purchaser for value without knowledge of facts contrary to those contained in the certificate and who has acted in reasonable reliance upon the certificate. Such certificate shall in no event subject the party furnishing it to any liability whatsoever (except for fraud), notwithstanding the negligent or inadvertent failure of such party to disclose correct or relevant information.

18. Limitation of Liability. Notwithstanding anything to the contrary contained herein, the parties hereto shall look only to the other party's then estate in the Property, including insurance proceeds if applicable, for the satisfaction of their respective remedies, including, but not limited to, for the collection of a judgment (or other judicial process) requiring the payment of money by any other party in the event of any default by any other party hereunder, and no other property or assets of the other party or its principals, officers, directors, members and partners disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of the first party's remedies hereunder.

19. Governing Law. This Agreement shall be governed by, and construed in all respects in accordance with, the internal laws of the State of New York (without giving effect to New York's principles of conflicts of law). Each party hereby irrevocably submits to the exclusive jurisdiction of any New York State or Federal court sitting in the Borough of Manhattan, City of New York over any suit, action or proceeding commenced by or on behalf of any party hereto arising out of, or relating to, this Agreement. Owner and 361 each hereby agree and consent that, in addition to any methods of service of process provided for under applicable law, all service of process in any such suit, action or proceeding in any New York State or

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R: 3646 2385

Federal court sitting in the Borough of Manhattan, City of New York may be made by certified or registered mail, return receipt requested, directed to such party at the address indicated in Section 16 hereof, and service so made shall be complete three (3) days after the same shall have been mailed.

20. Remedies, Waiver of Trial by Jury. In the event of any breach or threatened breach of this Agreement by any party, the other party shall have the right to any remedy available at law or in equity, including but not limited to injunctive relief and specific performance. Each of the parties waives its right to trial by jury in any action or proceeding bought under or pursuant to this Agreement.

21. Recording. This Agreement shall be recorded in the Office of the City Register for New York County.

22. Further Assurances. Each party shall, upon request of and at the expense of the other party, promptly take such action and/or furnish to the other party and/or execute, acknowledge and deliver to the other party any and all information in its possession, documents and other instruments which may be required or desired by the requesting party, in order (a) to make applications to, or prosecute and gain approval of applications from, any governmental authority relating to the utilization of the Property, the Airspace, the 361 Development Rights, the Owner Development Rights, any Additional Development Rights, any Additional Parcels and/or any Special Permit, as the case may be, (b) to carry out and effectuate the intent and purpose of this Agreement, or (c) to permit in all other respects the requesting party to exercise its rights under this Agreement.

23. No Oral Agreements; Integration. Except as stated in this Agreement and the exhibits and schedules annexed hereto, this Agreement contains all the promises, agreements, conditions, inducements and understandings between the parties relative to the matters stated herein and therein, and there are no oral promises, agreements, conditions, understandings, inducements, warranties or representations, expressed or implied, between the parties other than as set forth herein and therein. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the parties in connection herewith, other than with respect to any agreement between the parties hereto either (a) executed and delivered simultaneously with this Agreement, and/or (b) which, implicitly or explicitly, by its terms survives the execution of this Agreement and/or the Closing thereunder. This Agreement may not be modified, amended or terminated except by an instrument in writing signed by the parties hereto, except that any party in interest to any other parcels merged with the Property in accordance with a declaration of zoning lot restrictions or an amendment, addition or replacement thereto, shall be deemed to be bound by the provisions of this Agreement, and if such party in interest shall, upon request of 361, execute a document to that effect; provided, however, in the event the Property or any other parcel merged with the Property is encumbered by a mortgage, and the mortgagee thereunder reasonably requests a modification or amendment to this Agreement which does not materially increase the obligations or decrease the rights of the parties hereunder, the parties agree to amend or modify this Agreement accordingly.

R: 3646 - 2336

24. Severability. 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.

25. Captions; Headings. The captions, paragraph headings, titles and sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

26. No Waiver. No failure or delay of either party in the exercise of any right given to such party hereunder or the waiver by any party of any condition or provision hereunder for its benefit (unless the time specified herein for exercise of such right, or satisfaction or such condition, has expired) shall constitute a waiver of any other or further right nor shall any single or partial exercise of any right preclude other or further exercise thereof or any other right. The waiver of any breach hereunder shall not be deemed to be a waiver of any other or any subsequent breach hereof.

27. Pronouns, etc. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require. 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 a contrary intent is expressly set forth.

28. Counterparts. 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.

29. Exhibits and Schedules. Each of the exhibits and schedules referred to herein and attached hereto is incorporated herein by this reference.

[NO FURTHER TEXT ON THIS PAGE]

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R: 3646 2397

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

361 ZLDA LLC,
a Delaware limited liability company

By: _____
Name: Jesse Weinman Hummel
Title: Managing member

361 BROADWAY ASSOCIATES, LLC,
a New York limited liability company

By: _____
Name: Jourdan E. Krauss
Title: Member

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ACKNOWLEDGMENTS

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 13th day of August in the year 2002 before me, the undersigned, personally appeared Jesse Wohlman (Himself), personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity upon behalf of which the individual acted, executed the instrument.

Notary Public

CHARLOTTE C HENNIGAR
Notary Public, State of New York
No. 01HE6055197
Qualified in Queens County
Commission Expires February 20,2003

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the 26 day of September in the year 2002 before me, the undersigned, personally appeared Jourdan E. Krauss, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity upon behalf of which the individual acted, executed the instrument.

Notary Public

MICHAEL R LICITRA
Notary Public, State of New York
No. 01LI4809145
Qualified in Nassau County
Commission Expires June [illegible] 2003

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R. 3646 : 2389

EXHIBIT A

Legal Description

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 Southerly side of Franklin Street with the Westerly side of Broadway;

RUNNING THENCE Southerly along the Westerly side of Broadway, 54 feet 2 ½ inches;

THENCE Westerly on a line forming an interior angle of 90 degrees 32 minutes 45 seconds a distance of 165 feet 6-3/4 inches;

THENCE Northerly on a line forming an interior angle of 89 degrees 03 minutes 18 seconds, a distance of 51 feet 2 inches to the Southerly side of Franklin Street;

THENCE Easterly along the Southerly side of Franklin Street, 165 feet 3 inches to the corner aforesaid at the point or place of BEGINNING.

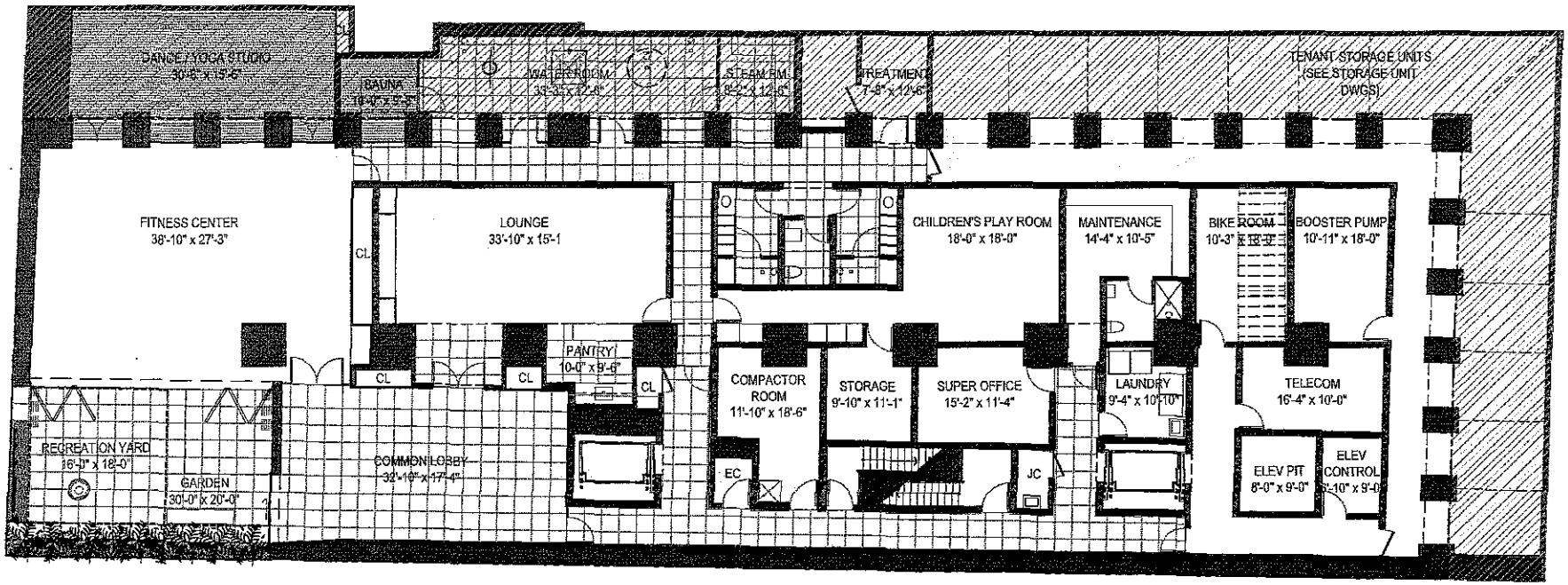
FLOOR PLANS

SUBCELLAR

VAULT SPACE

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK



SCALE
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12.20.2013

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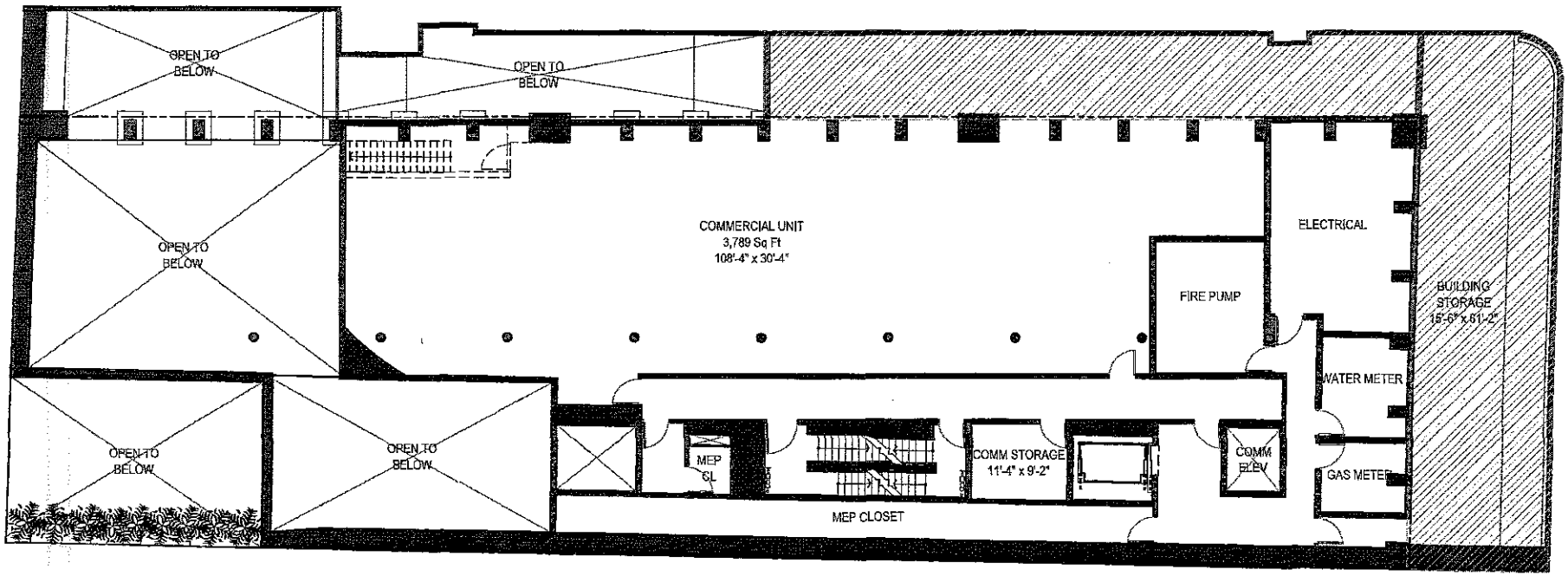
NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

CELLAR

VAULT SPACE

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK



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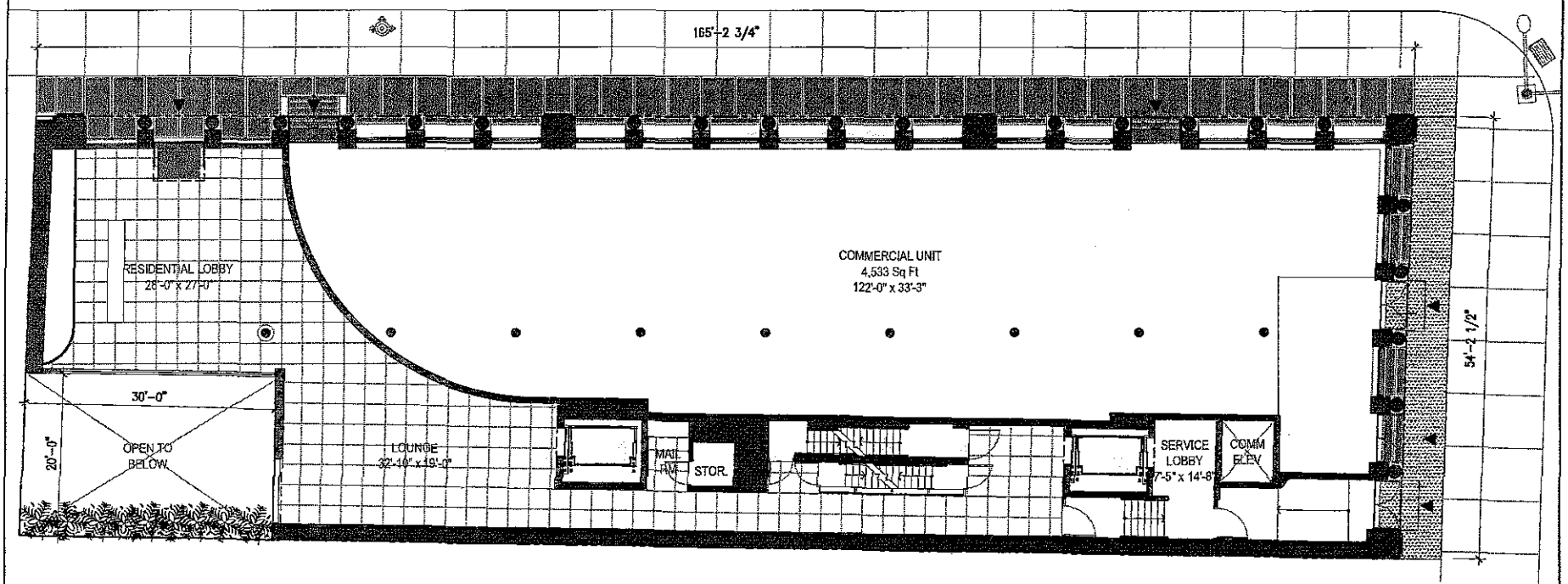
GROUND FLOOR

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK



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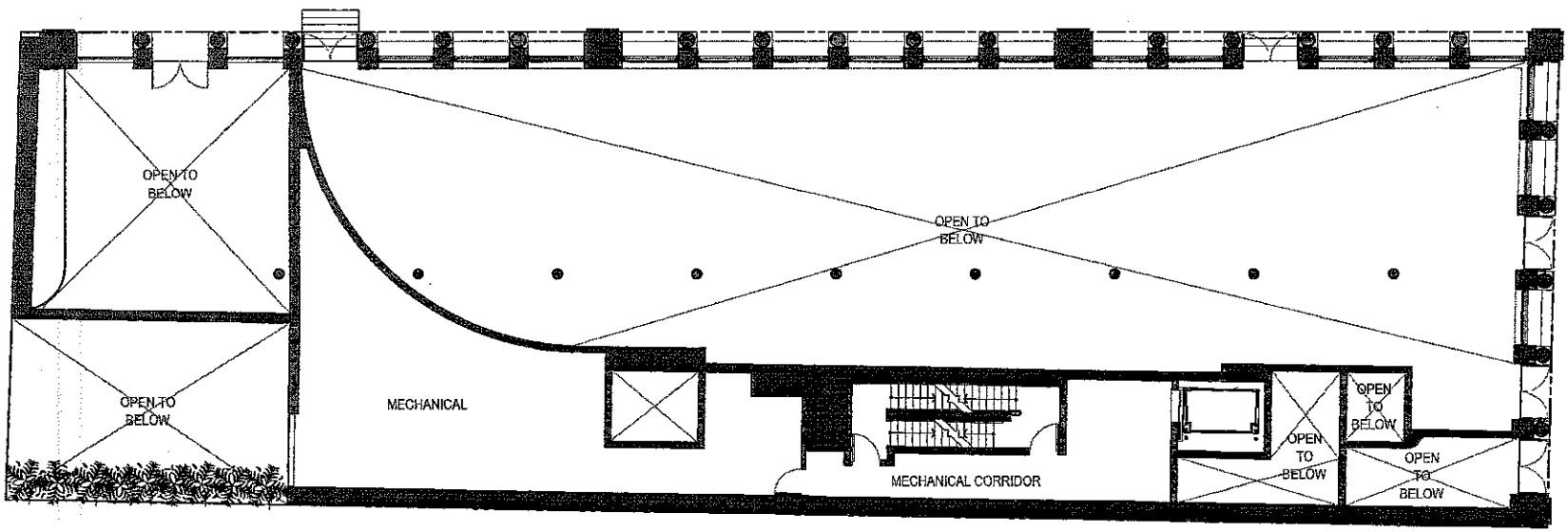
MECHANICAL MEZZANINE

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK



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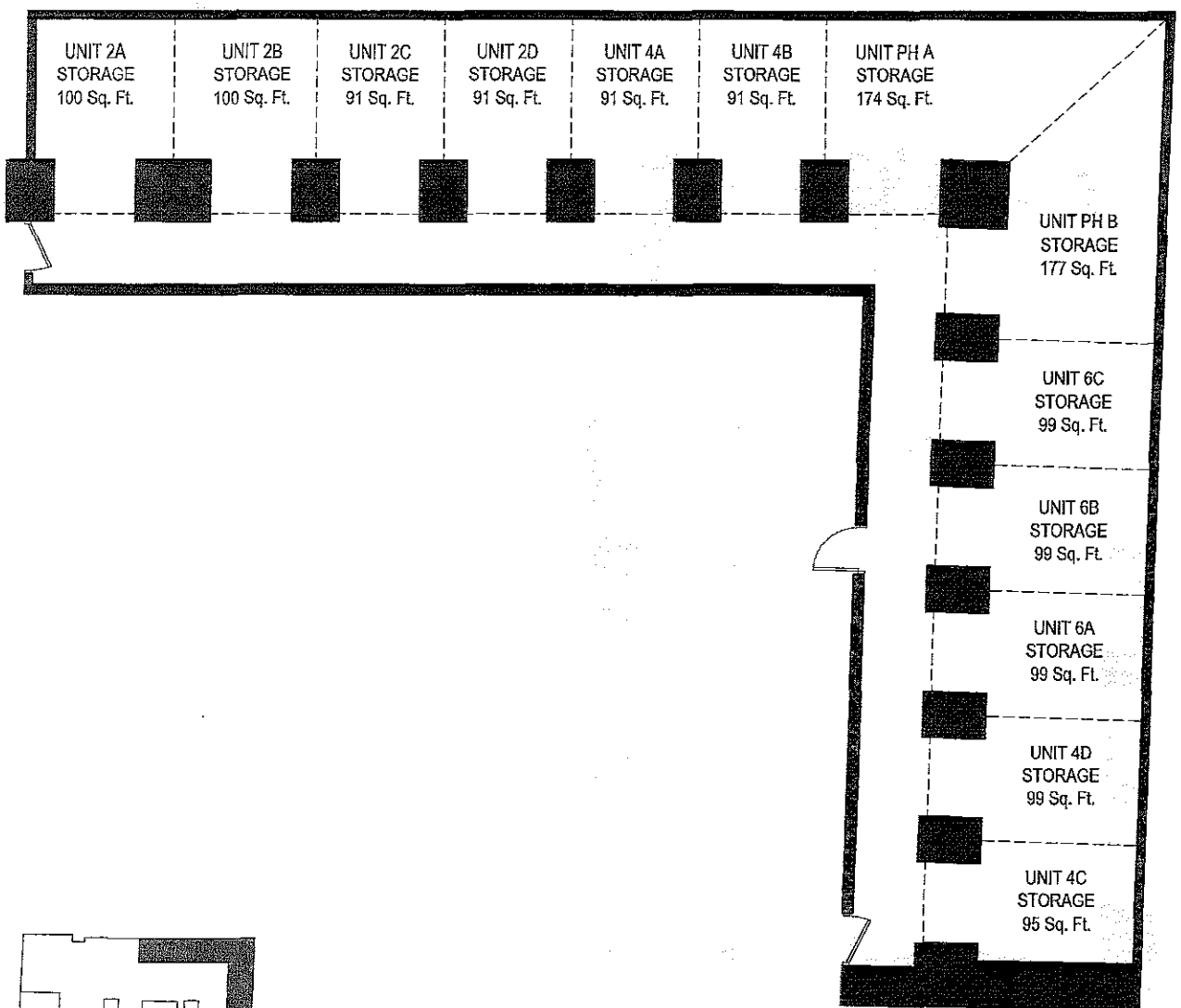
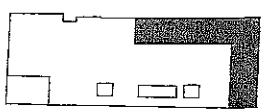
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

STORAGE UNITS

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK





SUB CELLAR - KEY PLAN

SCALE
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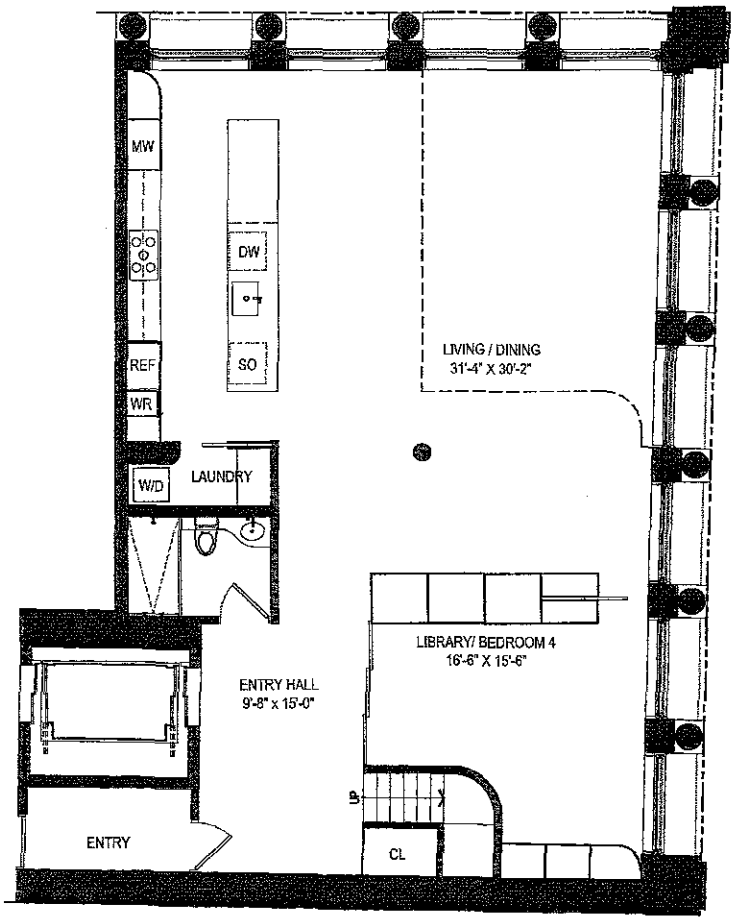
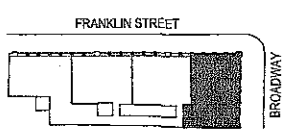
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

APARTMENT 2A - DUPLEX LOWER LEVEL

Total Area:	3,208	Sq Ft
	298	Sq M
Lower Level:	1,728	Sq Ft
	161	Sq M
Upper Level:	1,480	Sq Ft
	137	Sq M
Storage Unit:	100	Sq Ft
	9	Sq M
Bedrooms:	4	
Bathrooms:	3	





2ND FLOOR - KEY PLAN

SCALE

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12.20.2013

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SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

CAST IRON HOUSE

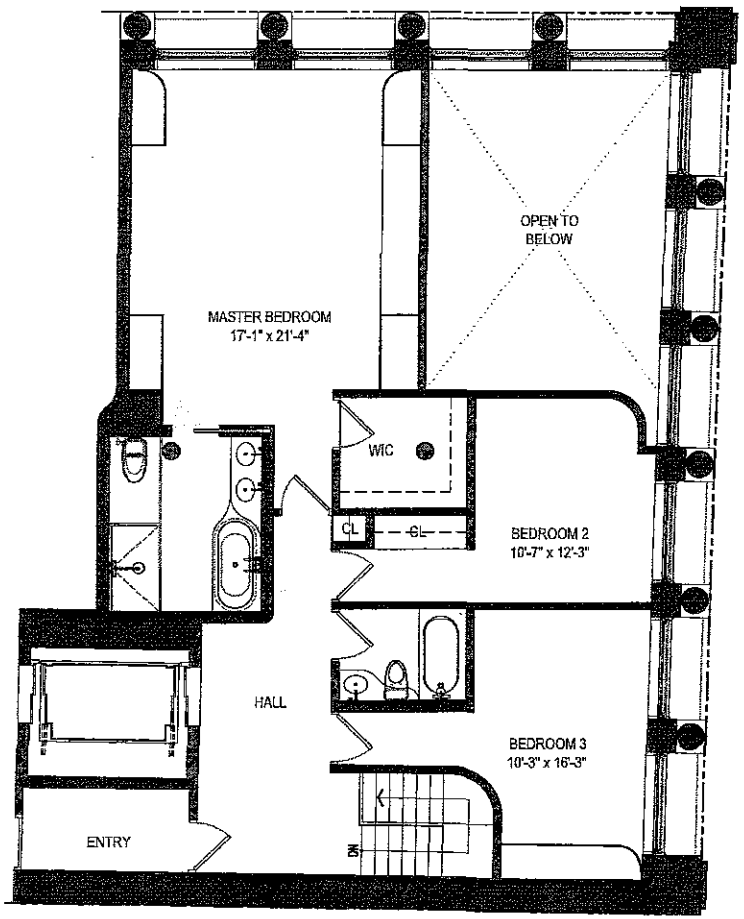
67 FRANKLIN STREET
NEW YORK, NEW YORK

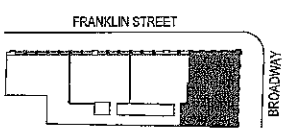
APARTMENT 2A - DUPLEX UPPER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	3,208	Sq Ft
	298	Sq M
Lower Level:	1,728	Sq Ft
	161	Sq M
Upper Level:	1,480	Sq Ft
	137	Sq M
Storage Unit:	100	Sq Ft
	9	Sq M
Bedrooms:	4	
Bathrooms:	3	





3RD FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

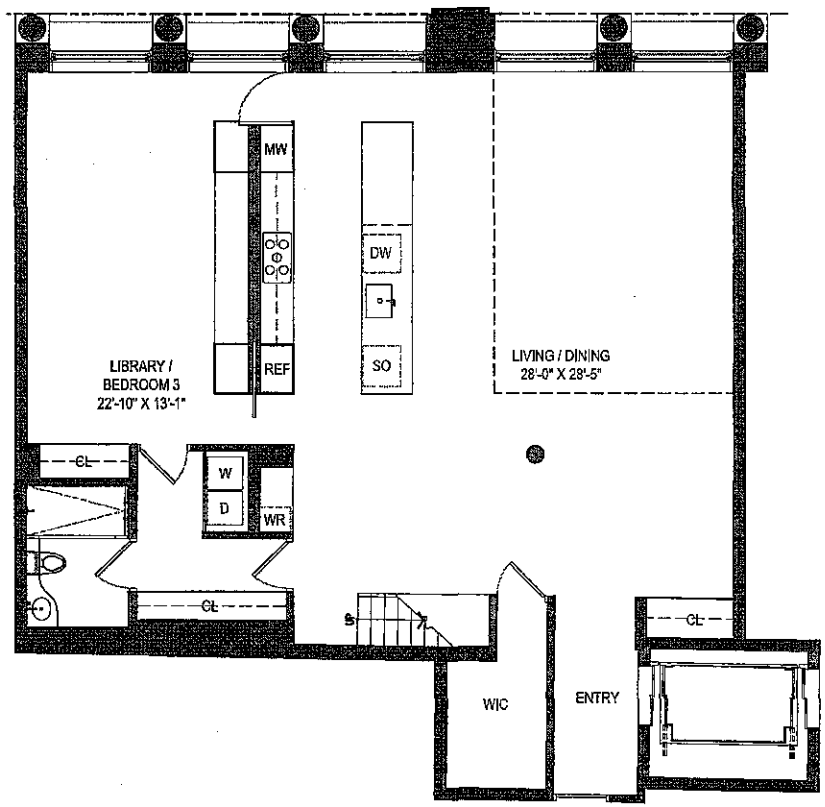
12.20.2013

N

NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

APARTMENT 2B - DUPLEX LOWER LEVEL

Total Area:	2,990	Sq Ft
	278	Sq M
Lower Level:	1,644	Sq Ft
	153	Sq M
Upper Level:	1,346	Sq Ft
	125	Sq M
Storage Unit:	100	Sq Ft
	9	Sq M
Bedrooms:	3	
Bathrooms:	3	



CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

2ND FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

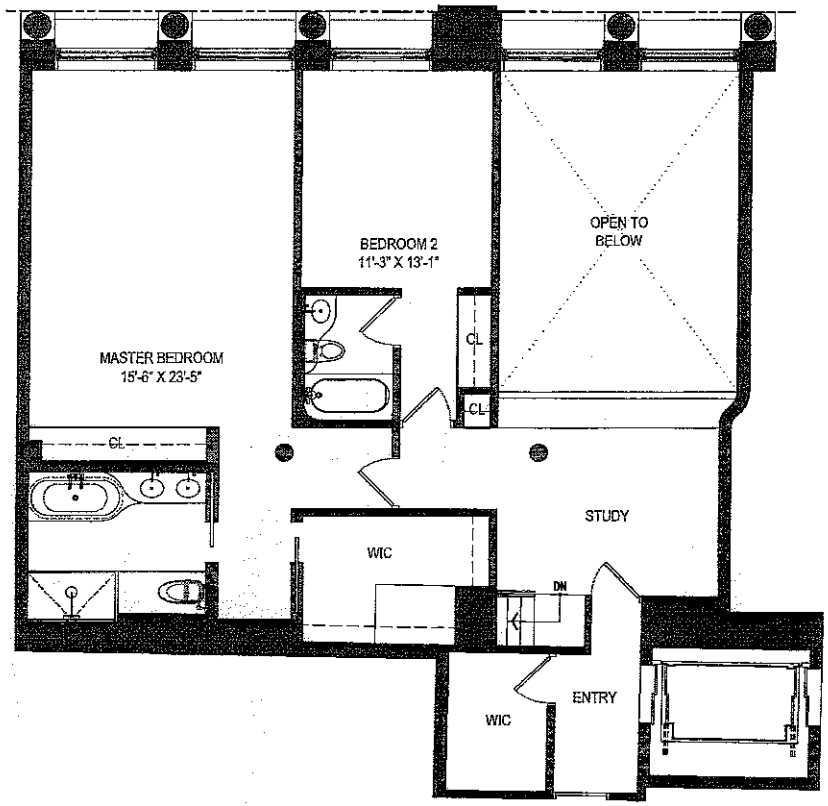
12.20.2013

NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

N

APARTMENT 2B - DUPLEX UPPER LEVEL

Total Area:	2,990	Sq Ft
	278	Sq M
Lower Level:	1,644	Sq Ft
	153	Sq M
Upper Level:	1,346	Sq Ft
	125	Sq M
Storage Unit:	100	Sq Ft
	9	Sq M
Bedrooms:	3	
Bathrooms:	3	



3RD FLOOR - KEY PLAN

SCALE

0 1 FT 4 FT 10 FT

12.20.2013

N

NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

CAST IRON HOUSE

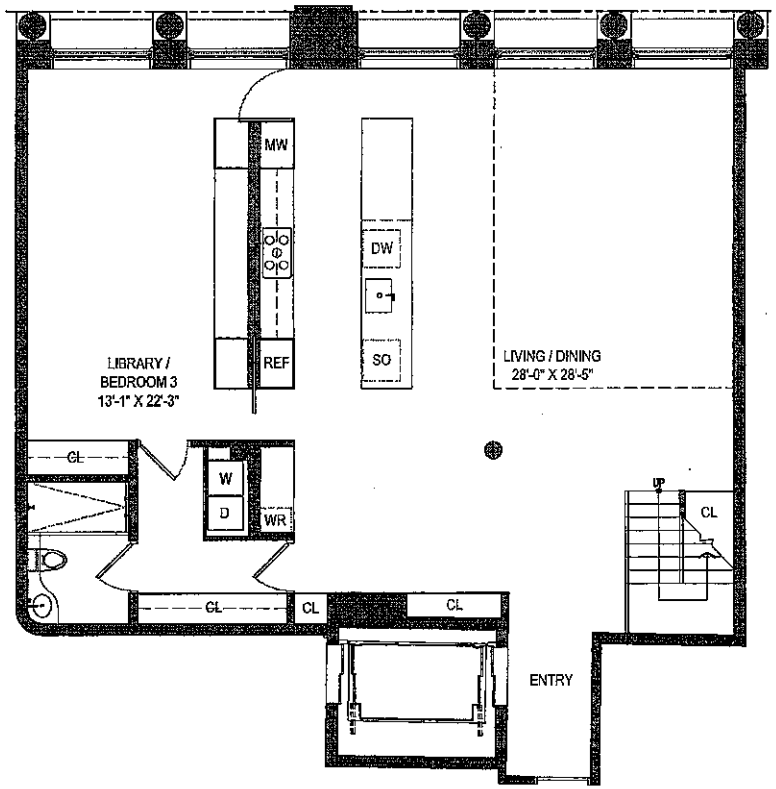
67 FRANKLIN STREET
NEW YORK, NEW YORK

APARTMENT 2C - DUPLEX LOWER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	2,859	Sq Ft
	266	Sq M
Lower Level:	1,546	Sq Ft
	144	Sq M
Upper Level:	1,313	Sq Ft
	122	Sq M
Storage Unit:	100	Sq Ft
	9	Sq M
Bedrooms:	3	
Bathrooms:	3	



2ND FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

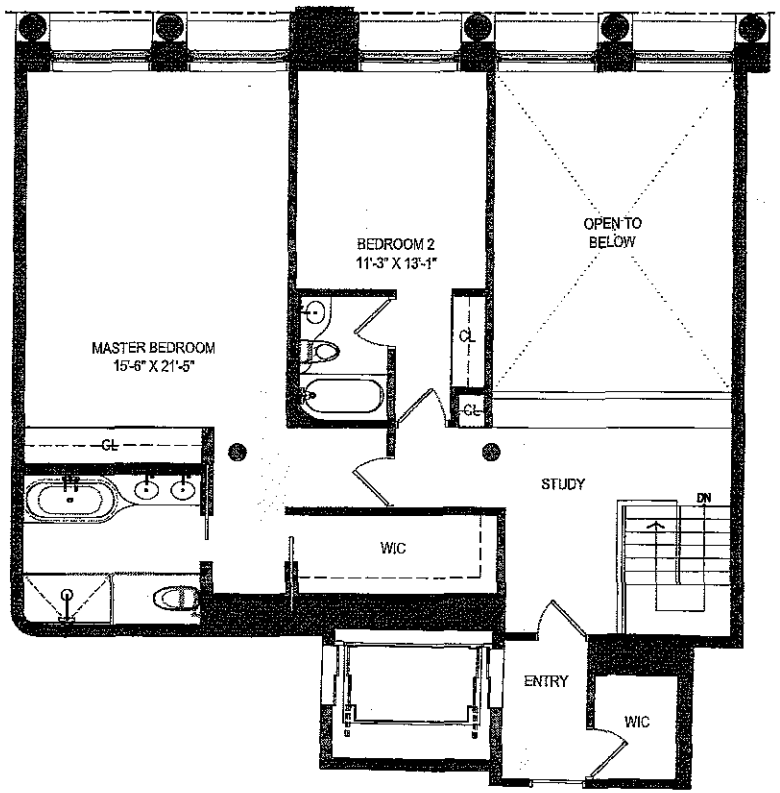
12.20.2013

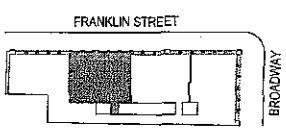
N

NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

APARTMENT 2C - DUPLEX UPPER LEVEL

Total Area:	2,859	Sq Ft
	266	Sq M
Lower Level:	1,546	Sq Ft
	144	Sq M
Upper Level:	1,313	Sq Ft
	122	Sq M
Storage Unit:	100	Sq Ft
	9	Sq M
Bedrooms:	3	
Bathrooms:	3	





3RD FLOOR - KEY PLAN

SCALE

0 1 FT 4 FT 10 FT

12.20.2013

N

NOTES:
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CAST IRON HOUSE

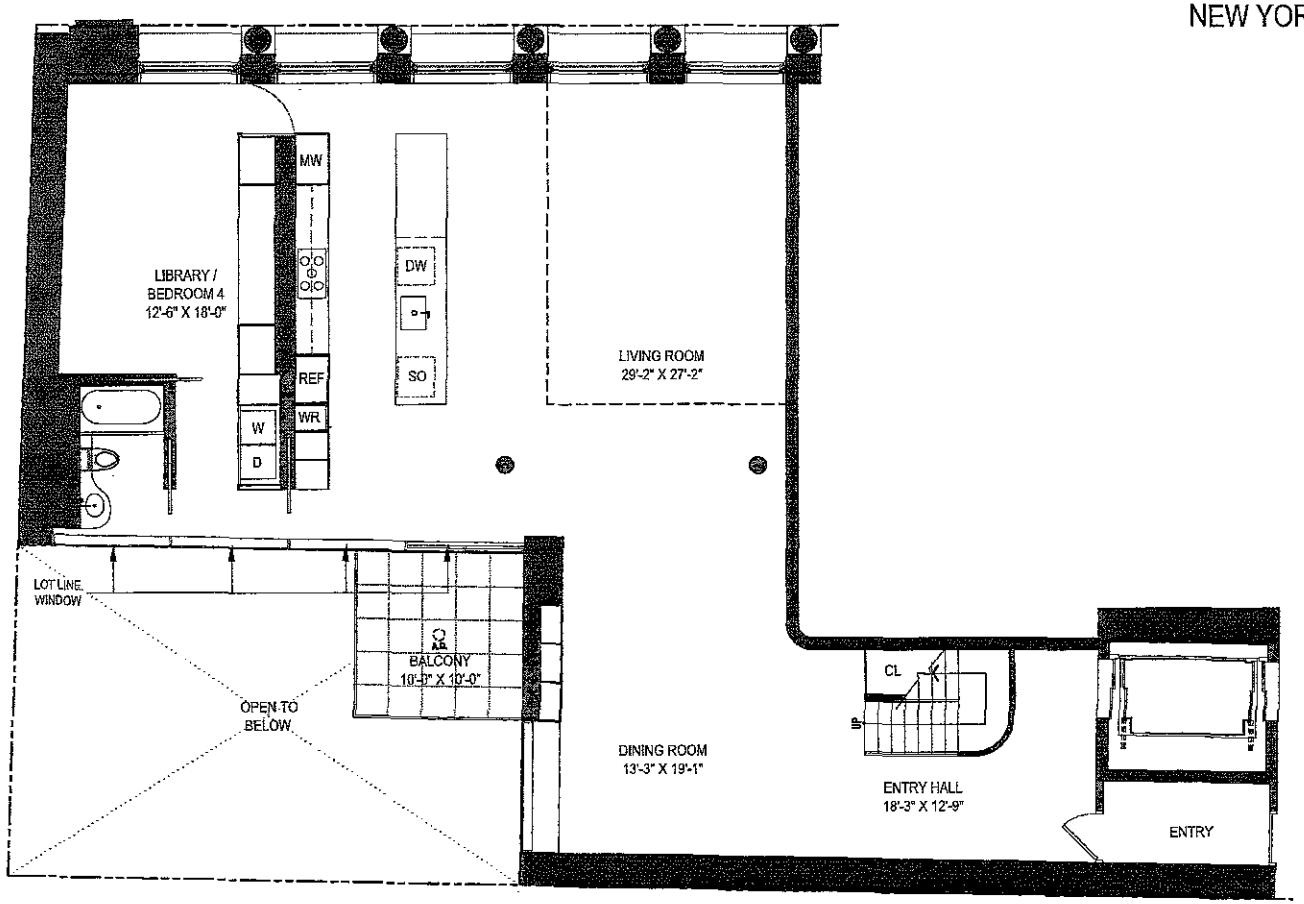
67 FRANKLIN STREET
NEW YORK, NEW YORK

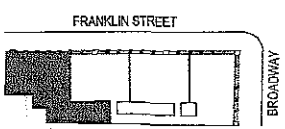
APARTMENT 2D - DUPLEX LOWER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	3,772	Sq Ft
	350	Sq M
Lower Level:	2,023	Sq Ft
	188	Sq M
Upper Level:	1,749	Sq Ft
	162	Sq M
Storage Unit:	91	Sq Ft
	8	Sq M
Balcony:	100	Sq Ft
	9	Sq M
Bedrooms:	4	
Bathrooms:	3	





2ND FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

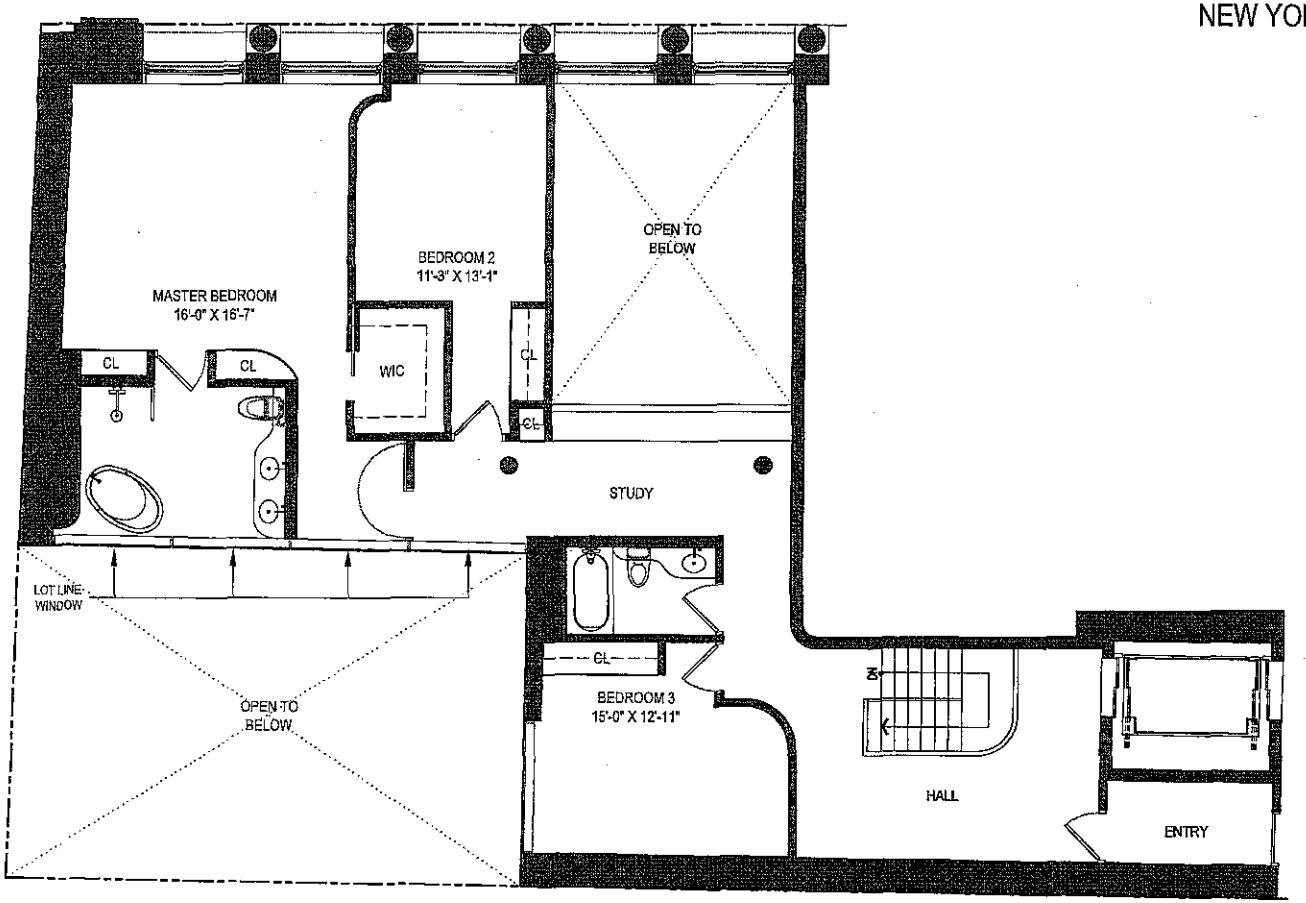
N

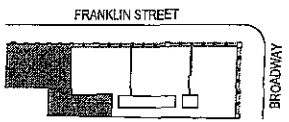
APARTMENT 2D - DUPLEX UPPER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	3,772	Sq Ft
	350	Sq M
Lower Level:	2,023	Sq Ft
	188	Sq M
Upper Level:	1,749	Sq Ft
	162	Sq M
Storage Unit:	91	Sq Ft
	8	Sq M
Balcony:	100	Sq Ft
	9	Sq M
Bedrooms:	4	
Bathrooms:	3	





3RD FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

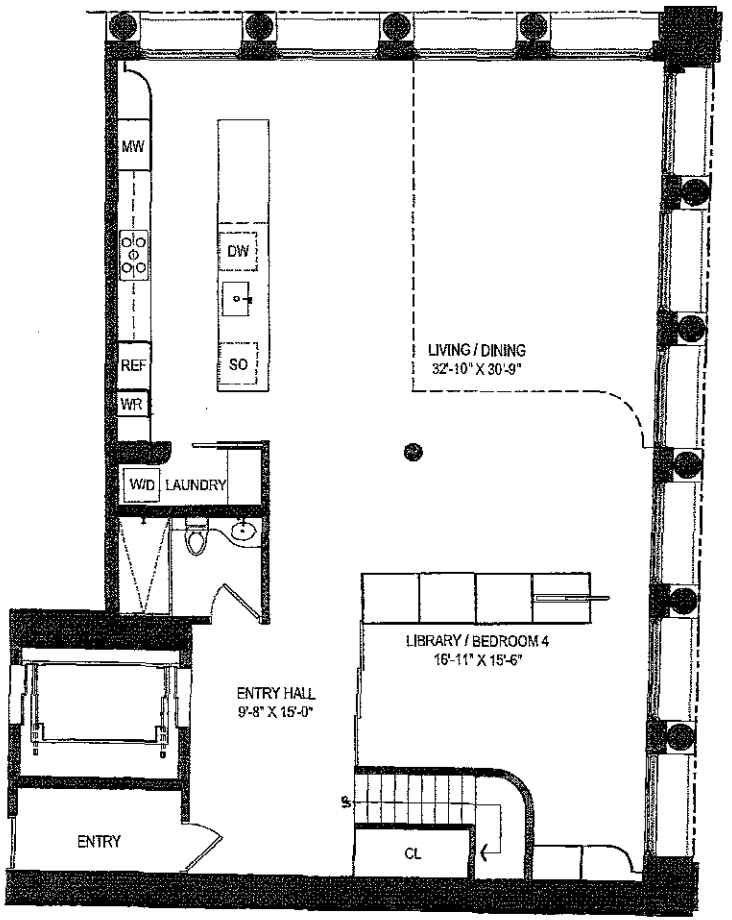
12.20.2013

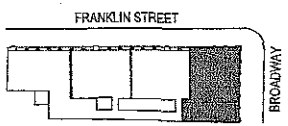
N

NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR. SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

APARTMENT 4A - DUPLEX LOWER LEVEL

Total Area:	3,197	Sq Ft
	297	Sq M
Lower Level:	1,738	Sq Ft
	161	Sq M
Upper Level:	1,459	Sq Ft
	136	Sq M
Storage Unit:	91	Sq Ft
	8	Sq M
Bedrooms:	4	
Bathrooms:	3	





4TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

N

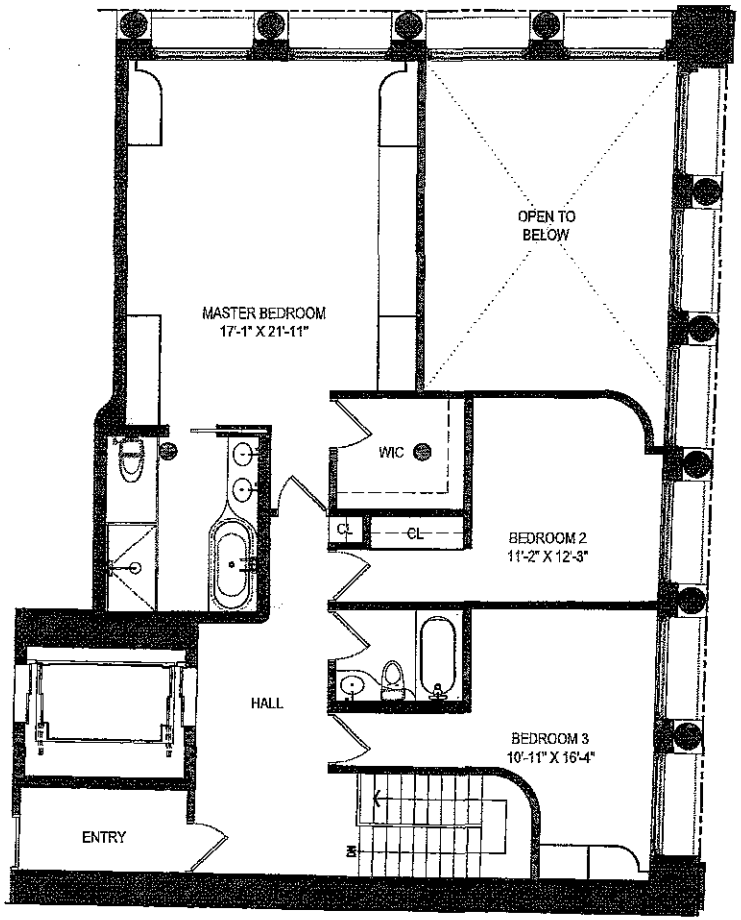
NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

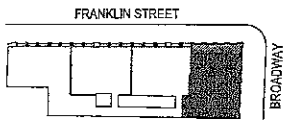
APARTMENT 4A - DUPLEX UPPER LEVEL

Total Area:	3,197	Sq Ft
	297	Sq M
Lower Level:	1,738	Sq Ft
	161	Sq M
Upper Level:	1,459	Sq Ft
	136	Sq M
Storage Unit:	91	Sq Ft
	8	Sq M
Bedrooms:	4	
Bathrooms:	3	



CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK



5TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

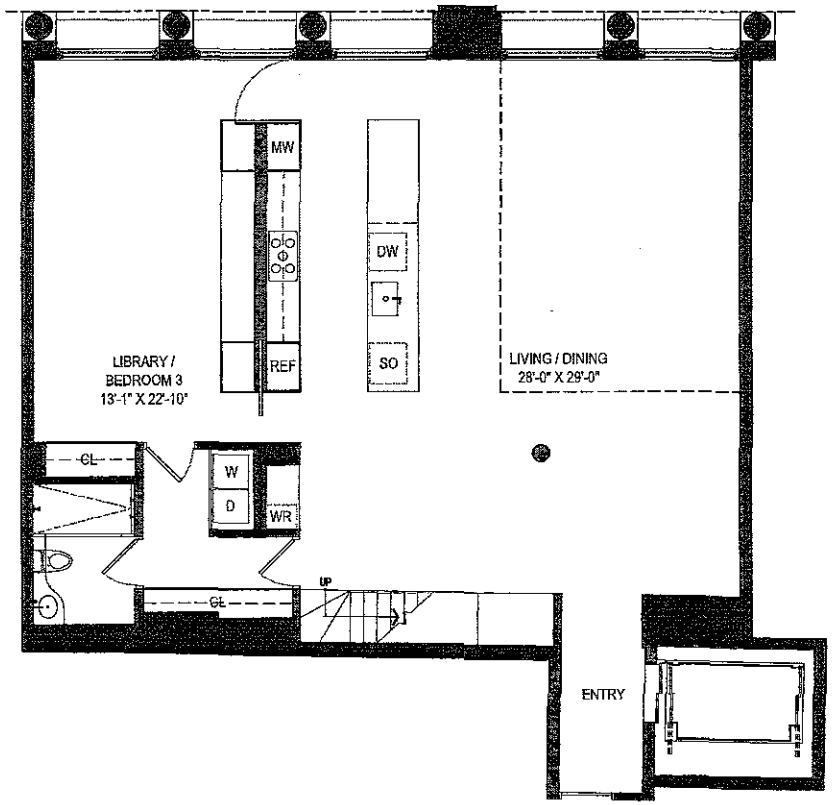
12.20.2013

N

NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

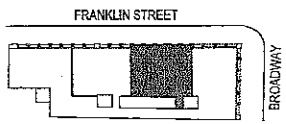
APARTMENT 4B - DUPLEX LOWER LEVEL

Total Area:	2,861	Sq Ft
	266	Sq M
Lower Level:	1,579	Sq Ft
	147	Sq M
Upper Level:	1,282	Sq Ft
	119	Sq M
Storage Unit:	91	Sq Ft
	8	Sq M
Bedrooms:	3	
Bathrooms:	3	



CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK



4TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

N

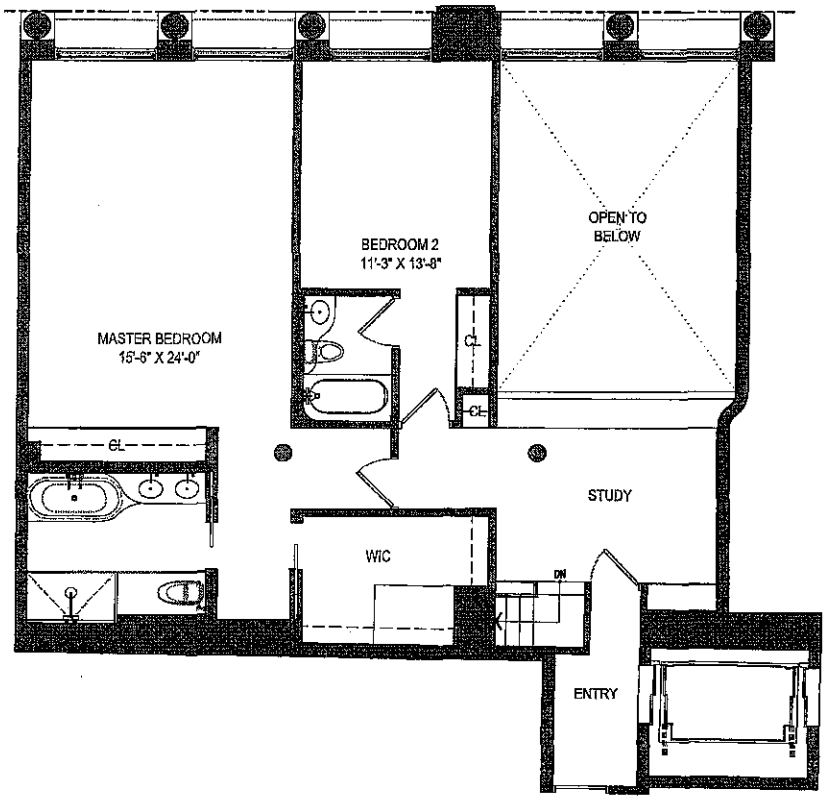
NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

APARTMENT 4B - DUPLEX UPPER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	2,861	Sq Ft
	266	Sq M
Lower Level:	1,579	Sq Ft
	147	Sq M
Upper Level:	1,282	Sq Ft
	119	Sq M
Storage Unit:	91	Sq Ft
	8	Sq M
Bedrooms:	3	
Bathrooms:	3	



5TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

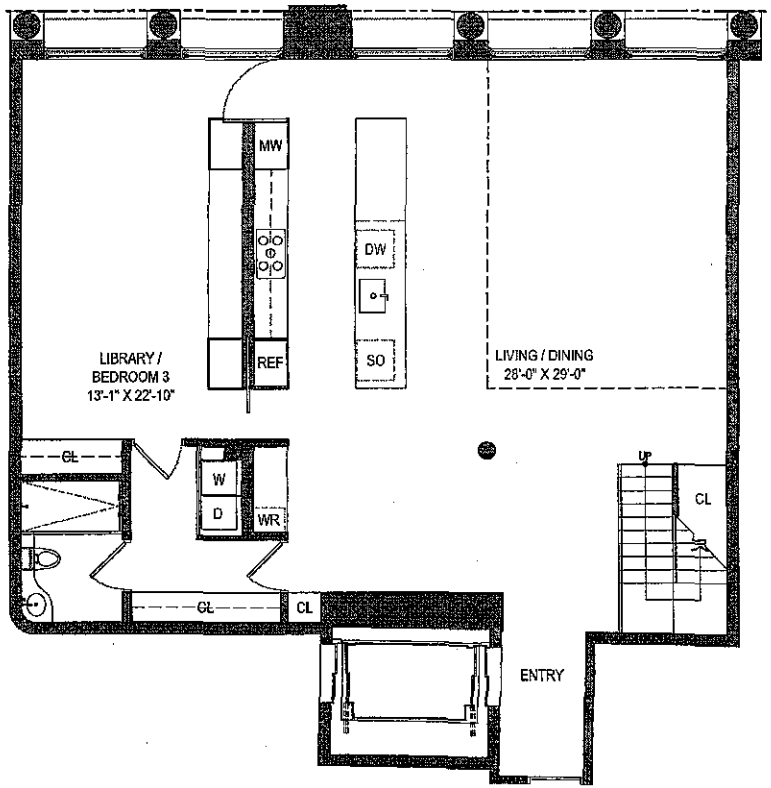
12.20.2013

N

NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

APARTMENT 4C - DUPLEX LOWER LEVEL

Total Area:	2,850	Sq Ft
	265	Sq M
Lower Level:	1,546	Sq Ft
	144	Sq M
Upper Level:	1,304	Sq Ft
	121	Sq M
Storage Unit:	95	Sq Ft
	9	Sq M
Bedrooms:	3	
Bathrooms:	3	



CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

4TH FLOOR - KEY PLAN

SCALE
0 1FT 4FT 10FT

12.20.2013

N

NOTES:
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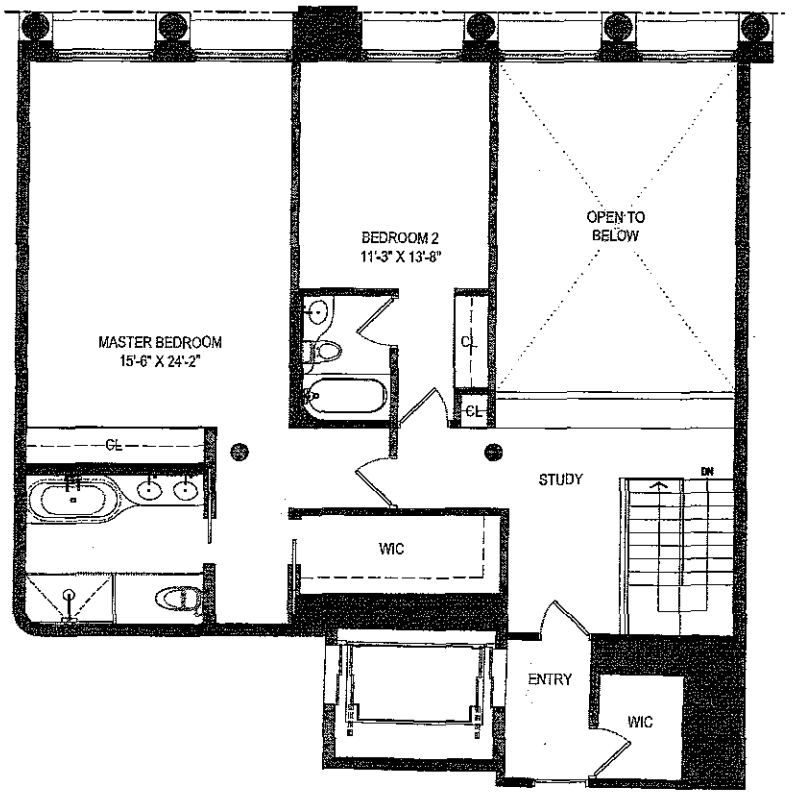
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

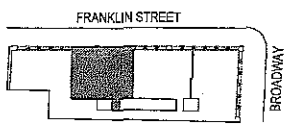
APARTMENT 4C - DUPLEX UPPER LEVEL

Total Area:	2,850	Sq Ft
	265	Sq M
Lower Level:	1,546	Sq Ft
	144	Sq M
Upper Level:	1,304	Sq Ft
	121	Sq M
Storage Unit:	95	Sq Ft
	9	Sq M
Bedrooms:	3	
Bathrooms:	3	



CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK



5TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

N

NOTES:
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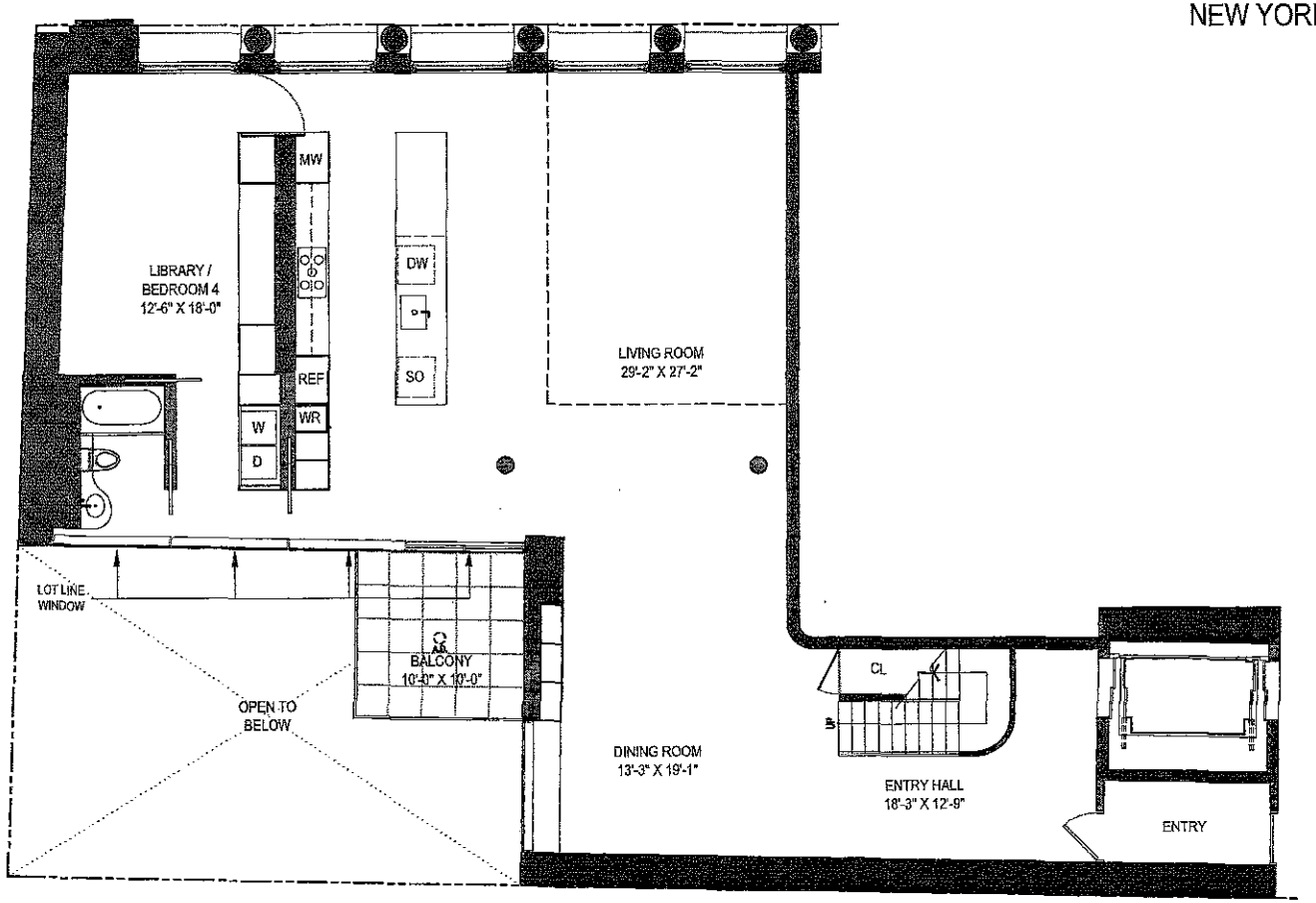
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

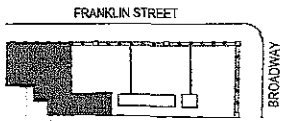
APARTMENT 4D - DUPLEX LOWER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	3,764	Sq Ft
	350	Sq M
Lower Level:	2,023	Sq Ft
	188	Sq M
Upper Level:	1,741	Sq Ft
	162	Sq M
Storage Unit:	99	Sq Ft
	9	Sq M
Balcony:	100	Sq Ft
	9	Sq M
Bedrooms:	4	
Bathrooms:	3	





4TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

N

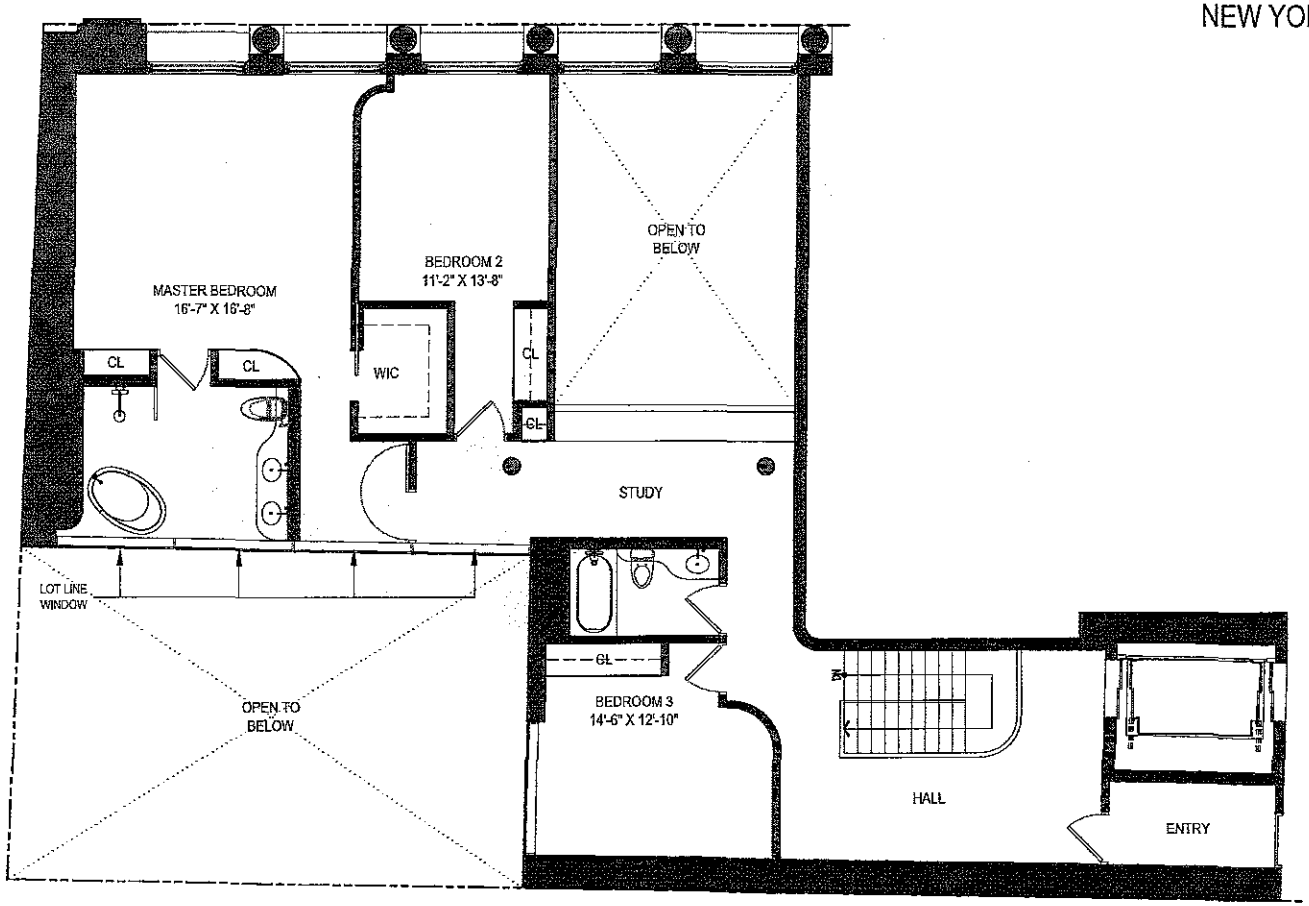
NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

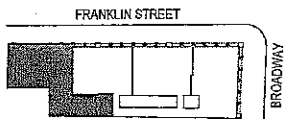
APARTMENT 4D - DUPLEX UPPER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	3,764	Sq Ft
	350	Sq M
Lower Level:	2,023	Sq Ft
	188	Sq M
Upper Level:	1,741	Sq Ft
	162	Sq M
Storage Unit:	99	Sq Ft
	9	Sq M
Balcony:	100	Sq Ft
	9	Sq M
Bedrooms:	4	
Bathrooms:	3	





5TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

N

NOTES:
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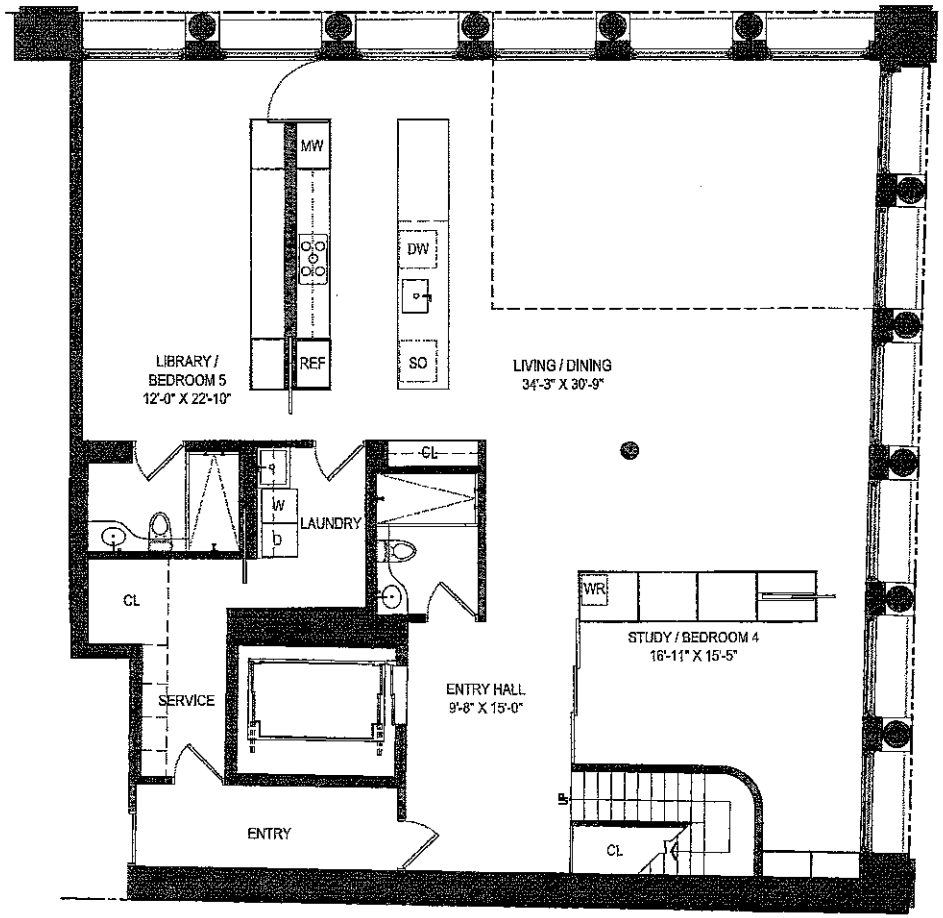
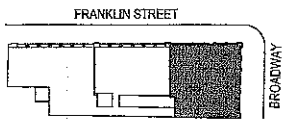
APARTMENT 6A - DUPLEX LOWER LEVEL

Total Area:	4,250	Sq Ft
	395	Sq M
Lower Level:	2,350	Sq Ft
	218	Sq M
Upper Level:	1,900	Sq Ft
	177	Sq M
Storage Unit:	99	Sq Ft
	9	Sq M
Bedrooms:	5	
Bathrooms:	4	





6TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

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CAST IRON HOUSE

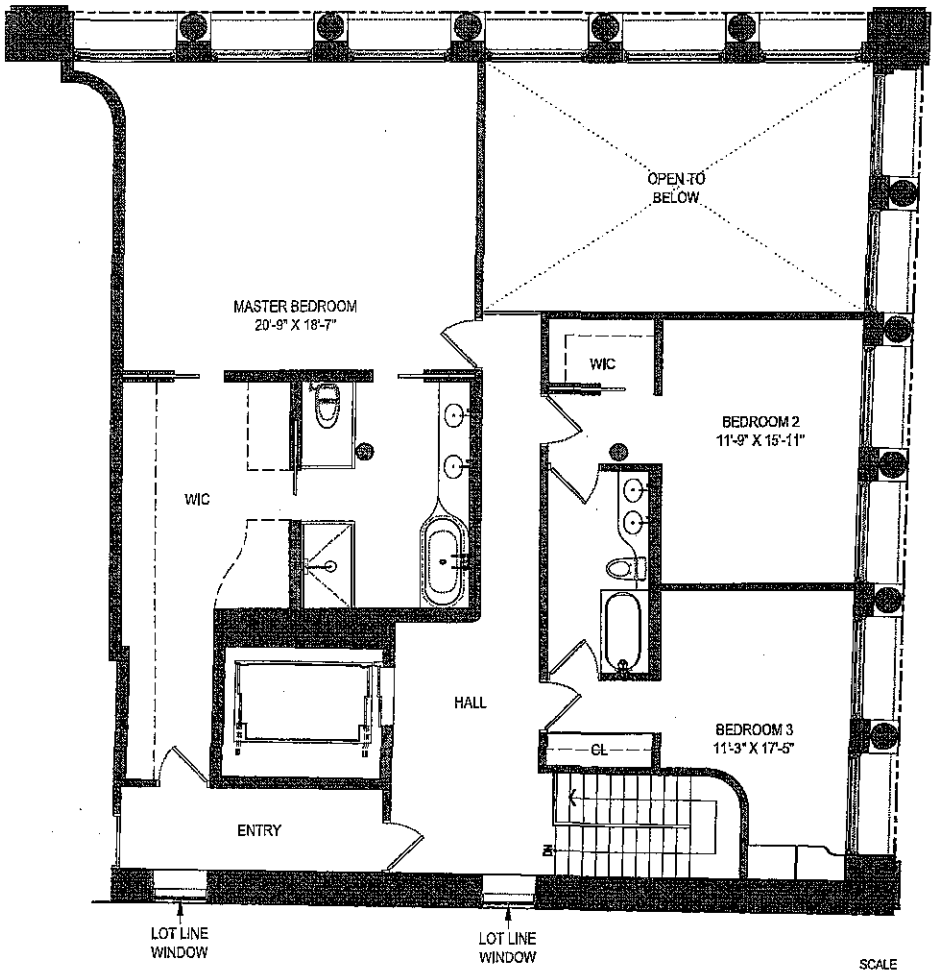
67 FRANKLIN STREET
NEW YORK, NEW YORK

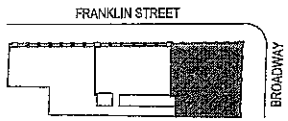
APARTMENT 6A - DUPLEX UPPER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	4,250	Sq Ft
	395	Sq M
Lower Level:	2,350	Sq Ft
	218	Sq M
Upper Level:	1,900	Sq Ft
	177	Sq M
Storage Unit:	99	Sq Ft
	9	Sq M
Bedrooms:	5	
Bathrooms:	4	





7TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

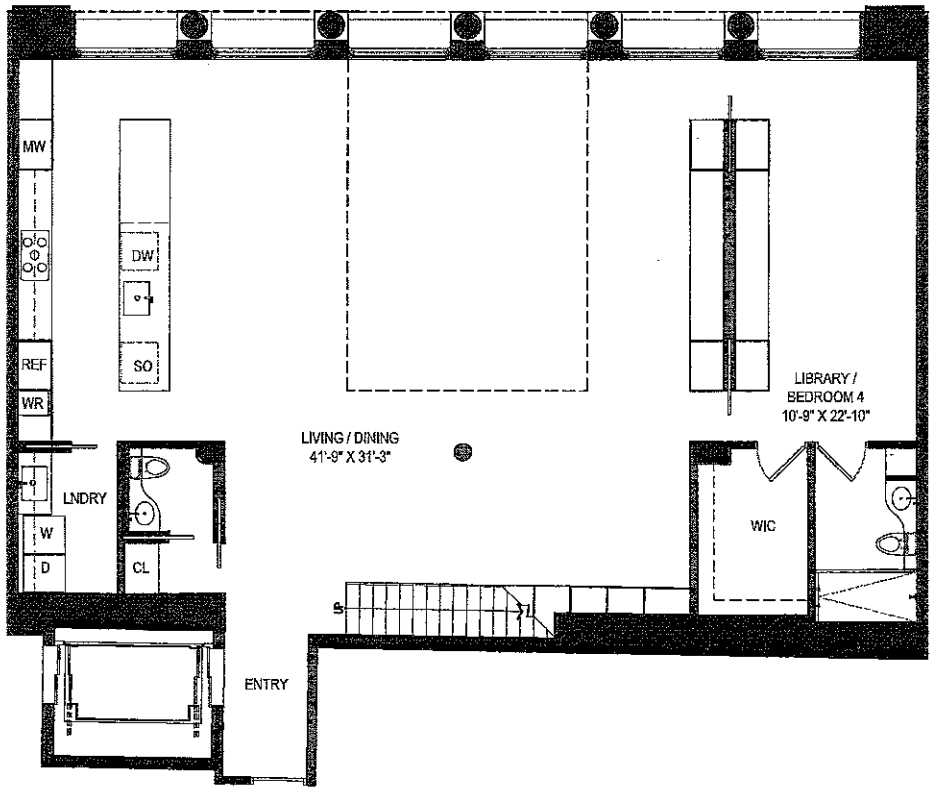
NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

APARTMENT 6B - DUPLEX LOWER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	3,783	Sq Ft
	351	Sq M
Lower Level:	1,982	Sq Ft
	184	Sq M
Upper Level:	1,801	Sq Ft
	167	Sq M
Storage Unit:	99	Sq Ft
	9	Sq M
Bedrooms:	4	
Bathrooms:	4.5	



6TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

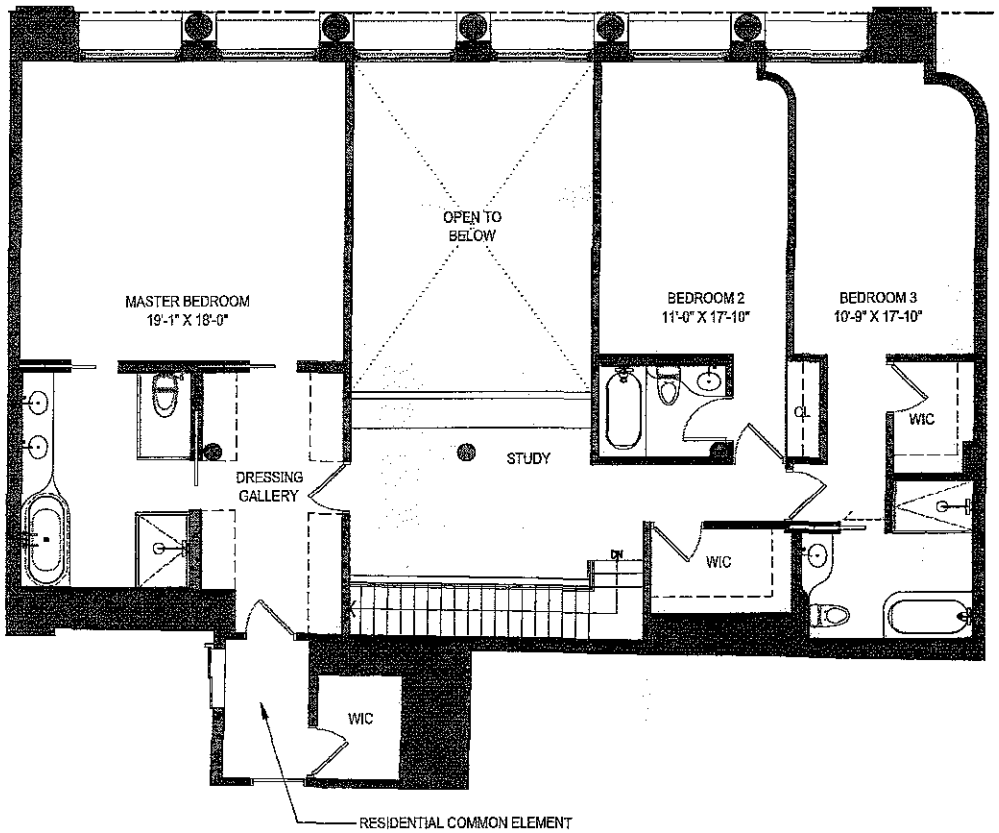
N

APARTMENT 6B - DUPLEX UPPER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	3,783	Sq Ft
	351	Sq M
Lower Level:	1,982	Sq Ft
	184	Sq M
Upper Level:	1,801	Sq Ft
	167	Sq M
Storage Unit:	99	Sq Ft
	9	Sq M
Bedrooms:	4	
Bathrooms:	4.5	



7TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

N

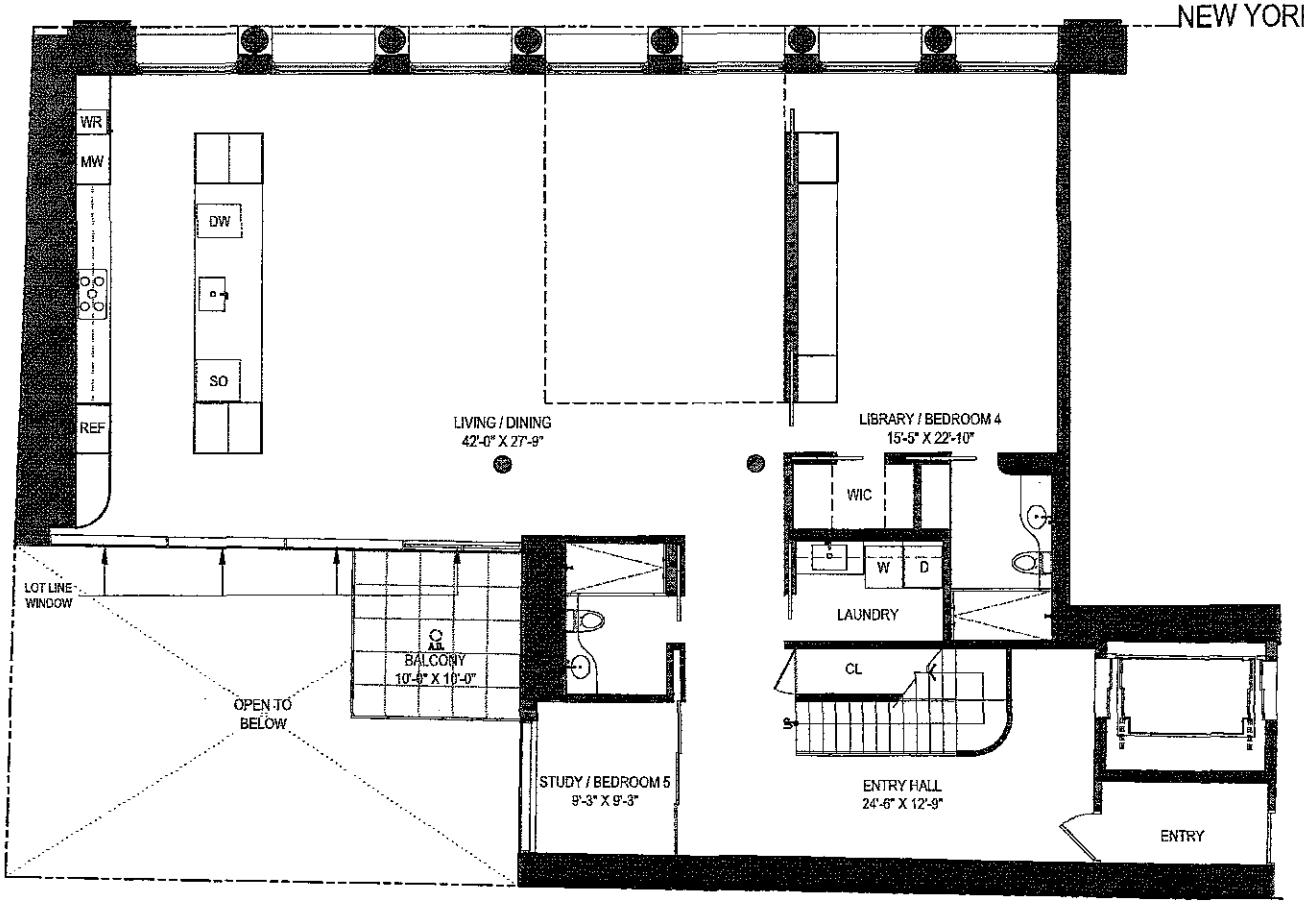
NOTES:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

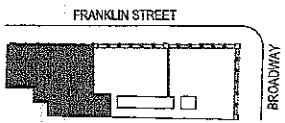
APARTMENT 6C - DUPLEX LOWER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	4,897	Sq Ft
	455	Sq M
Lower Level:	2,590	Sq Ft
	241	Sq M
Upper Level:	2,307	Sq Ft
	214	Sq M
Storage Unit:	99	Sq Ft
	9	Sq M
Balcony:	100	Sq Ft
	9	Sq M
Bedrooms:	5	
Bathrooms:	5	





6TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

N

NOTES:
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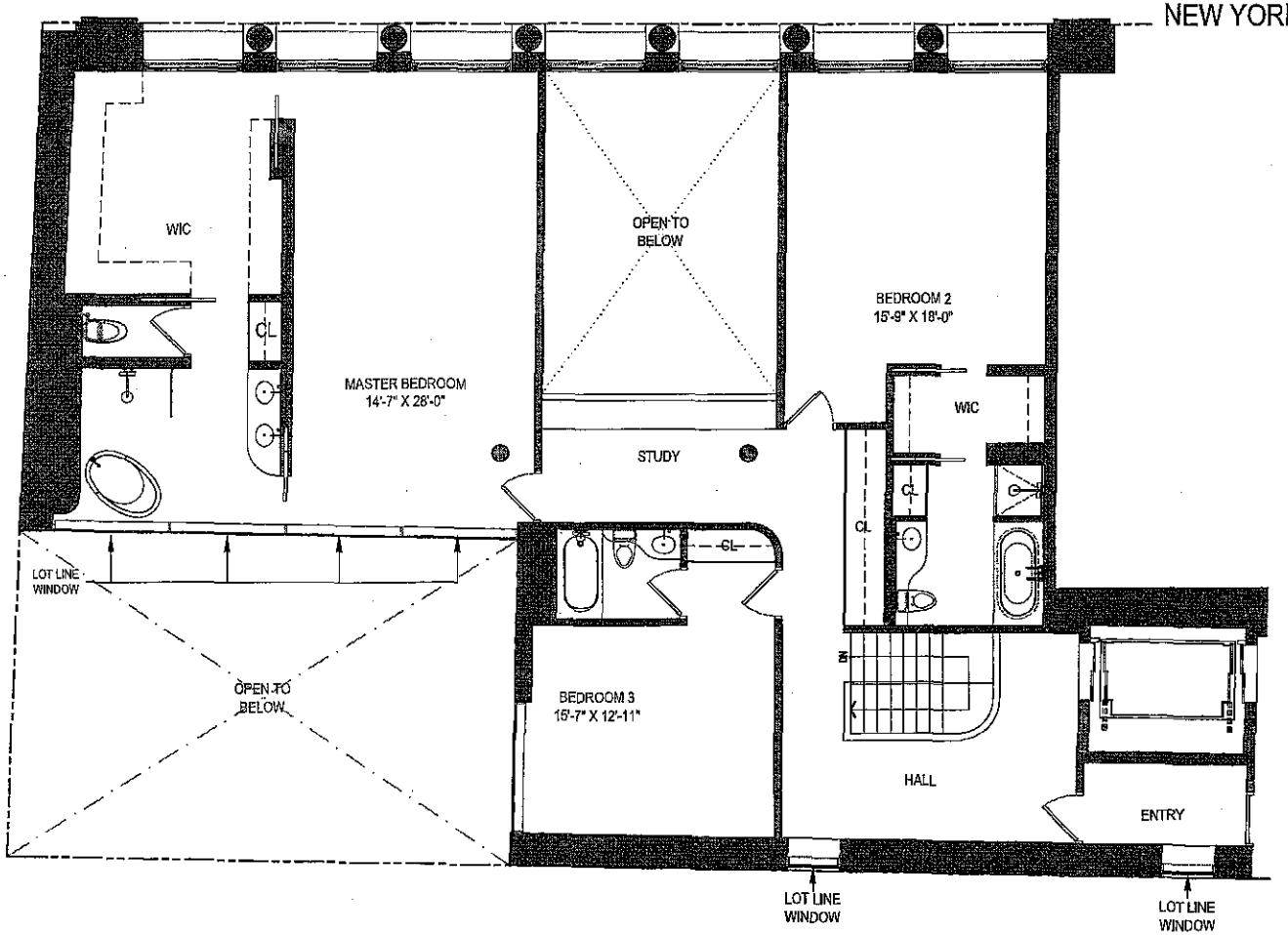
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

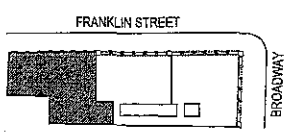
APARTMENT 6C - DUPLEX UPPER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	4,897	Sq Ft
	455	Sq M
Lower Level:	2,590	Sq Ft
	241	Sq M
Upper Level:	2,307	Sq Ft
	214	Sq M
Storage Unit:	99	Sq Ft
	9	Sq M
Balcony:	100	Sq Ft
	9	Sq M
Bedrooms:	5	
Bathrooms:	5	





7TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

N

NOTES:
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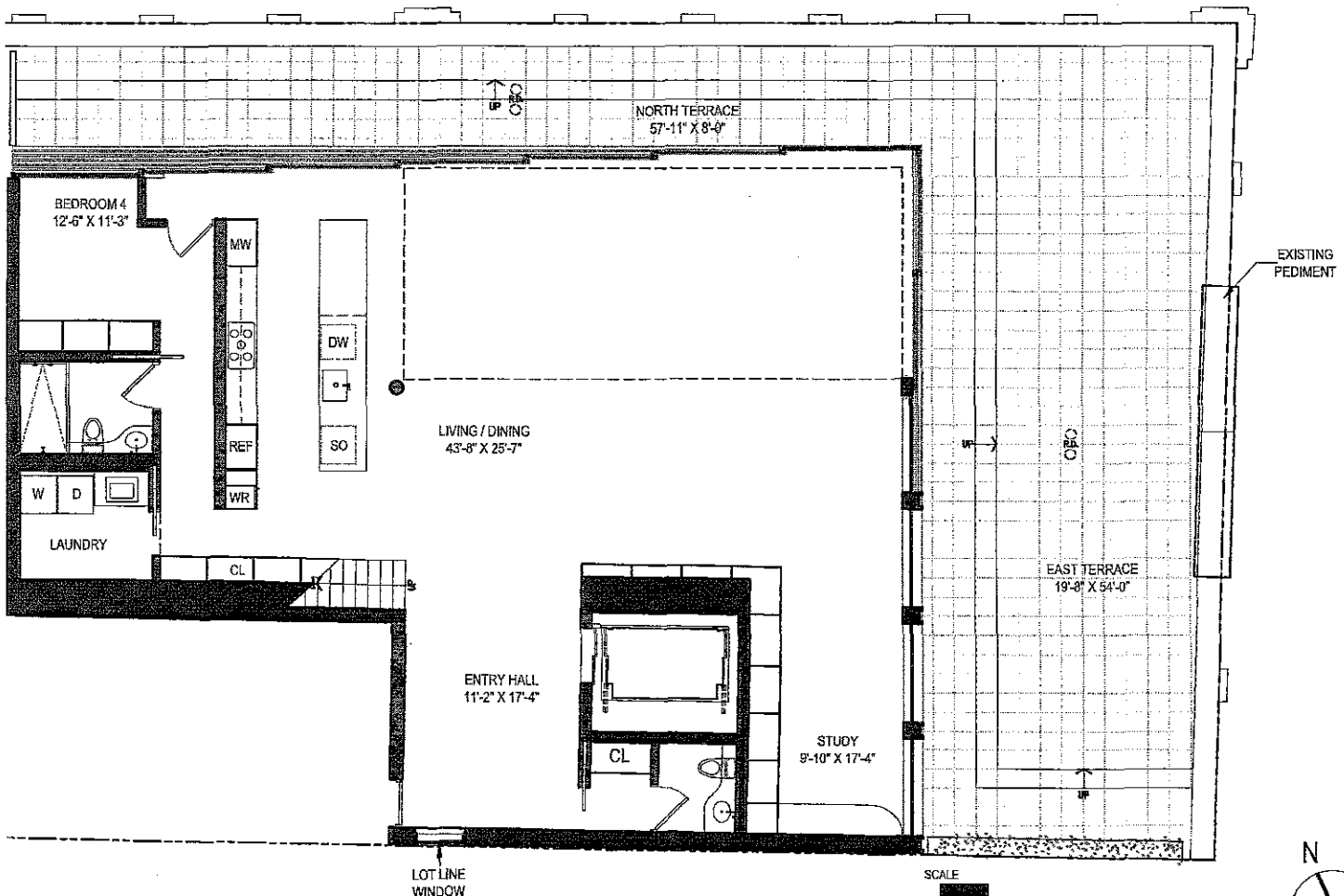
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

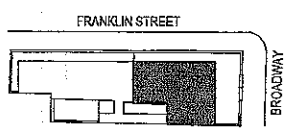
PENTHOUSE A - DUPLEX LOWER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	3,809	Sq Ft
	354	Sq M
Lower Level:	2,154	Sq Ft
	200	Sq M
Upper Level:	1,655	Sq Ft
	154	Sq M
Storage Unit:	174	Sq Ft
	16	Sq M
8F Terrace:	1,510	Sq Ft
	140	Sq M
9F Terrace:	21	Sq Ft
	2	Sq M
Bedrooms:	4	
Bathrooms:	3.5	





8TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

NOTES:
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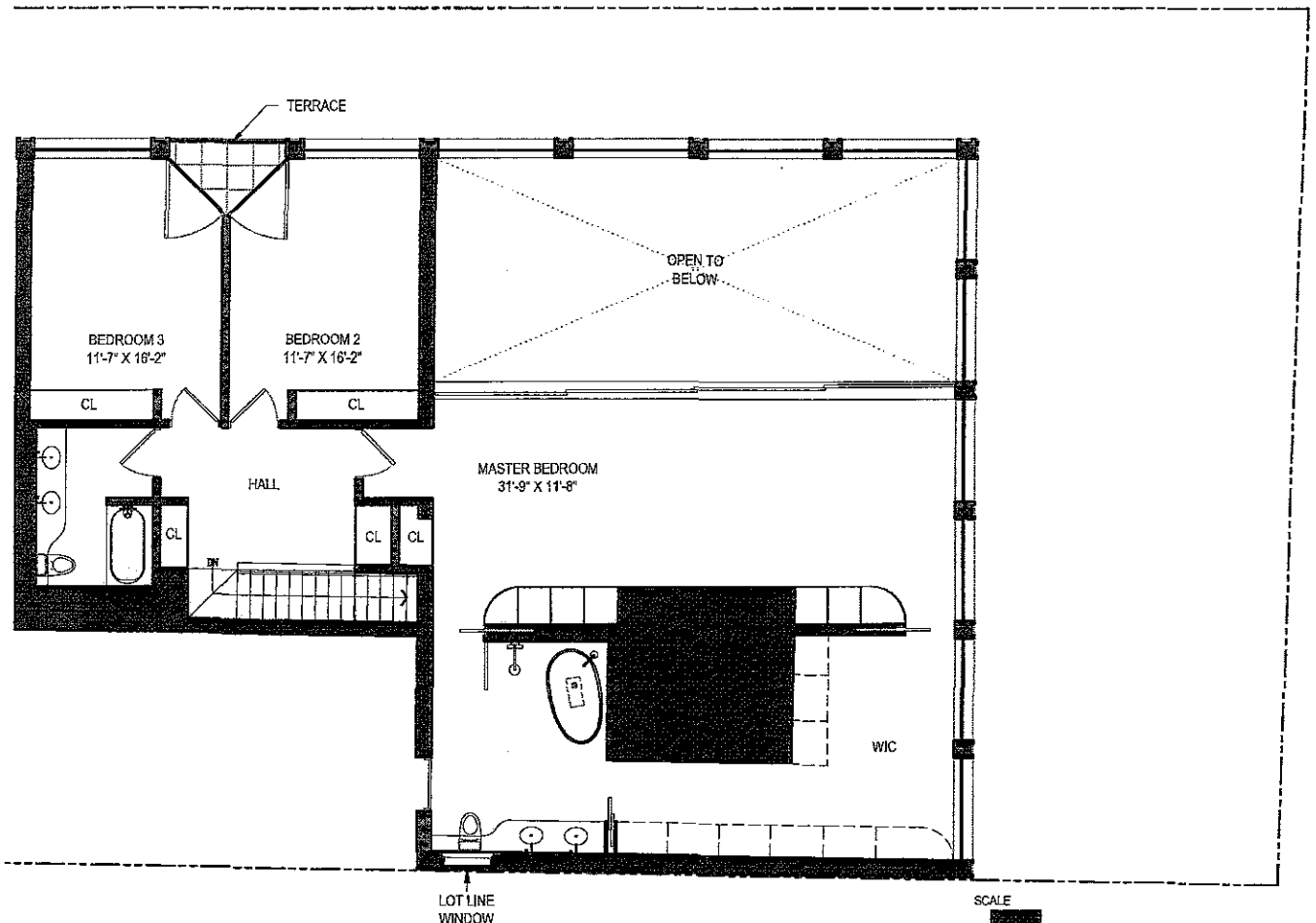
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

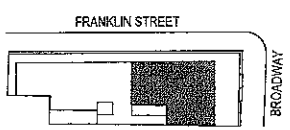
PENTHOUSE A - DUPLEX UPPER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	3,809	Sq Ft
	354	Sq M
Lower Level:	2,154	Sq Ft
	200	Sq M
Upper Level:	1,655	Sq Ft
	154	Sq M
Storage Unit:	174	Sq Ft
	16	Sq M
8F Terrace:	1,510	Sq Ft
	140	Sq M
9F Terrace:	21	Sq Ft
	2	Sq M
Bedrooms:	4	
Bathrooms:	3.5	





9TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

N

NOTES:
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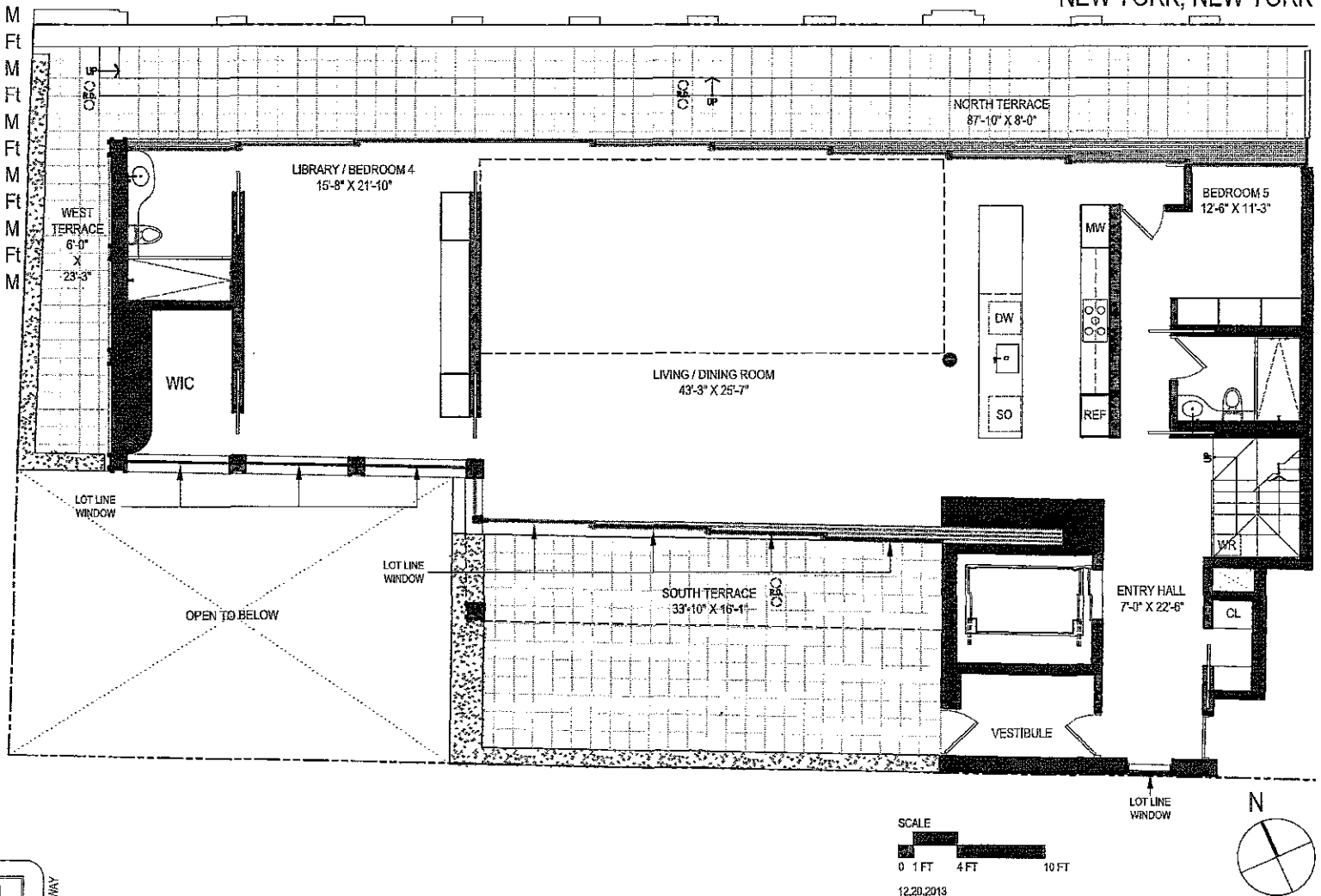
SQUARE FOOTAGES EXCEED THE USEABLE FLOOR AREA.

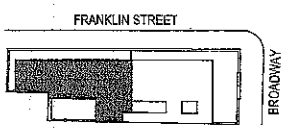
PENTHOUSE B - DUPLEX LOWER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	4,568	Sq Ft
	424	Sq M
Lower Level:	2,436	Sq Ft
	226	Sq M
Upper Level:	2,132	Sq Ft
	198	Sq M
Storage Unit:	177	Sq Ft
	16	Sq M
8F Terrace:	1,374	Sq Ft
	128	Sq M
9F Terrace:	57	Sq Ft
	5	Sq M
Bedrooms:	5	
Bathrooms:	5	





8TH FLOOR - KEY PLAN

SCALE
0 1 FT 4 FT 10 FT

12.20.2013

NOTES:
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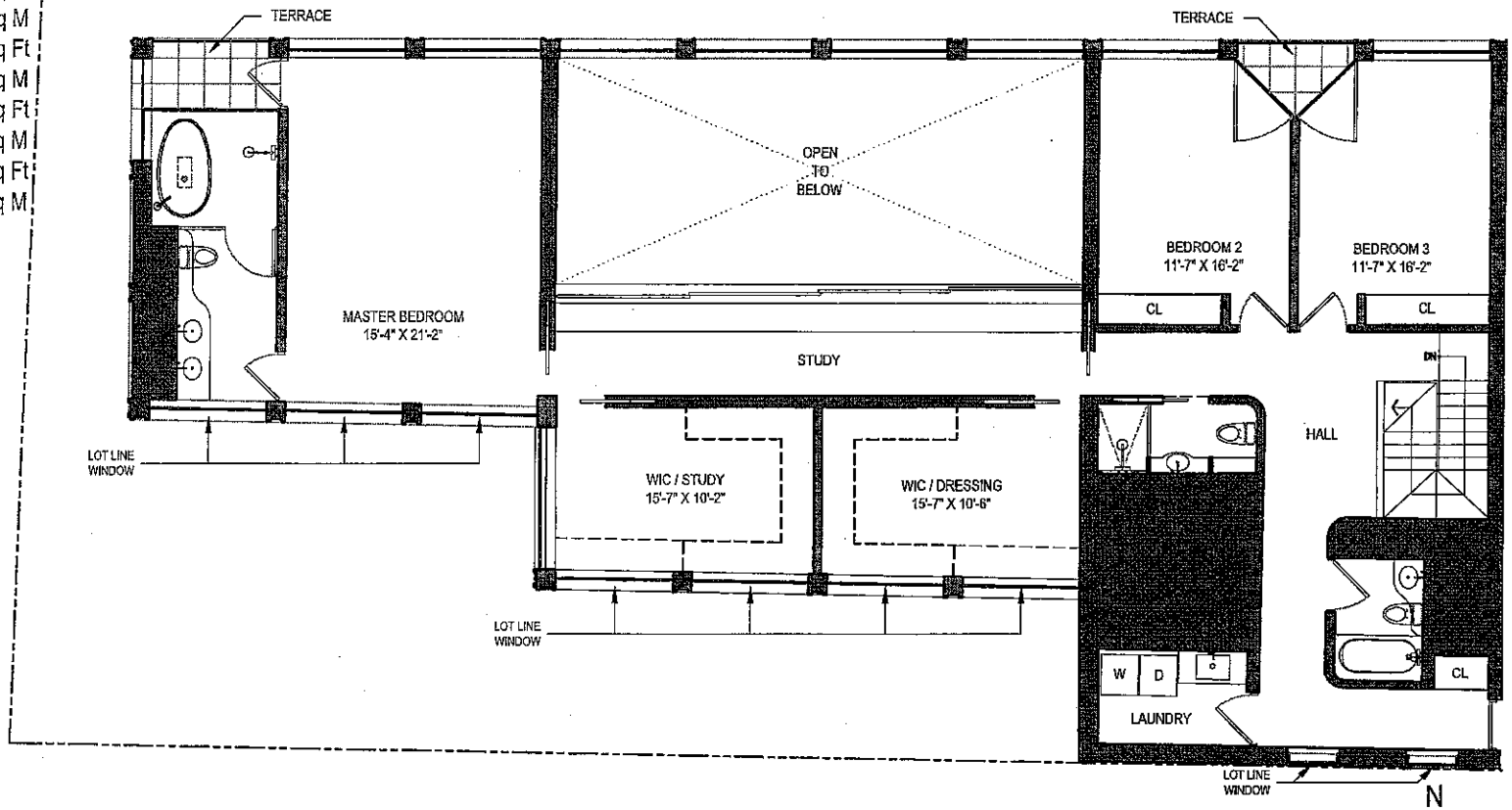
PENTHOUSE B - DUPLEX UPPER LEVEL

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

Total Area:	4,568	Sq Ft
	424	Sq M
Lower Level:	2,436	Sq Ft
	226	Sq M
Upper Level:	2,132	Sq Ft
	198	Sq M
Storage Unit:	177	Sq Ft
	16	Sq M
8F Terrace:	1,374	Sq Ft
	128	Sq M
9F Terrace:	57	Sq Ft
	5	Sq M
Bedrooms:	5	
Bathrooms:	5	



SCALE
0 1 FT 4 FT 10 FT

12.20.2013

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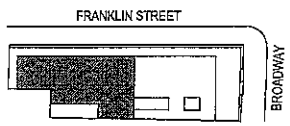
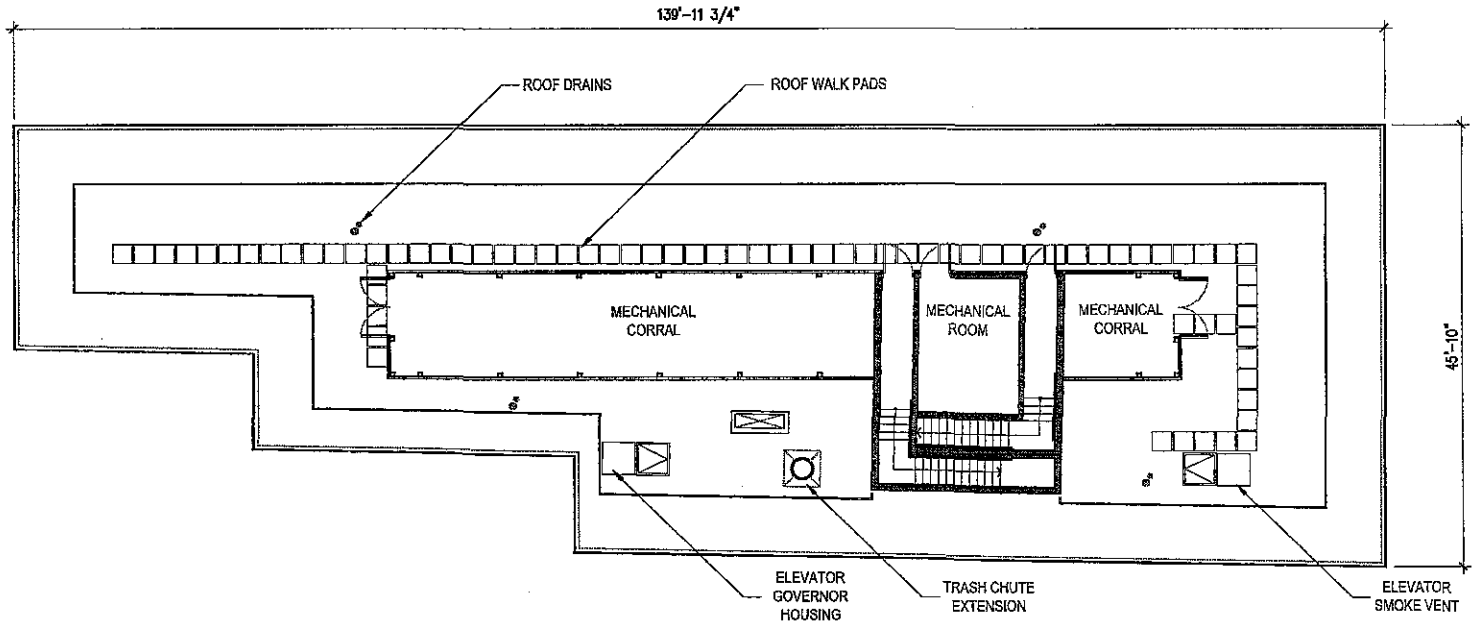


9THFLOOR - KEY PLAN

ROOF PLAN

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK



SCALE
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12.20.2013

N

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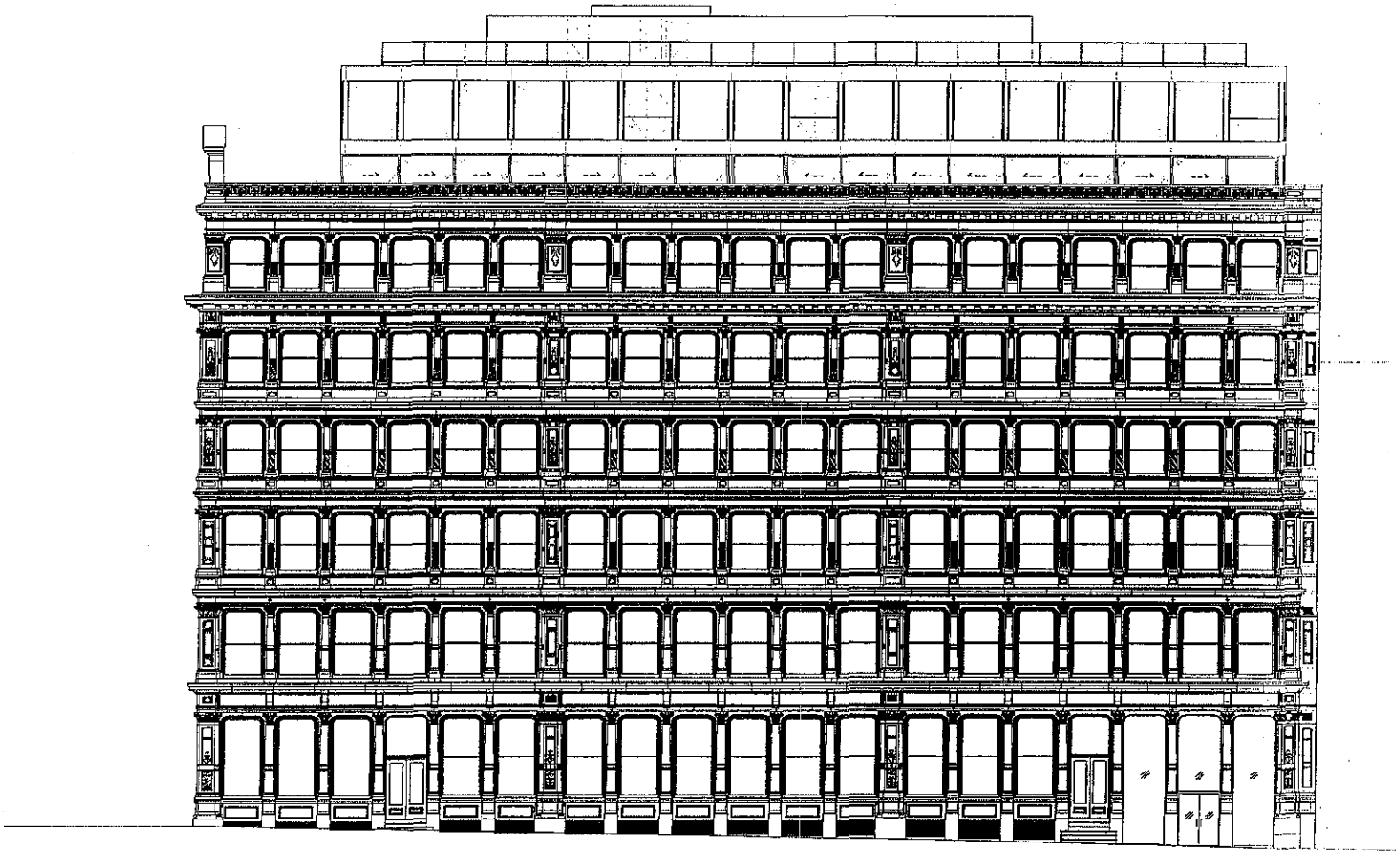
NORTH ELEVATION

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

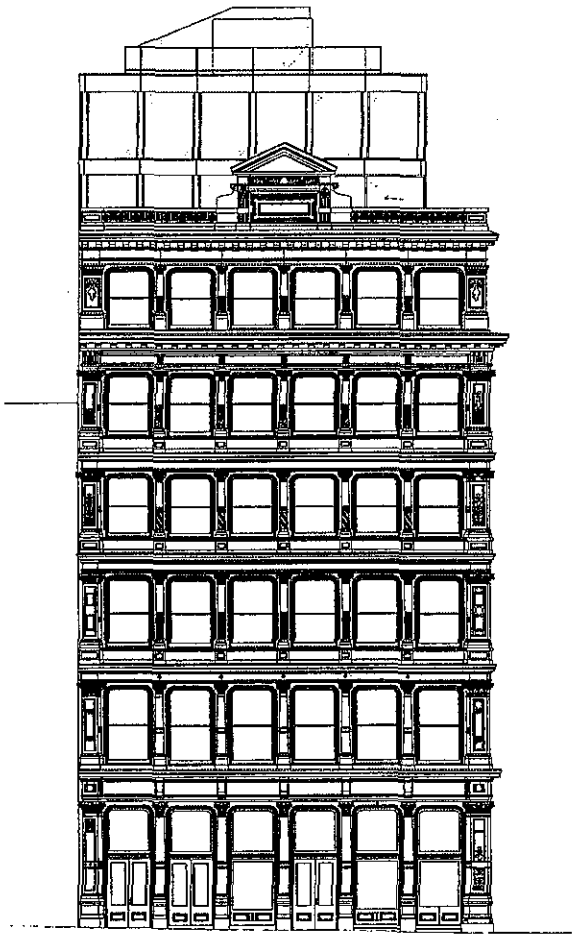


SCALE
0 1 FT 4 FT 10 FT

EAST ELEVATION

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

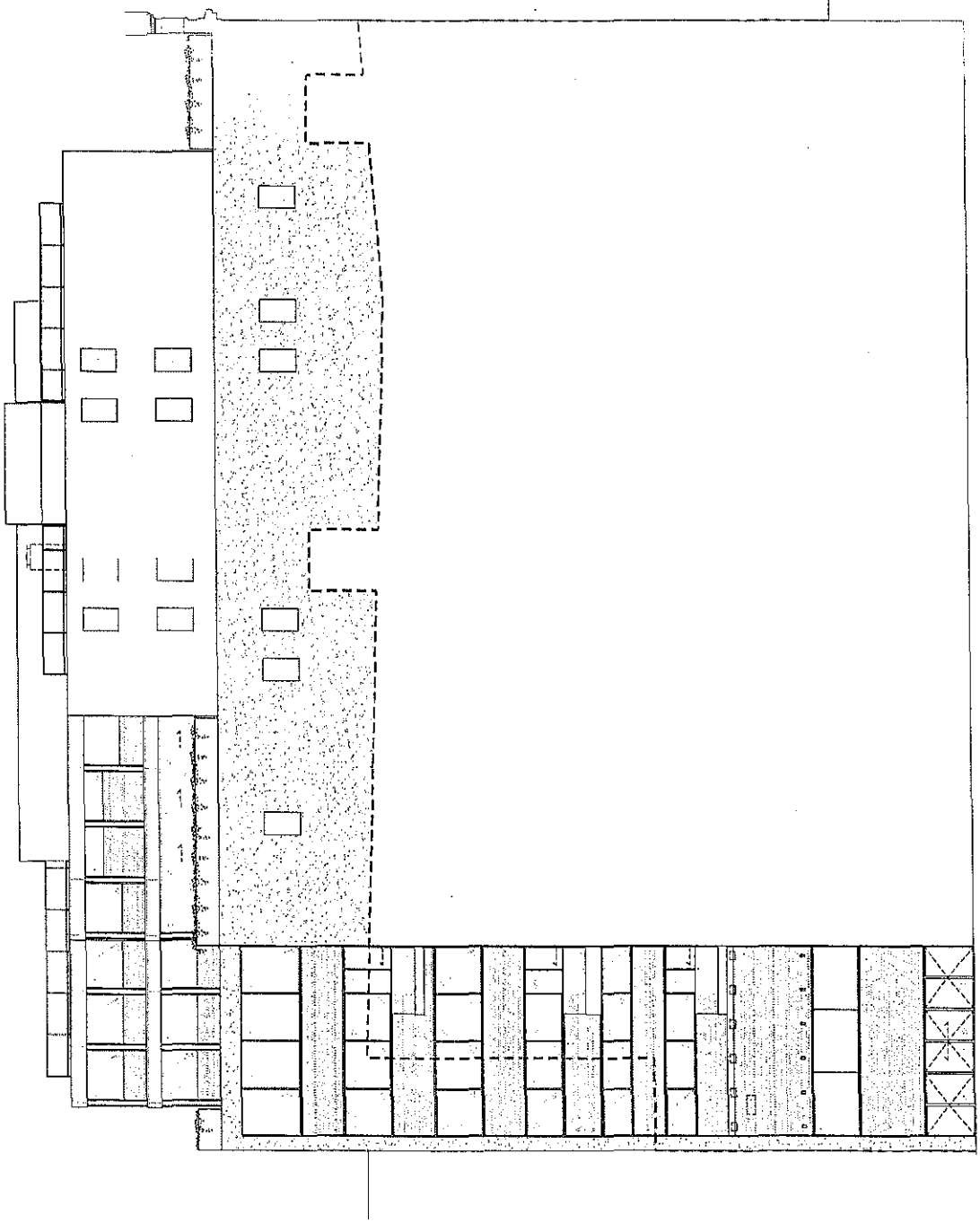


SCALE
0 1 FT 4 FT 10 FT

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK

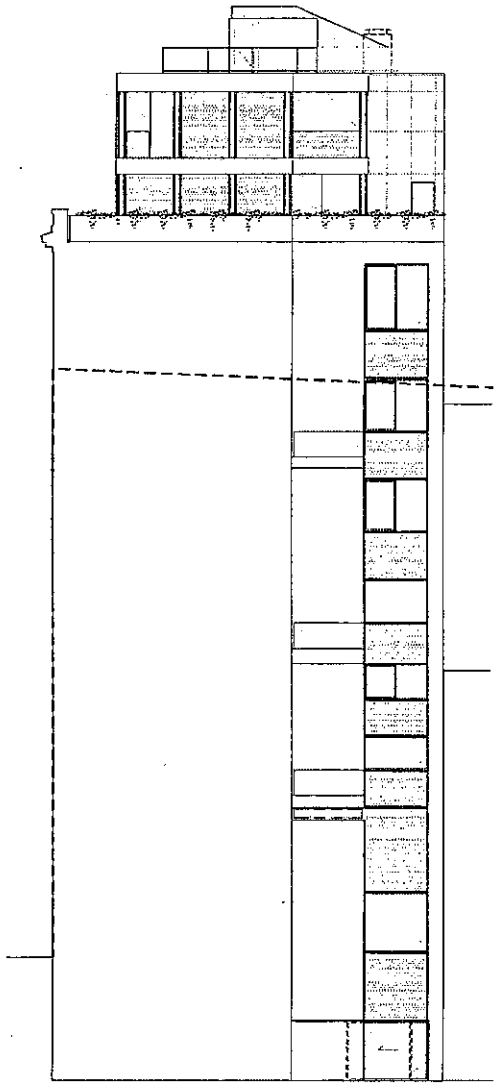
SOUTH ELEVATION



WEST ELEVATION

CAST IRON HOUSE

67 FRANKLIN STREET
NEW YORK, NEW YORK



SCALE
0 1 FT 4 FT 10 FT

OPTION AGREEMENT

OPTION AGREEMENT

361 BROADWAY ASSOCIATES HOLDINGS, LLC

Sponsor

With

_____

Purchaser

Residential Unit Number _____

CAST IRON HOUSE CONDOMINIUM
67 FRANKLIN STREET
NEW YORK, NEW YORK 10013

TABLE OF CONTENTS

Section		Page
1.	THE PLAN	1
2.	DEFINITIONS	1
3.	THE UNIT	2
4.	PURCHASE PRICE	2
5.	DEPOSIT TO BE HELD IN TRUST	3
6.	CLOSING DATE AND PLACE	3
7.	CLOSING DOCUMENTS	3
8.	STATUS OF TITLE	4
9.	CLOSING ADJUSTMENTS	4
10.	MORTGAGE TAX CREDIT	5
11.	CLOSING COSTS	6
12.	AGREEMENT NOT A LIEN OR ENCUMBRANCE	6
13.	DEFAULT BY PURCHASER	6
14.	AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE	7
15.	SPONSOR'S INABILITY TO CONVEY THE UNIT	7
16.	FIXTURES, APPLIANCES AND PERSONAL PROPERTY	8
17.	SUBSTANTIAL RENOVATION	8
18.	INSPECTION OF THE UNIT	9
19.	DAMAGE TO THE UNIT	9
20.	NO REPRESENTATIONS	10
21.	PROHIBITION AGAINST ADVERTISING	10
22.	BROKER	10
23.	AGREEMENT MAY NOT BE ASSIGNED	10
24.	CERTIFICATION OF SPONSOR AND PRINCIPALS	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	12
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 13
39. SUCCESSORS AND ASSIGNS 14
40. CONFIDENTIALITY 14
41. NO ORAL CHANGES 14
42. PERFORMANCE 14
43. COUNTERPARTS 14
44. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY 14
45. LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS DISCLOSURE 15

SCHEDULE A – PERMITTED ENCUMBRANCES

SCHEDULE B – INSPECTION STATEMENT

SCHEDULE C – DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

SCHEDULE D – ESCROW RIDER TO OPTION AGREEMENT

OPTION AGREEMENT

RESIDENTIAL UNIT NUMBER ____

CAST IRON HOUSE CONDOMINIUM
67 FRANKLIN STREET
NEW YORK, NEW YORK 10013

AGREEMENT, made as of _____, _____, between Sponsor and Purchaser (defined below).

W I T N E S S E T H :

1. THE PLAN

Purchaser acknowledges having received and read a copy of the Offering Plan for the Cast Iron House 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 Option 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 361 Broadway Associates Holdings, LLC, having an office at c/o Knightsbridge Properties, 68 Thomas Street, New York, New York 10013. Sponsor's taxpayer identification number is 02-0618039.

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: Samantha Sheeber, Esq. Telephone number: (212) 620-2680. Fax number: (212) 696-5013. E-mail address: ssheeber@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, New York, New York 10106. Telephone number: (212) 634-6500. E-mail address: _____.

2.6 "Co-Broker" means _____, having an address at _____, _____, _____. Attention: _____. Telephone number: (_____) _____. Fax number: (_____) _____. E-mail address: _____.

2.7 "Escrow Agent" means Attorney for Sponsor.

2.8 "Title Company" means Advantage Title, having and office at 201 Old Country Road, Suite 200, Melville, New York 10167. Telephone number: (631) 424-6100. Fax number: (800) 672-1960.

3. THE UNIT

Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the Unit designated as Unit _____ in the Declaration, ("Unit"), together with its undivided _____% interest in the Common Elements appurtenant to such Unit.

4. PURCHASE PRICE

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

The Purchase Price is payable as follows:

(a) $_____, ("Initial 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) 6 months 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.

4.2 All checks shall represent United States currency, be drawn on or issued by a United States Bank or trust company which is a member of the New York Clearing House Association and shall be unendorsed. The Premium Payment shall be made payable to the direct order of "Starr Associates LLP, as Escrow Agent." The Balance shall be made payable to the direct order of "361 Broadway Associates Holdings, 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.

5. DEPOSIT 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 D and made a part hereof. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the 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.

6. CLOSING DATE AND PLACE

6.1 The Closing of Title shall be held at the offices of Starr Associates LLP, 245 Fifth Avenue, Suite 1102, New York, New York (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than 30 days' prior notice ("Initial Closing Notice"). After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for Closing at any time on notice to Purchaser, which new Closing notice shall fix a new date, hour and place for the Closing. The rescheduled Closing shall not be earlier than: (a) the date set forth in the Initial Closing Notice or, (b) 5 days from the date of Sponsor's Closing adjournment notice. These notice provisions may be modified or waived by an agreement signed by Sponsor and Purchaser. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Attorney for Sponsor at Closing an extra fee as set forth in the Plan.

6.2 The term "Closing Date" "Closing" "Closing of Title" or words of similar import, whenever used herein, shall mean the conveyance of title to the Unit from Sponsor to Purchaser.

6.3 The Closing of Title shall only occur with or after compliance with the prerequisites to Closing and the Section of the Plan entitled "Terms of Sale."

7. CLOSING DOCUMENTS

7.1 At the Closing of Title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying fee simple title to the Unit to Purchaser, subject only to the liens, encumbrances, and title conditions set forth on Schedule A annexed hereto and made a part hereof. The deed shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly complete and execute before a notary public the New York City and New York State Transfer Tax Return Forms and any other forms then required by Law, all of which shall be prepared by Sponsor.

7.2 At the Closing of Title, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board prepared by Sponsor substantially in the form set forth in Part II of the Plan.

7.3 At the Closing of Title, Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in compliance with IRS Section 6045(e) as amended, or any successor provision or regulation promulgated thereunder.

7.4 At the Closing of Title, Sponsor and Purchaser shall execute and acknowledge in form for recording such other documents that are reasonably necessary or customary in connection with the

conveyance of a condominium unit, including, but not limited to, title affidavits, transfer tax forms, reporting information in respect of real estate transactions, smoke detector affidavit and window guard notices.

7.5 The executed deed, transfer tax forms and power of attorney shall be delivered at the Closing to the representative of the Title Company insuring Purchaser's title (or, if no such representative is present, then to the Attorney for Sponsor) for recording in the Office of the City Register, which recording shall be at Purchaser's expense. After being recorded the deed shall be returned to Purchaser and the power of attorney shall be returned to the Condominium Board.

7.6 Purchaser's payment of the 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.

8. STATUS OF TITLE

8.1 At the Closing of Title, Sponsor shall convey to Purchaser and Purchaser shall accept such fee simple title to the Unit as the Title Company will approve and insure without additional premium to Purchaser, provided that the only liens and encumbrances affecting title shall be those set forth in Schedule A annexed hereto and made a part hereof and those expressly agreed to by Purchaser. Any lien and encumbrance or condition which is not set forth in Schedule A annexed hereto shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the Title Company, together with the attendant recording or filing fee, if any, or (b) the Title Company (or such other title insurance company Purchaser may utilize), is or would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien. Sponsor shall not be obligated to cause Purchaser's title company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception.

8.2 Sponsor shall be entitled to adjourn the Closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least 10 days prior to the Closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least 10 days prior to the Closing of Title, then, for purposes of Article 13 below, Purchaser shall be deemed at fault for not having sent timely notice, and the Closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

8.3 If, subsequent to the Closing of Title, Purchaser claims that Sponsor did not convey fee simple title to the Unit in accordance with the Plan, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by Purchaser's title insurance company. If Purchaser did not obtain title insurance at the Closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from Purchaser's title insurance company shall be deducted from the loss or damage collectable against Sponsor. Nothing contained in this subparagraph shall be construed to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Plan or Article 23-A of the General Business Law. This provision shall survive Closing.

9. CLOSING ADJUSTMENTS

9.1 The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

(a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;

(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.

9.2 If the Unit has been separately assessed for real estate taxes but the Closing of Title occurs before the tax rate is fixed, adjustment of real estate taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for real estate tax assessments due after the Closing, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been separately assessed for real estate taxes as of the Closing Date for the then current tax period, the adjustment under subsection 9.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit. In addition, Purchaser shall pay the Unit's proportionate share of real estate taxes for the next ensuing tax period and Sponsor or the Condominium will pay such real estate taxes directly to the City of New York. Sponsor shall not be obligated to reimburse Purchaser after the Closing on account of any difference between the amount of real estate taxes for the then current tax period paid by Purchaser at Closing calculated according to the above formula and the amount of real estate taxes subsequently billed by the City of New York to such Purchaser (as Unit Owner).

9.3 Purchaser agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such real estate taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing of Title.

9.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date subject to Sponsor's rights under Section 13.2 of this Agreement, (a) the Closing apportionments described in Section 9.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing of Title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

9.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein in the Plan.

9.6 Any errors or omissions calculating apportionments at Closing shall be corrected and, any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing of Title.

10. MORTGAGE TAX CREDIT

In the event a mortgage recording tax credit becomes available pursuant to Section 339- ee(2) of the New York Condominium Act, it is specifically understood that such credit shall enure to the benefit of Sponsor. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay

the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At the Closing of Title, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed. Alternatively, Sponsor may require, in its sole discretion, that a Purchaser, who is financing the purchase of the Residential Unit with a purchase money loan secured by a mortgage (the "Purchase Money Mortgage"), must cause the lender making such loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Purchase Money Mortgage as determined by Sponsor. Upon such assignment, the Purchase Money Mortgage will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor will be solely entitled to the benefits of any mortgage tax credit which Purchaser receives as a result of such assignment. Accordingly, at the Closing, Purchaser will pay to Sponsor an amount equal to the mortgage recording tax which would have otherwise been due in connection with the recording of the Purchase Money Mortgage.

11. CLOSING COSTS

In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in the Section of the Plan entitled "Closing Costs and Adjustments." All such Closing Costs shall be paid by Purchaser, at Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn upon a bank that is a member of the New York Clearing House Association.

12. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, including, but not limited to, any construction or Building loan mortgage, and any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

13. DEFAULT BY PURCHASER

13.1 The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to close title to the Unit on the scheduled Closing Date; or

(ii) Purchaser's failure to pay when due the Additional 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 Option Agreement between Purchaser and Sponsor for another Unit at the Property.

13.2 **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Additional 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.

14. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason 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.

15. SPONSOR'S INABILITY TO CONVEY THE UNIT

If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or

expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election or inability to cure such title defect, 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 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 to 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).

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in this sale. No portion of the Purchase Price shall be attributable to such items.

17. SUBSTANTIAL RENOVATION

17.1 The substantial renovation of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the Plans and Specifications, subject to the right of Sponsor to amend the Plan and the Plans and Specification in order to substitute materials, equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a Permanent Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct those defects in construction in accordance with the conditions set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

17.2 The substantial renovation of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and Plans and Specifications as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

17.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Terms of Sale" in Part I of the Plan. As a result, if all such prerequisites are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow), notwithstanding any construction items noted on Purchaser's Inspection Statement (as herein defined) remaining for Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building or the Unit.

17.4 The actual date for the First Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in the Section of the Plan entitled "Terms of Sale." Purchaser acknowledges that construction may be delayed by late delivery of material or equipment, labor difficulties, unavailability of Building trades, casualty, inclement

weather and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

18. INSPECTION OF THE UNIT

18.1 Upon receipt of the Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the interior of the Unit within the 7 days prior to the Closing Date fixed by the Closing Notice. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule B to this Agreement) and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the interior of the Unit within 7 days prior to the Closing Date fixed by the Closing Notice or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from appearing at the Closing, paying the 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."

18.2 Any work set forth on the Inspection Statement shall be completed by Sponsor as agreed in writing and shall not be grounds for delaying the Closing. Purchaser will be obligated to provide Sponsor and its contractors, subcontractors agents and employees, unfettered access to the Unit and any Residential Limited Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement. Sponsor has no obligation under the Plan to deposit any monies in escrow at Closing as a result of any work set forth on the Inspection Statement.

19. DAMAGE TO THE UNIT

If between the date of this Agreement and the Closing of Title the Unit is damaged by fire or other casualty, the following shall apply:

19.1 The risk of loss to the Unit by fire or other casualty until the earlier of Closing of Title or possession of the Unit by Purchaser is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the Closing of Title.

19.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-laws, this Agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to Purchaser all 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.

20. NO REPRESENTATIONS

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. Except as otherwise set forth in the Plan, Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, and (b) that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article shall survive the Closing of Title.

21. PROHIBITION AGAINST ADVERTISING

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. BROKER

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than the Selling Agent and the Co-Broker, if any, named in this Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Selling Agent and the Co-Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent or the Co-Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including legal fees. The provisions of this Article shall survive the Closing of Title.

23. AGREEMENT MAY NOT BE ASSIGNED

Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor, which consent may be unreasonably withheld or delayed. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this

Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser shall have such right, provided that (i) Purchaser designates such assignee at least 10 business days prior to the Closing Date; (ii) Purchaser delivers to Attorney for Sponsor the fee set forth in the Plan for its services required in connection with the preparation of the assignment and assumption agreement; (iii) the Closing is not delayed as a result of such assignment , (iv) the assignee of this Agreement assumes in writing, by an instrument prepared by Attorney for Sponsor, the obligations of Purchaser under this Agreement and (v) the assignment is made without consideration. Any purported assignment by Purchaser in violation of this Agreement shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement, and shall be voidable at the option of Sponsor.

24. CERTIFICATION OF SPONSOR AND PRINCIPALS

Consistent with a recent First Department decision, the principal of Sponsor expressly disclaims 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 such principal's execution of the Certification of Sponsor and Principal, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013).

25. BINDING EFFECT

The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been delivered to Purchaser or the Attorney for Purchaser. If this Agreement is not accepted within 30 days from the delivery to Sponsor of this Agreement executed by Purchaser together with the 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 Option 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. 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.

42. 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.

43. 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.

44. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY

44.1 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.

44.2 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.

44.3 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.

45. LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS DISCLOSURE

45.1 The Environmental Protection Agency and the Department of Housing and Urban Development promulgated Federal regulations under 24 CFR Part 35 and 40 CFR Part 745 ("Federal Regulations") regarding the disclosure of lead-based paint and/or lead-based paint hazards to prospective purchasers of Units. In accordance with the provisions of the Federal Regulations, annexed to this Option Agreement as Schedule C is a "Lead Warning Statement" and "Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" to be signed by Sponsor and Purchaser. Set forth in Part II of the Plan is a pamphlet entitled "Protecting Your Family from Lead in Your Home."

45.2 In the event Purchaser exercises Purchasers' right to conduct a risk assessment or inspection ("Inspection") for the presence of lead-based paint and/or lead-based paint hazards, such Inspection shall be performed within 10 calendar days following the date of this Agreement on the following terms and conditions:

45.2.1 Purchaser and Purchasers' consultant ("Consultant") will be given reasonable access to the Unit and the public areas of the Building.

45.2.2 The Inspection shall be held at a mutually convenient time and date on a business day between 9 a.m. and 5 p.m.

45.2.3 The Inspection shall be performed in a reasonable manner so as not to disturb or interfere with the use, operation, security or occupancy of the Residential Unit or the Building.

45.2.4 Purchaser shall be liable for any damages to the Residential Unit or the Building, injuries, and all claims and lawsuits caused by Purchaser or the Consultant during the Inspection.

45.2.5 Purchaser or the Consultant will not probe, penetrate or disturb any painted or covered surface during the Inspection without Sponsor's approval.

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

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

361 BROADWAY ASSOCIATES HOLDINGS, LLC

By: Knightsbridge 361 Broadway, LLC, its Manager

By: _____
Name: Jourdan E. Krauss
Title: Manager

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 of other Units or portions of the Common Elements.

10. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, provided the same are adjusted at the Closing of Title.

11. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

12. Any declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

13. Any encumbrance as to which the Title Company (or such other New York Board of Title Underwriters member title insurance company which insures the Purchaser's title to the Unit) would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such

encumbrance (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.

14. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

15. Any lease covering the Unit(s) made from Sponsor to the Purchaser.

16. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.

17. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company.

18. Any Temporary or Permanent Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

19. Any encumbrance, covenant, easement, agreement, or restriction against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Plan, as the same may be updated from time to time prior to the Closing.

20. Landmark Designation recorded n Reel 701 Page 39

21. Declaration recorded in Reel 1168 Page 1339

22. Zoning Lot Development and Easement Agreement dated as of September 26, 2002 and recorded in Reel 3646 Page 2369

23. Zoning Lot Description and Ownership Statement recorded as CRFN 2012000450307

24. Deed for Air Rights and Development Rights recorded in Reel 3646 Page 2284 Memorandum of Option recorded in Reel 3646 Page 2391

SCHEDULE B

INSPECTION STATEMENT

Date: _____

361 Broadway Associates Holdings, LLC
c/o Knightsbridge Properties
68 Thomas Street
New York, New York 10013

Re: Residential Unit No: _____ ("Unit")
Cast Iron House Condominium
67 Franklin Street
New York, New York 10013 ("Condominium")

Ladies and Gentlemen:

1. On the date hereof, the undersigned purchaser(s) ("Purchaser") inspected the Unit which Purchaser is acquiring from Sponsor and have found the Unit to be in good condition, except as otherwise noted below:

_____

_____

_____

2. Purchaser acknowledges that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to the date Purchaser moves into the Building. Purchaser agrees to sign-off each item requiring adjustment, or repairs, if any, as they are completed.

3. In the event Purchaser performs work in the Unit of any kind affecting any of the areas or items listed above after the Closing, Sponsor will be relieved of any and all obligations related to the items listed herein.

PURCHASER(S):

_____
(signature)

_____
(signature)

_____
Sponsor's Representative

SCHEDULE C

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

LEAD WARNING STATEMENT

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide buyer with information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

SPONSOR'S DISCLOSURE

(a) Presence of lead-based paint and/or lead-based paint hazards. (check (i) or (ii) below):

(i) ___ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain on attached sheet).

(ii) _x_ Sponsor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to Sponsor (check (i) or (ii) below):

(i) ___ Sponsor has provided Purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below on attached sheet).

(ii) _x_ Sponsor has no records or reports pertaining to lead-based paint and/or lead-based paint hazards in the housing.

PURCHASER'S ACKNOWLEDGMENT (initial)

(c) _____ Purchaser has received copies of all information listed above.

(d) _____ Purchaser has received the pamphlet Protecting Your Family from Lead in Your Home.

(e) _____ Purchaser has (check (i) or (ii) below):

(i)___ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii)___ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

SELLING AGENT'S ACKNOWLEDGMENT (initial)

(f) _X_ Selling Agent has informed Sponsor of Sponsor's obligation under 42 U.S.C. 4852d and is aware of Selling Agent's independent responsibility to ensure compliance.

CERTIFICATE OF ACCURACY

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

361 BROADWAY ASSOCIATES HOLDINGS, LLC

By: Knightsbridge 361 Broadway, LLC, its Manager

By: _____
Name: Jourdan E. Krauss
Title: Manager

SCHEDULE D

ESCROW RIDER TO OPTION AGREEMENT

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

Re: Residential Unit No: _____ ("Unit")
Cast Iron House Condominium
67 Franklin Street
New York, New York 10013 ("Condominium")

1. ESCROW AND TRUST FUND REQUIREMENTS

All deposits, down payments, advances and payments made by Purchasers prior to the Closing ("Premium Payments") will be held in escrow in conformity with the disclosure contained in this Rider 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. 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 Signature Bank, located at 261 Madison Avenue, New York, New York 10016 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York. All Premium Payments (Initial and Additional) properly made payable to "Starr Associates LLP, Escrow Account" will be placed in the Master Escrow Account within 5 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 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 Deposit 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 May 1, 2013, the interest rate for the Escrow Bank is .03%. 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).

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 (i.e., the Effective Date). 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 deposit 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 deposit.

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.

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.

2. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Option 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 Option 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 Option Agreement remain unchanged and in full force and effect.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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:

361 BROADWAY ASSOCIATES HOLDINGS, LLC

By: Knightsbridge 361 Broadway, LLC, its Manager

By: _____
Name: Jourdan E. Krauss
Title: Manager

ESCROW AGENT:

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

STARR ASSOCIATES LLP

By: _____
Name:
Title:

UNIT DEED

UNIT DEED

THIS INDENTURE, made the ____ day of _____, ____, between 361 Broadway Associates Holdings, LLC, having an office at c/o Knightsbridge Properties, 68 Thomas Street, New York, New York 10013 ("Grantor") and _____ having an address at _____ ("Grantee").

W I T N E S S E T H :

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit ("Unit") known as Residential Unit No. ____ in the building ("Building") known as the Cast Iron House Condominium ("Condominium") and by the street number 67 Franklin Street, Borough of Manhattan, County of New York, City and State of New York, said Unit being designated and described by the above Unit number in a certain declaration dated _____, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York ("Condominium Act") establishing a plan for condominium ownership of the Building and the land ("Land") upon which the Building is situate (which Land is more particularly described in Exhibit A annexed hereto and by this reference made a part hereof), which declaration was recorded in the Office of the Register of The City of New York of the County of New York ("Register's Office") on _____, as CRFN# _____ ("Declaration"). The Unit is also designated as Tax Lot 31 in Block 174 of Section 1 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 Dean Maltz Architect on _____, and filed with the Real Property Assessment Department of The City of New York on _____, as Condominium Plan No. _____ and also filed in the Register's Office on _____, as CRFN _____;

TOGETHER with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration);

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-laws of the Condominium ("By Laws"), as the same may be amended from time to time, all of which constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

SUBJECT also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are collectively referred to as the "Property").

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-laws is invalid under, or would cause the Declaration or the By-laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-laws, or if the Declaration and the By-laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board or provided in the Declaration or the By-laws, the Unit is intended for residential use only.

Grantor represents that the Grantor is the same party as the Grantee of the Property under deed dated September 26, 2002 and recorded in the Register's office on October 28, 2002 under Reel 3646, Page 2271.

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:

361 BROADWAY ASSOCIATES HOLDINGS, LLC

By: Knightsbridge 361 Broadway, LLC, its Manager

By: _____
Name: Jourdan E. Krauss
Title: Manager

GRANTEE:

_____

_____

(ACKNOWLEDGEMENTS)

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

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

_____
Notary

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

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

_____
Notary

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

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

_____
Notary

EXHIBIT A
TO RESIDENTIAL UNIT DEED

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of Franklin Street with the westerly side of Broadway;

RUNNING THENCE southerly along the westerly side of Broadway, 54 feet 2 - ½ inches;

THENCE westerly on a line forming an interior angle of 90 degrees 32 minutes 45 seconds, a distance of 165 feet 6 - ¾ inches;

THENCE northerly on a line forming an interior angle of 89 degrees 03 minutes 18 seconds, a distance of 51 feet 2 inches to the southerly side of Franklin Street;

THENCE easterly along the southerly side of Franklin Street, 165 feet 3 inches to the corner aforesaid at the point or place of BEGINNING.

EXCEPTING THEREFROM all Additional Development Rights and all Air Rights above the Limiting Plane as defined in Reel 3646 Page 2270.

DECLARATION OF CONDOMINIUM

DECLARATION

Establishing a Plan for Condominium Ownership of the Premises Known as

CAST IRON HOUSE CONDOMINIUM

and having a street address of

67 FRANKLIN STREET
NEW YORK, NEW YORK 10013

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

Name:	**Cast Iron House Condominium**
Sponsor:	**361 Broadway Associates Holdings, LLC** **c/o Knightsbridge Properties** **68 Thomas Street** **New York, New York 10013**
Date of Declaration:	_____, _____

Prepared by:

STARR ASSOCIATES LLP
Attorneys At Law
245 Fifth Avenue
New York, New York 10016
(212) 620-2680

The land affected by the within instrument lies in Section 1, Block 174 F/K/A Lot 31, 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	6
ARTICLE 9	USE OF UNITS AND ANCILLARY AMENITIES	6
ARTICLE 10	EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS	8
ARTICLE 11	OTHER EASEMENTS	9
ARTICLE 12	ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND NON-RESIDENTIAL UNITS	11
ARTICLE 13	ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD	13
ARTICLE 14	POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD	14
ARTICLE 15	TERMINATION OF CONDOMINIUM	15
ARTICLE 16	COVENANT OF FURTHER ASSURANCES	15
ARTICLE 17	COVENANTS RUNNING WITH THE LAND	16
ARTICLE 18	ZONING LOT DEVELOPMENT AND EASEMENT AGREEMENT; ADDITONAL DEVELOPMENT RIGHTS	17
ARTICLE 19	AMENDMENTS TO THIS DECLARATION	18
ARTICLE 20	CONSENTS BY SPONSOR	21
ARTICLE 21	PERSON TO RECEIVE SERVICE	21
ARTICLE 22	INCORPORATION BY REFERENCE	21
ARTICLE 23	WAIVER	21
ARTICLE 24	SEVERABILITY	21
ARTICLE 25	SUCCESSORS AND ASSIGNS	22
ARTICLE 26	CAPTIONS	22
ARTICLE 27	CERTAIN REFERENCES	22
ARTICLE 28	GENERAL	22

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
CAST IRON HOUSE CONDOMINIUM

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

361 Broadway Associates Holdings, LLC, a limited liability company organized under the laws of the State of New York, having an office at c/o Knightsbridge Properties, 68 Thomas Street, New York, New York 10013 ("Sponsor"), does hereby declare as follows:

ARTICLE 1
DEFINITIONS

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

ARTICLE 2
SUBMISSION OF THE PROPERTY

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 Additional Development Rights, which shall be retained by Sponsor or 361 ZLDA LLC, all as set forth in and pursuant to the terms and provisions of the Zoning Lot Development and Easement Agreement. Additional Development Rights shall inure solely to the benefit of Sponsor, 361 ZLDA LLC or other Development Rights Owner and not to the benefit of the Condominium Board or the Unit Owners who nonetheless shall remain subject to the terms and provisions of the ZLDA.

ARTICLE 3
NAME OF THE CONDOMINIUM

The Condominium shall be known as the Cast Iron House 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: 13 Residential Units, 13 Storage Lockers and 1 Non-Residential Unit contained in a 9 story structure above grade (and roof level) with 1cellar and 1 sub-cellar.

5.1.1 The Residential Units will be located on Floors 1 through 9.

5.1.2 The Storage Lockers will be located in the Vault Space on the sub-cellar level.

5.1.3 The Non-Residential Unit will be located on portions of the cellar and first floor.

5.2 The Building is classified as being of fire proof construction. The Building structural system consists of round or C-shaped cast-iron columns and masonry load bearing walls supporting a floor plate that is composed of steel I-beams with heavy wooden planks bearing on the top of flanges of the beams and double-wythe masonry barrel arches bearing on the bottom flanges. The roof consists of cold liquid applied reinforced membranes applied to concrete slabs and covered with a drainage mat, insulation and ballast.

5.3 The sub-cellar and cellar contain an appurtenant vault space ("Vault Space") owned by the City of New York ("City"). The Vault Space on the sub-cellar level contains the individual Storage Lockers designated for the exclusive use of each Residential Unit, a storage room for the Building, the water room consisting of the steam room and sauna and a portion of the fitness center which is designated as a dance/yoga room. A portion of the Vault Space on the cellar level will be used by the Non-Residential Unit Owner. The City has the right to repossess the entire Vault Space or any portion thereof, in which event the Residential Unit Owners and /or Non-Residential Unit Owner, as may be applicable, will not have use of those areas, amenities and/or the Storage Lockers, as may be applicable and will no longer have the right to utilize the applicable portion of the Vault Space. In such event, the Condominium Board, at its option, may elect to move such Storage Locker or amenity to a different location in the Building, however, Sponsor makes no representation or guarantee that such substitute location will be available. The Storage Lockers shall be treated as Residential Limited Common Elements and the other the remaining portion of the Vault Space on the sub-cellar level shall be treated as a Residential Common Element. The portion of the Vault Space on the cellar level to be used by the Non-Residential Unit Owner shall be treated as part of the Non-Residential Unit and the remaining portion shall be treated as a General Common Element.

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 side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit, or to the corridor side of the walls separating one Unit from corridors, or to the exterior side of the opposite exterior walls. Each Unit is measured vertically from the top of the finished floor to the underside of the ceiling. Each Terrace is measured from the outside face of the parapet to the outside face of the Building or centerline of Terrace privacy screens.

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. 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. In addition Unit 6B shall also include the hall closet on the upper level across from the elevator.

6.4 A Non-Residential Unit also includes, in addition to the items listed in Section 6.3 above, to the extent located in such Non-Residential Unit, and a Non-Residential Unit Owner shall be responsible for, any elevator, escalator, staircase, freight or service entrance, driveway, ramp, canopy and all related Facilities servicing such Non-Residential Unit exclusively including, but not limited to the condensing unit located on the roof which exclusively services such Non-Residential Unit, the corridor in the cellar, the electrical closet located in the cellar, the smaller/commercial storage room in the cellar, any outdoor signage for such Non-Residential Unit, the exterior side of all windows in or opening from such Non-Residential Unit and any loading docks exclusively servicing such Non-Residential Unit.

6.5 Any Common Elements located within a Unit shall not be considered a part of such Unit.

6.6 Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, subject to the provisions of the By-laws, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and (with respect to Residential Units) to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the consistent exterior appearance, the structural integrity, sound integrity and mechanical and electrical systems of such Unit or of the Building or violate Law.

6.7 As of the date of the filing of this Declaration with the Register's Office, fee simple absolute title shall automatically vest in Sponsor in all Units individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

THE COMMON ELEMENTS

7.1 The Common Elements consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements are comprised of the

General Common Elements, the Residential Common Elements and the Residential Limited Common Elements. 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 Non-Residential Unit(s) 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 aNon-Residential 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 Non-Residential Unit(s) and/or both the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements, to the extent that the same are not expressly included as a part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iv) the booster pump room, telecom room, building maintenance room, building super's office, building storage and elevator control room, each of which are located in the sub-cellar of the Building.

(v) the electrical room, water meter room, fire pump room, mep closet and gas meter room, each of which are located in the cellar of the Building.

(vi) the service entrance/corridor located on the first floor of the Building.

(vii) the mechanical spaces located on the mezzanine of the Building.

(viii) the roof of the Building other than those portions specifically designated as Residential Common Elements and the mechanical room on the roof of the building.

(ix) 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:

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

Article II. compactor room located in the sub-cellar and its respective shafts and equipment.

Article III. bicycle storage room, laundry room, lounge, children's playroom, common lobby each of which are located in the sub-cellar of the Building.

Article IV. courtyard and all of the furnishings, structural and decorative elements contained therein, located on the sub-cellar level of the Building.

Article V. fitness center and all equipment, finishings and furniture contained therein, located in the sub-cellar of the Building.

Article VI. residential lobby and mail room located on the first floor of the Building.

Article VII. individual condensing units exclusively servicing the Residential Units located on the roof of the Building.

Article VIII. electrical panels, two (2) water boilers, HVAC packaged air handler, exhaust fans.

Article IX. 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 Non-Residential Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element.

Article X. 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.

Article XI. 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 as 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 is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

8.2 The percentage interest of all Residential Units in the Residential Common Elements is apportioned in the same proportion that the Residential Unit at the date of this Declaration bears to the then aggregate Common Interests of all of the Residential Units in the Condominium.

ARTICLE 9

USE OF UNITS AND STORAGE LOCKERS

9.1 As more particularly set forth in, and subject to the provisions of, the By-laws, the Residential Units shall be used for residential purposes only (excluding "dormitory," "bed and breakfast" or other transient hotel-type use). A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity (including, but not limited to, the federal or state government and any instrumentality thereof and foreign governments and any embassy, consulate, or other instrumentality thereof, may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder or employee of such corporation, or by an individual partner or employee of such partnership, or by such individual fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries and partners or employees of partnership fiduciaries) or by an individual beneficiary of said fiduciary, or an individual principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing; however, the foregoing restrictions shall not apply to Unsold Residential Units.

Upon the prior written consent of Sponsor (1) (with respect to Unsold Residential Units) or the Condominium Board (with respect to sold Residential Units), any Residential Unit may be used for any other lawful purposes, subject, however, to (2) the terms and conditions of the then existing Temporary or Permanent Certificate of Occupancy for the Building and the By-laws, and (3) applicable Law.

9.2 Other than the aforementioned Lease, no further representation is made with respect to who any future owners or tenants of all or any portion of the Non-Residential Unit may be at any time or as to the uses to which the Non-Residential Unit may be put at any time. Every use of the Non-Residential Unit, including use by T.D. Bank, may result in increased noise, fumes, traffic or other disturbances over which the Residential Unit Owners will have no control. The Non-Residential Unit may be used for any purpose permitted by Law, but may not be used for any of the following: (A) abortion clinic; (B) (i) any obscene or pornographic use, activity or performance, (ii) any sexually suggestive or sexually oriented use, activity or performance in each case which is distasteful or inappropriate, or (iii) the distribution or sale, rental or viewing of sexually explicit materials, sexually explicit live performances or pornographic goods; (C) any overtly violent use, activity or performance in each case which is distasteful or inappropriate; (D) dry cleaning and/or laundry store (but a drop off dry cleaning store and/or an "organic" (non- chemical) process dry cleaner is permitted); (E) restaurant, bar, tavern, nightclub or similar establishment; (F) the sale of alcoholic beverages or establishments with the sale of alcoholic beverages, the sale of food or beverages other

than (a) the de minimis provision of complimentary (i.e., not for sale) non-alcoholic beverages exclusively for the benefit of the customers or a user of a Non-Residential Unit, (b) the sale of non-perishable packaged candy, gum and similar goods within a retail establishment for consumption outside such Retail Unit user's demised premises, which sale of goods is not the primary use employed by such user (except with respect to the sale of such goods within a "themed" retail establishment whose "theme" is the branding of such goods (i.e., the sale of M&Ms within the retail establishment commonly known as the "M&M Store")), is ancillary to, and does not detract from, such retail use and serves a broader first-class retail concept, and (c) the provision of complimentary (i.e., not for sale) (except in connection with a fund-raising event with respect to which neither Non-Residential Unit Owner or user derives any profit from such sale) food and beverages by third party caterers exclusively for the benefit of the customers of a retail user and served at occasional special events that are intended to promote or market such user's business within the demised premises; (G) foreign governments and/or any other entity or person that is entitled to sovereign immunity; (H) military recruitment office; (I) manufacturing; (J) any use that would violate any laws or the certificate of occupancy for the Property or any portion thereof; (K) a casino or gambling establishment (but the foregoing shall not be construed as to prohibit the incidental sale of lottery tickets that is related to the business of a retail user (e.g., a newsstand); (L) use for any political or sociopolitical purpose or agenda (including, without limitation, the lobbying or campaigning for any political or sociopolitical purpose, agenda, image, slogan, message or ideology); (M) any use involving the storage, sale or repair of automobiles, motorcycles or other motor vehicles or parts; (N) any use involving the storage of petroleum products; (O) movie theater (other than a screening room or screening area provided by a retail user within its demised premises that displays content that is related to the use employed by such user, which screening room or screening area is not the primary use employed by such retail user and does not detract from the use employed by such user); (P) bowling alley; (Q) miniature golf course; (R) video arcade; (S) playground or jungle gym; (T) any use involving the sale of paraphernalia related to illegal drugs or substances; (U) any use involving or utilizing a loudspeaker system, phonograph or other sound system or advertising devise that projects noise outside of the Non-Residential Unit in a manner or at a decibel level that is inappropriate taking into consideration the Operating Standard; (V) any so-called head shop or other establishment which stocks, displays, sells, rents or offer for sale or rent any drug-related paraphernalia or merchandise or material commonly used or intended for use with or in consumptions of any narcotic, dangerous drug or other controlled substance, including without limitation, any hashish pipe, water pipe, bong, cilium, pipe screens, rolling papers, rolling devices, coke spoons or roach clips excluding any establishment for which the sale of such products constitutes a de minimis space in such establishment; (W) selling, leasing or displaying new or used automobiles, trucks, trailers, or recreational vehicles; (X) automotive parts, lube and oil or repair shop; (Y) bingo or similar games of chance; (Z) check cashing store (except as is typical in connection with the operation of a financial services institution); (AA) church, mosque, temple or other place or religious worship or meeting hall; (BB) dumping, disposing, incinerating or reducing of garbage (exclusive of dumpsters for temporary storage of garbage and any garbage compactors, in each case which are regularly emptied so as to minimize offensive odors); (CC) any establishment manufacturing, assembling, displaying or selling fireworks, ammunition or explosives; (DD) flea market; (EE) funeral home or establishment or mortuary; (FF) any so-called gentlemen's club featuring topless waitresses, nude dancing or private "one-on-one" booth or rooms; (GG) illicit non-therapeutic massage parlor; (HH) off-track betting parlor or other gambling facility; (II) pawn shop; (JJ) psychic, hypnotist, tarot card or palm reading business; (KK) any business practicing satanic or cult ritualistic activities including so called "devil worship," black magic or rites of passage involving self-mutilation or degradation; (LL) substance abuse rehab or detoxification recovery center; (MM) unemployment agency service or commission; (NN) tattoo parlor.

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.

9.4 Notwithstanding the foregoing or anything contained in the By-laws or the Residential Rules and Regulations to the contrary, Sponsor may, without the permission of the Condominium Board, (1) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations, (2) use any Unsold Residential Units as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or for any other purpose, subject only to compliance with Law, (3) use any Storage 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 A Non-Residential 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 Non-Residential Unit or any portion of the Building servicing such Non-Residential Unit, and (ii) to erect, maintain, repair and replace, from time to time, one or more signs, of such size and content as the Non-Residential Unit Owner shall determine, in the storefronts and windows of such Non-Residential Unit for the purpose of advertising the sale or lease of all or any portion of such Non-Residential Unit and the operation of any business of a Permitted User of all or any portion of such Non-Residential Unit. Additionally, a Non-Residential Unit Owner, and its Permitted Users shall have an easement to use the sidewalks adjacent to such Non-Residential Unit for any purposes permitted by Law, including, without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalks. Subject to Sponsor's prior written consent for so long as Sponsor owns any Unsold Unit, a Non-Residential 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 immediately adjacent to such Non-Residential Unit (including storefronts and windows of such Non-Residential Unit) for the installation of special card-key access systems and/or, at Unit Owner's option, 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 and Laws. A Non-Residential Unit Owner and its Permitted Users shall be permitted to erect signage (including illuminated signage) and/or lighting on the exterior façade of the Building appurtenant to the Unit, provided the

signage is in compliance with Laws and such Unit Owner obtains Sponsor's prior written consent so long as Sponsor continues to own any Unsold Unit.

10.4 Each Residential Unit Owner whose Residential Unit has one or more appurtenant Residential Limited Common Elements shall have an exclusive easement for the use thereof. The Residential Units having the same are indicated on Exhibit B.

10.5 Sponsor and its Permitted Users shall have an easement in, over, under, through and upon the General Common Elements and Residential Common Elements (including but not limited to, residential lobbies, hallways and corridors), to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Residential Units including, without limitation, the right to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit.

ARTICLE 11

OTHER EASEMENTS

11.1 Subject to the terms of the By-laws and to the Residential Rules and Regulations, if applicable, each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all Common Elements located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit, including an easement to connect to existing utilities, including without limitation, utilities for gas, electricity, steam and ventilation. Each Unit (including (i) 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 Non-Residential Unit Owner with respect to a Non-Residential 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 Non-Residential 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 Non-Residential 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 Additional 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 Additional Development Rights in any manner permitted by Law.

11.7 Subject to the terms of the By-laws, a Non-Residential 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 Non-Residential 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 and shall be on at least 2 days' prior notice to any Unit Owner or the Condominium Board, as may be applicable, except in the case of an emergency.

11.8 The Condominium and Building shall be designated and known as the Cast Iron House 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;

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, a Non-Residential 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 Non-Residential Unit (including, without limitation, to the storefronts and windows in such Non-Residential Unit);

(b) change the use or layout of, or number of rooms in the Non-Residential Unit;

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

(d) change the size of the Non-Residential Unit by (w) subdividing the Non-Residential 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 Non-Residential Unit Owner shall comply with Law;

(iii) the Non-Residential 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 Non-Residential Unit into separate Non-Residential Units, the owner of each such newly created Non-Residential Units shall have all the rights, privileges and benefits, and shall be subject to all the obligations of the original Non-Residential 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 Non-Residential Units shall collectively continue to be entitled to designate 1 member to the Condominium Board.

Notwithstanding the foregoing, however, the aggregate amounts of the Common Interest of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to the Non-Residential 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 Non-Residential Unit Owner's election, by the Non-Residential 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 Non-Residential Unit Owner.

ARTICLE 13

ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD

If (a) any Residential Unit Owner surrenders the Residential Unit, together with its Appurtenant Interests to the Condominium Board pursuant to the terms of the By-laws or Section 339-x of the Condominium Act, or (b) the Condominium Board, pursuant to the By-laws or otherwise, either acquires or leases a Unit, together with its Appurtenant Interests, purchases, a Unit, together with its Appurtenant

Interests, at a foreclosure or other similar sale, then, in any such event, title to any such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 14

POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD

14.1 Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, Sponsor, to:

(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 Additional 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, 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) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

14.3 In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting

party, for recording in the Register's Office, a Unit Power of Attorney, substantially in the form set forth as Exhibit E to this Declaration.

ARTICLE 15

TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-laws) until such time as the Property is withdrawn from the provisions of the Condominium Act is authorized by a vote of the Non-Residential Unit Owner(s) 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. However, the terms of this Section 16.2 shall not apply to Sponsor's construction lender for so long as such construction loan remains outstanding.

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 Non-Residential Unit Owner, or a Development Rights Owner, solely with respect to utilization, sale or transfer of Additional Development Rights, as the case may be, then Sponsor, or a Non-Residential Unit Owner or a Development Rights Owner solely with respect to utilization, sale or transfer of Additional 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. However, the terms of this Section 16.3 shall not apply to Sponsor's construction lender for so long as such construction loan remains outstanding.

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
ZONING LOT DEVELOPMENT AND EASEMENT AGREEMENT; ADDITIONAL DEVELOPMENT RIGHTS

18.1 Subject to the terms and provisions of the ZLDA, any Additional Development Rights shall be retained by Sponsor and/or 361 ZLDA LLC, who shall have the exclusive right to utilize, sell or otherwise transfer any of such development rights. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Additional Development Rights but will be obligated to cooperate with Sponsor in effecting the utilization, sale or other transfer of such rights.

18.2 In connection with its utilization of Additional Development Rights, 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, 361 ZLDA LLC or any other 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 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 such 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 development rights in any manner, including by effecting a transfer of 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 development rights from Sponsor, 361 ZLDA LLC or a Development Rights Owner, all subject to and in compliance with the terms and provisions of the ZLDA.

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 361 ZLDA LLC and any other Development Rights Owner an irrevocable limited power of attorney coupled with an interest, authorizing 361 ZLDA LLC to act as its attorney in fact solely in the execution of any consent, document or instrument which Sponsor (its successors and assigns) has agreed to execute or has waived its right to execute pursuant to the ZLDA (after failure to respond within two (2) business days written request therefor), as provided in the ZLDA, permitting 361 ZLDA LLC (its successors and assigns) to utilize the 361 Development Rights and/or any other zoning modifications in a manner permitted in the ZLDA, provided said document does not materially adversely affect the use of the Building as lawfully permitted.

18.5 Notwithstanding the foregoing, neither Sponsor nor any other Development Rights Owner may utilize Development Rights to increase the size, height, bulk or density of any portion of the Property after the recording of the Declaration.

18.6 All parties who acquire any interest whatsoever in the Property are bound by the terms and provisions of the ZLDA and any future modifications thereto. The Declaration is subordinate to the ZLDA.

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 Non-Residential Unit Owner(s) or a Development Rights Owner, solely with respect to utilization, sale or transfer of Additional 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 Non-Residential Unit Owner(s), or a Development Rights Owner, solely with respect to utilization, sale or transfer of Additional 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 Non-Residential Unit Owner(s), or a Development Rights Owner, solely with respect to utilization, sale or transfer of Additional 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 Additional 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 and sole expense, to require the Condominium Board and/or Unit Owner(s) 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 Additional Development Rights) With respect to Additional Development Rights, Sponsor and the Development Rights Owner, shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owner, the Condominium Board, or the Mortgage Representatives, if any, to effectuate Sponsor's or any Development Rights Owner's utilization, sale or transfer of any Additional Development Rights in any manner permitted by Law, provided that no such amendment shall enable Sponsor or Development Rights Owner to utilize Additional Development Rights to increase the size, height, bulk, configuration and/or density of the Property 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 Additional Development Rights, to effectuate Sponsor's or any Development Rights Owner's utilization, sale or transfer of any Additional Development Rights in any manner permitted by Law, provided that no such amendment shall enable a Development Rights Owner to utilize Additional 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 A Non-Residential 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 Non-Residential Unit Owner deems appropriate to effectuate the same:

(i) to reflect any changes in the Non-Residential Unit and/or the reapportionment of the Common Interest of the affected Non-Residential Unit resulting therefrom made by the Non-Residential Unit Owner in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by the Non-Residential Unit Owner to make a loan secured by a mortgage on the Non-Residential Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by the Non-Residential Unit Owner to insure title to any Non-Residential Unit, as such requirements relate solely to the Non-Residential 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 Non-Residential 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 Non-Residential Unit Owner pursuant to the terms of Section 19.3 hereof, by the Non-Residential 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 Non-Residential Unit Owner(s) or a Development Rights Owner, solely with respect to utilization, sale or transfer of Additional 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 Additional 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 a Non-Residential Unit Owner or a Development Rights Owner, solely with respect to utilization, sale or transfer of Additional Development Rights unless Sponsor or the Non-Residential Unit Owner(s) or the Development Rights Owner shall consent to such amendment in writing, or (iii) impose any discriminatory charge or fee against Sponsor or the Non-Residential Unit Owner(s) or a Development Rights Owner, solely with respect to utilization, sale or transfer of Additional Development Rights, unless Sponsor or the Non-Residential Unit Owner(s) or the Development Rights Owner shall consent to such amendment in writing.

19.7 The provisions of this Article may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or the Non-Residential Unit Owner(s) if the same relate to Sponsor or the Non-Residential Unit Owner(s).

19.8 No amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the

Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees (excluding Sponsor's construction lender for so long as such construction loan remains outstanding) 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 a Non-Residential 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 a Non-Residential Unit Owner. Sponsor and a Non-Residential 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:

361 Broadway Associates Holdings, LLC

By: Knightsbridge 361 Broadway, LLC, its Manager

By: _____
Name: Jourdan E. Krauss
Title: Manager

(ACKNOWLEDGEMENT)

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

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

_____
Notary

EXHIBIT A TO THE DECLARATION

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of Franklin Street with the westerly side of Broadway;

RUNNING THENCE southerly along the westerly side of Broadway, 54 feet 2 - ½ inches;

THENCE westerly on a line forming an interior angle of 90 degrees 32 minutes 45 seconds, a distance of 165 feet 6 - ¾ inches;

THENCE northerly on a line forming an interior angle of 89 degrees 03 minutes 18 seconds, a distance of 51 feet 2 inches to the southerly side of Franklin Street;

THENCE easterly along the southerly side of Franklin Street, 165 feet 3 inches to the corner aforesaid at the point or place of BEGINNING.

EXCEPTING THEREFROM all Additional Development Rights and all Air Rights above the Limiting Plane as defined in Reel 3646 Page 2270.

EXHIBIT B TO THE DECLARATION

DESCRIPTION OF THE UNITS

Cast Iron House Condominium
67 Franklin Street
New York, New York 10013

UNIT	NUMBER OF BEDROOMS/ BATHS	APPROXIMATE TOTAL SQ. FT. UNIT	BALCONY/ TERRACE	BLOCK 174 TAX LOT NO.	PERCENTAGE OF COMMON INTEREST	LOCATION IN PORTION OF BUILDING FACING DIRECTION SET FORTH BELOW	COMMON ELEMENTS TO WHICH UNIT HAS IMMEDIATE ACCESS

To be completed prior to Recording of the Declaration.

320

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:

"361 Development Rights" shall mean the rights to (a) the volume of air ("Airspace") bounded on four sides by the property lines of the Land above the Limiting Plane which is defined in the ZLDA as the horizontal plane above the Building which is fifty-five (55) feet above the highest point on the roof of the Building as of the date of the ZLDA; and (b) all of the 361 Development Rights and Additional 361 Development Rights as described in the ZLDA.

"Additional 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. Additional Development Rights, are subject to the terms and provisions of the ZLDA.

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

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

"Building" shall mean the building located at 67 Franklin Street, New York, New York 10013.

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

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

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

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

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

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

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve, or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); and (iii) generally, the conduct of the affairs of the Condominium. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or 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 Cast Iron House 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 361 Broadway Associates Holdings, LLC and its successors and assigns.

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

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

"Development Rights Owner" shall mean Sponsor, 361 ZLDA LLC or any Person which has or will acquire all or any portion of the development rights or Additional Development Rights from Sponsor or 361 ZLDA LLC.

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

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of one or more of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units,

motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, intercom equipment, playground equipment, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drainage systems, sewers and/or storm pipes, drywalls, or detention tanks, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, sheetrock, interior walls, draperies, shades, window coverings, wallpaper, wallcoverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes, sockets, davits and rigs for window cleaning.

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

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

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

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

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

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

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

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

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

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

"General Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the General

Common Elements; or (ii) the establishment and/or maintenance of a general operating reserve fund for working capital, for replacements with respect to the General Common Elements.

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

"Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust or a group of lenders which shall include one of the foregoing, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, or (iii) Sponsor, or (iv) with respect to loans secured by any Non-Residential 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. Notwithstanding the forgoing, Sponsor's construction lender shall be the Insurance Trustee for so long as the construction loan remains outstanding.

"Land" shall mean the land located in Section 1 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 174, Lot 31 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 Unit Owners of more than fifty percent (50%) in aggregate Common Interest 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.

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

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

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

"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 substantial renovation of the Building which (to the extent required by Law) have been or will be filed with the Buildings Department and which may from time to time be amended in accordance with the provisions of the Plan.

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

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

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

"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 361 Broadway Associates Holdings, 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 shall be treated as a Residential Limited Common Element.

"Storage Locker Area" shall mean an area located in the Vault Space on the sub-cellar level of the Building containing the Storage Lockers.

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

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

"Title Company" shall mean Advantage Title, having an office at 201 Old Country Road, Suite 200, Melville, New York 10167. (631) 424-6100, (800) 672-1960, or any successor Title Company at the time in question.

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

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

"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 Unit" shall mean any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained by Sponsor or a principal of Sponsor at the time in question. All such Unsold Units are, collectively, referred to as the "Unsold Units."

"Zoning Lot Development and Easement Agreement" or "ZLDA" shall mean the Zoning Lot Development and Easement Agreement between Sponsor and 361 ZLDA LLC, an affiliate of Blackacre First/Broadway LLC, SM First/Broadway LLC, LWH First/Broadway LLC and AF First/Broadway LLC (collectively "Prior Owner"), dated as of September 26, 2002 and recorded at Reel 2646 Page 2369 which reserves onto 361 ZLDA LLC, the 361 Development Rights and, onto Sponsor, the Owner Development Rights, all as defined therein.

"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

CAST IRON HOUSE CONDOMINIUM

Prepared by:

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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	1
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	5
Section 2.6	Exercise and Delegation of Powers and Duties	6
Section 2.7	Number, Election and Qualification of Members	7
Section 2.8	Term of Office of Members	7
Section 2.9	Removal and Resignation of Members	7
Section 2.10	Vacancies	8
Section 2.11	Organizational Meeting of the Condominium Board	8
Section 2.12	Regular Meetings of the Condominium Board	8
Section 2.13	Special Meetings of the Condominium Board	8
Section 2.14	Waiver of Notice of Meetings	8
Section 2.15	Quorum of the Condominium Board	9
Section 2.16	Conduct of Meetings	9
Section 2.17	Decisions by the Condominium Board	9
Section 2.18	Compensation of Members	10
Section 2.19	Common or Interested Members of the Condominium Board	10
Section 2.20	Indemnification	10
ARTICLE 3	**OFFICERS**	11
Section 3.1	General	11
Section 3.2	President	11
Section 3.3	Vice President	11
Section 3.4	Secretary	11
Section 3.5	Treasurer	11
Section 3.6	Election, Term of Office and Qualification of Officers	11
Section 3.7	Removal and Resignation of Officers	12
Section 3.8	Vacancies	12
Section 3.9	Compensation of Officers	12
Section 3.10	Indemnification of Officers	12
ARTICLE 4	**UNIT OWNERS**	12
Section 4.1	Annual Meetings of the Unit Owners	12
Section 4.2	Special Meetings of the Unit Owners	12
Section 4.3	Place of Meetings	12
Section 4.4	Notice of Meetings	12
Section 4.5	Quorum of the Unit Owners	13
Section 4.6	Conduct of Meetings	13
Section 4.7	Order of Business	13
Section 4.8	Voting	14
Section 4.9	Election of Members of the Condominium Board	14

Section 4.10 Designation of Non-Residential Members to the Condominium Board 15
Section 4.11 Action Without a Meeting 15
Section 4.12 Title to Units 15
Section 4.13 Contractual Liability of Unit Owners 15

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 18
Section 5.3 Alterations, Additions, or Improvements to the Common Elements 20
Section 5.4 Insurance 21
Section 5.5 Casualty or Condemnation 23
Section 5.6 Use of the Property 25
Section 5.7 Use of the Units 26
Section 5.8 Use of the Common Elements 28
Section 5.9 Use of Storage Lockers 29
Section 5.10 Rights of Access 29
Section 5.11 Modification of the Residential Rules and Regulations 30
Section 5.12 Real Estate Taxes 31
Section 5.13 Fuel 31
Section 5.14 Water Charges and Sewer Rents 31
Section 5.15 Electricity 31
Section 5.16 Record and Audits 32

ARTICLE 6 COMMON CHARGES 32
Section 6.1 Determination of Common Expenses and Fixing of Common Charges 32
Section 6.2 Payment of Common Charges 34
Section 6.3 Statement of Common Charges 35
Section 6.4 Common Charge Deposit for Foreign Owners 35
Section 6.5 Default in Payment of Common Charges 36

ARTICLE 7 SELLING AND LEASING OF UNITS AND ASSIGNMENT OF ANCILLARY AMENITY LICENSES 37
Section 7.1 General 37
Section 7.2 Right of First Refusal 37
Section 7.3 Acceptance of Offer 38
Section 7.4 Failure to Accept Offer 39
Section 7.5 Termination of, and Exceptions to, the Right of First Refusal 39
Section 7.6 No Severance of Ownership 40
Section 7.7 Payment of Common Charges and fees 41
Section 7.8 Power of Attorney 41
Section 7.9 Gifts and Devises, Etc. 41
Section 7.10 Commencement of Time 41
Section 7.11 Costs and Expenses 41
Section 7.12 Sale or Lease of Non-Residential Units 41

ARTICLE 8 MORTGAGING OF UNITS 42
Section 8.1 General 42
Section 8.2 Restrictions on Mortgaging 43
Section 8.3 Notice of Unpaid Common Charges and Default 43
Section 8.4 Performance by Permitted Mortgagees 43
Section 8.5 Examination of Books 43
Section 8.6 Consent of Mortgagees; Designation of Mortgage Representatives 43
Section 8.7 Notice to Permitted Mortgagees 44

ARTICLE 9	**CERTAIN REMEDIES**	44
Section 9.1	Self Help	44
Section 9.2	Abatement and Enjoinment	45
Section 9.3	Remedies Cumulative	45
Section 9.4	Costs and Expenses	45
ARTICLE 10	**ARBITRATION**	46
Section 10.1	Procedure	46
Section 10.2	Variation by Agreement	46
Section 10.3	Binding Effect	46
Section 10.4	Costs and Expenses	46
ARTICLE 11	**NOTICES**	46
Section 11.1	General	46
Section 11.2	Waiver of Service of Notice	47
ARTICLE 12	**AMENDMENTS TO BY-LAWS**	47
Section 12.1	General	47
Section 12.2	Special Amendments	48
ARTICLE 13	**FURTHER ASSURANCES**	49
Section 13.1	General	49
Section 13.2	Failure to Deliver or Act	49
ARTICLE 14	**MISCELLANEOUS**	49
Section 14.1	Inspection of Documents	49
Section 14.2	Waiver	50
Section 14.3	Conflict	50
Section 14.4	Severability	50
Section 14.5	Successors and Assigns	50
Section 14.6	Gender	50
Section 14.7	Captions	50
ARTICLE 15	**TAX STATUS AS A HOMEOWNERS ASSOCIATION**	50
Section 15.1	General	50
Section 15.2	Organization	50
Section 15.3	Inurement	50
Section 15.4	Residential Use	50
ADDENDUM TO THE BY-LAWS	**RESIDENTIAL RULES AND REGULATIONS**	51

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 (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 Non-Residential Unit Owner(s) 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 (including the appurtenant Storage Locker) 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 (including the appurtenant Storage Locker) acquired by, and to sublease Residential Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the interest appurtenant to any such Residential Unit.

(xvii) to adopt and amend the Residential Rules and Regulations and to levy and authorize collection of fines against Unit Owners for violations of the Residential Rules and Regulations and these By-laws(any such fines and fees shall be deemed to constitute Common Charges payable by Unit Owners of the Unit against which they are levied).

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners.

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and By-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-laws and (b) the terms of the Declaration and these By-laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and By-laws.

(xx) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium.

(xxi) to execute, acknowledge and deliver: (a) any and all declarations (including a declaration of single zoning lot) or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building, and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate, and (c) any and all declarations, consents, waivers or other instruments requested by Sponsor or a Development Rights Owner, with respect to Sponsor's or a Development Rights Owner's utilization, sale or transfer of Additional Development Rights.

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modification, additions and deletions theretofore made to the same.

(xxiii) to prepare, execute, acknowledge and institute on behalf of all Residential Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense.

(xxiv) to commence summary eviction proceedings in the name of or on behalf of the Condominium Board and/or a Unit Owner or Unit Owners, as the case may be, against an authorized guest and/or a Tenant of a Unit Owner if such authorized Guest and/or Tenant does not conform to the Residential Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said Residential Rules and Regulations may at any time and from time to time, be modified, amended or added to in accordance with the terms of these By-laws. All costs in connection with the removal of the authorized guest and/or Tenant, including attorneys' fees, shall be borne by the Unit Owner.

(xxv) to establish policies and procedures and impose fees in connection with the sale, lease or alteration of a Residential Unit or Non-Residential Unit.

(xxviii) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-laws.

(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.

(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 Non-Residential Unit(s) shall be made by the Members of the Condominium Board elected or designated by the Residential Unit Owners; and

(ii) Non-Residential Unit(s) and do not materially and adversely affect the use and operation of the Residential Units shall be made by the Memberof the Condominium Board designated by the Non-Residential Unit Owner(s).

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 4 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 Member"), and 1 of whom shall be designated by the Non-Residential Unit Owner(s) ("Non-Residential Member"). Except for Members designated by Sponsor and/or the Non-Residential Unit Owner(s) pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult family members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees. After the Initial Control Period, a majority of the Residential Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor or its principals. In addition, no individual may be elected to serve on the Condominium Board, (nor may continue to serve on the Condominium Board) if the Condominium Board has perfected a lien against such Unit and the amount necessary to release such lien has not been paid at the time of such election, or so long as such lien remains unpaid. In no event may more than one individual of a designated Unit serve on the Condominium Board or as an officer of the Condominium Board at the same time during the term of office.

Section 2.8 *Term of Office of Members.* The term of office of the 3 Members of the Condominium Board designated by Sponsor prior to the First Annual Meeting shall expire when the 4 individuals to be elected and/or designated at such meeting are so elected and qualified or designated, as the case may be. The term of office of each of the 4 individuals elected and qualified or designated, as the case may be, at the First Annual Meeting pursuant to the terms of Section 4.9 hereof, shall be fixed at 1 year. Notwithstanding anything to the contrary contained in this Section 2.8, however, each Member of the Condominium Board shall serve until a successor shall be elected and qualified or designated, as the case may be.

Section 2.9 *Removal and Resignation of Members.*

(A) Any Member of the Condominium Board who was elected thereto either by the Residential Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by a vote of a Majority of Residential Unit Owners. Any Member of the Condominium Board who was designated as such by Sponsor pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed, with or without cause, only by Sponsor. If any Member of the Condominium Board who was designated by Sponsor is removed, the successor shall also be designated by Sponsor. Any Member of the Condominium Board who was designated by a Non-Residential Unit Owner(s) may be removed, with or without cause, only by such Non-Residential Unit Owner(s). If any Member of the Condominium Board who was designated by a Non-Residential Unit Owner(s), is removed, the successor shall also be designated by such Non-Residential Unit Owner(s). 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 Non-Residential Unit Owner shall be filled by an individual designated by such Non-Residential 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 Non-Residential Unit(s).

(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 Non-Residential Unit(s).

(B) The vote of a majority of those Residential Members attending a duly constituted meeting of the Residential Members at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the Residential Common Expenses; the Residential Common Elements; or, all or a portion of the Residential Units.

Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the Members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18 *Compensation of Members.* No Member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19 *Common or Interested Members of the Condominium Board.* Each Member of the Condominium Board shall perform duties, and shall exercise powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Law, no contract or other transaction between the Condominium Board and either (i) any of its Members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the Members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such Member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such Member was counted for such purpose, provided, however, that either: (x) the fact thereof is disclosed to, or known by, the Condominium Board or a majority of the Members thereof and noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Condominium Board, less the number of such Members; or (y) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve, or ratify such contract or transaction.

Any such Member of the Condominium Board may be counted in determining the presence of a quorum of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction, but no such Member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 *Indemnification.*

2.20-1 Indemnification of Board Members and Officers.

2.20-1.1To the extend permitted by Law, the Members of the Condominium Board shall have no personal liability with respect to any contract, act or omission of the Condominium Board or of any Managing Agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as set forth in Section 4.13 hereof. Every contract made by the Condominium Board or by the Managing Agent shall state that it is made by the Condominium Board or the Managing Agent, only as agent for all Unit Owners and that the Members of the Condominium Board or the Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners). Any such contract may also provide that it covers the assets, if any, of the Condominium Board. To the extent permitted by Law, the Members of the Condominium Board shall have no liability to Unit Owners except that a Member of the Condominium Board shall be liable for such Member's own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Member of the Condominium Board against any liability or claim except those arising out of such Member's own bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any Member of the Condominium Board, any Unit Owner, Sponsor or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct.

2.20-1.2Neither the Condominium Board nor any Member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense except when any such failure or interruption is cause by the acts of bad faith or willful misconduct of the Condominium Board or any Member thereof; or

(ii) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or the Common Elements and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

ARTICLE 3

OFFICERS

Section 3.1 *General.* The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 *President.* The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL"), including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as the President may decide, in the President's discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 *Vice President.* The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other Member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon the Vice President from time to time by the Condominium Board or by the President.

Section 3.4 *Secretary.* The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 *Treasurer.* The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 *Election, Term of Office and Qualification of Officers.* Each of the officers of the Condominium shall be elected annually by a majority vote of all Members of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. The President, Vice President, and the Treasurer shall be elected from amongst the Members of the Condominium Board. Such officers need not be Unit Owners and need not have any interest

in the Condominium if they are designated by Sponsor. Such officers must be Unit Owners if they are elected by the other Unit Owners. The other officers of the Condominium Board need not be Unit Owners and need not have any interest in the Condominium.

Section 3.7 *Removal and Resignation of Officers.* Any officer of the Condominium Board may be removed from office, with or without cause, by an affirmative vote of a majority of the Members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President, Vice President, or the Treasurer of the Condominium shall cease to be or shall be suspended as a Member of the Condominium Board during their term of office, such officer shall be deemed to have resigned office effective upon the date upon which the membership shall cease.

Section 3.8 *Vacancies.* Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 *Compensation of Officers.* No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 *Indemnification of Officers.* Each officer shall be indemnified as set forth in Paragraph 2.20.

ARTICLE 4

UNIT OWNERS

Section 4.1 *Annual Meetings of the Unit Owners.* The First Annual Meeting shall be held approximately 30 days after the second anniversary of the First Closing. At such meeting, a 4 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 Non-Residential Unit(s)). 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 Non-Residential Unit(s)) shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

Section 4.6 *Conduct of Meetings.* The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 *Order of Business.* The order of business at all meetings of the Unit Owners shall be as follows:

(A) Roll call;

(B) Proof of notice of meeting;

(C) Reading of the minutes of the preceding meeting (unless waived);

(D) Reports of officers of the Condominium;

(E) Reports of Members of the Condominium Board;

(F) Reports of committees;

(G) Election of inspectors of election (when so required);

(H) Election of Members of the Condominium Board (when so required);

(I) Unfinished business; and

(J) New business.

The order of business at meetings of Unit Owners can be adjusted in the sole discretion of the Condominium Board.

Section 4.8 *Voting.*

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) shall be entitled to cast 1 vote at all meetings of the Unit Owners for each percentage of Common Interest attributable to such Unit Owner's Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes.

(C) A fiduciary shall be the voting Member with respect to a Unit owned in a fiduciary capacity. In addition, if 2 or more Persons own a Unit, they shall designate 1 Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under 1 ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner of any Unit may designate any Person to act as a proxy on such Unit Owner's behalf. The designation of any such proxy shall be made in a written notice both signed and dated by the designator and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting, except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of 6 months after the date thereof.

Section 4.9 *Election of Members to the Condominium Board.*

(A) When voting for Members of the Condominium Board, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Units) shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Unit(s) per Member to be elected. However, nothing contained herein shall be deemed either to permit any Unit Owner to cumulate the votes attributable to the ownership of a Unit in favor of any 1 or more Members to be elected. In addition, the terms of paragraphs (B), (C) and (D) of Section 4.8 hereof shall apply to all elections of Members of the Condominium Board.

(B) All elections of Members of the Condominium Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Residential Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Residential Unit(s) owned by the voting Unit Owner; (iii) the percentage(s) of the Common Interest appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of Members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall not be counted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election for a period of 2 years.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of Members of the Condominium Board shall be determined by plurality vote of Unit Owners present, in person or by proxy, at a duly convened meeting.

(D) At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. However, at elections of Members to the Condominium Board held during the Initial Control Period, Sponsor shall have the right to designate 2 of the 3 Residential Members to the Condominium Board, and Sponsor, and all other Unit Owners shall have the right to vote for the remaining Residential Members of the Condominium Board.

Subsequent to the Initial Control Period, and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board, and shall have the right to vote its Common Interest attributable to the Unsold Residential Units for the remaining Residential Members of the Condominium Board. There is no restriction on the right of Sponsor to vote for Residential Members of the Condominium Board who are not related to or affiliated with Sponsor.

(E) Within 30 days after the Initial Control Period, assuming the first annual has not yet occurred, 2 of the 3 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.* The Non-Residential Unit Owner(s) (including Sponsor for so long as Sponsor shall own a Non-Residential Unit) shall be entitled to designate 1Non-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) shall be performed by the owner at such Unit at such Unit Owner's sole cost and expense; and

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board 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 (with the exception of any Residential 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 Residential Unit Owners as a Residential Common Expense; and

(iv) in or to the Residential Limited Common Elements shall be performed (a) by the Condominium Board as a Residential Common Expense, if involving structural or extraordinary maintenance, repairs, or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Residential Unit Owner having direct and exclusive access thereto), or (b) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating and non-structural ordinary maintenance, repairs or replacements, (including without limitation, the removal of snow, ice and accumulation of water on any Terrace).

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, except that the cost of such maintenance and repair shall be borne by a Non-Residential Unit Owner if the Non-Residential Unit Owner is utilizing such sidewalks in connection with the operation of the Non-Residential Unit. 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 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 will 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. The Unit Owner of Unit 6B shall be prohibited from placing any items in the common vestibule appurtenant to the elevator entrance on the upper level (7th floor) which would prevent access by Condominium Board, Managing Agent, Sponsor, building staff and each of their Permitted Users. A Non-Residential 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 Non-Residential 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, a Non-Residential 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 Non-Residential Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of a Non-Residential Unit, all without the approval of the Condominium Board. Notwithstanding the foregoing, all Unit Owners, including Sponsor and a Non-Residential Unit Owner, 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 or Permanent Certificate of Occupancy for the Building, or any amendment to, or extension of, the Temporary or Permanent Certificate of Occupancy if theretofore issued;

(ii) the Residential Unit Owner post a bond or other similar security that is reasonably acceptable to Sponsor in any amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with all governmental authorities having jurisdiction with respect to such work and the completion of the work;

(iii) such work not be commenced until the Residential Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procures all required permits and licenses with respect to the same, and delivers copies of all such plans, specifications, notices, certifications, permits and licenses to Sponsor;

(iv) such work be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(v) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(vi) promptly after the completion of such work, all necessary inspections and approvals of the work shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and Sponsor shall be given a copy of all such inspections, approvals, notices and certifications;

(vii) the Residential Unit Owner shall indemnify and hold Sponsor harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim, or liability incurred or suffered by Sponsor due to any violation of Law or due to any delay in obtaining a Temporary or Permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the Temporary or Permanent Certificate of Occupancy if theretofore issued) as a result of such work or the failure to make all appropriate governmental filings in connection with same; and

(viii) all contractors shall be duly licensed to the extent required by applicable Law and, if required under any contract with any union whose members are performing services at the Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other Unit Owner, or the Condominium Board), such work shall be performed solely by union members.

If any Residential Unit Owner commences any such alterations in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the alterations, Sponsor shall be entitled to cause such work by the Residential Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to the Residential Unit Owner's workers and suppliers, until the Residential Unit Owner complies with the same. During the period until the Residential Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to perform any and all work in and to the Residential Unit as shall be necessary, in Sponsor's sole judgment, in order to avoid any delay in obtaining a Temporary or Permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the Temporary or Permanent Certificate of Occupancy), whether or not such work shall be in compliance with the plans and specifications for the work theretofore performed by, or on behalf of, such Residential Unit Owner. The cost and expense of any such work performed by Sponsor shall be borne by such Residential Unit Owner and shall be paid to Sponsor within 15 days of Sponsor's written demand therefore.

Section 5.3 *Alterations, Additions, or Improvements to the Common Elements.* Except as otherwise provided in the Declaration or in these By-laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a General Common Expense attributable to all Unit Owners, if relating to the General Common Elements, or a Residential Common Expense attributable to all Residential Unit Owners, if relating to the Residential Common Elements and/or Residential Limited Common Elements. Notwithstanding the foregoing, however, whenever the cost and expense of such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $500,000 with respect to the General Common Elements or the Residential Common Elements and/or the Residential Limited Common Elements, at any one time, in any fiscal year, such proposed alterations, additions or improvements shall not be made unless first approved by the Unit Owners if relating to the General Common Elements, or the Residential Unit Owners, if relating to the Residential Common Elements and/or the Residential Limited Common Elements (including Sponsor if Sponsor then owns any Unsold Residential Unit) owning 66 2/3% of the aggregate Common Interests or Residential Common Interests, as applicable, at a duly constituted meeting of the Unit Owners or the Residential Unit Owners, as applicable, and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-laws, all such

alterations, additions, or improvements costing $500,000 or less, in any fiscal year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to any of the Common Elements, regardless of the cost thereof, unless the prior written consent of Sponsor is first obtained, provided, however, that Sponsor's written consent is not necessary if such additions, alterations, or improvements to the Common Elements is required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's issuer; or (iv) to ensure the health and safety of the occupants of the Building. In no event will the limitations imposed in the preceding sentence continue beyond the earlier to occur of (i) 5 years from the First Closing or (ii) until such time as Sponsor no longer owns 25% in number of all Residential Units.

Section 5.4 *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 their own Unit or Storage Locker or other Residential Limited Common Elements, 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, including the 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. 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 Non-Residential Unit Owner(s), to the extent allocated to destroyed or damaged portions of the Non-Residential Unit(s), 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 a Non-Residential Unit, and not as a result of the typical uses for which a Non-Residential Unit may be occupied or for which commercial spaces in similar Building is normally occupied, the Non-Residential Unit Owner shall be obligated to pay the amount of such increase in the rate of insurance. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or will structurally change the Building, except as is otherwise provided in the Declaration or in these By-laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7 *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. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other entity (including, but not limited to, any federal or state agency, any foreign government and any embassy, consulate or other official representative thereof) may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder, or employee of such corporation, or by an individual partner or employee of such partnership, or a member of such limited liability company, or by such individual fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by an individual beneficiary of said fiduciary, or by an individual principal or employee of such other entity, respectively, or by Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any such Residential Unit by such Family Members). Notwithstanding the foregoing, Sponsor (with respect to the Unsold Residential Units) or the Condominium (with respect to sold Residential Units) may, in their sole discretion, permit Persons other than those set forth above to occupy a Residential Unit. In no event, however, shall a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased.

(C) The Condominium Board may, in its sole discretion, consent to the use of a Residential Unit as a professional or business office or for any purpose other than that set forth in paragraph (B) hereof, provided that the nature and manner of such use is permitted by, and complies with Law and does not violate the Temporary or Permanent Certificate of Occupancy covering the Building. Any such consent shall be in writing and shall be personal to such Residential Unit Owner. Any lessee of, or successor in title to, such Residential Unit Owner shall be required to obtain the prior written consent of the

Condominium Board before using such Residential Unit for any purpose other than that set forth in paragraph (B) hereof.

(D) Notwithstanding anything to the contrary contained in this Section 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.

(E) All or any portion of the Non-Residential Unit may be used for any purpose permitted by Law, but may not be used for any of the following: (A) abortion clinic; (B) (i) any obscene or pornographic use, activity or performance, (ii) any sexually suggestive or sexually oriented use, activity or performance in each case which is distasteful or inappropriate, or (iii) the distribution or sale, rental or viewing of sexually explicit materials, sexually explicit live performances or pornographic goods; (C) any overtly violent use, activity or performance in each case which is distasteful or inappropriate; (D) dry cleaning and/or laundry store (but a drop off dry cleaning store and/or an "organic" (non- chemical) process dry cleaner is permitted); (E) restaurant, bar, tavern, nightclub or similar establishment; (F) the sale of alcoholic beverages or establishments with the sale of alcoholic beverages, the sale of food or beverages other than (a) the de minimis provision of complimentary (i.e., not for sale) non-alcoholic beverages exclusively for the benefit of the customers or a user of a Non-Residential Unit, (b) the sale of non-perishable packaged candy, gum and similar goods within a retail establishment for consumption outside such Retail Unit user's demised premises, which sale of goods is not the primary use employed by such user (except with respect to the sale of such goods within a "themed" retail establishment whose "theme" is the branding of such goods (i.e., the sale of M&Ms within the retail establishment commonly known as the "M&M Store")), is ancillary to, and does not detract from, such retail use and serves a broader first-class retail concept, and (c) the provision of complimentary (i.e., not for sale) (except in connection with a fund-raising event with respect to which neither Non-Residential Unit Owner or user derives any profit from such sale) food and beverages by third party caterers exclusively for the benefit of the customers of a retail user and served at occasional special events that are intended to promote or market such user's business within the demised premises; (G) foreign governments and/or any other entity or person that is entitled to sovereign immunity; (H) military recruitment office; (I) manufacturing; (J) any use that would violate any laws or the certificate of occupancy for the Property or any portion thereof; (K) a casino or gambling establishment (but the foregoing shall not be construed as to prohibit the incidental sale of lottery tickets that is related to the business of a retail user (e.g., a newsstand); (L) use for any political or sociopolitical purpose or agenda (including, without limitation, the lobbying or campaigning for any political or sociopolitical purpose, agenda, image, slogan, message or ideology); (M) any use involving the storage, sale or repair of automobiles, motorcycles or other motor vehicles or parts; (N) any use involving the storage of petroleum products; (O) movie theater (other than a screening room or screening area provided by a retail user within its demised premises that displays content that is related to the use employed by such user, which screening room or screening area is not the primary use employed by such retail user and does not detract from the use employed by such user); (P) bowling alley; (Q) miniature golf course; (R) video arcade; (S) playground or jungle gym; (T) any use involving the sale of paraphernalia related to illegal drugs or substances; (U) any use involving or utilizing a loudspeaker system, phonograph or other sound system or advertising devise that projects noise outside of the Non-Residential Unit in a manner or at a decibel level that is inappropriate taking into consideration the Operating Standard; (V) any so-called head shop or other establishment which stocks, displays, sells, rents or offer for sale or rent any drug-related paraphernalia or merchandise or material commonly used or intended for use

with or in consumptions of any narcotic, dangerous drug or other controlled substance, including without limitation, any hashish pipe, water pipe, bong, cilium, pipe screens, rolling papers, rolling devices, coke spoons or roach clips excluding any establishment for which the sale of such products constitutes a de minimis space in such establishment; (W) selling, leasing or displaying new or used automobiles, trucks, trailers, or recreational vehicles; (X) automotive parts, lube and oil or repair shop; (Y) bingo or similar games of chance; (Z) check cashing store (except as is typical in connection with the operation of a financial services institution); (AA) church, mosque, temple or other place or religious worship or meeting hall; (BB) dumping, disposing, incinerating or reducing of garbage (exclusive of dumpsters for temporary storage of garbage and any garbage compactors, in each case which are regularly emptied so as to minimize offensive odors); (CC) any establishment manufacturing, assembling, displaying or selling fireworks, ammunition or explosives; (DD) flea market; (EE) funeral home or establishment or mortuary; (FF) any so-called gentlemen's club featuring topless waitresses, nude dancing or private "one-on-one" booth or rooms; (GG) illicit non-therapeutic massage parlor; (HH) off-track betting parlor or other gambling facility; (II) pawn shop; (JJ) psychic, hypnotist, tarot card or palm reading business; (KK) any business practicing satanic or cult ritualistic activities including so called "devil worship," black magic or rites of passage involving self-mutilation or degradation; (LL) substance abuse rehab or detoxification recovery center; (MM) unemployment agency service or commission; (NN) tattoo parlor.

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 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 *Use of Storage Lockers.*

(A) 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 shall have the right to use any Storage Locker for any purpose permitted by Law or to change the permitted use of any Storage Locker, subject, however, to the provisions of the By-laws.

(B) 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.

(C) Residential Unit Owners shall be obligated at their sole cost and expense to obtain and maintain insurance covering the Storage Lock in amounts sufficient to cover the property located therein.

(D) Neither the Condominium Board nor the Condominium Board's agents or employees shall be liable for the theft or damage to any property stored in the Storage Locker and the Storage Locker Area.

(E) The Condominium Board and its agents and employees shall have the right, but not the obligation, to open the Storage Locker 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 the Storage Locker Area, and to make any such repairs, replacements and improvements as the Condominium Board shall deem necessary.

(F) The Condominium Board has the authority to promulgate additional rules regarding the use of, insurance coverage for, and access to the Storage Lockers and Storage Locker Area and the procedures for assigning such Storage Lockers including restrictions on the hours of access and use.

(G) Sponsor may, without the consent of either the Condominium or the Unit Owners, use any Storage Locker for any purpose, provided such use is permitted by Law.

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 superintendent 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 the Storage Lockers 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 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 a Non-Residential Unit Owner or other occupants of a Non-Residential Unit or with the use of the Residential Units and their appurtenant Residential Limited Common Elements for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to the Unit and its appurtenant Residential Limited Common Elements, if any, and the Condominium Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Residential Limited Common Elements, if any, in such a manner as will unreasonably interfere with the use of such Unit and its appurtenant Residential Limited Common Elements, if any, for their permitted purposes.

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

Section 5.11 *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 Non-Residential Unit Owner, without the prior written consent of Sponsor or the affected Non-Residential 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 Non-Residential Unit and the use thereof, without the prior written consent of the affected Non-Residential 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 Non-Residential Unit Owner(s) as a General Common Expense for such portion attributable to the Non-Residential Unit(s), 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 Non-Residential Unit(s) (including tenants occupying portions of the Non-Residential Unit(s)) 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 Non-Residential Unit(s) 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. 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 Non-Residential Unit(s), 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 Non-Residential Unit(s), which percentages are deemed presumptive evidence of reasonableness. The Condominium Board may not modify these allocations without the unanimous consent of the Non-Residential Unit Owner(s). 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 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. 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. Nothing contained herein shall relieve Condominium Board of its obligation to update the budget for the Condominium in accordance with Section 6.1(A).

(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 a Non-Residential Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure or sale or from the defaulting Non-Residential Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(D) Subject to the terms and conditions contained in these By-laws, any Unit Owner may convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Residential Unit have been paid; (ii) such Residential Unit is free and clear of all liens and encumbrances other than a Permitted Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Residential Unit. However, in no event shall Sponsor be permitted to convey any Unsold Residential Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Residential Unit thereafter accruing unless the aggregate Residential Common Interests then appertaining to the Unsold Residential Units constitute 15% or less of the total Residential Common Interests then appertaining to all Residential Units, at least five years shall have elapsed from the date of the First Closing and, at the time of conveyance, Sponsor shall pay to the Condominium Board an amount equal to the product of the then current monthly Common Charges for the Unsold Residential Unit(s) being conveyed multiplied by 24.

(E) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning the Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof). Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit) pursuant to the terms of Section 5.1, 5.2, or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 *Statement of Common Charges.* The Condominium Board shall promptly provide a written statement of unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner.

Section 6.4 *Common Charge Deposit for Foreign Owners.* Any Unit Owner that is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) shall deposit with the Condominium Board an amount equal to two (2) times the then current annual Common Charges for such Unit, subject to increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit owner of the terms, provisions and conditions of these By-laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of these By-laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Unit Owner is in default. In the Condominium Board applies or retains any part of said security, the Unit Owner in question, within ten (10) days after notice from the Condominium Board, shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times.

Section 6.5 *Default in Payment of Common Charges.*

(A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remain unpaid for more than 10 days after the due date for the payment thereof, including, but not limited to the imposition of late charges, notice fees and the institution of such actions for the recovery of interest and expenses as provided in this Article 6. All costs and expenses incurred by the Condominium Board (including attorneys' fees) as a result of its attempt to collect unpaid Common Charges and/or Special Assessments shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay: (i) interest thereon at the rate of 1.5% per month of such unpaid amounts (less any late "charges" theretofore collected), to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common Charges with interest as aforesaid and/or in foreclosing the aforementioned lien, including, without limitation, attorneys' fees and disbursements and court costs; (ii) a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, plus all expenses of collection including but not limited to attorneys' fees, in such amount as may be determined by the Condominium Board from time to time, to be computed from the due date thereof until paid in full. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of the Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such late charges, interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

(D) If the Unit Owner shall at any time lease the Unit and shall default in the payment of any Common Charges or additional Common Charges, the Condominium Board may, at its option, so long as such default shall continue, demand and receive from the tenant the rent due or becoming due from such tenant to the Unit Owner, and apply the amount to pay sums due and to become due from the Unit Owner to the Condominium. Any payment by a tenant to the Condominium shall constitute a discharge of the obligation of such tenant to the Unit Owner, to the extent of the amount so paid. The acceptance of rent from any tenant shall not be deemed a consent to or approval of any leasing by the Unit Owner, or a release or discharge of any of the obligations of the Unit Owner hereunder. In the event the tenant fails to pay the rent to the Condominium after demand by the Condominium Board, the Condominium Board shall have the right

to commence summary eviction proceedings in the name of or on behalf of the Unit Owner, against the tenant. All costs and expenses incurred by the Condominium Board (including attorneys' fees) in connection therewith, shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner.

ARTICLE 7

SELLING AND LEASING OF UNITS AND STORAGE LOCKERS

Section 7.1 *General.* Subject to the terms of Section 7.5 hereof, each Residential Unit Owner may (i) sell the Residential Unit and (ii) lease the Residential Unit for periods of not less nor more than 1 year, provided however, no Residential Unit Owner may sell or lease the Residential Unit except in compliance with the applicable provisions of this Article 7 and the policies and procedures established by the Condominium Board. The sale of a Residential Unit shall include the Residential Unit's exclusive use of its appurtenant Storage Locker. Any purported sale or rental consummated in default in the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or renting Residential Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized lease) in the name of such Residential Unit Owner. Such Residential Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, attorneys' fees and disbursements and court costs.

Section 7.2 *Right of First Refusal.*

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Residential Unit ("Sale Agreement" or "Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS IF ANY, OF THE CONDOMINIUM BOARD OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such bona fide Sale Agreement or Lease Agreement shall be fully executed, the Residential Unit Owner executing the same ("Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the Sale Agreement or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant ("Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell the Residential Unit, together with its Appurtenant Interests, or to lease the Residential Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale Agreement or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than 30 days (in the event of a proposed sale) and

30 days (in the event of a proposed lease) after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Residential Unit together with its Appurtenant Interests or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Residential Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Residential Unit without the prior approval of a Majority of all Unit Owners.

(D) The Condominium Board may not discriminate against any person on the basis of race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law in connection with its exercise of its right of first refusal with respect to the sale or rental of a Unit.

Section 7.3 *Acceptance of Offer*

(A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Residential Unit together with its Appurtenant Interests, to lease such Residential Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale Agreement or Lease Agreement, at the office of the attorneys for the Condominium Board within 45 days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Residential Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Residential Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Residential Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Residential Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale Agreement, the Condominium Board may purchase the Residential Unit and assume or take title thereto subject to such mortgage or mortgages as the case may be. At the Closing of Title, the Offeree Unit Owner shall convey the Residential Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Residential Unit Owners, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale (including, if applicable, all New York State and New York City Transfer Taxes) notwithstanding any terms of the Sale Agreement to the contrary. Real estate taxes, mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the Closing date, notwithstanding any terms of the Sale Agreement to the contrary. Thereafter, such Residential Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Residential Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Residential Unit and the entire Property, as herein provided.

(C) In the event that such Residential Unit is to be leased by the Condominium Board or its designee on behalf of all Residential Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Residential Unit by and between the Offeree

Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 *Failure to Accept Offer.*

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within 60 days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such 60 day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Section 7.2, 7.3 and 7.4 hereof, but not more often than once in any 12 month period, except the Condominium Board shall have the right to waive this for good cause shown, in its sole discretion.

(B) Any deed of a Residential Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included herein.

(C) Each lease of a Residential Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board or such other form approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

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

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

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 *Termination of, and Exceptions to, the Right of First Refusal.*

(A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Residential Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Residential Unit

to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish without charge, such certificate upon written request to any Residential Unit Owner in respect to whom the provisions of Sections 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of the certificate that has been duly executed, acknowledged and issued by the Secretary of the Condominium or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of a Residential Unit, together with its Appurtenant Interests, by:

(i) the Residential Unit Owner thereof to any adult Family Members, to any combination of the same, or to a trust for the benefit of any of them (in which case the Condominium Board shall have the right to review the trust documents and provide for such terms and restrictions on such transfer as the Condominium Board deems advisable), provided, however, that if the succeeding Residential Unit Owner is an infant or a person judicially declared incompetent of managing affairs, then such Residential Unit shall be held by the personal representative of such infant or incompetent, or in the case of a Residential Unit Owner that is not an individual, to any entity or individual that owns more than 50% of the legal and beneficial interests of such Residential Unit Owner or to any entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof;

(ii) Sponsor;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure; or

(v) any Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction;

(vi) Non-Residential Unit Owner(s);

(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 Non-Residential Unit, together with its Appurtenant Interests.

Section 7.6 *No Severance of Ownership.* No Unit Owner shall execute any deed or other instrument conveying title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such

part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 *Payment of Common Charges and Fees.* No Unit Owner shall be permitted to convey or lease the Unit unless (i) the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit 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 Non-Residential Units.*

(A) A Non-Residential Unit Owner may sell, lease or convey their respective Unit 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 Non-Residential 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 a Non-Residential Unit Owner to sell or lease such Unit as provided in paragraph (A) above.

(C) Upon the written request of a Non-Residential Unit Owner, the Condominium Board shall deliver to such Non-Residential Unit Owner or any designee, a statement ("Estoppel Certificate") indicating that such Non-Residential 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 a Non-Residential Unit. In addition, upon the written request of a Non-Residential 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 Non-Residential 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 Non-Residential Unit Owner, under the terms of the Lease but only to the extent of a percentage of the unpaid Common Charges due from the Non-Residential Unit Owner, equal to the percentage of the total square footage of the Non-Residential 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 Non-Residential 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 Non-Residential Unit holding a first mortgage on such Non-Residential 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 Non-Residential Unit, the Condominium Board may name or join the Tenant without in any way diminishing or otherwise affecting the rights and privileges granted to, or inuring to the benefit of, the Tenant under this Article.

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 Non-Residential Unit Owner(s). All references to Permitted Mortgagee set for in this Article 8 shall include construction lender for so long as such construction loan remains outstanding.

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) The Condominium Board shall provide timely written notice to 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 Non-Residential Unit Owner(s) shall give to Sponsor or the Non-Residential Unit Owner(s) 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 Non-Residential Unit Owner(s) 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 Non-Residential Unit Owner(s), 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 Non-Residential Unit Owner(s) 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 Non-Residential Unit Owner(s), as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of 2% per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the

Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1 *Procedure.* Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before 1 arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within 10 days after selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least 5 Members whose principal office is located in the City of New York.

Section 10.2 *Variation by Agreement.* The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 10.3 *Binding Effect.* The decision in any arbitration conducted pursuant to the terms of Section 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 10.4 *Costs and Expenses.*

(A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of disputant's counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute General Common Expenses, to be borne by all Unit Owners, if such arbitration relates to the Units, generally, or to the General Common Elements, and shall constitute Residential Common Expenses, to be borne by all Residential Unit Owners if such arbitration relates solely to the Residential Units or the Residential Common Elements or the Residential Limited Common Elements.

ARTICLE 11

NOTICES

Section 11.1 *General.* All notices required or desired to be given hereunder (except for notices of regular annual or special meetings of the Residential Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section 1.5 hereof, with a copy sent by regular first class mail to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor, to such Unit Owner at Unit Owner's address at the Property;

(iii) if to Sponsor, to Sponsor at its principal office as set forth in the Plan;

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when mailed in the State of New York, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2 *Waiver of Service of Notice.* Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 *General.*

(A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-laws with respect to any amendments ("Special Amendments") affecting or in favor of Sponsor, the Non-Residential Unit Owner(s), the Non-Residential Unit(s) 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 Non-Residential Unit Owner(s), 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 Non-Residential Unit Owner(s), 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 Non-Residential Unit Owner(s) certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or the Non-Residential Unit Owner(s) 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 Non-Residential Unit Owner(s), unless and until Sponsor or the Non-Residential Unit Owner(s) shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) 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 (excluding Sponsor's construction lender for so long as such construction loan remains outstanding) or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

(D) Amendments, modifications, additions or deletions of or to the Declaration, these By-laws and the Residential Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of a Non-Residential Unit or the subdivision of or combination of, or altering of, or improvement to a Non-Residential Unit and it is contemplated that in connection therewith a Non-Residential 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 Non-Residential 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 Non-Residential Unit Owner, or a Development Rights Owner, solely with respect to utilization, sale or transfer of Additional Development Rights, as the case may be, then Sponsor, or a Non-Residential Unit Owner or a Development Rights Owner solely with respect to utilization, sale or transfer of Additional 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 Non-Residential Unit Owner(s) as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of the Non-Residential Unit Owner(s).

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 phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit or its appurtenant Residential Limited Common Elements, if any, between 11:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice of suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M.. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

13. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Condominium Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Condominium Board shall have the right to adopt a no-pet policy for the Building. In no event shall any pet permitted in any public elevator of the Building, other than the elevator designated by the Condominium Board or the Managing Agent for that purpose, or in any of the public portions of the Building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

14. No group tour, open house or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the consent of the Condominium Board or the Managing Agent in each instance. In the event that any Residential Unit shall be used for home occupation purposes in conformance with the Declaration and the By-laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

15. Unless expressly authorized by the Condominium Board in each instance, not less than 80% of the total floor area of each room of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise reducing material.

16. No window guards or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Condominium Board or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any windows of any Residential Unit be colored or painted.

17. No ventilator or air conditioning device shall be installed in any Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior written approval of the

Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

18. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease," or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or the By-laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

19. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

20. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of the Residential Unit.

21. Each Residential Unit Owner shall keep the Residential Unit and its appurtenant Residential Limited Common Elements, if any, in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-laws.

22. The access doors located in various portions of the ceiling of the Residential Units shall not be obstructed in any manner which would prevent access to the ceiling hung units located within such ceilings.

23. The agents of the Condominium Board or the Managing Agent, and any contractor or workperson authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least 1 day's prior notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

24. The Condominium Board or the Managing Agent may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to the Residential Unit at any time when an entry therein is necessary or permissible under these Residential Rules and Regulations or under the By-laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

25. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by an agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for the Residential Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 22 above) be liable for

injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

26. Residential Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever, enter upon, or attempt to enter upon, the roof of the Building unless such roof is part of a lawful terrace.

27. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

28. Any consent or approval given under these Residential Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

29. 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 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. 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.

34. 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 Cast Iron House Condominium ("Condominium") and by the street number 67 Franklin Street, New York, New York 10013 under Article 9-B of the Real Property Law of the State of New York, dated [DECLARATION DATE], and recorded in the Office of the Register of The City of New York of the County of New York ("Register's Office") on [DEC RECORDING DATE], as CRFN# [DEC CRFN #] ("Declaration"), or (b) in the By-Laws of Cast Iron House Condominium ("By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

[Applicable to Unit Owners of Residential Units only]: The undersigned, _____, (having an office) (residing at) _____, the owner of a Unit _____ ("Unit") in the Condominium which is designated and described as the Unit in the Declaration and also designated as Tax Lot _____ in Block 174 of Section 1 of the Borough of Manhattan on the Tax Map of the Division of Land Records of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as Members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-laws then in effect, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners; and

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Residential Unit so acquired or to sublease any Residential Unit so leased; and

(d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

[Applicable to Unit Owners of Residential Units and Non-Residential Units]: 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 174 of Section 1 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 361 Broadway Associates Holdings, 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 Additional 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

ALTA Owner's Policy (6-17-06)

POLICY OF TITLE INSURANCE ISSUED BY

SAMPLE

stewart title insurance company

Any notice of claim and any other notice or statement in writing required to be given 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, STEWART TITLE INSURANCE COMPANY, a New York 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.

SAMPLE

Countersigned By:

Authorized Signature

ADVANTAGE TITLE AGENCY, INC.

Company

Huntington, NY

City, State

President

Secretary

Part 1 of
Policy
Serial No.

If you want information about coverage or need assistance to resolve complaints, please call our toll free number: 1-800-433-0014. If you make a claim under your policy, you must furnish written notice in accordance with Section 3 of the Conditions. Visit our Word-Wide Web site at http://www.StewartNewYork.com

Stewart Title Insurance Company

SCHEDULE A – OWNER'S POLICY

SAMPLE

Amount of Insurance: To be determined
Premium: To be determined
Date of Policy: To be determined

Policy No.:
File No.: 13-CNY-461-40

1. **Name of Insured:** **John Doe**

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:**

   John Doe by means of a Deed dated _____ to the Insured from 361 BROADWAY ASSOCIATES, LLC, A NEW YORK LIMITED LIABILITY COMPANY and to be duly recorded in the Office of The City Register of The City of New York, New York County.

4. **The land referred to in this policy is situated in the County of New York, State of New York, and is identified as follows:**

   361 Broadway
   New York, New York

Countersigned: SAMPLE

_____
Authorized Officer or Agent

Stewart Title Insurance Company

SCHEDULE B – OWNER'S POLICY EXCEPTIONS FROM COVERAGE

Policy No. SAMPLE

File No. [illegible]

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:

1. With respect to Condominium Unit No. TBD, the title to which is to be insured herein, policy excepts any state of facts which an accurate survey would disclose. Policy insures, however, that any encroachment of the Unit onto other Units or onto any part of the common elements may remain undisturbed as long as the Unit insured hereunder exists.

   The exact location, course, distances and dimensions of the premises described in Schedule "A" are not insured without a survey thereof acceptable to this Company.

2. Landmark Designation recorded in Reel 701 Page 39.

3. Declaration recorded in Reel 1168 Page 1339.

4. Zoning Lot Development and Easement Agreement recorded in Reel 3646 Page 2369.

5. Zoning Lot Description and Ownership Statement recorded as CRFN 2012000450307.

6. Deed for Air Rights and Development Rights recorded in Reel 3646 Page 2284.

7. Memorandum of Option recorded in Reel 3646 Page 2391.

8. Terms, restrictions and conditions set forth in the Declaration of Condominium and By-Laws recorded TBD; but policy insures against loss or damage occasioned by the premises not being a part of a Condominium validly created pursuant to Article 9-B of the Real Property Law, as amended.

Stewart Title Insurance Company

SCHEDULE A – OWNER'S POLICY

SAMPLE

The Unit known as Unit TBD in the Building known as 361 Broadway Condominium, located at 361 Broadway, in the Borough of Manhattan, City and State of New York, and designated as Unit TBD in the Declaration establishing 361 Broadway Condominium (hereinafter called the "Condominium") made by the Grantor under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York), dated TBD and recorded in the New York County Office of the Register of the City of New York on TBD in CRFN TBD (hereinafter called the "Declaration"), which Unit is also designated as Tax Lot No. TBD on the Floor Plans of the the Building, certified by TBD and filed simultaneously with said Declaration in the said Office of the Register of the City of New York, New York County, as Map No. TBD and Condominium Plan No. TBD, (hereinafter called the "Unit"). The land area of the property 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 Southerly side of Franklin Street with the Westerly side of Broadway;

RUNNING THENCE Southerly along the Westerly side of Broadway, 54 feet 2 - 1/2 inches per deed, (54 feet 21 inches per survey);

THENCE Westerly on a line forming an interior angle of 90 degrees 32 minutes 45 seconds, per deed (90 degrees 54 minutes 00 seconds, per survey) a distance of 165 feet 6 - 3/4 inches, per deed (165.56 feet per survey);

THENCE Northerly on a line forming an interior angle of 89 degrees 03 minutes 18 seconds, per deed (88 degrees 40 minutes 00 seconds, per survey), a distance of 51 feet 2 inches, per deed (51.17 feet per survey) to the Southerly side of Franklin Street;

THENCE Easterly along the Southerly side of Franklin Street, 165 feet 3 inches to the corner aforesaid at the point or place of BEGINNING.

EXCEPTING THEREFROM all Excess Development Rights and all Air Rights above the Limiting Plane as defined in Reel 3646 Page 2270.

TOGETHER with an undivided TDB% interest in the common elements of the Property described in said Declaration (hereinafter called the "Common Elements").

TOGETHER with the benefits and subject to the burdens of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the New York County Office of the Register of the City of New

FOR CONVEYANCING ONLY

The policy to be issued under this report will insure the title to such buildings and improvements erected on the premises which by law constitute real property.

TOGETHER with all the right, title and interest of the party of the first part, of, in and to the land lying in the street in front of and adjoining said premises.

Stewart Title Insurance Company

SCHEDULE A – OWNER'S POLICY (CONT'D)

SAMPLE

York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein.

FOR CONVEYANCING ONLY

The policy to be issued under this report will insure the title to such buildings and improvements erected on the premises which by law constitute real property.

TOGETHER with all the right, title and interest of the party of the first part, of, in and to the land lying in the street in front of and adjoining said premises.

Stewart Title Insurance Company

STANDARD NEW YORK ENDORSEMENT (OWNER'S POLICY)

Attached to and made a part of Policy No. SAMPLE Title No. 46140

1. The following is added as a Covered Risk:

   11. Any statutory lien arising under Article 2 of the New York Lien Law for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy.

2. Exclusion Number 5 is deleted, and the following is substituted:

   5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as Shown in Schedule A.

The endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated:

Countersigned

BY: SAMPLE
Authorized Signatory

Standard New York Endorsement (7/1/12) for use with ALTA Owner's Policy (6/17/06)

stewart
title insurance company

SAMPLE

CONDOMINIUM ENDORSEMENT
NEW YORK

Attached to and made a part of Policy Number:

The Company insures the insured against loss or damage sustained by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State of New York.

2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.

3. Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are created by the condominium documents, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the Public Records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.

4. The priority of any lien for charges and assessments at Date of Policy provided for in the condominium statutes and condominium documents over the lien of any insured first mortgage identified in Schedule A.

5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.

6. Any obligation to remove any improvements which exist at Date of Policy because of any present encroachments or because of any future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.

7. The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the amount of insurance.

STEWART TITLE
INSURANCE COMPANY

SAMPLE

Countersigned By:

Date

Agency Name, Address & ID Number:

Advantage Title Agency, Inc
201 Old Country Road
Suite 200
Melville, New York 11747

President

Secretary

SAMPLE

COVERED RISKS (Continued)

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.

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. 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

1. **DEFINITION OF TERMS**

   The following terms when used in this policy mean:
   (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
   (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
   (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
   (d) "Insured": The Insured named in Schedule A.
      (i) The term "Insured" also includes
         (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
         (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
         (C) successors to an Insured by its conversion to another kind of Entity;
         (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
            (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
            (2) if the grantee wholly owns the named Insured,
            (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
            (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
      (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
   (e) "Insured Claimant": An Insured claiming loss or damage.
   (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
   (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
   (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
   (i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
   (j) "Title": The estate or interest described in Schedule A.
   (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

CONDITIONS (Continued)

SAMPLE

2. CONTINUATION OF INSURANCE
The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT
The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS
In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS
(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.
(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.
(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE
(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY
In case of a claim under this policy, the Company shall have the following additional options:
(a) To Pay or Tender Payment of the Amount of Insurance. To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.
Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

CONDITIONS (Continued)

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.

SAMPLE

14. ARBITRATION
Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT
(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.
(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY
In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM
(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefore in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.
Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
(c) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT
Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at Claims Department at 300 East 42nd St, 10th Floor, New York, NY 10017.

ATTORNEY'S INCOME TAX OPINION

O L S H A N

PARK AVENUE TOWER • 65 EAST 55TH STREET • NEW YORK, NEW YORK 10022
TELEPHONE: 212.451.2300 • FACSIMILE: 212.451.2222

EMAIL: WGLEICHER@OLSHANLAW.COM
DIRECT DIAL: 212.451.2231

January 29, 2014

361 Broadway Associates Holdings, LLC
c/o Knightsbridge Properties
1155 Northern Boulevard, Suite 210
Manhasset, NY 11030

Re: **Cast Iron House Condominium**

Gentlemen:

In connection with the offering of condominium units under a plan entitled Condominium Offering Plan for (the "Cast Iron House Condominium 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 Residential Unit and, by doing so, incur direct liability for the interest payable on such mortgage.

In our opinion under present law, subject to the limitations discussed in the following paragraph and subject to limitations imposed on the deduction of itemized deductions, interest on a mortgage secured by a Residential Unit paid or accrued by owner of such Residential Unit who is liable for the interest payment on such mortgage and who uses the Residential Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by the Residential Unit Owner to purchase the Residential Unit, that the Residential Unit is the owner's principal residence and that the Residential Unit Owner is an individual.

Except as provided below, residential interest is deductible if paid or accrued during the taxable year on indebtedness which is secured by either the taxpayer's principal residence, as defined for purposes of exclusion of gain on sale under Internal Revenue Code ("Code") Section 121, or on certain designated second homes. However, a ceiling is placed on the amount of indebtedness which may be taken into account for purposes of this deduction. In general, with respect to indebtedness incurred in purchasing a Residential Unit, this ceiling is $1,000,000, or

$500,000 in the case of a married individual filing a separate return. In addition, an individual may deduct interest on an additional $100,000 of indebtedness in excess of the $1,000,000 limit mentioned above as interest on home equity indebtedness. However, special limitations may apply to the deductibility of points and prepaid interest if any.

It is also our opinion under present law that real estate taxes assessed against a 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 Residential Unit Owners who are not individuals.

We have reviewed various documents included as exhibits in the Plan relating to the organization of the Condominium Board of Cast Iron House 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 more than 85% of the total square footage of the Premises will be used by individuals for residential purposes and that no person may rent his Unit for a period of less than thirty (30) days. Accordingly, the "substantially all" test should initially be met.

Our review of the documents referred to above indicates that the Association meets all the organizational tests described above for qualification for exemption. Assuming the Plan is consummated in accordance with its provisions and that the Association, in its actual operation, meets the other tests set forth above, it is our opinion that the Association will be eligible to elect tax-exempt status under IRC Sec. 528. If such exempt status is properly elected, it is our opinion that the Association will not be subject to federal income tax for the taxable years in which such election is in effect, except as noted in the following paragraph.

An effective election will exempt from federal income taxation all amounts received by the Association as exempt function income. This consists of amounts received as membership dues, fees, or assessments from owners of Units. However, the Association will be subject to tax on income which is not exempt function income to the extent such income exceeds expenses properly allocable to such income. Examples of income which is not exempt function income are interest earned on reserve funds, amounts received from persons who are not members of the Association, amounts received for work done on privately owned property which is not Association property, and amounts received from members for special use of the Association's facilities, the use of which is not available to all members as a result of having paid the dues, fees, or assessments required to be paid by all members.

If the Association fails to qualify as a "homeowners association", or if it does but chooses not to make the necessary election, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. Tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of its income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New

York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification.[1]

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 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.

TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS IN CIRCULAR 230, ALL UNIT OWNERS, POTENTIAL UNIT OWNERS AND THE CONDOMINIUM ARE HEREBY INFORMED THAT (I) ANY TAX ADVICE CONTAINED IN THIS OPINION IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE, (II) THE ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THE PLAN, AND (III) EACH UNIT OWNER, EACH POTENTIAL UNIT OWNER, AND THE CONDOMINIUM SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Sincerely yours,

Olshan Frome Wolosky LLP

OLSHAN FROME WOLOSKY LLP

[1] To remove doubt in the area, 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.

REAL ESTATE TAX PROJECTION OPINION

415
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WALTER R. GELLES (RET.)

* ALSO ADMITTED IN CT & NJ

January 16, 2014

361 Broadway Associate Holdings, LLC
c/o Knightsbridge Properties
1155 Northern Boulevard, Suite 210
Manhasset, New York 11030

Re: 361 Broadway
Block 174, Lot 31, Manhattan

Dear Sir or Madam:

This letter is in response to your request for an opinion and projection of the estimated real estate assessments and taxes upon the creation of a condominium. These opinions are presented only for your assistance in preparation of your offering plan.

You have requested our opinion concerning the real property assessment and taxes to be levied upon the captioned premises for the first year of condominium operation which you have advised us will be the period June 1, 2015 through May 31, 2016. You have advised us that the existing building will be altered pursuant to an ALT-1 alteration filed with the NYC Department of Buildings and it is anticipated that a temporary certificate of occupancy will be issued by January of 2015. In order to prepare this letter and the opinion set forth herein, you have supplied us with certain documentation upon which we have relied. You have furnished us with a detailed drawings of the proposed building, a square footage chart for all of the units, your estimated construction and operating cost as well as your acquisition costs.

According to the records of the New York City Department of Finance, the building is currently in nonresidential Tax Class 4. You have advised me that the condominium will consist of a retail condominium unit which will be assigned 20% of the general common interests and residential condominium units which will contain 80% of the general common interests.

Tax assessments in New York City are made on a fiscal year basis running from July 1 of any one year to the next succeeding June 30. The status of the building on January 5 of any one year is the basis of the assessment for the fiscal year beginning the following July 1. The tentative assessment roll containing the tentative 2014/2015 assessed values was published on January 15, 2014. The tentative 2014/2015 assessment roll showed the following values:

Tax Class	Actual Assessed Value	Transition Assessed Value
4	$7,501,5011	$7,119,530

Real Property Tax Law Section 1805 provides for the creation of a transition assessment system within the City of New York. Under the transition assessment system, the usual increase in the actual assessed value of a property between one year and the next is phased in over a five year period in equal installments. The five year phase in does not apply to new construction or other increases due to physical improvements to the property. Increases due to such physical improvements or new construction are added in full to the next year's assessment. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transition assessed valuation. We believe that there will be a substantial increase in value for the applicable 2014/2015 and 2015/2016 tax years as a result of the alteration which will be placed on the assessment roll immediately and not subject to the five year phase in. Due to the fact that we anticipate there will be an increase in the actual assessed valuation due to the alteration for the applicable tax years (including tax year 2016/2017 which will be the first tax year after completion of construction), with the exception of 2014/2105 we are not utilizing or projecting a transition assessed value for any of the tax years herein although in future years after construction has been completed, increases in assessed value will likely result in the taxable assessment being based on a phased-in transition assessed value.

Upon conversion to a condominium and after the proper application is submitted by you, the New York City Department of Finance shall assign individual tax lot numbers to the two condominium units. The residential units will be designated as Tax Class 2 property and will pay on the Class 2 rate. The retail unit will be designated at Tax Class 4 property and will pay on the Class 4 tax rate. The current 2013/2014 Class 2 residential tax rate has been set at $13.145 for each $100.00 assessed valuation and the Class 4 nonresidential tax rate has been set at $10.323 for each $100.00 assessed valuation.

In the past we have been advised that in determining the assessed values for the individual condominium units, the Department of Finance may possibly use (1) the common interest percentages or (2) utilize the ratio of the Schedule A sales prices of any individual unit to the total sales prices of all units to determine the percentage of the total assessed value to be attributed to each unit or (3) the ratio of square footage contained in each unit to the total square footage. We have now been advised in determining the assessed values for the individual condominium units, the Department of Finance now initially follows the common interest percentages set forth in the condominium declaration. We offer no opinion as to which is the correct methodology to make this allocation.

On January 30, 2013, Governor Cuomo signed legislation extending property tax abatements for homeowners in New York City cooperatives and condominiums through June 30, 2015 at the rate of 17.5% with buildings with average assessments greater than $60,000 per unit and varying amounts for buildings with lesser average assessed values. The law makes additional changes from the prior law which may eliminate such abatement benefits for units which are not the primary residence of the owner. The law further limits the benefits to any owner to a maximum of three units in the building, one of which must be the primary residence of the owner. It is unknown at this time if unit owners will have acquired their ownership interests at a point in time by which they will be eligible to apply for this abatement or if the law will be renewed for future years. Therefore, in predicting the taxes on this building we have not given any consideration to this tax benefit. Unit owners are advised to beware of various filing deadlines that may be included in the renewed law as well as possible changes in the level of abatement and eligibility.

Based upon the information you have furnished to us, we estimate the actual assessed values for this building will be as follows:

Tax Year	Actual Assessed Value
2014/2015	$7,501,500
2015/2016	$8,500,000
2016/2017 (Post Construction Tax Year)	$9,500,000

We caution you that we have found that the assessment practices of the New York City Department of Finance are notoriously inconsistent in assessing properties during the course of construction and it is possible that there may be a substantial derivation in the assessed value for the construction tax years. Therefore assuming for the applicable tax years the tax class 2 tax rate increases to $13.60 for each $100 of assessed value and the tax class 4 tax rate increases to $10.50 for each $100 of assessed value, and allocating the assessed value based upon the common interests you have furnished to us, we make the following projections of the real estate taxes prior to any tax exemptions or abatements for the initial budget year :

Residential Units

June 1, 2015- June 30, 2015 (1 Month of Initial Budget Year)

Assessed Value	Tax Rate	Real Estate Tax (1 Month)
$5,695,624	.136	$64,550

July 1, 2015 - May 31, 2016 (11 Months of Initial Budget Year)

Assessed Value	Tax Rate	Real Estate Tax (11 Months)
$6,800,000	.136	$847,733

Retail Unit

June 1, 2015- June 30, 2015 (1 Month of Initial Budget Year)

Assessed Value	Tax Rate	Real Estate Tax (1 Month)
$1,423,906	.105	$12,459

July 1, 2015 - May 31, 2016 (11 Months of Initial Budget Year)

Assessed Value	Tax Rate	Real Estate Tax (11 Months)
$1,700,000	.105	$163,625

Total Residential Estimated Initial Budget Year Tax	$912,283
Total Retail Estimated Initial Budget Year Tax	$176,084
Total Residential Estimated Initial Post Construction Tax	$1,006,400
Total Retail Estimated Initial Post Construction Tax	$194,250

We make no representation or guaranties that the assessed value or the real estate tax will be fixed at any amount. Neither we nor any person can guarantee what the real estate taxes will be at any future date. Changes in law or policies of government agencies may radically change the opinions expressed herein and interested parties should be aware that the estimate of the assessed values for tax years 2014/2015, 2015/2016 and 2016/2017 cover a period in the future and that it should be anticipated that taxes in future years may be substantially different. We assume no responsibility or liability for any variations in the assessed values from the projections made herein.

Our firm has an extensive practice in real estate tax review matters and in 421-a and J-51 tax exemption/ tax abatement applications, and we currently represent the owners of approximately 2,5000 buildings in the City of New York, and file applications for correction of

the tax assessments and tax exemptions/tax abatements on these properties. This firm and its predecessors have been engaged in such practice for a period of approximately 60 years. Additionally, the writer is the chairman of the Law Committee of the Associated Builders and Owners of Greater New York, a director of both the New York State Builders Association and the Associated Builders and Owners of Greater New York, a past member of the Tax Certiorari and Condemnation Committee of the Bar Association of the City of New York, and is a director and former President of the Real Estate Tax Review Bar Association, a specialized Bar dealing with real estate tax assessment matters.

The opinion expressed herein is that of the undersigned, and does not purport to express the opinion of the New York City Department of Finance or any city or government agency. The Department's opinion or a change in tax rates may result in substantially different total real estate tax than set forth herein. We consent to the inclusion of this letter in the offering plan.

Very truly yours,

TUCHMAN KORNGOLD WEISS LIEBMAN & GELLES, LLP

By: Paul J. Korngold

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 361 Broadway Associates Holdings, 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 located at 67 Franklin Street, New York, New York 10013 ("Offering Plan"); and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Sections 352-e(2-b) and 352-h and the New York Department of Law's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers or subscribers, pursuant to the terms of this Agreement and the Offering Plan, and in accordance with the provisions contained in the Escrow Rider to the Purchase Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT will establish a master escrow account for the purpose of holding deposits, down payments, advances or payments ("Deposits") made by purchasers or subscribers ("Purchasers") pursuant to the Offering Plan at a commercial or savings bank authorized to do business in the State of New York entitled "Starr Associates LLP, Escrow Account" ("Master Escrow Account").

1.2. All Deposits will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. If ESCROW AGENT receives a completed and signed Form W-9 (Request for Taxpayer Identification Number) or Form W-8 (Certificate of Foreign Status), as applicable, from a Purchaser at the time the Deposit is delivered to ESCROW AGENT, the Deposit of such Purchaser will be promptly transferred from the non-interest bearing checking portion of the Master Escrow Account into an individual interest bearing sub-escrow account in the name of such Purchaser. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon.

1.3. ESCROW AGENT has designated the following attorneys to serve as signatories for the Master Escrow Account: Allan Starr, Esq., Andrea L. Roschelle, Esq., Samantha Sheeber, Esq. and Jane Rosenberg, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. ESCROW AGENT and all Authorized Signatories have an address of 245 Fifth Avenue, Suite 1102, New York, New York 10016, and a telephone number of (212) 620-2680.

1.4. Neither ESCROW AGENT nor any Authorized Signatories on the Master Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Offering Plan), or any principal thereof, or have any beneficial interest in any of the foregoing.

1.5. ESCROW AGENT and all signatories designated herein hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.6. The Master Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

1.7. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement (defined below), or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to SPONSOR only in the event there is a consummation of the Offering Plan (i.e., the Offering Plan is declared effective) and Purchaser defaults.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1. All Deposits received from Purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the Master Escrow Account. All instruments to be deposited into the Master Escrow Account shall be made payable directly to the order of "Starr Associates LLP, Escrow Agent". Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited into the Master Escrow Account, shall be returned to the Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of Deposits, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2. Within ten (10) business days after tender of the Deposit submitted with the purchase agreement or subscription agreement ("Purchase Agreement"), ESCROW AGENT shall notify the Purchaser of the placement of the Deposit into the Master Escrow Account, provide the account number, and disclose the initial interest rate. If the Purchaser does not receive such notification within fifteen (15) business days after tender of the Deposit, the Purchaser may cancel the Purchase Agreement and rescind within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York, 10271 ("Department of Law"). Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited in accordance with the Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS.

3.1. Under no circumstances shall Sponsor seek the release of the Deposits of a defaulting Purchaser until after consummation of the Offering Plan (i.e., the Effective Date). Consummation of the Offering Plan shall not relieve SPONSOR of its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and GBL Section 352-h.

3.2. ESCROW AGENT shall release the Deposit if so directed:

3.2.1. pursuant to terms and conditions set forth in the Offering Plan and Escrow Rider to the Purchase Agreement, upon closing of title to the Unit; or

3.2.2. in a subsequent writing signed by both SPONSOR and the Purchaser; or

3.2.3. by a final, non-appealable order or judgment of a court.

3.3. If the Deposits are not released pursuant to paragraph 3.2 and ESCROW AGENT receives a request by SPONSOR or Purchaser to release the Deposits, ESCROW AGENT shall give both parties prior written notice of not fewer than 30 days before releasing the Deposits. If ESCROW AGENT has not received notice of objection to the release of the Deposits at the expiration of the 30 day period, the Deposits shall be released and ESCROW AGENT shall provide further written notice to both parties informing them of the release of the Deposits. If ESCROW AGENT receives a written notice from either party objecting to the release of the Deposits within the 30 day period set forth in the notice, ESCROW AGENT shall continue to hold the Deposits until otherwise directed pursuant to paragraph 3.2. However, ESCROW AGENT shall also have the right at any time to deposit the Deposits with the clerk of a court in the county in which the Unit is located and shall give written notice to both parties of such deposit.

3.4. SPONSOR shall not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Deposit to:

3.4.1. a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan, or

3.4.2. all Purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

3.5. In the event SPONSOR and a Purchaser close title under the Purchase Agreement, ESCROW AGENT shall be entitled to release the Deposit to SPONSOR without the need for a written agreement from Purchaser.

4. RECORDKEEPING.

4.1. ESCROW AGENT shall maintain all records concerning the Master Escrow Account for seven (7) years after release of the funds.

4.2. Upon the dissolution of ESCROW AGENT, the former partners of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3. ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1. ESCROW AGENT shall maintain the Master Escrow Account under its direct supervision and control.

5.2. A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary and statutory obligations under GBL §§ 352(e)(2-b) and 352(h).

5.3. ESCROW AGENT shall not be liable to SPONSOR for any error in judgment, mistake of fact or law or for any act or omission on ESCROW AGENT'S part, including, without limitation, any act or omission which permits a Purchaser to rescind a Purchase Agreement, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of ESCROW AGENT.

5.4. ESCROW AGENT shall be permitted to act as counsel for SPONSOR in any dispute as to the disbursement of the Deposit or any other dispute between SPONSOR and a Purchaser whether or not ESCROW AGENT is in possession of the Deposit and continues to act as ESCROW AGENT.

5.5. ESCROW AGENT may rely upon any document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

5.6. ESCROW AGENT may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to ESCROW AGENT in respect of any action taken or omitted in good faith by ESCROW AGENT hereunder in accordance with the opinion of such counsel.

5.7. The provisions of paragraphs 5.5 and 5.6 shall apply only to SPONSOR and nothing contained therein shall be in derogation of the rights of a Purchaser under Article 23-A of the GBL.

6. RESPONSIBILITIES OF SPONSOR.

6.1. SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver all Deposits received by them prior to closing of an individual transaction to a

designated attorney who is a partner of, or attorney or legal assistant employed by, ESCROW AGENT within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by ESCROW AGENT from time to time.

6.2. SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary and statutory obligations set forth in GBL §§ 352(e)(2-b) and 352(h) and the Department of Law's regulations promulgated thereto.

6.3. SPONSOR shall obtain or cause the selling agent under the Offering Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from each Purchaser and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1. This Agreement shall remain in effect unless and until it is cancelled by either:

7.1.1. Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent. Purchaser shall be deemed to have consented to such cancellation; or

7.1.2. The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Master Escrow Account on the date of such resignation. Such amendment shall disclose the identity of the successor escrow agent, the bank in the State of New York where the Deposit is being held, and the account number in which the Deposits will be held, and shall be served on all Purchasers by SPONSOR; or

7.1.3. All units offered by SPONSOR pursuant to the Offering Plan have been sold and no Deposits of Purchasers from SPONSOR remain in the Master Escrow Account.

7.2. Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2, ESCROW AGENT shall deliver any and all funds held by ESCROW AGENT in escrow and any and all Purchase Agreements or documents maintained by ESCROW AGENT relating to such funds to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

SPONSOR agrees to pay ESCROW AGENT for services rendered by its attorneys and paralegals and expenses incurred by ESCROW AGENT in connection with this Agreement, including, without limitation, disputes arising with respect to the Deposit. SPONSOR shall not be charged with any administrative costs for maintenance of the Master Escrow Account. Prior to release of the Deposits, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION

SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs and disbursements, either paid to retain attorneys or representing the value of all legal services rendered by Escrow Agent to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

13. ALTERNATE SECURITY

In the event SPONSOR is authorized by the Department of Law to post a Letter of Credit or Surety Bond as alternate security to secure all or a portion of the Deposits, ESCROW AGENT agrees to be the beneficiary of the Letter of Credit or Surety Bond and to act as fiduciary with respect to such Letter of Credit or Surety Bond for the benefit of Purchasers under the Offering Plan whose Deposits were released from escrow in accordance with the "Escrow and Trust Fund" section of the Offering Plan or an amendment to the Offering Plan.

14. ENTIRE AGREEMENT.

This Agreement, read together with GBL Sections 352-e(2-b) and 352-h, the Department of Law regulations, and the Escrow Rider to the Purchase Agreement, constitutes the entire agreement between the parties with respect to the subject matter hereof.

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

ESCROW AGENT:

STARR ASSOCIATES LLP

By: _____
Name: Samantha Sheeber
Title: Partner

SPONSOR:

361 BROADWAY ASSOCIATES HOLDINGS, LLC

By: _____
Name: Jourdan E. Krauss
Title: Authorized Representative

CERTIFICATION OF SPONSOR AND PRINCIPALS

PART 20: CERTIFICATION OF SPONSOR AND PRINCIPALS

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

Re: Condominium Offering Plan
67 Franklin Street
New York, New York 10013

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

361 BROADWAY ASSOCIATES HOLDINGS, LLC

By: By: _____
Name: Jourdan E. Krauss
Title: Authorized Representative

PRINCIPAL(S) OF SPONSOR:

_____
Jourdan E. Krauss

Sworn to before me
this 15 day of JAN., 2014

_____
Notary Public

VIRGINIA SIMMONS
Notary Public, State of New York
No. 4837182, Suffolk County
Term Expires August 31, ~~19~~ 2017

CERTIFICATION OF ARCHITECT

PART 20: CERTIFICATION OF ARCHITECT
RE: NEWLY CONSTRUCTED OR VACANT UNITS

(Original Report – Renovation)

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

Re: Condominium Offering Plan
Cast Iron House Condominium
67 Franklin Street
New York, New York 10013

The sponsor of the condominium offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the renovation of the property (the "Report"). We visually inspected existing portions of the renovated property on February 25, 2013 and we examined the building plans and specifications that were prepared by Dean Maltz Architect dated May 15, 2013 and prepared the Report dated March 12, 2014, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a registered architect in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that 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.

Dean Maltz Architect

By: Dean Maltz
Name: Dean Maltz
Title: Principal

(Engineer's or Architect's Seal)

Sworn to before me this
18 day of March, 2014

Marianna Mihalik
Notary Public

Marianna Mihalik
Notary Public State of New York
No 01MI6108483
Qualified in Queens Co.
Commission Expires 04/10/2016

CERTIFICATION OF BUDGET EXPERT

CERTIFICATION BY EXPERT OF THE ADEQUACY OF SCHEDULE B PURSUANT TO SECTION 20

January 22, 2014

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

Re: *67 Franklin Street*
New York, New York

Dear Sirs:

The Sponsor of the Condominium Offering Plan for the captioned property, has retained this firm to prepare Schedule B (the "Schedule"), containing projections of income and expenses of the condominium operation. Our experience in this field includes management of the operation of comparable condominium and cooperative and rental properties in Manhattan for over 26 years. The Andrews Organization, Inc. is a licensed real estate brokerage and management firm actively involved in the management of over 200 cooperative, condominium, and rental properties since 1987.

I understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Schedule.

I have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying them with due diligence in order to form a basis for this certification. We have also relied on our experience in managing residential buildings.

I certify that the projections in the Schedule appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedule:

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(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.

I further certify that our firm is not owned or controlled by the sponsor, although we do have a contractual arrangement with the Sponsor for the management of the building after the conversion, the terms of which are described in the Offer Plan. I understand that a copy of this certification is intended to be incorporated into the Offering Plan. This Statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operating. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

THE ANDREWS ORGANIZATION, INC.

By: Stuart Smolar
Vice President

Sworn to before me this
22 day of January, 2014

Notary Public

CATHERINE BUSH
Notary Public-State of New York
No 5015816
My Commission Expires July 26, 2017

CERTIFICATION OF BUDGET EXPERT
AS TO ADEQUACY OF COMMON CHARGES
PAYABLE BY THE NON-RESIDENTIAL UNIT OWNERS

PART 20: CERTIFICATION BY EXPERT
CONCERNING ADEQUACY OF COMMON CHARGES
PAYABLE BY THE COMMERCIAL UNIT OWNER

January 22, 2014

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

Re: Condominium Offering Plan
67 Franklin Street
New York, New York

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B containing projections of common charges payable by the owners of the commercial unit. The Andrews Organization, Inc. is a licensed real estate broker which has been engaged in the real estate brokerage and management business for over 26 years. During this entire period our firm has been involved in the cooperative/condominium field as an agent for approximately 200 established and newly formed cooperatives/condominiums.

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 prepared 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 more fully set forth above.

We certify that the projections in Schedule B for the common charges payable by the owners 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 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;

(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 and we have no financial interest in this offering other than our fee for services rendered in connection with the preparation of Schedule B. 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 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.

Very truly yours,

By: Stuart Smolar, Vice President
The Andrews Organization, Inc.

Sworn to before me
this 22 day of January, 2014

Notary Public

CATHERINE BUSH
Notary Public-State of New York
No 5015816
My Commission Expires July 26, 2017

REAL PROPERTY LAW SECTION 339-kk

NEW YORK REAL PROPERTY LAW § 339-kk

§ 339-kk. Rents.

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the Common Charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for Common Charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers have been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for Common Charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

§HISTORY: Add, L 1998, ch 422, § 3, eff July 22, 1998 (see 1998 note below).

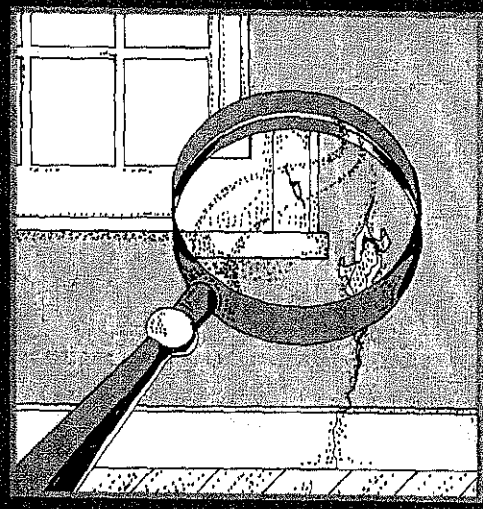
EDITOR'S NOTES:

Laws 1998, ch 422, §§ 4, 5, eff July 22, 1998, provide as follows:

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

PROTECTING YOUR FAMILY FROM LEAD IN YOUR HOME



Protect Your Family From Lead In Your Home

EPA United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

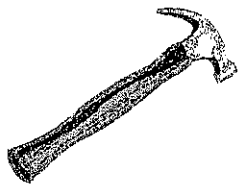
Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

OWNERS, BUYERS, and RENTERS are encouraged to check for lead (see page 6) before renting, buying or renovating pre-1978 housing.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:

LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure about lead-based paint.

SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure about lead-based paint. Buyers have up to 10 days to check for lead.



RENOVATORS disturbing more than 2 square feet of painted surfaces have to give you this pamphlet before starting work.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

FACT: Lead exposure can harm young children and babies even before they are born.

FACT: Even children who seem healthy can have high levels of lead in their bodies.

FACT: People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.

FACT: People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.

FACT: Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

Childhood lead poisoning remains a major environmental health problem in the U.S.

People can get lead in their body if they:

- Breathe in lead dust (especially during renovations that disturb painted surfaces).
- Put their hands or other objects covered with lead dust in their mouths.
- Eat paint chips or soil that contains lead.

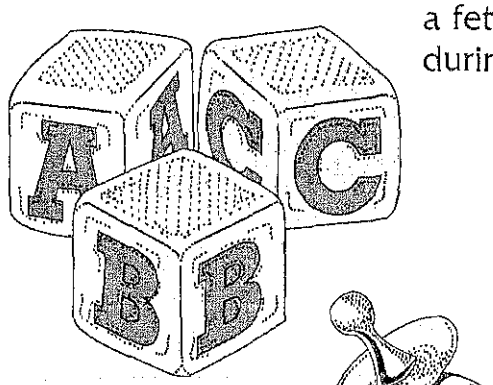
Lead is even more dangerous to children under the age of 6:

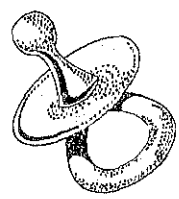
- At this age children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.

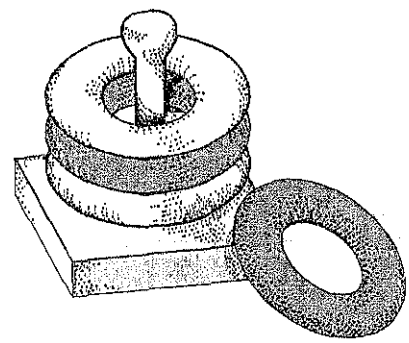
Even children who appear healthy can have dangerous levels of lead in their bodies.

Lead is also dangerous to women of childbearing age:

- Women with a high lead level in their system prior to pregnancy would expose a fetus to lead through the placenta during fetal development.







Lead's Effects

It is important to know that even exposure to low levels of lead can severely harm children.

In children, lead can cause:

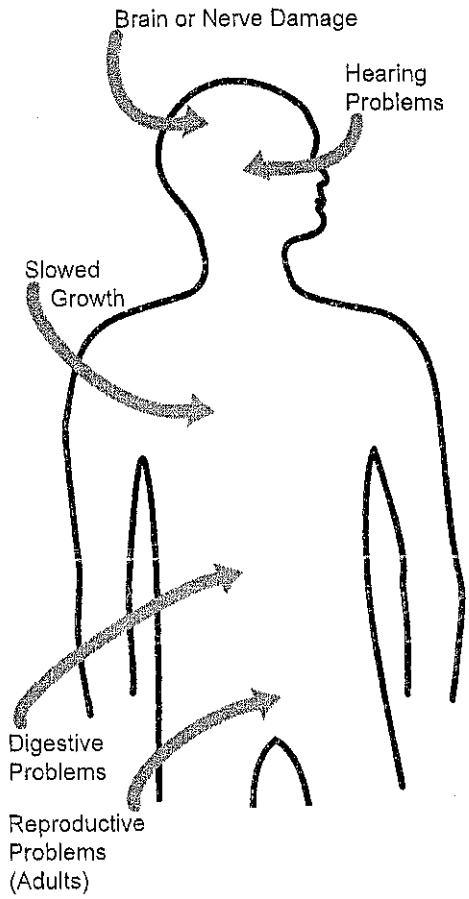
- Nervous system and kidney damage.
- Learning disabilities, attention deficit disorder, and decreased intelligence.
- Speech, language, and behavior problems.
- Poor muscle coordination.
- Decreased muscle and bone growth.
- Hearing damage.

While low-lead exposure is most common, exposure to high levels of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults too.

In adults, lead can cause:

- Increased chance of illness during pregnancy.
- Harm to a fetus, including brain damage or death.
- Fertility problems (in men and women).
- High blood pressure.
- Digestive problems.
- Nerve disorders.
- Memory and concentration problems.
- Muscle and joint pain.



Lead affects the body in many ways.

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- In homes in the city, country, or suburbs.
- In apartments, single-family homes, and both private and public housing.
- Inside and outside of the house.
- In soil around a home. (Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- Children at ages 1 and 2.
- Children or other family members who have been exposed to high levels of lead.
- Children who should be tested under your state or local health screening plan.

Your doctor can explain what the test results mean and if more testing will be needed.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- Windows and window sills.
- Doors and door frames.
- Stairs, railings, banisters, and porches.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- 40 micrograms per square foot ($\mu g/ft^2$) and higher for floors, including carpeted floors.
- 250 $\mu g/ft^2$ and higher for interior window sills.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. The following two federal standards have been set for lead hazards in residential soil:

- 400 parts per million (ppm) and higher in play areas of bare soil.
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard.

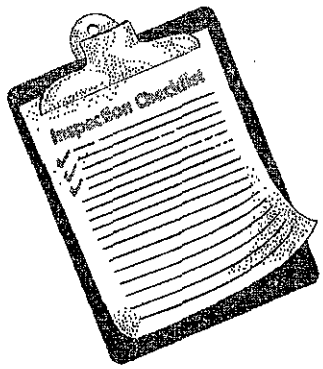
The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home tested for lead in several different ways:

- A paint **inspection** tells you whether your home has lead-based paint and where it is located. It won't tell you whether or not your home currently has lead hazards.
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards.
- A combination risk assessment and inspection tells you if your home has any lead hazards and if your home has any lead-based paint, and where the lead-based paint is located.



Hire a trained and certified testing professional who will use a range of reliable methods when testing your home.

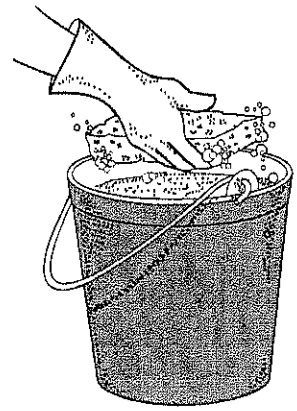
- Visual inspection of paint condition and location.
- A portable x-ray fluorescence (XRF) machine.
- Lab tests of paint, dust, and soil samples.

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency (see bottom of page 11) for more information, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these kits before doing renovations or to assure safety.

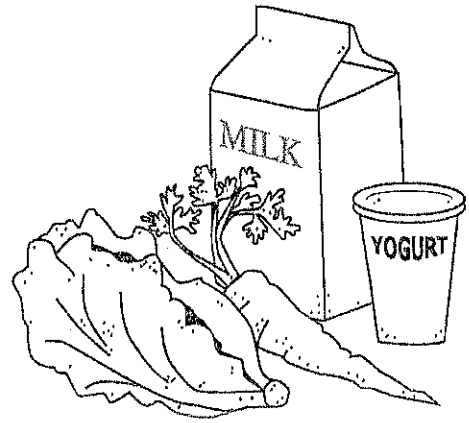
What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:



- **If you rent, notify your landlord of peeling or chipping paint.**
- **Clean up paint chips immediately.**
- **Clean floors, window frames, window sills, and other surfaces weekly.** Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.

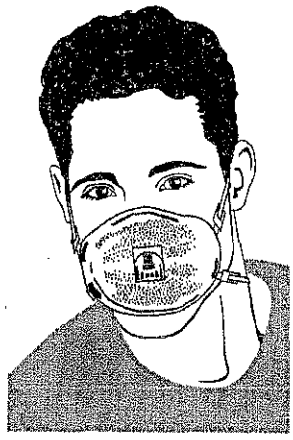
- **Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.**
- **Wash children's hands often, especially before they eat and before nap time and bed time.**
- **Keep play areas clean.** Wash bottles, pacifiers, toys, and stuffed animals regularly.
- **Keep children from chewing window sills or other painted surfaces.**
- **Clean or remove shoes before entering your home to avoid tracking in lead from soil.**
- **Make sure children eat nutritious, low-fat meals high in iron and calcium,** such as spinach and dairy products. Children with good diets absorb less lead.



Reducing Lead Hazards In The Home

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



In addition to day-to-day cleaning and good nutrition:

- You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will need ongoing attention.
- To **permanently** remove lead hazards, you should hire a certified lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent removal.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

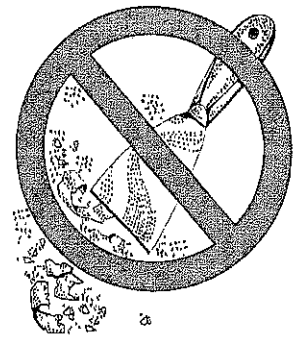
Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:

- 40 micrograms per square foot ($\mu g/ft^2$) for floors, including carpeted floors;
- 250 $\mu g/ft^2$ for interior windows sills; and
- 400 $\mu g/ft^2$ for window troughs.

Call your state or local agency (see bottom of page 11) for help in locating certified professionals in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

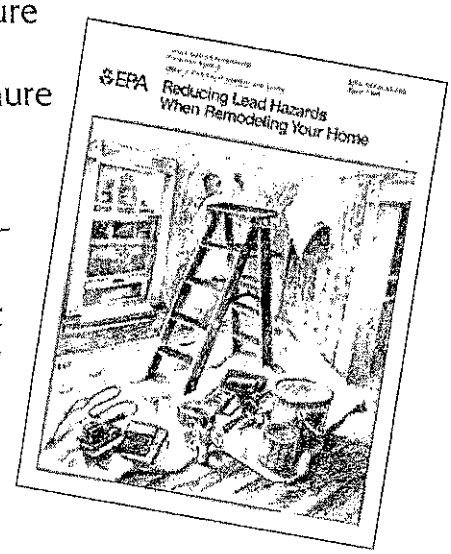
Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):



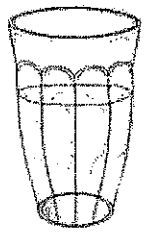
- **Have the area tested for lead-based paint.**
- **Do not use a belt-sander, propane torch, high temperature heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

If not conducted properly, certain types of renovations can release lead from paint and dust into the air.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.

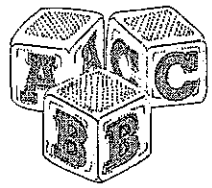


Other Sources of Lead

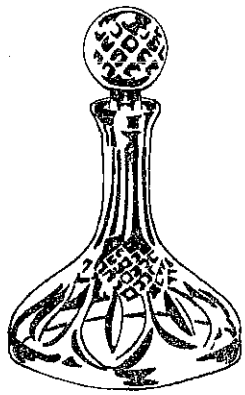


While paint, dust, and soil are the most common sources of lead, other lead sources also exist.

- **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.

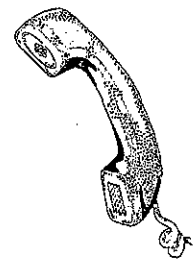


- Old painted **toys** and **furniture.**
- Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain.**
- **Lead smelters** or other industries that release lead into the air.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.
- **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.



For More Information

The National Lead Information Center

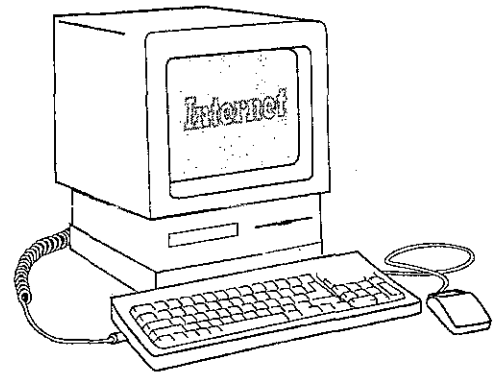


Call **1-800-424-LEAD (424-5323)** to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit **www.epa.gov/lead** and **www.hud.gov/offices/lead/.**

EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline



To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772**, or visit CPSC's Web site at: **www.cpsc.gov.**

Health and Environmental Agencies

Some cities, states, and tribes have their own rules for lead-based paint activities. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD.**

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** to access any of the phone numbers in this brochure.

EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT)
One Congress Street
Boston, MA 02114-2023
1 (888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, Washington DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RALI)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4164

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center
Consumer Product Safety Commission
201 Varick Street, Room 903
New York, NY 10014
(212) 620-4120

Western Regional Center
Consumer Product Safety Commission
1301 Clay Street, Suite 610-N
Oakland, CA 94612
(510) 637-4050

Central Regional Center
Consumer Product Safety Commission
230 South Dearborn Street, Room 2944
Chicago, IL 60604
(312) 353-8260

HUD Lead Office

Please contact HUD's Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development
Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, P-3206
Washington, DC 20410
(202) 755-1785

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U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

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June 2003

Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- Get your young children tested for lead, even if they seem healthy.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods.
- Get your home checked for lead hazards.
- Regularly clean floors, window sills, and other surfaces.
- Wipe soil off shoes before entering house.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- Don't use a belt-sander, propane torch, high temperature heat gun, scraper, or sandpaper on painted surfaces that may contain lead.
- Don't try to remove lead-based paint yourself.

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