

151E78.COM

151E78 CONDOMINIUM

151
EAST
78
Street

CONDOMINIUM OFFERING PLAN

151 EAST 78TH STREET CONDOMINIUM
HAVING A STREET ADDRESS OF
151 EAST 78TH STREET, NEW YORK, NEW YORK 10075*

14 UNITS	TOTAL AMOUNT OF OFFERING
$179,050,000	$179,050,000

SPONSOR :
Spruce 317 West 77th Street LLC and 78 RPM Owner LLC c/o Spruce Capital Partners
902 Broadway, New York, NY 10010

SELLING AGENT :
Stribling Marketing Group
32 Avenue of the Americas, New York, NY 10013

Filing Date of this Offering Plan: March 19, 2014. This Offering Plan may not be used after March 18, 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 UNITS, THIS OFFERING PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE CONDOMINIUM BOARD UNDER THE TERMS OF THIS OFFERING PLAN.

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.

*Upon final determination by governmental authorities, the address of the building may be 151 East 78th Street, 153 East 78th Street or 155 East 78th Street.

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SPECIAL RISKS

1. **Initial Control Period**. (a) Sponsor will have voting control over the Condominium Board until the last to occur of: (i) the Closing of Title with Purchasers under the Plan to Units representing at least 95% in number of all Units offered for sale, (ii) three (3) years after the final TCO is issued for any portion of the Condominium, and (iii) the issuance of a FCO for the Condominium (the "Initial Control Period"). During the Initial Control Period Sponsor may designate two (2) of the three (3) Members of the initial Condominium Board. Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Initial Control Period.

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

(c) During the Initial Control Period, 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.

(d) After the Initial Control Period, a majority of the Members of the Condominium Board must be owner-occupants of the Condominium who are unrelated to Sponsor and its principals.

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

2. **Temporary Certificate of Occupancy**

(a) Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final permanent certificate of occupancy ("FCO") covering the entire Condominium but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive TCOs. 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 FCOs are issued by the Buildings Department. A TCO is intended to indicate that the property "CONFORMS SUBSTANTIALLY TO THE DOB APPROVED PLANS AND BUILDING SPECIFICATIONS, AND TO THE REQUIREMENTS OF ALL APPLICABLE LAWS, RULES AND REGULATIONS FOR THE USES AND OCCUPANCIES SPECIFIED IN THE TCO". 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, finance, 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 FCO. Sponsor anticipates this scenario will occur. Sponsor will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire building, 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 Condominium after Sponsor no longer controls the Condominium Board or (v) any other cause over which Sponsor has no control. Sponsor makes no representation or guarantee that the Buildings Department will issue the FCO by any specific date. NOTWITHSTANDING THE FOREGOING, SPONSOR IS OBLIGATED TO PROCURE

THE FCO FOR THE ENTIRE BUILDING, AND SHALL EXERCISE COMMERCIALLY REASONABLE EFFORTS TO OBTAIN THE FCO 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 shall not be responsible for any costs or liabilities suffered by Unit Owners on account of delays in obtaining the FCO 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 FCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, the Condominium Board and/or Sponsor may refuse to permit a Residential Unit Owner to perform alterations to a Residential Unit until such time as the Condominium has been completed and a FCO 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 FCO. A Factsheet on Certificates of Occupancy is currently available on the DOB website at: http://www.nyc.gov/html /dob/downloads/pdf/co_factsheet.pdf. *(See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)*

(b) No Closing of a Unit will occur prior to the issuance of a TCO 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 TCO for such Unit. In such instance, the Purchaser of such "raw space" Unit, shall be responsible for obtaining the TCO for the Unit and shall not be permitted to occupy such Unit until such time as a TCO has been issued for such 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, in particular Section 5.2, entitled "Alterations, Additions, Improvements, or Repairs in and to Units". Additionally, the Closing of Title to such "raw space" Unit shall not constitute the First Closing as defined herein, if such "raw space" Unit is delivered prior to the issuance of a TCO for such Unit.

(c) The only construction prerequisite to Closing is the issuance of a TCO for the Unit at issue. As such, each Purchaser of a Unit shall be required to close title to their particular Unit once a TCO is issued for such Unit irrespective of outstanding items of work, provided Sponsor has satisfied the closing conditions set forth in the Section of the Plan entitled "Closing of Title to Units." *(See the Section of the Plan entitled "Closing of Title to Units" for further details.)*

3. **Offering Plan**. **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.**

4. **Default under Purchase Agreement**. A Purchaser is required to make a Deposit in an amount equal to fifteen percent (15%) of the Purchase Price of such Unit at the time a Purchase Agreement is executed. In the event a Purchaser defaults under the Purchase Agreement, time being of the essence with regard to the obligations of the Purchaser thereunder, and does not cure such default within 30 days after Sponsor gives written notice to the Purchaser of such default, Sponsor may cancel the Purchase Agreement and retain, as liquidated damages, the entire Deposit, together with interest earned thereon, if any. (*See the Section of the Plan entitled "Procedure to Purchase" for further details.*)

5. **Time of the Essence**. Time is of the Essence as to Purchaser's obligations under the Purchase Agreement, including without limitation, for the payment of the Deposit and the Purchase Price. If a Purchaser fails for any reason to close title to the Unit on the originally scheduled date of Closing, or a later date to which Closing has been adjourned by Sponsor ("Scheduled Closing Date") and Sponsor elects not to cancel the Purchase Agreement as a result of such default: (a) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the Scheduled Closing Date, and not as of midnight of the day preceding the actual date of Closing ("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 Unit per day commencing with the Scheduled Closing Date through the Actual Closing Date. (*See the Section of the Plan entitled "Procedure to Purchase" for further details.)*

6. **Deposits**. If a Purchaser makes a Deposit in excess of $250,000 for the purchase of a Unit, the amount in excess of $250,000 will not be federally insured. Additionally, until such time as Purchaser delivers either an executed W-8 or W-9 Form to Sponsor, the Deposit shall remain in the non-interest bearing portion of the Master Escrow Account. While the Deposit remains in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be federally insured even if the Deposit does not exceed $250,000. No representation is made with respect to any further changes in law or regulations 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 further details.*)

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

8. **First Closing; Delay**. The Sponsor anticipates that the First Closing will occur by September 1, 2015, based upon the current construction schedule, unless delayed by Force Majeure. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Unit occurs later than August 31, 2016, twelve (12) months after the projected date for the First Closing of September 1, 2015, or (ii) the projected date of closing of title to the first Unit occurs later than August 31, 2016, twelve (12) months after the projected date for the First Closing of September 1, 2015. If the Plan is amended to provide for a later projected date for the First Closing, Purchasers will be entitled to an offer of rescission if the First Closing occurs more than twelve (12) months beyond that amended, later date. Such right of rescission shall be offered in an amendment to all Purchasers, with not less than fifteen (15) days to exercise such right. **TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S RIGHT TO EXERCISE SUCH RESCISSION RIGHT.** However, even if the First Closing occurs before September 1, 2015 or a later projected date, the closing of subsequent Units could be substantially delayed beyond the date of such First Closing if a TCO has not been issued for such Units or for the floor on which such Units are located. In such case, a Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full Purchase Price for the Unit and the Sponsor may schedule the closings of title to other Units significantly later than the date of the First Closing. The Sponsor is not obligated to schedule Purchaser's closing within any specified time frame or to ensure that closing of title to Purchaser's 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. Purchasers should note that: (i) Units will be completed at different times over a period that may

begin prior to and/or extend significantly beyond the date of the First Closing, and (ii) Units on higher floors generally close later than Units on lower floors. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the Purchase Price for the Unit if the First Closing occurs earlier or later than the projected date, or the time to complete or to close title to any Unit is delayed or postponed by Sponsor. *(See the Section of the Plan entitled "Procedure to Purchase" at Part I for further details.)*

9. **Construction**. It is anticipated that Purchasers / Unit Owners may retain construction professionals with respect to the performance of interior finishing and decorating to their Units. The By-laws and Rules and Regulations of the Condominium and the Condominium's Construction Agreement contain certain provisions relating to the timing and performance of alterations in the Condominium. Purchasers recognize that both Sponsor and other Unit Owners may have ongoing construction for a period of time resulting in many contractors being at the Building and noise being produced. A form of Construction Agreement which the Condominium Board shall utilize until the FCO is obtained, and thereafter, if determined by the Condominium Board, is set forth in Part II of this Plan and must be executed by each Unit Owner (other than Sponsor) performing construction. Please refer to the Construction Agreement set forth as an exhibit in Part II of this Plan for the requirements thereof. *(See the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" in Part I for further details.*

10. **Sponsor's Existing Loan**. Sponsor has obtained acquisition and construction loans from AR BETA LLC ("Lender") in the aggregate amount of up to $60,000,000. Such loan is secured by mortgages on the Property. Lender has agreed in the absence of an event of default under the loan documents, to subordinate the lien of such mortgages to the Declaration of the Condominium and to release each Unit from the lien of such mortgages provided that net proceeds from the Unit closings are remitted to the Lender from Sponsor in repayment of the outstanding loan. The loan documents with the Lender provide for minimum release prices. *(See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.).*

11. **Acquisition of Units by Principals of Sponsor.** It is anticipated that one or more principals, members, employees or affiliates of Sponsor, directly or indirectly, may acquire one or more of the Units in the Building**.** *(See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.).*

12. **No Financing Contingency**. A Purchaser may obtain financing from any lending institution or other source, but such Purchaser's obligation to purchase a Unit pursuant to a Purchase Agreement shall not be contingent on such Purchaser obtaining such financing, so that a Purchaser will remain obligated under the Purchase Agreement whether or not Purchaser has been able to obtain financing. Neither Sponsor nor Selling Agent makes any representations as to the terms or availability of any mortgage financing or other financing. Prospective Purchasers should be aware that even if a loan commitment is obtained, its terms may be limited, and it could expire before the date of Closing. Neither Sponsor nor Selling Agent shall have any 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 further details.)*

13. **Transfer Taxes Paid by Purchaser**. As is customary in luxury condominium offerings in New York City, at the Closing of their Units Purchasers will be required to pay all New York City Real Property Transfer Taxes ("RPT Tax"), New York State Real Estate Transfer Taxes ("State Transfer Tax") and New York State Additional Real Estate Transfer Taxes ("Mansion Tax") imposed on their purchase. Purchasers should note that the payment of the RPT

Tax and State Transfer Tax are generally an obligation borne by a seller. The New York City Department of Finance has taken the position that where the purchaser of property assumes the obligation for the payment of 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 thus increasing the amount of such transfer taxes payable by the Purchaser. *(See the Section of the Plan entitled "Closing Costs and Adjustments" for further details)*

14. **Limit to Certain Obligations of Sponsor**.

(a) Sponsor has reserved the unconditional right to rent Units rather than sell Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, Sponsor is not committed to sell more 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 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.

(c) Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Units or the Facilities, except as may otherwise be expressly set forth in the Plan. Sponsor has offered certain limited warranties as to certain items of construction as set forth more specifically in the Section of the Plan entitled "Rights and Obligations of Sponsor". These warranties are described in detail below in the following Special Risk.

(See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

15. **Limited Warranties/ Construction Obligations of Sponsor**. Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") does NOT apply to this offering as the Building is more than 5 stories in height. Sponsor makes no 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 (the "Limited Warranty") set forth in Section 13 of the "Rights and Obligations of Sponsor" section of the Plan. Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability. There is no warranty as to sound transmission. There is no warranty as to odors. There is no warranty with respect to mold, mildew, spores, fungi or other toxins. There is no warranty as to view or light quality. Sponsor has not given and Purchaser has not relied on or bargained for any such warranties. Sponsor's obligations are limited to the Limited Warranty and in no event will Sponsor be liable for incidental or consequential damages, including, but not limited to, damages in the nature of temporary alternative housing, lost rent, or damage to personal property or installations by the Unit Owner, nor shall Purchaser have any suit, claim, cause of action or demand (whether based on negligence, breach of contract, warranty, or

otherwise). In the event of any conflict between the foregoing disclaimers and Sponsor's obligations to construct the Condominium in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan, Sponsor's obligations to construct the Condominium in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan will control. Any warranty provided by Sponsor pursuant to Section 13 of the "Rights and Obligations of Sponsor" section of the Plan is a limited warranty and the sole warranty made by Sponsor - there are no warranties which extend beyond the face hereof. **TIME SHALL BE OF THE ESSENCE WITH RESPECT TO ALL OF THE TIME PERIODS SET FORTH IN SECTION 13 OF THE "RIGHTS AND OBLIGATIONS OF SPONSOR" SECTION OF THE PLAN.**

(a) Sponsor will correct, repair, or replace any and all defects relating to construction of the Building, Common Elements or the Units or in the installation or operation of any appliances, fixtures, or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if: (1) such defects are due to substantially improper workmanship or construction practices or the use of materials that are substantially and materially at variance with the Plans and Specifications for the same; and (2) Sponsor is notified by the Condominium Board or the affected Unit Owner, as the case may be, of the same in accordance with the following, which notice shall be by certified mail, return receipt requested: (i) with respect to any latent defect (that is, a defect that is not visually or audibly ascertainable) in the construction of a Unit, within one (1) year of the earlier to occur of (x) the Closing of Title to the Unit or (y) 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 in the construction of a Unit, within thirty (30) days of the earlier to occur of (x) the Closing of Title to the Unit or (y) the commencement date of any agreement by which a Purchaser is permitted to occupy the Unit prior to Closing, provided, in each instance such 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 one (1) year from the date of substantial completion of the portion of the Common Elements claimed to be defective. The issuance of a certification from Sponsor's registered architect or licensed engineer 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 any defects, whether patent or latent, if: (i) Sponsor is not notified of the existence of such defect, in the manner and within the appropriate time period specified above; (ii) the Condominium Board and/or the Unit Owner fails to allow prompt access to the Unit in question by Sponsor or Sponsor's contractors or other representatives; (iii) Sponsor has corrected, or has caused the correction of, the defect in accordance with the local standards customary in the industry, as determined by Sponsor's general contractor, architect, or engineer, in their sole judgment. Sponsor shall not be required to discharge any obligation to the extent any the defect is exacerbated by delay in reporting the defect, as to any increased repair obligation.

(b) The Limited Warranty is only available to the first purchaser of the Unit and Sponsor shall have no liability to any subsequent owner with respect to any claimed defects relating to the construction of the Units, the Common Elements or the Building. Any repair or correction performed by Sponsor shall not serve to reset the time period applicable to the Limited Warranty. An action for damages or other relief based upon an alleged breach of the Limited Warranty may only be commenced if the Sponsor was timely notified, and must be commenced, if at all, prior to the earlier of ninety (90) days after the expiration of the applicable warranty period,

or sixty (60) days after the Sponsor has given written notice of rejection of claim or completion of corrective action, **TIME BEING OF THE ESSENCE**. **FAILURE TO COMMENCE AN ACTION FOR AN ALLEGED BREACH OF THE LIMITED WARRANTY WITHIN THE APPLICABLE TIME PERIOD WILL CONSTITUTE A WAIVER OF ALL CLAIMS WITH RESPECT TO ANY ALLEGED BREACH FOR WHICH THE APPLICABLE TIME PERIOD HAS EXPIRED.** The making of repairs by Sponsor shall not have the effect of extending the time period within which an action must be commenced.

(c) Section 15 of the Section of the Plan entitled "Sponsor's Rights and Obligations" should be reviewed in detail to understand the items that Sponsor will not be obligated to correct, or with respect to which Sponsor shall not be liable to the Condominium or any Unit Owner. *(See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)*

16. **Sponsor's Veto Rights**. During the first five (5) years following the First Closing, and so long as Sponsor continues to own at least 25% in number of all Units, 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 Assessments 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 those 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 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; (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 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. *(See the Section of the Plan entitled "Control By Sponsor" for further details.)*

17. **Reserve Fund/Contingency**.

(a) This Plan provides for the establishment of a Reserve Fund as set forth in Schedule B. It is not anticipated that the Condominium will require capital expenditures of a material nature within five (5) years following the First Closing, as it will be either entirely new construction or renovated construction. The Reserve Fund provided for in the First Year's Budget is intended to provide a fund for unanticipated capital expenses, repairs and replacements not included in the First Year's Budget. No reserve fund for capital expenditures has been established except as expressly specified in the projected Budget, and such fund may not be sufficient to fully 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 to increase Common Charges or institute a Special Assessment. *(See the Section of the Plan entitled "Working Capital Fund and Apportionments" for further details.)*

(b) The contingency provided for in the Schedule B – Projected Budget for First Year of Condominium Operation 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 operating expenses which

may be required. If additional funds are required to meet such expenses, it may be necessary for the Condominium Board to increase Common Charges or impose Special Assessments. *(See the Section of the Plan entitled "Working Capital Fund and Apportionments" for further details.)*

18. **Working Capital Contribution**. A Purchaser of a Unit will be required to make a contribution at the Closing of Title to the Working Capital Fund of the Condominium in an amount equal to 2 months' Common Charges assessed against the Unit. The Working Capital Fund shall be used for the purposes set forth in the section of the Plan entitled "Working Capital Fund and Apportionments", and may be used to reimburse Sponsor for amounts expended by Sponsor in connection with the Condominium as set forth therein. *(See the Section of the Plan entitled "Working Capital Fund and Apportionments" for further details.)*

19. **Foreign Government Purchasers**. Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any such Purchaser shall designate and authorize 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 the Purchase Agreement or the Condominium Documents. Such Purchaser will be required at Closing to deposit with the Condominium an amount equal to 2 years' Common Charges then in effect for the Unit, which will be in addition to the required contribution to the Working Capital Fund. The foregoing deposit shall in no way affect the obligation of such Purchaser to continue to pay Common Charges, and, to the extent utilized by the Condominium in the event of any default in the payment of Common Charges or any other sums owed by such Purchaser to the Condominium, shall be promptly replenished as set forth in Section 6.4 of the By-laws. *(See the Section of the Plan entitled "Procedure to Purchase" for further details.)*

20. **Resident Manager**. The Resident Manager's Apartment will be General Common Element. Sponsor has designated Apt. 1B as the Resident Manager's apartment, and such apartment is intended for the use and occupancy of the Resident Manager. (*See the section of the Plan entitled "Introduction" and "Description of Property and Improvements" for further discussion).*

21. **No Bond**. No bond or other security has been posted by Sponsor to secure its obligations under the Plan. The ability of Sponsor to perform its 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 further details.)*

22. **Full Availability of Services; Ongoing Construction.** Prospective Purchasers are advised that until such time as Sponsor has conveyed title to 75% of the Units, some of the services and facilities described in the Plan (such as a full staff of Condominium personnel) may not be available. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or construction work, as well as the use of the passenger and/or service elevators, will be restricted during the period that Sponsor is completing construction of the Condominium. However, at all times after the First Closing, the lobby will be attended 24 hours a day, 7 days a

week and the interim level of staffing will be adequate to maintain the Building. Additionally, it is anticipated that for a significant period of time following the First Closing through, including and beyond the closing of title to any particular Purchaser's Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete construction of the Condominium, including without limitation, the Units, , the decoration or finishing of the lobby, corridors, elevator finishes and other portions of the Condominium, including installing light fixtures, painting, hanging wall coverings, laying carpeting and planting of gardens. All of the foregoing work and conditions may create a noisy and otherwise disruptive condition in the Condominium during the period such work is being performed. The Condominium Board may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Condominium has been completed and a FCO has been obtained. In the event any Unit Owner wishes to undertake construction or an alteration, such Unit Owner shall be required to execute a Construction Agreement, the form of which is set forth as an exhibit in Part II of the Plan. In addition, the presence of hoists or construction elevator shafts or similar temporary construction facilities, may delay the closing of title to certain Units until such 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 further details.)*

23. **Use of Units**. As more fully set forth in the By-laws, the Units shall be used for residential purposes only (excluding "dormitory", "bed and breakfast" or other transient hotel-type use) and home occupation use ancillary to such residential purposes, and not more than one family may occupy a Unit at one time.

24. **Restrictions on Certain Amendments to Condominium Documents**. No amendment of, modification of, addition to or deletion from of the Declaration, By-laws or any Rules and Regulations (other than those required by Law) shall be effective against Sponsor unless Sponsor has given its written consent thereto. *(See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-laws" for further details.)*

25. **Wood Floors; Millwork; Stone.** The Units are being delivered with wood floors, and may be delivered with certain wood millwork. Wood is a natural product and expands and contracts with weather conditions, which causes the appearance of the floors and any wood millwork in the Unit to change. Moreover, in order to maintain the quality of any such wood floor or millwork, the humidity level within the Unit should be maintained according to the manufacturers' recommendations and the wood should not be washed with water. Any stone finishes in the Units not sealed by the Sponsor must be sealed by the Unit Owner and regularly resealed in accordance with the manufacturer's recommendations. *(See the Section of the Plan entitled "Description of Property and Improvements" for further discussion.)*

26. **Real Estate Taxes.** The estimated real estate taxes payable in respect of each Unit were calculated based on estimates provided by Sponsor's real estate tax attorney with respect to the Units in the aggregate for the projected First Year of Condominium Operation and then allocated among the Units in accordance with their percentage of Common Interest, as set forth in Schedule A. Upon determination of individual tax lots and individual assessments for such Unit, the New York City tax authorities may allocate taxes among the Units on a basis other than that utilized by Sponsor's real estate tax attorney, and, if so, Units may pay different real estate taxes and/or taxes may differ from those set forth on Schedule A. In addition, the New York City tax authorities may assess taxes against the Condominium in a different manner and in a different amount that that assumed by Sponsor's real estate tax attorney, and, if so, Unit Owners may pay significantly different real estate taxes than those set forth on Schedule A. Sponsor can

only estimate, based on reasonable, professional third party expert assumption, what the real estate taxes for each Unit will be. Only the New York City tax authorities will make this determination upon the filing of tax lots. *(See "Footnotes to Schedule A" in Part I of the Plan for further discussion).*

27. **Apportionments at First Closing**. At the First Closing, certain apportionments will be made between the Sponsor and the Condominium. 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 then existing amount of the Working Capital Fund is to be used for payment by the Condominium Board of any net closing adjustment expenses owed to Sponsor at the First Closing. If there remains 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 or more installments on or prior to the first anniversary of the First Closing, without interest, pursuant to an unsecured, negotiable, promissory note to be executed by the Condominium and delivered to Sponsor at the First Closing. Such promissory note may be prepaid by the Condominium in full at any time, or in part from time to time, without penalty. Such payments shall be promptly made to Sponsor by the Condominium from the Working Capital Fund as funds are collected from Purchasers. *(See the Section of the Plan entitled "Working Capital Fund and Apportionments" for further details.)*

28. **Effective Date**. Pursuant to Law, Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of the Units in the Condominium. 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. Purchasers should note that in the current real estate market banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments 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 difficulty 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 apartments in the building or group of buildings, which in some cases maybe 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 may also be difficult for purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales investor ownership. *(See the Section of the Plan entitled "Effective Date" for further details.)*

29. **Upgrades or Extras**. All funds received by Sponsor for upgrades or extras, if any are offered, will 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 provided that Sponsor uses the funds or is reimbursed from such funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, Purchaser will not receive a refund of any funds used for upgrades or extras. *(See the Section of the Plan entitled "Closing of Title to Units" for further details.)*

30. **Certain Rights and Easements of Sponsor**. Sponsor shall have an easement in, over, under, through and upon the General Common Elements and Limited Common Elements (including, but not limited to, 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 Units, provided the same is in accordance with Law. Sponsor has further reserved the right to (a) enter into any Unit (upon reasonable notice) at any time to access Common Elements

for any purposes, including, but not limited to, accommodating work by other Unit Owners or prospective Unit Owners, and (b) enter into any Unit (upon reasonable notice) and/or access any Common Element to perform work both prior to and following a Closing under a Purchase Agreement to the extent Sponsor determines the same is necessary to respond to any claims regarding construction of any nature, whether under the Purchase Agreement or otherwise. Sponsor has reserved the right to install additional fireplace flues and mechanical equipment on the roofs of the Condominium. Subject to the terms of Condominium Documents and Law, as applicable, Sponsor, for so long as Sponsor shall own any Unsold 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 Units and the Common Elements. Sponsor shall have an exclusive right and easement for so long as Sponsor owns any Unsold Unit, to (a) erect, use, lease, maintain, repair, replace and operate antennae, satellite dishes and other communications equipment on any part of the roof of the Building and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces) and (b) to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith, provided, that with respect to any antennae, satellite dishes or other communications equipment, Sponsor shall only erect such structures if for the benefit of one or more of the Unit Owners. 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 the Sponsor. Any obligations of the Sponsor under any lease, license or other right of use granted by Sponsor with respect to the roof of the Building 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. Sponsor shall be entitled to utilize such rights and easements for their own account or the account of its Permitted Users. *(See Articles 10 and 11 of the Declaration and the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)*

31. **General Easements; Specific Access Easements.** The Sponsor and 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 Condominium or for the safety of occupants of the Condominium, or other persons, or required to avoid the suspension of any necessary service in the Condominium). Without limiting the foregoing (a) the PHA Unit owner shall be required to permit access to the roof of the building through the PHA Unit as required by the Condominium Board in connection with maintenance, repair and replacement of certain mechanical equipment on the roof (or accessible at the roof level), including, but not limited to, elevators, the cooling tower, fans, roof top air conditioning units and the generator located on the roof, and (b) the unit owners on floors 6 and 7 of the Building shall be required to permit access to and through their respective Units as required by the Condominium Board in connection with maintenance, repair and replacement of certain expansion joints located on heating and hot water risers.

32. **Future Construction; No Warranty as to Light, Air or Views**. No representation is made that future construction in the neighborhood surrounding the Property will not result in obstruction of the views from any windows, Terraces, or roofs in the Condominium. There is no warranty as to any light, views or air with respect to any Unit. *(See the Section of the Plan entitled "Location and Area Information" for further details.)*

33. **Common Charges during Initial Control Period**. During the Initial Control Period, the Condominium Board shall have the right, in its sole discretion, to waive Unit Owner's obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided the basic operating costs of the Condominium (exclusive of reserves) are paid by Sponsor. Sponsor further reserves the right to collect the full amount of Common Charges from all Unit Owners (including Sponsor with respect to Unsold Units) and refund or credit a portion of such collected Common Charges to all Unit Owners in the event the actual costs to provide the operation of the Condominium prove to be less than the full amount of Common Charges collected. *(See Section 6.2 of the By-laws contained in Part II of the Plan for further details.)*

34. **Sponsor's Right to Change Condominium Documents / Plans and Specifications; Access Rights**. 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. Sponsor further reserves the right to enter into any Units after a Purchase Agreement has been executed and delivered with a Purchaser to access Common Elements for any purposes, including, but not limited to, accommodating work by other Unit Owners or prospective Unit Owners. There shall be a rebuttable presumption that a change in the square foot area and dimensions of a Unit due to field conditions, construction variances and tolerances, which do not increase or decrease the square foot area of such Unit by more than 5% (excluding interior partitions), shall not be deemed a material and adverse change. (*See the Sections of the Plan entitled "Changes in Prices and Units" and "Rights and Obligations of Sponsor" under subheading "Sponsor Obligations with Respect to the Building" for further details).*

35. **Complexities of Construction**. Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. It is anticipated that during the first 5 years of Condominium operation, construction workers and related personnel will be at the Condominium from time to time, completing construction of the Condominium, making adjustments and corrections and performing various tasks relating to the completion of construction. A Purchaser who closes title to his or her Unit during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibration, fumes, odors, dust, debris and other temporary interruption of services may affect Purchaser's enjoyment of the Unit during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser whatsoever or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the Condominium. During this 5 year period, various building systems, including but

not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time after any Closing 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. *(See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details)*

36. **Maintenance/Repair Obligations of Unit Owners**. Each Unit Owner shall be responsible for the maintenance and repair of any ranges and range hoods within the Units. Any Unit Owner modifying or replacing a range hood must maintain and replace the interlock during any such work. Furthermore, each Unit Owner shall be responsible, at such Unit Owner's sole cost and expense, for the maintenance, repair, replacement and cleaning of all windows, window panes and window glass appurtenant to such Unit. *(See the Section of the Plan entitled "Rights and Obligations of Unit Owners" for further details.)*

37. **Equipment Noise and Vibration; Acoustics**. The Building will contain certain major mechanical equipment, which may include, but not be limited to, fans, pumps, generators, elevators, trash chutes, domestic water tanks and chillers. While Sponsor is endeavoring to reduce excessive noise and vibration emanating from the aforementioned equipment, it is impossible to eliminate it entirely and therefore, Unit Owners, (particularly those in Units neighboring or adjacent to any such equipment) may be affected. *See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)*

38. **Measurement of Units; Terraces.** The square foot areas and dimensions 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 apartments. Each Unit consists of the area measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one unit from another unit or separating a unit from a public corridor or Common Element, and solely with respect to the roof, to the centerline of the partitions enclosing mechanical equipment spaces and elevator overrun shaftway. Elevator shaft, stairways, egress corridors, columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of a unit. Each unit consists of the area measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling slab above. As is customary in New York, these square foot areas exceed the usable floor area of each Unit. Floor area may include columns, mechanical pipe shafts, shaftways, chases, chaseways, elevator shafts, stairways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area. The clearance between the top of the floor slab on one floor and the top of the floor slab on the next floor will vary among the Units, and certain Units may have less or an area of lesser clearance because of the presence of beams and/or mechanical spaces than other similarly situated Units; similarly, wall configurations may vary between similarly situated Units because of the presence of beams and/or mechanical spaces. Certain rooms within a Unit may have a lesser ceiling clearance or different wall configuration than other rooms within the Unit as a result of construction variances, the presence of beams and/or mechanical spaces within such Units, to accommodate facilities located above the same or otherwise to respond to field conditions. Ceiling heights vary in height between similar Units located on different floors and within a single Unit due to structural, mechanical, and architectural systems. Ceilings heights within Units range from approximately 8'-0" to approximately 9'-8", with a minimum of 7'-6" at showers and tub enclosures, with lower beams and soffits in some areas. Such ceiling and wall variances between Units and rooms within Units to accommodate described facilities are normal and customary in construction of this nature, and shall not be taken into account when calculating

square footage, except to the extent of an actual loss of floor area in a Unit. Terraces appurtenant to a Unit are measured from the exterior measurement line of the Unit to which they are appurtenant to the outside faces of the copings of the Terrace wall or partition, and/or the center line of any dividing wall or partition located between Terrace. *(See the Section of the Plan entitled "Description of Property and Improvements" for further details.)*

39. **Principals of Sponsor Have Executed The Certification of Sponsor and Principals for Compliance with the Martin Act and Governing Regulations**. Consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013) *(See the Section of the Plan entitled "Procedure to Purchase" and the Purchase Agreement set forth as an exhibit in Part II for further details.)*.

40. **Increase or Decrease in Common Interest.** The Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act and accordingly based upon a comparison of 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 dimension of the particular Unit. Based upon final specifications, construction conditions and/or "as-built" plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in an individual Common Interest appurtenant to one or more Units. In such event the Common Interest appurtenant to any affected Unit would be adjusted (by a minimal amount). Sponsor expressly reserves the right, from time to time prior to the First Closing, to effect such a change in the Common Interests and to amend the Condominium Documents so as to reflect the same. In no event, however, will the Common Interest of any Unit be increased or decreased as a result of any of the foregoing by more than five percent (5%). There shall be a rebuttable presumption that a change in the square foot area and dimensions of Unit due to field conditions, construction variances and tolerances, which do not increase or decrease the square foot area of the Unit by more than 5% (excluding interior partitions), shall not be deemed a material and adverse change. *(See the Section entitled "Footnotes to Schedule A" in Part I of the Plan for further discussion.)*

41. **No Advertising.** Prior to the Closing of Title to a Unit, a Purchaser shall not list such Unit for resale or rental with any broker or place or authorize a listing in any broker's listing system or other listing service or advertise or otherwise offer, promote or publicize the availability of the Unit for sale or rental, without Sponsor's prior written consent, which may be withheld or delayed by Sponsor in Sponsor's sole and absolute discretion. Any listing of the Unit or other form of advertising, promotion or publicizing of the Unit by Purchaser prior to the Closing of Title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase". After the Closing of Title to a Unit, for so long as Sponsor owns any Unsold Units, but not to exceed two (2) years from the date of the First Closing, Purchaser shall not advertise, promote or publicize the availability of the Unit for sale or lease at prices lower than those being advertised or promoted by Sponsor for similar Unsold Units. This restriction on advertising may affect the ability of Purchaser to sell its Unit within such two (2) year period and Purchaser should carefully consider such restriction before entering into a Purchase Agreement. (*See the Section entitled "Rights and Obligations of Unit*

Owners and the Condominium Board" and "Assignment of Purchase Agreements", at Part I for further details.)

42. **Window Stops; Window Guards**. Units with window stops installed in accordance with NYS and/or NYC law may not be removed unless permitted by applicable Law and approved by the Condominium Board. Each Unit Owner without window stops shall notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides in the Unit, and shall, at such Unit Owner's expense, install the required window guards in the Unit that as required by Law, including, but not limited to, Health Code Section 131.15, and shall not remove the same until permitted by Law. (*See the Section of the Plan entitled "Introduction" at Part I and "Description of Property and Improvements" set forth as an exhibit at Part II of the Plan for further details*.)

43. **Pets**. No pets other than dogs, caged birds, cats, small reptiles, and fish (which do not cause a nuisance, health hazard or unsanitary condition) shall be permitted, kept or harbored in a Unit without the same in each instance having been expressly permitted in writing by the Sponsor or the Condominium Board. Such consent, if given, shall be revocable by the Sponsor or the Condominium Board at any time, with or without cause. In no event shall there be maintained in a Unit more than 2 pets without the consent of the Sponsor or the Condominium Board, nor shall any animal be permitted in any public elevator, other than the elevators designed by the Condominium Board or Managing Agent for that purpose, or in the public portions of the Condominium, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. Each Unit Owner who keeps any type of pet in such Unit Owner's Unit may be required to enter into an agreement with the Condominium Board regarding pets as the Condominium Board may deem suitable, indemnifying and holding harmless the Condominium, all Unit Owners and Managing Agent from all claims and expenses resulting from acts of such pet. *(See the "By-Laws" set forth in Part II for further details).*

44. **Restrictions for Terraces; Smoking**. Unit Owners of Units with a Terrace are required to ensure that no unusual, disturbing, or objectionable noises, sounds (including, but not limited to, music) or odors are produced from or emanate from its Terrace that may disturb or annoy other occupants of the Condominium, and that no actions taken on its Terrace shall adversely affect or interfere with the use or enjoyment of any part of the Condominium by any other Unit Owner or occupant, including but not limited to, placing an unreasonable burden upon any of the Common Elements. Such Unit Owners shall ensure that any invitees or visitors present on such Unit Owner's Terrace shall act in such manner so as not to create any nuisance, or interfere with, annoy or disturb any Unit Owner or any occupant of the Condominium or the immediate area. Terraces shall also be subject to such other reasonable restrictions as may be imposed by the Condominium Board from time to time, and to ensure that the Common Elements remain available for the use and enjoyment by all Unit Owners. 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 owners of any Unit with a Terrace shall be responsible to (i) maintain the planters and plantings, located on such Terraces, in good repair and condition, and (ii) replace such plantings when necessary with plantings of substantially similar height and width and in accordance with "Planting Specifications" to be adopted by the Condominium Board. The above described restrictions on Terraces are in addition to the detailed regulations and restrictions set forth in the Bylaws (which may be modified by the Condominium Board from time to time), relating to noise, odors and behavior, and which regulations in the By-laws that include, among other things, the obligation of such Unit Owners to maintain all plantings, furnishings and structures on their

respective Terraces. Purchasers are further advised that the consent of the Condominium Board shall be required for any modifications of the Terraces and the plantings, furnishings, and structures therein contained. Smoking is not prohibited on Terraces, but is prohibited in all other common areas. (*See the Section entitled "Rights and Obligations of Unit Owners", set forth in Part I for further details).*

45. **Lot Line Windows**. Units 8, 9, 10, 11, PH C, PH B, and PH A (as well as the resident manager's apartment) contain lot line windows. Lot line windows can, under certain circumstances, be required by law to be closed up by the Unit owner at his own cost if an adjacent land owner builds a structure up to the lot line of the property. Loss of any of the existing line windows shall not result in a loss of habitability under current code. Estimated cost for closing up a lot line window as of the date hereof is approximately $5,500. In such event, Unit owners may lose light and air provided by such lot line windows and no compensation is required to be paid for such loss. Lot line windows are common in New York City and the uses of adjacent properties do not currently affect such windows, although future use cannot be predicted. In addition, New York City building code provisions regarding lot line windows may have certain requirements that can affect the internal configuration desired by a Purchaser. It should be noted that the present lot line windows are protected by a legally required sprinkler that may not be removed. It should also be noted that the Building is benefited by a ZLDA (defined below). (See the "*Description of Property and Specifications*", set forth as Exhibit 1 at Part II of the plan.)

46. **Zoning Lot Development Agreement; Light and Air Easements**. Sponsor and [redacted], a neighboring landowner (together with its successors and assigns, the "Neighbor"), have entered into a certain Zoning Lot Development Agreement dated as of June 27, 2013, and recorded as CRFN 201307090031806001 in the New York County Office of the Register of The City of New York (the "ZLDA") to create a combined zoning lot in order to make a portion of excess floor area development rights owned by Neighbor available to Sponsor so that the Condominium may be constructed. The building on the Neighbor's site currently has a chimney that may be required to be extended in compliance with applicable law as a result of the construction of the Condominium. At the current time, it is anticipated that the chimney extension shall not be required and that there shall be no ongoing financial obligation of the Condominium with respect thereto. Sponsor has agreed, if necessary, to construct, install and maintain the chimney extension and the Neighbor has granted to Sponsor a chimney access easement to the extent the same is necessary to maintain such chimney extension of the chimney on the Neighbor's building, as more particularly described in the ZLDA. This obligation of Sponsor to maintain the chimney extension shall become an obligation of the Condominium at the first Unit Closing, as the decision to construct such chimney extension is anticipated to be made prior to the first closing. If required, the maintenance expenditure annually in connection with any required chimney maintenance is anticipated to be less than one percent of the Condominium's budget. In addition to the ZLDA, Sponsor has entered into certain light and air easements with neighboring landowners that benefit the Property. A copy of the ZLDA and the light and air easements are included in Part II of this Plan. Purchasers are urged to review the ZLDA in Part II of this Plan to familiarize themselves with obligations of the Sponsor and the Condominium thereunder. ((*See the Section entitled "No Reservation of Air or Development Rights", set forth in Part I for further details).*

47. **Storage Bins**. The Unit Floor Plans set forth in Part II of this Plan show the approximate location of the Storage Bins. The Storage Bins are part of the General Common Element of the Condominium and may be licensed by Sponsor (or the Condominium) to Unit Owners pursuant to a license agreement in substantially the form of which is set forth in Part II hereof. The Storage Bin licenses shall be assigned by Sponsor to Purchasers at no additional cost

to Purchasers. As the Storage Bins are located at a depth that is below grade levels of the Building, Sponsor can make no representations that the Storage Bins will remain dry or will not experience any water infiltration, and neither Sponsor nor any Condominium Board will be responsible for any damage to items placed in the Storage Bins. Unit Owners who place items in the storage bins do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such stored items.

48. **Tenant Protection Plan**. To the extent required by Section 28.104.8.4 of the NYC Administrative Code and other applicable law, Sponsor shall insure that during any Sponsor work a tenant protection plan is in place as required if any construction is taking place while the building is occupied by Unit Owners. Such plan shall comply with all applicable laws and procedures and a copy shall be distributed to each owner. (See "*Description of Property and Specifications*" set forth at Part II of the Plan.)

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INTRODUCTION

Nature of the Transaction

Spruce 317 West 77th LLC, a New York limited liability company and 78 RPM Owner LLC, a Delaware limited liability company, both with an address at Spruce Capital Partners, 902 Broadway, New York, NY 10010 (collectively, "Sponsor") present this Offering Plan, as the same may be amended from time to time, for the establishment of condominium ownership pursuant to the Condominium Act of the Land together with the structures erected thereon.

The Condominium will be known as the "151 East 78th Street Condominium" (the "Condominium") and will consist of one sixteen (16) story building (the "Building"). Sponsor acquired fee title to the Property on which the Building is to be constructed by three separate deeds, the first deed dated October 25, 2012 from [redacted], the second deed dated September 20, 2012 from [redacted], as trustee of the [redacted] and the third deed dated August 15, 2013 from [redacted]

There will be fourteen (14) residential Units (sometimes referred to collectively as the "Units"). The Resident Manager's apartment shall be a General Common Element and shall not be a Unit. There will be thirteen (13) storage bins located in the cellar that will be General Common Element, and may be licensed by Sponsor (or the Condominium) to Unit Owners pursuant to a license agreement in substantially the form of which is set forth in Part II hereof.

The Condominium 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 Department of Law and serving such amendment on Purchasers and Unit Owners.

The Plan is presented in two parts which together constitute the entire Plan. Part I sets forth a general description of the Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed description of the Property, legal opinions as to certain tax matters discussed in the Plan, certifications of Sponsor and certain experts. Copies of the Plan, including all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection by prospective Purchasers and their attorneys without charge, and for copying at a reasonable charge at the Sales Center, and available for inspection and copying at the office of the Department of Law. All of these documents are important and should be carefully read by prospective Purchasers. Prospective Purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. A prospective Purchaser may obtain the Plan upon payment of a $250 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition or (ii) the execution by the prospective Purchaser of a Purchase Agreement subsequently accepted by Sponsor.

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

The Property

The Building will consist of new construction as detailed more particularly in the Condominium Offering Report (hereinafter called the "Description of the Property and Improvements") set forth in Part II of the Plan.

The Sponsor anticipates that the First Closing will occur by September 1, 2015, based upon the current construction schedule, unless delayed by Force Majeure. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Unit occurs later than August 31, 2016, twelve (12) months after the projected date for the First Closing of September 1, 2015, or (ii) the projected date of closing of title to the first Unit occurs later than August 31, 2016, twelve (12) months after the projected date for the First Closing of September 1, 2015. If the Plan is amended to provide for a later projected date for the First Closing, Purchasers will be entitled to an offer of rescission if the First Closing occurs more than twelve (12) months beyond that amended, later date. Such right of rescission shall be offered in an amendment to all Purchasers, with not less than fifteen (15) days to exercise such right. **TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S RIGHT TO EXERCISE SUCH RESCISSION RIGHT.**

However, even if the First Closing occurs before September 1, 2015 or a later projected date, the closing of subsequent Units could be substantially delayed beyond the date of such First Closing if a TCO has not been issued for such Units or for the floor on which such Units are located. In such case, a Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full Purchase Price for the Unit and the Sponsor may schedule the closings of title to other Units significantly later than the date of the First Closing. The Sponsor is not obligated to schedule Purchaser's closing within any specified time frame or to ensure that closing of title to Purchaser's 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. Purchasers should note that: (i) Units will be completed at different times over a period that may begin prior to and/or extend significantly beyond the date of the First Closing, and (ii) Units on higher floors generally close later than Units on lower floors. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the Purchase Price for the Unit if the First Closing occurs earlier or later than the projected date, or the time to complete or to close title to any Unit is delayed or postponed by Sponsor.

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, and if Unit Owner's monthly Common Charges in the amended budget exceed those in the latest projected budget set forth in the Plan by 25% or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within 15 days of the Presentation Date of the amendment containing such revised budget.

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 Units for Sale

Sponsor hereby offers the Units for sale under the Plan. The prices for each of the offered Units are listed in the Section of the Plan entitled "Schedule A – Purchase Prices and Related Information" ("Schedule A"). Furthermore Sponsor reserves the right to individually negotiate fixtures, prices, appliances and conditions of all Units. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Sponsor intends in good faith, to sell rather than rent Units. However under this Plan, Sponsor has reserved the unconditional right to rent Units rather than sell Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, Sponsor is not committed to sell more 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 Unsold 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.

Sponsor reserves the right to offer the Units in such order of priority as it may determine, and to withhold one or more Units for future sale or lease. In addition, Sponsor has the right to limit the number of Units sold to any Purchaser and to make Bulk Sales of Units. The Purchaser of such Units shall be bound by Sponsor's representations set forth herein with regard to its commitment to sell Units. The term "Bulk Sales", as used herein, shall mean the transfer of 10 or more Units or 20% of the total number of Units in the Condominium, whichever is less.

Features 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 Unit. Each Unit Owner owns fee title to the Unit and is entitled to the exclusive possession and use thereof, in accordance 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" and (ii) portions of the Building serving and benefiting certain Units exclusively, including for example, and without limitation, Terraces, these Common Elements being specifically designated as "Limited Common Elements."

As more fully set forth in the By-laws, the Units shall be used for residential purposes only (excluding "dormitory", "bed and breakfast" or other transient hotel-type use) and home occupation use ancillary to such residential purposes, and not more than one family may occupy a Unit at one time. A Unit owned or leased by an individual, corporation, partnership, 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, 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 Unit may be used for any other purpose, provided such use is permitted by, and complies with Law, does not violate the then existing certificate of occupancy covering the Building, and the Condominium Board, in its sole discretion, grants permission for such use.

With certain exceptions, any sale or lease of a Unit will be subject to a right by the Condominium Board to acquire or lease such Unit or to produce a designee to acquire or lease such Unit on the same terms as were offered to the owner of such Unit on behalf of the Unit Owners. Sponsor may sell or lease its 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 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. *(See the Section of the Plan entitled "Rights and Obligations of Unit Owners" subsection "Sales and Leases of Units" for further details.)*

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 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 which will be elected by the Unit Owners, subject to the rights of Sponsor 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 Unit Owner shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit per 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 Owner has exclusive use, subject to any and all Rules and Regulations implemented by the Condominium Board, of any Limited Common Element appurtenant to the Unit, as shown on the Floor Plans, and is responsible for all normal maintenance, repairs and replacement thereto. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Limited Common Element (including any leaks which are not caused by the negligence of the Unit Owner having access to same) shall be charged to all Unit Owners as a Common Expense. *(See the Section of the Plan entitled "Rights and Obligations of Unit Owners").*

The Units are being delivered with wood floors, and may be delivered with certain wood millwork. Wood is a natural product and expands and contracts with weather conditions, which causes the appearance of the floors and any wood millwork in the Unit to change. Moreover, in order to maintain the quality of any such wood floor or millwork, the humidity level within the Unit should be maintained according to the manufacturers' recommendations and the wood should not be washed with water. Any stone finishes in the Units shall sealed by the Sponsor must be sealed by the Unit Owner and regularly resealed in accordance with the manufacturer's recommendations.

Units with window stops installed in accordance with NYS and/or NYC law may not be removed unless permitted by applicable Law and approved by the Condominium Board. Each Unit Owner without window stops shall notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides in the Unit, and shall, at such Unit Owner's expense, install the required window guards in the Unit that as required by Law, including, but not limited to, Health Code Section 131.15, and shall not remove the same until permitted by Law.

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 special tax counsel to Sponsor, which opinion is set forth in full in Part II of the Plan, a 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" set forth in Part II of the Plan for further 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 Sponsor's recording the Floor Plans with the Declaration in the Register's Office. From and after the date of recording the Declaration, Sponsor will be the owner of the Units until each is conveyed. 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 attributable to all Unit Owners and assessed against Unit Owners in the same proportion their respective Units bear to the aggregate Common Interests of all Units. The estimated Common Charges for each Unit for the first year of Condominium operation are set forth in Schedule A. The Declaration and Bylaws provide that the Condominium Board shall have the right to specially allocate certain profits and expenses based on special or exclusive use or availability or exclusive control of particular Units or common areas by particular Unit owners in a manner different from common profits and expenses.

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. These allocations are made pursuant to the Condominium Act, Section 339-i(1)(iv). Purchasers are obligated to pay monthly Common Charges pursuant to the Condominium Act (RPL Sections 339 (i) and (m)).

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 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 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 Price 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 and the Limited Common Elements appurtenant thereto, including, without limitation, the flooring, fixtures, furniture, furnishings, equipment, appliances and personal property situated within the Unit and the Limited Common Elements appurtenant thereto, as well as liability insurance with respect to occurrences in or about the Unit and the Limited Common Elements appurtenant thereto. 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 further details.)

Each Purchaser of a Unit from Sponsor 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 Unit, shall be in an amount equal to 2 months' Common Charges assessed against the Unit at Closing. (See the Section of the Plan entitled "Working Capital Fund" for further 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.

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

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:

"Actual Closing Date" shall have the meaning given to such term in the Special Risks.

"Adverse Effect", or "adverse effect" or "materially and adversely affect", shall mean, in connection with any action or change with respect to any Unit Owner or Unit Owners, that could (i) materially increase the Common Charges payable by such Unit Owner or Unit Owners, (ii) materially interfere with such Unit Owner's access to the Unit, (iii) materially obstruct or degrade the view from the windows of such Unit Owner's Unit or (iv) otherwise materially diminish such Unit Owner's 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 lease of Units of the nature described in subdivision (ii) above, and (iv) any other assets of the Condominium.

"Attorney General" means the Attorney General of the State of New York.

"Building" shall mean the building located at 151 East 78th Street, New York, New York.

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

"Bulk Sales" shall mean the transfer of 10 or more Units or 20% of the total number of Units in the Condominium, whichever is less.

"By-laws" shall mean the by-laws governing the operation of the Condominium, which are set forth as Exhibit D to the Declaration, as the same may be amended or supplemented from time to time.

"Closing of Title" or "Closing" or "Closing Date" shall mean the date upon which, among other things, a Unit and its appurtenant Common Interest is conveyed pursuant to a Purchase Agreement.

"Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-laws, or in the First Year's Budget) to meet the Common Expenses.

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

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Condominium or 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, a reserve fund, a fund for working capital, or 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 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 this Declaration.

"Condominium" shall mean the 151 East 78th Street condominium, which was 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 and presently found in the 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 and the Rules and Regulations of the Condominium, as the same may be amended or supplemented from time to time.

"Construction Agreement" shall mean the form of construction agreement set forth in Part II of the Plan, as the same may be modified from time to time by the Sponsor or Condominium Board.

"Construction Staging" shall have the meaning given to such term in Special Risks.

"Declarant" shall mean Sponsor and its successors and assigns.

"Declaration" shall mean the declaration executed by Declarant and recorded in the Register's Office for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for condominium ownership thereof, as the same may be amended or supplemented from time to time.

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

"Deposit" shall mean the payment of a portion of the Purchase Price made by a Purchaser under a Purchase Agreement in accordance with the terms thereof, prior to payment of the balance of the Purchase Price.

"Description of Property and Improvements" shall mean the Condominium Offering Report for 151 East 78th Street prepared by Peter Pennoyer Architects PC and included in Part II of this Plan.

"DOB" shall mean the NYC Department of Buildings.

"Effective Date" shall mean the date upon which Sponsor has declared the Plan effective pursuant to the provisions of the General Business Law.

"Escrow Agent" shall mean Goldfarb & Fleece LLP, having an address at 345 Park Avenue, New York, New York 10154.

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary

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

"Family Members" shall mean the Unit Owner's spouse, domestic partner, and any children (natural or adopted), stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of the Unit Owner, the Unit Owner's spouse or domestic partner, who in any event reside in such Unit Owner's 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 Closing" shall mean the Closing of Title with respect to the first Unit to be conveyed to a Purchaser pursuant to the terms of the Plan.

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

"Fitness Center" shall mean the area in the cellar of the Building shown on the Floorplans as a fitness center, inclusive of the studio/flex room contained within.

"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 delays caused by an act of God, casualty, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor (including work stoppages and strikes), 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 reasonable control of Sponsor.

"General Common Elements" shall mean those certain portions of the Common Elements (other than the Units and the Limited Common Elements), 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 or reserve fund for working capital, and/or for replacements with respect to the General Common Elements.

"Housing Merchant Implied Warranty Law" shall mean Article 36-B of the New York General Business Law.

"Initial Control Period" shall mean the period ending on the last to occur of (i) the Closing of Title with Purchasers under the Plan to Units representing at least 95% in number of all Units offered for sale, (ii) three (3) years after the final TCO is issued for any portion of the Condominium, and (iii) the issuance of a FCO for the Condominium. Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Initial Control Period.

"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.

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

"Insurance Trustee" shall mean a bank or a trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of $500,000,000 or more, from time to time appointed to serve as such by the Condominium Board. The initial Insurance Trustee shall be AR BETA LLC for so long as AR BETA LLC continues to maintain its mortgage (or any portion thereof) on the Property. AR BETA LLC may decline such designation as Insurance Trustee at any time, on no less than thirty (30) days notice to the Condominium Board and Sponsor.

"Land" shall mean the land located in the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 1413, Lots 22 and 23 (and former Lot 123), as 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 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 which are applicable at the time in question, and all requirements of the any recorded documents affecting the Property. Any statement in the Condominium Documents to the effect that any action or use be in compliance with "Law" or any variation thereof shall be deemed to include compliance with all of the foregoing.

"Letter of Credit" shall have the meaning given to such term in the Section of the Plan entitled "Escrow and Trust Fund Requirements".

"Lender" shall have the meaning given to such term in Special Risks.

"Limited Warranty" shall have the meaning given to such term in Special Risks.

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

"Majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of the By-laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

"Mansion Tax" shall have the meaning given to such term in Special Risks.

"Managing Agent" shall mean the managing agent or manager of the Condominium at the time in question. The initial Managing Agent shall be Penmark.

"Master Escrow Account" shall mean the Goldfarb & Fleece LLP Attorney Trust Account.

"Member", "Members", or "Board Member" shall mean a member of the Condominium Board elected or designated, as the case may be, in accordance with the terms of the By-laws.

"Mortgage Representatives" shall mean the representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of the By-laws.

"Permanent Certificate of Occupancy" or "FCO" shall mean the permanent certificate of occupancy to be issued by the Buildings Department for the Condominium.

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

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

"Permitted Mortgagee" shall mean any holder of a Permitted Mortgage at the time in question and shall specifically include the lender which currently holds a mortgage on the Property, for so long as such lender continues to maintain such mortgage (or any portion thereof) on the Property.

"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 Section 352-e of the General Business Law of the State of New York and any and all amendments thereto.

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

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

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

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

"Purchase Price" shall mean the purchase price of a Unit.

"Purchaser" shall mean a purchaser of a Unit pursuant to a Purchase Agreement.

"Real Property Law" shall mean N.Y. Real Prop. Law § 339 et seq. (or Article 9-B of the New York Real Property Law known as the Condominium Act).

"Rear Yard" shall mean the general common element rear yard as shown on the Floorplans.

"Register's Office" shall mean the Office of the Register of the City of New York and the County in which the Property is located.

"Reserve Fund" shall mean the reserve fund set forth in Schedule B.

"RPT Tax" shall have the meaning given to such term in Special Risks.

"Rules and Regulations" shall mean the Rules and Regulations of the Condominium, which are annexed as an addendum to the By-laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-laws.

"Sales Center" shall mean the sales office for the 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 "Schedule B – Projected Budget for First Year of Condominium Operation". Schedule B is sometimes referred to as the First Year's Budget or the budget for the first year of Condominium operation.

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

"Scheduled Closing Date" shall have the meaning given to such term in the Special Risks.

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

"Special Assessments" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-laws), in accordance with Section 6.1(C) of the By-laws of the Condominium.

"Sponsor" shall mean Spruce 317 West 77th LLC, a New York limited liability company and 78 RPM Owner LLC, a Delaware limited liability company, both with an address at Spruce Capital Partners, 902 Broadway, New York, NY 10010, and their successors, designees or assigns. Pursuant to Section 20.1(c) of the Part 20 regulations of the New York State Department of Law, in the event of a foreclosure, deed in lieu or other transfer wherein Unsold Units owned by Declarant, its successors, designees or assigns become the property of the Condominium construction lender or its assignee, the Condominium construction lender shall not become a successor Sponsor unless and until it makes a public offering thereunder.

"State Transfer Tax" shall have the meaning given to such term in the Special Risks.

"Storage Bin" shall mean any Storage Bin located in the cellar and shall include the structural framework and materials out of which the Storage Bin is constructed.

"Resident Manager" shall mean the superintendent for the Condominium.

"Temporary Certificate of Occupancy" or "TCO" shall mean a temporary certificate of occupancy to be issued by the Buildings Department for the Condominium.

"Terrace" shall mean any terrace, balcony, garden, patio, rear yard or front yard which is appurtenant to a Unit as a Limited Common Element and shall include any Facilities attached thereto that were installed as part of the original construction of the Condominium, including, but not limited to, pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures and enclosures. All such terraces, balconies, rear yards, front yards, patios or gardens are collectively referred to as the "Terraces". The term "Terraces" shall not include the "Rear Yard", which is a general common element.

"Title Company" shall mean Riverside Abstract, LLC, having an office at 3839 Flatlands Avenue, Suite 208, Brooklyn, NY 11234.

"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 Floor Plans" shall mean the floor plans set forth as an exhibit in Part II of this Plan.

"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 Power of Attorney" shall mean the power of attorney set forth as an exhibit in Part II of this Plan.

"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".

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

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

"ZLDA" shall have the meaning given to such term in the Special Risks.

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, Acreage and Zoning

The Condominium is located on the Land which is situated between Lots 20 and 124 on Block 1413 on the North side of 78th Street between Lexington Avenue and Third Avenue in the Borough of Manhattan, City and State of New York. The Land covers approximately 8,422.75 square feet and the Condominium erected thereon will consist of approximately 65,773 gross square feet (inclusive of the cellar). The Condominium is located within the C1-8X (R9X Equivalent / Mandatory Quality Housing Program) Zoning District.

Improvements – General Description of Units

The Condominium, upon completion of construction will consist of the Building and the limited and general common elements appurtenant thereto. The main entrance will be on East 78th Street and will be monitored by a doorman or concierge.

There will also be certain amenities for the benefit of the Unit Owners, including a Library, a Fitness Center, storage for bicycles, a studio flex room, a Rear Yard and various utility and service areas located throughout the Condominium. The Fitness Center is currently anticipated to include one or more treadmills, an elliptical exercise machine and limited amounts of various free weights. The Library will include seating and built in storage for books. The bicycle storage room is anticipated to accommodate up to 26 bicycles on wall mounted racks. The studio flex room will be unfurnished (See the subsection entitled "Services and Facilities" for further details.) The Rear Yard is anticipated to include a water feature and certain landscaping in planters. The limited common element balconies and terraces appurtenant to individual Units are shown on the Floorplans, and shall are finished with pedestal pavers.

Purchasers should refer to the Description of Property and Improvements contained in Part II of the Plan for further details concerning the Units.

Units

The Units vary in size from approximately 509 square feet to 6,975 square feet.

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

Resident Manager's Apartment

The Resident Manager's Apartment will be General Common Element. Sponsor has designated Apt. 1B as the Resident Manager's apartment, and such apartment is intended for the use and occupancy of the Resident Manager.

Storage Bins

The Unit Floor Plans set forth in Part II of this Plan show the approximate location of the storage bins. The storage bins are part of the General Common Element of the Condominium and may be licensed by Sponsor (or the Condominium) to Unit Owners pursuant to a license agreement in substantially the form of which is set forth in Part II hereof.

As the storage bins are located at a depth that is below grade levels of the Building, Sponsor can make no representations that the storage bins will remain dry or will not experience any water infiltration, and neither Sponsor nor any Condominium Board will be responsible for any damage to items placed in the storage bins. Unit Owners who place items in the storage bins do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such stored items.

Construction Data for Units and Common Elements

Sponsor has engaged Peter Pennoyer Architects as architect of record. The Plans and Specifications have been prepared by such architect. (See the Section of the Plan entitled "Identity of Parties" for further details)

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

The Sponsor anticipates that the First Closing will occur by September 1, 2015, based upon the current construction schedule, unless delayed by Force Majeure. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Unit occurs later than August 31, 2016, twelve (12) months after the projected date for the First Closing of September 1, 2015, or (ii) the projected date of closing of title to the first Unit occurs later than August 31, 2016, twelve (12) months

after the projected date for the First Closing of September 1, 2015. If the Plan is amended to provide for a later projected date for the First Closing, Purchasers will be entitled to an offer of rescission if the First Closing occurs more than twelve (12) months beyond that amended, later date. Such right of rescission shall be offered in an amendment to all Purchasers, with not less than fifteen (15) days to exercise such right. **TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S RIGHT TO EXERCISE SUCH RESCISSION RIGHT.** However, even if the First Closing occurs before September 1, 2015 or a later projected date, the closing of subsequent Units could be substantially delayed beyond the date of such First Closing if a TCO has not been issued for such Units or for the floor on which such Units are located. In such case, a Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full Purchase Price for the Unit and the Sponsor may schedule the closings of title to other Units significantly later than the date of the First Closing. The Sponsor is not obligated to schedule Purchaser's closing within any specified time frame or to ensure that closing of title to Purchaser's 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. Purchasers should note that: (i) Units will be completed at different times over a period that may begin prior to and/or extend significantly beyond the date of the First Closing, and (ii) Units on higher floors generally close later than Units on lower floors. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the Purchase Price for the Unit if the First Closing occurs earlier or later than the projected date, or the time to complete or to close title to any Unit is delayed or postponed by Sponsor.

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 and, if Unit Owner's monthly Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within 15 days of the Presentation Date of the amendment containing such revised budget. Any Purchasers electing rescission pursuant to such offer will have their Deposits and any interest accrued thereon returned, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

Building Standard Services and Facilities

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

a. Doorman/Concierge

There will be a doorman or concierge stationed in the lobby 24 hours a day, 7 days a week. The main entrance to the Building will be available 24 hours a day, 7 days a week. 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 Unit, the lobby will be attended 24 hours a day, 7 days a week by a doorman/concierge.

b. Building Staff

The staff of the Condominium will be supervised by the Resident Manager. The staff shall be assigned such hours of duty as are necessary for the comfortable occupancy of all Unit Owners.

c. Residential Elevator Service.

All automatic passenger elevators serving multiple Unit Owners will be in service 24 hours a day, 7 days a week. Purchasers should refer to the Description of the Property and Improvements set forth in Part II for further details concerning the passenger elevators. Sponsor reserves the right to restrict access to any residence with direct elevator access solely to the individual owner/occupant of such Unit, by way of elevator lock off, hallway restriction, or other means permissible by Law.

d. Bicycle Storage

There will be bicycle storage in the cellar level of Condominium in a separate designated room. Bicycle storage will be available to Unit Owners on a first come first served basis, although the Condominium Board may implement Rules and Regulations with respect thereto.

e. Telecommunications

The Building will be pre-wired for telephone, cable television and internet services to the Units. Residents will be able to subscribe for telephone, television and internet services. Charges for activating cable television or DSTS service, installing and attaching appropriate receptacles, additional installations and monthly usage charges will be determined by and payable directly to the cable company or DSTS company, as applicable, 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 Unit Owner as a Common Expense.

f. Mail

All incoming mail and packages will be received by the concierge for delivery to the Units. Sponsor reserves the right to modify this arrangement and to provide for mail boxes in the lobby. Sponsor reserves the right to eliminate or modify the process of having mail delivered to each Unit by Condominium staff and to install mailboxes for each Unit Owner.

g. Laundry Facilities

Each Unit will contain a washing machine and dryer. There are no common laundry rooms.

h. Refuse Disposal

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

i. Communication Facilities and Intercom System

Each Unit will be equipped with an intercom telephone system which will enable the occupants to communicate directly with the concierge and/or doorman over a standard touch tone telephone. Sponsor reserves the right to substitute an alternate service to enable communication between the concierge and the residents.

j. Smoke and Carbon Monoxide Detector/Sprinklers

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

k. Fitness Center; Library.

The Fitness Center and the Library are available only to residents of the Condominium which, for the purposes of this section, shall mean the Unit Owners, their tenants and guests, and any trainers working with the foregoing. The Condominium Board shall be authorized to make rules and regulations governing the use, operation and hours of the Fitness Center and Library.

l. Rear Yard.

The residents will have use of the outdoor rear yard located at the rear of the Building. The use of the Rear Yard by the residents of the Condominium and their guests will be subject to such Rules and Regulations as may be promulgated from time to time by the Condominium Board. The Rear Yard will initially be open from 9am to 8pm, Monday to Friday, and 10am to 9pm on Saturdays and Sundays, but Sponsor makes no representation that the hours will remain unchanged.

Safety Procedures

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

The main entrance to the Building will be attended by a doorman/concierge. While Unsold Units are being offered for sale or lease by Sponsor or its designee, Prospective Purchasers will be accompanied by a representative of the Sponsor or of the Selling Agent at all times that such Prospective Purchaser is in the Condominium.

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

Fitness Center; Library.

There will be a Fitness Center and a Library located on portions of the ground and cellar floors of the Condominium, as shown on the Unit Floor Plans set forth as an exhibit in Part II of this Plan, which will be a General Common Element. The Fitness Center is currently anticipated to be open from 5:30 a.m. to 9:30 p.m., Monday through Friday, and 7:00 a.m. to 8:00 p.m. on Saturdays and Sundays or as

otherwise determined by the Condominium Board. Sponsor makes no representation that these hours and days will not be modified. The Condominium shall comply with all laws with respect to the operation of the Fitness Center and Library.

Prospective Purchasers are advised that until such time as Sponsor has conveyed title to 75% of the Units, some of the services and facilities described in the Plan (such as a full staff of Condominium personnel) may not be available. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or construction work, as well as the use of the passenger and/or service elevators, will be restricted during the period that Sponsor is completing construction of the Condominium. However, at all times after the First Closing, the lobby will be attended 24 hours a day, 7 days a week and the interim level of staffing will be adequate to maintain the Building. Additionally, it is anticipated that for a significant period of time following the First Closing through, including and beyond the closing of title to any particular Purchaser's Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete construction of the Condominium, including without limitation, the Units, the decoration or finishing of the residential lobbies, corridors, elevator finishes and other portions of the Condominium, including installing light fixtures, painting, hanging wall coverings, laying carpeting and planting of gardens. All of the foregoing work and conditions may create a noisy and otherwise disruptive condition in the Condominium during the period such work is being performed. The Condominium Board may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Condominium has been completed and a FCO has been obtained. In the event any Unit Owner wishes to undertake construction or an alteration, such Unit Owner shall be required to execute a Construction Agreement, the form of which is set forth as an exhibit in Part II of the Plan. In addition, the presence of hoists or construction elevator shafts or similar temporary construction facilities, may delay the closing of title to certain Units until such hoists, elevators or temporary facilities are no longer needed and are removed and construction is completed.

LOCATION AND AREA INFORMATION

Location and Services.

Location

The Condominium is located on the Upper East Side in the Manhattan borough of New York City, with frontage on East 78th Street between Lexington and Third Avenues.

New York City is the most populous city in the United States, as well as one of the principal urban centers of the world, containing numerous businesses, transportation facilities, cultural activities, park areas, educational facilities, medical centers, theaters, museums, shops and restaurants.

Transportation

The Condominium is served by a variety of transportation facilities. Taxi and limousine service is readily available throughout the city. Entrances to the city's extensive subway system are within close walking distance, the closest being for the 6 local train at East 77th Street and Lexington Avenue, which provides both uptown and downtown service. Municipal bus service is available on every major avenue except for Park Avenue, the closest being on Lexington Avenue, Third Avenue and Second Avenue, and there are also nearby cross town routes. The Condominium is located close to one of New York City's major highways, FDR Drive, easily connecting to many other major thoroughfares, the city's many bridges and tunnels, and the airports. New York City is serviced by three major airports located within

nineteen miles of the Condominium. Kennedy International Airport and LaGuardia Airport are located in New York City and Newark International Airport in New Jersey.

Parks, Recreation and Cultural Activities

Excellent shopping facilities are conveniently located near the Condominium. In addition to the many world-renowned boutiques and restaurants on and around Madison Avenue, the Condominium is situated close to such retail stores as Barney's, Bloomingdales, F.A.O. Schwarz, Bergdorf Goodman and Saks Fifth Avenue. The shops and restaurants of Midtown and the rest of the city are easily accessible.

Central Park, the city's largest and most popular green space, is located within walking distance of the Condominium. This 840-acre tract of land combines beautifully landscaped areas with a large variety of recreational facilities such as tennis courts, running paths, bicycle routes, a swimming pool, an ice skating rink, theatrical performances, music concerts and a zoo. In addition, many other neighborhood parks are located nearby. The Upper East Side is also well served by a variety of private recreational facilities, including fitness centers, yoga studios, tennis courts, etc.

Numerous museums and galleries are located close to the Condominium, including the Metropolitan Museum of Art, the Guggenheim Museum, the Whitney Museum of American Art, the Museum of Modern Art, the Frick Museum, the Neue Galerie, the Museum of Natural History and the New York Historical Society, among many others.

Another cultural facility accessible to the site is the Lincoln Center for the Performing Arts, a major entertainment facility featuring year-round music, drama, and dance from organizations like the Metropolitan Opera and the New York Philharmonic. The Broadway Theater District is located nearby in Midtown, as well as the popular Carnegie Hall.

Educational Facilities

Excellent educational facilities are located in New York City, and particularly on the Upper East Side. Public schools servicing the Condominium include elementary school P.S. 158 Bayard Taylor located on York Avenue between 77th and 78th Streets, JHS 167 Robert F. Wagner located at 220 East 76th Street, and Eleanor Roosevelt High School located at 411 East 76th Street. Private schools in the greater New York City area for the grade and high school levels include the Dalton School, Trinity School, Columbia Grammar School, The Spence School, The Nightingale-Bamford School, The Brearley School, St. Bernard's School, Collegiate School, The Buckley School, The Allen-Stevenson School, and the Lycée Français de New York. Top tier universities in the city include New York University, Columbia University, Fordham University and Hunter College. Many others exist as well.

Medical Facilities

The Condominium is within easy access to a number of medical facilities in the New York area, including Lenox Hill Hospital at 100 East 76th Street, New York Hospital-Cornell Medical Center, Beth Israel Medical Center, Memorial Sloan-Kettering Cancer Center, the Hospital for Special Surgery, Mount Sinai Medical Center and others.

Religious Facilities

There is a diverse range of religious facilities within close proximity to the Condominium. Nearby houses of worship include the Church of the Holy Trinity, Temple Israel and Madison Avenue Presbyterian.

Municipal Services

Police, fire, water, sanitation and snow removal are provided by the City of New York. The Property is in the 19th Police Precinct located at 153 East 67th Street, New York, New York, and primary fire protection is provided by the NYFD Engine 44 located at 221 East 75th Street, New York, New York.

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

Mailing Address and Neighborhood

The mailing address for the Condominium is anticipated to be 151 East 78th Street, New York, New York 10075 (see cover of Plan).

Zoning

The Condominium is located on the Land which is situated between Lots 20 and 124 on Block 1413 on the North side of 78th Street between Lexington Avenue and Third Avenue in the Borough of Manhattan, City and State of New York. The Land covers approximately 8,422.75 square feet and the Condominium erected thereon will consist of approximately 65,773 gross square feet (inclusive of the cellar). The Condominium is located within the C1-8X (R9X Equivalent / Mandatory Quality Housing Program) Zoning District.

Adjoining Property

On the east side of the Condominium on East 78th Street is a 3 story residential building. To the west of the Condominium is 7 story mixed-use building. On the western half of the Condominium's north side is a one story retail building, and on the eastern half of the Condominium's north side is a 14 story residential building located approximately 30 feet from the property line.

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

General

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

SCHEDULE A

151 EAST 78TH STREET CONDOMINIUM
151 EAST 78TH STREET
NEW YORK, NY

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE FIRST YEAR OF CONDOMINIUM OPERATION SEPTEMBER 1, 2015 - AUGUST 31, 2016

(1) UNIT	NO. BED-ROOMS	NO. BATHS	(2) APPROX UNIT SQUARE FOOTAGE	(2) APPROX EXTERIOR SQUARE FOOTAGE	(3) OFFERING PRICE	(4) COMMON INTEREST	(5) PROJECTED MONTHLY COMMON CHARGES	(5) PROJECTED ANNUAL COMMON CHARGES	(6) PROJECTED MONTHLY RE TAXES	(6) PROJECTED ANNUAL RE TAXES	(7) PROJECTED TOTAL MONTHLY CARRYING CHARGES	(7) PROJECTED TOTAL ANNUAL CARRYING CHARGES
1A	0	1	523		$1,200,000	0.8573%	$642.91	$7,714.89	$396	$4,757	$1,039	$12,472
MAIS	6	6	4493	862	$12,750,000	7.7567%	$5,816.95	$69,803.38	$3,587	$43,039	$9,404	$112,843
3	5	5	3966		$9,750,000	6.5659%	$4,924.03	$59,088.34	$3,036	$36,433	$7,960	$95,521
4	5	5	3966		$10,100,000	6.5985%	$4,948.41	$59,380.87	$3,051	$36,613	$7,999	$95,994
5	5	5	3966		$10,300,000	6.6310%	$4,972.78	$59,673.39	$3,066	$36,793	$8,039	$96,467
6	5	5	3966		$10,500,000	6.6636%	$4,997.16	$59,965.90	$3,081	$36,974	$8,078	$96,940
7	5	5	3966		$10,700,000	6.6961%	$5,021.53	$60,258.42	$3,096	$37,154	$8,118	$97,413
8	5	5	3966		$10,950,000	6.7286%	$5,045.91	$60,550.94	$3,111	$37,335	$8,157	$97,885
9	5	5	3966		$11,200,000	6.7611%	$5,070.29	$60,843.45	$3,126	$37,515	$8,197	$98,358
10	5	5	3966		$11,750,000	6.7936%	$5,094.66	$61,135.97	$3,141	$37,695	$8,236	$98,831
11	5	5	3966		$12,000,000	6.8261%	$5,119.04	$61,428.49	$3,156	$37,876	$8,275	$99,304
PHC**	6	7.5	6924	493	$27,500,000	12.1871%	$9,139.42	$109,673.05	$5,635	$67,622	$14,775	$177,295
PHB	3	2.5	3381	66	$10,850,000	5.9033%	$4,427.02	$53,124.29	$2,730	$32,755	$7,157	$85,880
PHA**	6	7.5	6975	1958	$29,500,000	13.0311%	$9,772.30	$117,267.62	$6,025	$72,305	$15,798	$189,573
RESIDENTIAL TOTAL	**66**	**69.5**	**57,990**	**3,379**	**$179,050,000**	**100.00%**	**$74,992.41**	**$899,909.00**	**$46,237**	**$554,866**	**$121,232**	**$1,454,776**

**Duplex

Notes to Schedule A

1. Purchasers should refer to the Unit Floor Plans included in Part II of the Plan for an approximation of the dimensions and typical layouts of the Units. The number of bedrooms and bathrooms for each 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 Unit should be inspected to determine its actual dimensions, layout and physical condition prior to Closing.

2. The square foot areas and dimensions 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 apartments. Each Unit consists of the area measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one unit from another unit or separating a unit from a public corridor or Common Element, and solely with respect to the roof, to the centerline of the partitions enclosing mechanical equipment spaces and elevator overrun shaftway. Elevator shaft, stairways, egress corridors, columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of a unit. Each unit consists of the area measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling slab above. As is customary in New York, these square foot areas exceed the usable floor area of each Unit. Floor area may include columns, mechanical pipe shafts, shaftways, chases, chaseways, elevator shafts, stairways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area. The clearance between the top of the floor slab on one floor and the top of the floor slab on the next floor will vary among the Units, and certain Units may have less or an area of lesser clearance because of the presence of beams and/or mechanical spaces than other similarly situated Units; similarly, wall configurations may vary between similarly situated Units because of the presence of beams and/or mechanical spaces. Certain rooms within a Unit may have a lesser ceiling clearance or different wall configuration than other rooms within the Unit as a result of construction variances, the presence of beams and/or mechanical spaces within such Units, to accommodate facilities located above the same or otherwise to respond to field conditions. Ceiling heights vary in height between similar Units located on different floors and within a single Unit due to structural, mechanical, and architectural systems. Ceilings heights within Units range from approximately 8'-0" to approximately 9'-8", with a minimum of 7'-6" at showers and tub enclosures, with lower beams and soffits in some areas. Such ceiling and wall variances between Units and rooms within Units to accommodate described facilities are normal and customary in construction of this nature, and shall not be taken into account when calculating square footage, except to the extent of an actual loss of floor area in a Unit. Terraces appurtenant to a Unit are measured from the exterior measurement line of the Unit to which they are appurtenant to the outside faces of the copings of the Terrace wall or partition, and/or the center line of any dividing wall or partition located between Terraces.

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 Units may be negotiated by Sponsor and, therefore, may be changed. Accordingly, Purchasers may pay different Purchase Prices for similar 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). Based upon final specifications, construction conditions and/or "as-built" plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in an individual Common Interest appurtenant to one or more Units. In such event the Common Interest appurtenant to any affected Unit would be adjusted (by a minimal amount). Sponsor expressly reserves the right, from time to time prior to the First Closing, to effect such a change in the Common Interests and to amend the Condominium Documents so as to reflect the same. In no event, however, will the Common Interest of any Unit be increased or decreased as a result of any of the foregoing by more than five percent (5%). There shall be a rebuttable presumption that a change in the square foot area and dimensions of Unit due to field conditions, construction variances and tolerances, which do not increase or decrease the square foot area of the Unit by more than 5% (excluding interior partitions), shall not be deemed a material and adverse change.

5. The estimated monthly Common Charges for each Unit are based on Schedule B prepared by Sponsor's Condominium Budget Expert on the assumption that the First Year of Condominium Operation will be the year from September 1, 2015 through August 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. See the Section of the Plan entitled "Schedule B-1 - Budget for Individual Energy Costs" concerning estimates of certain electric costs for the Units. The cost of electricity supplied to each Unit will be separately submetered and payable by the Unit Owner directly to Con Edison.

6. It is estimated that the aggregate real estate taxes payable with respect to all Units for the first year of Condominium operation will total approximately $554,866, assuming (a) a taxable assessed valuation for the Property of $3,608,220 for 10 months of tax year 2015/2016 reflecting the assessment for a partially constructed property and a taxable assessed value of $7,216,440 for 2 months of tax year 2016/2017 based on the real estate tax projection opinion prepared by Marcus & Pollack LLP set forth in Part II of the Plan, and (b) a tax rate of 13.181 per $100 of assessed valuation. Purchasers should note that once the Condominium is assessed as being fully constructed in the second year of condominium operation, it is estimate that the real estate taxes for the Units will total approximately $951,199. The calculation of such estimated taxes is set forth in detail in the Real Estate Tax Projection Opinion set forth as an exhibit in Part II. In arriving at the assessed valuation for each Unit in the Condominium, the Condominium 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, Marcus & Pollack LLP or any offeror be liable to any Purchaser, nor will any Purchaser have the right to rescind the Purchase Agreement if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater than that projected herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. 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.

In the opinion of Goldstick, Weinberger, Feldman & Grossman, P.C., a copy of which is set forth in Part II of the Plan, a Unit Owner who uses the 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 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. (See the Section of the Plan entitled "Income Tax Deductions to 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 Unit Owners.

A Purchaser of a 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 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

Projected Budget for First Year of Condominium Operation.
September 1, 2015-August 31, 2016

PROJECTED INCOME:

Common Charges (1)…….	$899,909
TOTAL PROJECTED INCOME……..	$899,909

PROJECTED EXPENSES:

Salary, Wages, Payroll Taxes & Benefits (2)……	$431,040
Heat and Hot Water (3)…….……	$ 87,600
Cooking Gas (4)……..……..	$ 4,641
Electricity (5)……	$ 59,575
Water & Sewer (6)…….	$ 29,903
Repairs & Maintenance (7)……	$ 12,000
Services & Supplies (8)…….....	$ 84,700
Insurance (9)…….……	$ 47,550
Management Fee (10)……..	$ 30,000
Legal & Auditing Fees (11)……	$ 10,000
Administration (12)……	$ 12,000
Reserve Fund (13)……..	$ 80,900
Contingency (14)……	$ 10,000
TOTAL PROJECTED EXPENSES (15)……	$899,909

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

Notes to Schedule B

(1) COMMON CHARGES - (Budget-$899,909)

The estimated Common Charges to be collected from Unit Owners during the first year of Condominium operation are based upon the assumption that the first year of Condominium operation will be the twelve months commencing September 1, 2015. The actual first year of operation may be earlier or later.

In the event the projected commencement date of the first year of Condominium operation is to be delayed more than six (6) months from the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. Sponsor will not declare the plan effective if any material changes to the budget are not yet disclosed in an amendment to the plan. If the Common Charges in the revised budget projections exceed the earlier budget projections by twenty-five percent (25%) or more, the Sponsor will offer all purchasers the right to rescind their Purchase Agreements and have their Deposits refunded to them, whether or not the Sponsor offers to guarantee the earlier budget projections.

(2) SALARIES, WAGES, PAYROLL TAXES & BENEFITS - (Budget - $431,040)

The budgeted amount includes base wages, worker's compensation and disability insurance, welfare and pension costs, payroll taxes and the cost of sick days, holidays and vacation pay for a projected building staff of a Resident Manager, 24 hour per day, 7 days per week concierge, and an 8 hour per day porter. The projected level of staffing for the Building complies with all applicable housing and labor laws. It is anticipated that such employees will be non-union members.

Position	Base Wage Rate
(1) Resident Manager	$80,000 per annum
(1.4) Porters	$19 per hour
(4.2) Concierge	$19 per hour

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

Total Base Wages	$324,490
FICA @ 7.65% of Base Wages	$ 24,823
Worker's Compensation @ 5.5% of total wages	$ 17,847
FUI and FUTA-NYS Unemployment, @ $425 per employee	$ 3,400
NYS Disability @ $60 per employee	$ 480
(Health) @ $10,000 per full time employee	$ 60,000
Total Benefits	$106,550
TOTAL WAGES TAXES & BENEFITS	$431,040

(3) HEAT & HOT WATER - (Budget - $87,600)

The budgeted amount is based upon a letter from Ventrop Engineering Consulting Group PLLC located at 365 West 34th Street, New York, NY 10001 sponsor's consulting engineers, dated July 18, 2013. It is anticipated that the annual consumption of #2 fuel oil for heat and hot water for the residential units will be approximately 20,957 gallons at $3.80 per gallon for a total cost of $79,637. A 10% inflation factor has been added. Refer to Schedule B-1 for individual estimates for energy costs. This budgeted amount includes heat and hot water costs attributable to the Resident Manager's apartment, which is general common element.

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

(4) COOKING GAS- (Budget-$4,641)

The Residential Units will not be separately metered for gas to be used for cooking. Based on a letter dated July 18, 2013 from Ventrop Engineering Consulting Group PLLC, it is estimated that the gas cost for apartment cooking based on 2,813 therms at $1.50 per therm, will be $4,219. A 10% inflation factor has been added. This budgeted amount includes cooking gas costs attributable to the Resident Manager's apartment, which is general common element. Refer to Schedule B-1 for individual estimates for gas costs.

(5) ELECTRICITY - (Budget -$59,575)

The electricity consumption for the first year of Condominium operation for the Common Areas was estimated by Ventrop Engineering Consulting Group PLLC in a letter dated July 18, 2013, at 270,795 kilowatt hours of electricity, at an average rate of $.20. per kilowatt hour of electricity including applicable sales tax, resulting in an annual cost of $54,159. This is based on common area loads being supplied through a single house meter at Con Edison rate SC9-1 costs are calculated based on current effective rates and will vary month to month based on fuel adjustment and surcharge. This budgeted amount includes electric attributable to the Resident Manager's apartment, which is general common element. Refer to Schedule B-1 for individual estimates for energy costs. This estimate includes costs for the common area air conditioning units, distribution pumps, miscellaneous floor loads, elevators, and lighting. Electricity costs can vary depending upon consumption and demand factors. A 10% inflation factor has been added.

(6) WATER & SEWER – (Budget - $29,903)

The building will have a single main water meter, which will measure actual water usage. Based upon a letter from Ventrop Engineering Consulting Group PLLC dated July 18, 2013, water and sewer charges are based upon a combined charge of $9.27 per 100 Cu. Ft. and estimated consumption of 2,933 C.C.F.

The total cost of water and sewer for the first year of Condominium operation is expected to be $27,185. A 10% inflation factor has been added.

(7) REPAIRS & MAINTENANCE – (Budget - $12,000)

Since the Building will be newly constructed it has no operating history upon which to project future costs of repairs and maintenance. No major capital repairs are included in the First Year's Budget since all major construction and mechanical systems will be new. Future major capital repairs to the Common Elements will be borne by all Unit Owners.

The budgeted figure for this item includes the cost of normal maintenance and repairs to the Common Elements of the Building that are the responsibility of the Condominium. Each Unit Owner will be responsible for the cost of the interior maintenance, repairs, decoration and painting of their respective Units, including the appliances, incremental heating/air-conditioning units and any Limited Common Elements appurtenant thereto.

(8) SERVICE & SUPPLIES - (Budget - $84,700)

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

All of the mechanical systems within the Building will be new, and some will be under a full service maintenance contract for the first year of Condominium operation from the contractor who will install the system.

While this Schedule B includes a reasonable allowance for possible increases in cost that may occur prior to and during the first year of Condominium operations, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

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

Heating and Cooling System	$10,000
Elevator Maintenance	$18,700
Sprinkler System/ Fire Protective Alarm System	$ 8,000
Exterminator	$ 5,000
Uniform Cleaning & Maintenance	$ 8,000
Water Treatment	$ 5,000
Miscellaneous Supplies	$15,000
Building Maintenance System	$15,000

The budgeted amounts are based upon the experience of the Sponsor's budget expert in operating similar buildings.

(8) INSURANCE – (Budget - $47,550)

Based upon the proposal dated June 20, 2013, from Brooklyn Brokerage Corporation having an office address at 383 Kingston Avenue, Brooklyn, NY 11213 the following insurance coverage will be obtained for the Building for the first year of Condominium operation:

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

Property Policy

$30,000,000	Building "All Risk" Special Form, Agreed Amount, No Co-insurance, Replacement Cost, $5,000 Deductible
$ 1,000,000	Business Income Limit
$5,000,000	Flood and Earthquake – Deductible $50,000
Included	Ordinance or Law Coverage A
10%	Ordinance or Law Coverage B&C
Included	Boiler & Machinery

General Liability Policy

$1,000,000	Per Occurrence
$2,000,000	General Aggregate
$1,000,000	Personal & Advertising Injury
$2,000,000	Products Completed Operations
$100,000	Damage to Premises Rented to You
$5,000	Medical Payments
$1,000,000	Directors & Officers Liability
$300,000	Fidelity/Crime

Umbrella Liability

$100,000,000	Per Occurrence/Aggregate-Deductible/SIR - $10,000

The annual premium for the above mentioned insurance policy is estimated to be $47,550.

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

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

- fire or casualty losses to the contents of his unit and any replacements, additions, upgraded fixtures and improvements therein; and
- liability for personal injury or property damage as a result of occurrences in his Unit, including water damage legal liability to cover damage arising from leaks or other conditions within the Unit.

(10) MANAGEMENT FEE - (Budget - $30,000)

At or prior to the First Closing, the Condominium will enter into a management agreement with Halstead Management LLC having an office address at 770 Lexington Avenue, New York, NY

10065 a real estate management firm. The agreement will be for an initial term of 2 years. Thereafter, the agreement will be automatically renewed from year to year, but may be cancelled by either party without cause, upon not less than sixty (60) days' prior written notice by agent to principal and thirty (30) days prior written notice in writing to agent.

The Managing Agent will receive an annual fee of $30,000 payable in equal monthly installment of $2,500. The Managing Agent's fee for the first year of Condominium operation is comparable to the "going rate" for similar services in comparable buildings.

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

(11) LEGAL & AUDIT FEES – (Budget - $10,000)

The Condominium will engage a law firm to act as the attorney for the Condominium. The estimated cost for these services for the Condominium's first year is $2,500. It is anticipated that the Condominium will enter into an agreement with Kleiman & Weinshank LLP, located at 2 Penn Plaza, New York, NY 10121 to provide an audited tax returns and financial statement preparation services for the Condominium. It is estimated that the first year cost for these services will be $7,500.

(12) ADMINISTRATION – (Budget - $12,000)

The budgeted amount includes anticipated expenses for telephone, cell phones, postage, printing, miscellaneous office supplies, payroll processing costs, permits and fees, and local telephone and internet usage in the Resident Manager's office. This figure was determined by our experience in managing buildings of similar type.

(13) RESERVE FUND – (Budget - $80,900)

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

(14) CONTINGENCY – (Budget - $10,000)

This item is included in the budget to provide funds for unforeseen increases in Residential Common Expenses and General Common Expenses before or after the First Closing or to cover expenses not included in this budget.

(15) TOTAL PROJECTED EXPENSES – (Budget -$899,909)

The projections set forth in this budget assume that the first year of Condominium operation will cover the period from September 1, 2015 through August 31, 2016.

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

SET FORTH IN THE BUDGET. IN FACT, IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

SCHEDULE B-1
Projected Individual Energy Costs Budget

Ventrop Engineering Consulting Group, PLLC, having an office at 365 West 34th Street, NY, NY 10001, has provided the following estimate of annual electric energy costs for lighting and for operating the typical electrical appliances located in each Unit. A schedule of estimated annual costs of electricity for the Units follows on the next page.

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

Schedule B-1 is continued on the following pages.

365 W 34th Street, 3rd Fl. 212.244.1309 p
New York, NY 10001 212.244.4271 f www.ventrop.com

Ventrop
Engineering Consulting Group, PLLC

MEMO/REPORT

Date: July 18, 2013

From: Wailoon Wong

To: Leslie Winkler-Penmark

CC: Peter Rosenberg; Nick Raad

RE: Utility operating cost estimate for a proposed new residential building at 151 E 78th Street, New York, NY

The annual cost estimates of the utilities at the above referenced project are as follows;

Heat and Hot water:	$	79,637
Gas cooking:	$	4,219
Water and Sewer:	$	27,185
Common Area Electrical Charges:	$	54,159

Common Area Electrical Charges includes the following:

General Electrical Use	$	10,537
Building make up air unit with cooling	$	8,245
Building HVAC system	$	26,821
Cellar and First floor HVAC	$	8,556
Common Area Electric Total	$	54,159

There is no text on this page.

The Residential Unit electrical consumption is as follows:

Apartment number	FLOOR	Total Electrical Consumption
1A – STUDIO	1ST FL	$1,155
1B – SUPER'S UNIT	1ST FL	$2,972
MAIS – DUPLEX	1ST & 2ND FL	$10,816
3RD	3RD FL	$10,075
4TH	4TH FL	$10,075
5TH	5TH FL	$10,075
6TH	6TH FL	$10,075
7TH	7TH FL	$10,075
8TH	8TH FL	$10,075
9TH	9TH FL	$10,075
10TH	10TH FL	$10,075
11TH	11TH FL	$10,075
PHC-12/13 – PENTHOUSE DUPLEX	12TH & 13TH FL	$16,134
PHB-14 - PENTHOUSE	14TH FL	$8,075
PHA-15/16 – PENTHOUSE DUPLEX	15TH & 16TH FL	$15,423

For determination of the above utility see attached Appendix A.



Appendix A

Annual Heating Cost Estimate (common area):

To estimate the amount of fuel oil needed, we have considered the following relation:

$$E = \frac{H \cdot D \cdot 24 \cdot C_D}{\Delta T \cdot K \cdot \eta}$$

Here:

E = Energy Input (gallons/year)

H = Heat Loss Estimate (Btu/hr), 1,650,000

D = Heating Degree Days, 4901[1]

ΔT = Design Temperature Difference (°F), 65

K = Correction Factor = 0.7

V = HHV of oil = 140,000 Btu/hr/ft^3

C_D = Heating effect coefficient, 0.6

η = Boiler Efficiency = .85

This implies:

$$E = \frac{1{,}650{,}000 \cdot 4901 \cdot 24 \cdot 0.6}{65 \cdot 0.70 \cdot 140{,}000.0.85} = 21{,}506 \text{ gallons / year}$$

Since the HVAC system is based on Water Source Heat Pump /Boiler/cooling tower, about 25% of the heat will be provided by the individual WSHP in the apartments and therefore the total heat consumption is 21,506 x 0.75 = **16,130 gallons**. Assuming $3.80 per gallon, the yearly cost of heating the building is $61,294.

Annual Domestic Hot Water Cost Estimate:

According to NYSERDA, the average apartment consumes 87.5 gallons of Domestic Hot water per day. Since the apartments are relatively large, then the consumption will be assumed 2 times the average in NY, accordingly, the cost for domestic DWH is as follows:

DHW consumption per year =

2 x 87.5 gallon/day x 365 days x 100 ^{0} F (temperature rise) x 1.0 (specific heat) btu/lbm- ^{0} F x 62.4 lbm / ft^3 x 0.133 ft^3/ gallons / 140,000 btu/gallon x / Heater efficiency (85%) x15 apartments

≈ 4827 gallons

The total cost =4,827 gallons x $3.80 /gallon = $18,343

[1] Taken from the Energy Conservation Construction Code of NY State

Overall fuel Oil Consumption for heating and domestic hot water:

Yearly fuel oil Consumption for heating and domestic hot water: $61,294 + $18,343 = **$79,637.**

Annual Water and Sewer Cost Estimate:

The national average consumption is 100 gallons / day /person. Accordingly based on 15 apartments with an occupancy of 4 person per apartment, the cost of water and sewer is as follows:

Cost ($)/ year = 100 gallons/day/person x 4 person / apartment x 15 apartments x

. 365 days / year x $9.27[2] / 100 ft3 / 7.48 gallon / ft3

= $ 27,140 / year

Cooling Tower Make Up water

CT (water)= 148 tons x 0.0375 gpm / ton x 1800 hrs x $3.39[3]/ 100 ft^3 x 7.48 gallon/ft^3

= $45

Total Water and Sewer Consumption = **$27,185**

Gas Cooking Cost:

The average residential apartment consumes about 125 therms per year for gas cooking. Since these apartments are relatively large and equipped with relatively large stoves[4], it is anticipated than they will consume about 1.5 times as compared to the standard size ones; accordingly the gas consumption for cooking is

GC($) = 15 apartments x 125 therm x 1.5 x $1.50/therm = **$4,219**[5]

The apartment heating and cooling loads are determined based on the following formulas:

The cooling operating cost is defined as follow:

COPC = TCL x rate / EER

Where;

---

[2] Based on DEP July 2013 rate for water and sewer.

[3] Based on a separate meter for the cooling tower where the sewer charges will not be added to the water consumption. If cooling tower is metered separately and reported then the rate maybe reduced to of water alone shall be then the

[4] The standard gas stove in residential apartment is about 65,000 btu/hr. The one installed in these apartments are rated at 90,000 btu/hr (almost 1.5 times the standard size).

[5] Based on a rate of $1.5 / therm

TCL ≡ total cooling load for the heating season

$$= \frac{E \cdot CDD \cdot 24}{1000.EER.\Delta T}$$

Here:

E = Energy input

CDD = Cooling Degree Days = 1141[6]

ΔT = Design Temperature Difference (°F), 13

Rate = Electrical Kwh rate = $0.2 Kwh

EER ≡ Energy Ration; approximately 15 for WSHP.

Similarly, the heating consumption is determined as follows;

HOPC = THL x rate / COP

Where;

THL ≡ total heating load for the heating season

$$= \frac{H \cdot D \cdot 24}{\Delta T}$$

Here:

H = Heat load estimate (Btu/hr)

D = Degree Days, 4910[7]

ΔT = Design Temperature Difference (°F), 70

Rate = Cost of energy rat2 = $0.2 KWH

COP = Coefficient of performance; The COP for a WSHP is approximately 5.3.

The table below is a summary of the loads are the electrical consumption in the apartments:

Apartment #	Heat Input (Btuh)	Cooling Input (Btuh)	Heat Consumption ($)	Cooling Consumption ($)	Total Heating and Cooling ($)
1A – Studio	12,725	12,000	251	505	756
1B – Super Unit	32,500	30,000	689	1,264	1,953
MAIS	143,000	120,000	3,370	3,035	6,405
3RD	132,000	120,000	2,802	3,370	6,172
4TH	132,000	120,000	2,802	3,370	6,172

[6] From NYSERDA Web Site

[7] From the Energy Conservation Construction Code of NY State

5TH	132,000	120,000	2,802	3,370	6,172
6TH	132,000	120,000	2,802	3,370	6,172
7TH	132,000	120,000	2,802	3,370	6,172
8TH	132,000	120,000	2,802	3,370	6,172
9TH	132,000	120,000	2,802	3,370	6,172
10TH	132,000	120,000	2,802	3,370	6,172
11TH	132,000	120,000	2,802	3,370	6,172
PHC-12/13	201,000	180,000	4,266	5,055	9,321
PHB-14	98,000	95,000	2,080	2668	4,748
PHA-15/16	186,000	164,000	3,948	4,606	8,554

Electrical consumptions in the apartments for general electrical use (lighting, appliances, general outlets, etc):

The electrical consumption per apartment for lighting and general convenience outlets estimated to be 4.92 Kwh/sq-ft/year. Accordingly, at a rate of $.20 per Kwh, then the annual consumption per apartment is as follows:

Apartment number	Sq-ft	Annual Kwh	Annual Cost ($)
1A	509	2,504	399
1B	1300	6,396	1,019
MAIS	4,483	22,056	4,411
3RD	3,966	19,513	3,903
4TH	3,966	19,513	3,903
5TH	3,966	19,513	3,903
6TH	3,966	19,513	3,903
7TH	3,966	19,513	3,903
8TH	3,966	19,513	3,903
9TH	3,966	19,513	3,903
10TH	3,966	19,513	3,903
11TH	3,966	19,513	3,903
PHC-12/13	6,924	34,066	6,813
PHB-14	3,381	16,635	3,327
PHA-15/16	6,981	34,347	6,869

Total Electrical Consumption in the apartments: :

The overall electrical consumption per apartment shall be the sum of the heating/cooling loads and general electrical use as determined above. Accordingly, the total electrical consumption per apartment is as follows;

Apartment number	Total Electrical Consumption
1A	$1,155
1B	$2,972
MAIS - DUPLEX	$10,816
3RD	$10,075
4TH	$10,075
5TH	$10,075
6TH	$10,075
7TH	$10,075
8TH	$10,075
9TH	$10,075
10TH	$10,075
11TH	$10,075
PHC-12/13	$16,134
PHB-14	$8,075
PHA-15/16	$15,423

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 the 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 occupants and weather conditions.

Annual Electrical Cost Estimate for general electrical use (lighting, fans, general outlets, etc) in the common Areas:

The national average residential electrical usage is *4.92** KWh per square foot. The common area for this building is approximately 15%. Accordingly, the electrical cost for the common area based for an electrical rate of $.2 kwh is:

Electrical Cost ($/year) = 4.92 kw/ sq-ft x 57,972 sq-ft x 0.15 x $.20 kwh ≈ **$8556** /year.

Heating and cooling load for the common areas:

The building is provided by one make-up air for the common space. The unit is an electrical heat pump with supplemental heat. The EER for this unit is about 10 and its average COP including the supplemental heat is about 3.0. Using the above heating and cooling formulas with the corresponding EER and COP, and assuming 20% run on economizer mode for the make up air unit, the electrical consumption is as follow:

Electrical consumption (make up air unit) = ($6066 (cooling) + **$**4471 (heating)) = **$10,537**

Similarly, the heating and cooling load for the first floor and cellar including, lobby, library, staff room, gym have a total load of 150,000 Btuh for cooling and 190,000 Btuh for heating. The total electrical consumption for the cellar and first floor is **$8,245.**

To determine the electrical consumption of the building HVAC system which consist of a cooling tower and circulation pumps, a computer model was perform for the system using a Trane Trace 700 software, accordingly the electrical consumption based on $.20 per Kwh was determined to be :

Building HVAC electrical consumption = Electrical usage (HVAC) x electrical rate

Building HVAC electrical consumption = 134,105 kwh x $.20/Kwh = **$26,821.**

The projected rates and consumptions are not guaranteed and it must be expected that the energy rates changes based on market values and the cooling and heating degree days changes based on weather conditions. Also the consumptions vary based on personal needs of the occupants.

GOLDFARB & FLEECE LLP
345 PARK AVENUE
NEW YORK, N.Y. 10154
(212) 891-9100

FACSIMILE (212) 751-3738
www.gflegal.com

SIDNEY A. MIGDON
STEVEN B. SHORE ●
BRUCE S. LEFFLER ●●
NEAL A. WEINSTEIN †
LISA F. SIEGEL
MARC J. BECKER ††
RONALD E. BURTON◊

DONALD D. ADLER ▲
JOSEPH W. CHOUINARD ◊◊
NATHAN NUDELMAN ▲
SOYOUNG LEE ▲
BINDI DHARIA

KAMRAN MOATTAR ◊
PAMELA SILVERMAN LEIBOW ●●
ROBERT M. ZIMMERMAN □
DOUGLAS H. GLADSTONE
SPENCER K. STEIN ◊◊
ANDREW H. MIGDON
MARC E. WASSER ◊◊

JENNY KIM ◊◊
S. BRITTA THORNQUIST
JENNIVERE L. KENLON
STEVEN M. FENTON
IAN GROUP

▲COUNSEL

STANLEY S. GOLDFARB (1906-1975)
CHARLES L. FLEECE (1898-1966)
EMANUEL LUBIN (1914-2000)
MORTON WITZLING (1912-2000)

LAWRENCE RIVKIN
OF COUNSEL

● NY & FL BAR
† NY & GA BAR
◊ NY & CT BAR
□ NY & MO BAR
●● NY & DC BAR
†† NY & MA BAR
◊◊ NY & NJ BAR

WRITER'S DIRECT DIAL/E-MAIL

October 17, 2013

78 RPM Owner LLC and
Spruce 317 West 77th Street LLC
902 Broadway
New York, New York 10010

Re: 151 East 78th Street Condominium
151 East 78th Street
New York, New York 10075 (the "Property")

OPINION RE: COMPLIANCE WITH RPL 339-i

Ladies and Gentlemen:

You have requested an opinion from us with regards to your allocation of common interest to units in your proposed condominium at the Property (the "Offering Plan").

You have informed us that the allocation of the percentage of common interest for the condominium units in the Offering Plan for the Property has been made pursuant to Section 339(i)(1)(iv) of the Real Property Law, based upon floor space, subject to the location of such space and the additional factors of relative value to the space in the condominium, the uniqueness of the units, the availability of common elements for exclusive or shared use and the overall dimensions of the particular unit. A letter to you dated as of September 11, 2013 from Penmark Management LLC, and included in the Offering Plan states that Penmark Management LLC has reviewed the common interests for each unit for the project pursuant to the foregoing formula. Based solely upon the foregoing, in our opinion, the Offering Plan and the allocation of percentage interest in the common interests on Schedule A attributable to each unit conforms to Section 339-I(1)(iv) of the New York Real Property Law.

We are licensed attorneys in the City of New York, and have been involved as legal counsel with respect to the ownership, operation, purchase and sale of multifamily residential buildings, condominiums and cooperatives for more than 20 years. Goldfarb & Fleece LLP are the attorneys for Sponsor.

You have advised us of your intention to incorporate this letter in the plan, and we hereby consent to such inclusion.

Very truly yours,

GOLDFARB & FLEECE LLP

By: Goldfarb & Fleece LLP

Sworn to before me this
17th day of October, 2013

Donna M. Acosta
Notary Public

DONNA M. ACOSTA
Notary Public, State of New York
No. 01AC6169031
Qualified in Orange County
Commission Expires June 16, 2015
August

HALSTEAD
PENMARK

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

September 11, 2013

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

Re: 151 East 78th Street Condominium
151 East 78th Street
New York, NY 10075 (the "Property")

Dear Sir/Madam:

Spruce 317 West 77th Street LLC and 78 RPM Owner LLC (collectively, "Sponsor") of the Condominium Offering Plan ("Offering Plan") for the Property retained Penmark Management LLC ("Firm") to review the percentage of Common Interest in the Common Elements allocated to each Unit in the Property set forth in Schedule A of the Offering Plan.

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

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

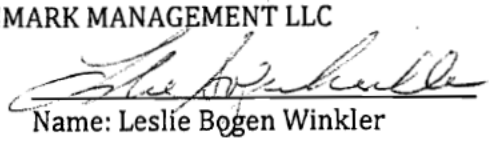
In the Firm's opinion, within the framework of Real Property Law Section 339-i(1) (iv), this method of determining Common Interest is reasonable and equitable.

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

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

Very truly yours,

PENMARK MANAGEMENT LLC

By: 

Name: Leslie Bogen Winkler
Title: Senior Vice President

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 a Purchase Agreement is then in effect may be made without the consent of the Purchaser. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the purchase price or modification of such other terms of sale 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.

Unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default. Unless all purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of Common Elements.

Sponsor reserves the right to negotiate with each Purchaser the following terms and conditions of the Purchase Agreement; purchase price; the amount and timing of the Deposit; the availability of financing; fixtures, appliances and conditions of all Units; 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; extension of time periods within which to perform obligations under the Purchase Agreement; the availability of use and occupancy agreements and the amount of interim rent 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 by duly filed amendment to the Plan. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any right of rescission under a Purchase Agreement.

The location in the Condominium, approximate size and layout of the Units are shown on the Unit 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 Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering any boundary walls between one or more Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway without changing the Common Interest) which exclusively benefit an Unsold Unit into such Unsold Unit, and (c) if appropriate, reapportion among the Unsold Units

affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b) 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 Unit for which a Purchase Agreement is then in effect and the Purchaser thereunder is not in default which increases or decreases the square foot area (excluding interior partitions) or Common Interest by more than 5%, or materially changes the layout of such Unsold Unit, unless the Purchaser consents to such changes. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any such change and will not affect a Purchaser's obligations under the Purchase Agreement or the Plan. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

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

USE AND OCCUPANCY AGREEMENTS

Sponsor reserves the right to enter into a pre-closing use and occupancy agreement with a Purchaser prior to Closing provided a TCO is in effect for the Unit to be occupied by such Purchaser. If Sponsor elects to enter into a pre-closing use and occupancy agreement with a Purchaser, which shall be substantially in the form set forth as an exhibit in Part II of this Plan, as the same may be further individually negotiated between Sponsor and Purchaser.

The use and occupancy agreement will be for such rent and upon such other terms as may be mutually agreed upon, and shall not be subject to any rental protection laws relating to rent control, rent regulation, rent stabilization, or otherwise. The term of such use and occupancy agreement shall be for a period which will expire on the date of Closing of Title to the Unit or six (6) months after the date of execution of such use and occupancy agreement if this Plan is not declared effective in accordance with its terms.

If this Plan is abandoned, the Purchaser, as tenant, shall vacate the Unit upon 15 days' prior written notice by Sponsor sent to Purchaser. Such use and occupancy agreement will also provide that an uncured default by the Purchaser under his Purchase Agreement will constitute a default under the use and occupancy agreement entitling the Sponsor, as landlord, at its sole option, to immediately terminate such use and occupancy agreement. It shall be an event of default entitling the Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under his use and occupancy agreement within the applicable grace period (if any). The Purchaser shall be required to vacate the Unit within 15 days after notice of cancellation of the Purchase Agreement is sent to him. If the Purchaser defaults under the use and occupancy agreement, an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser must be obtained or the Purchaser must have vacated the Unit before the Sponsor may declare the Deposit under the Purchase Agreement forfeited.

Sponsor's right to rent or lease any Unit will not be subject to any right of first refusal in favor of the Condominium to lease such Unit from Sponsor on the same terms offered to the prospective tenant or occupant.

Sponsor does not presently offer the right to rescind the Purchase Agreement or the use and occupancy agreement. However, should such right be offered in the future, and exercised by Purchaser, then the Purchaser's right to rescind will be conditioned upon his surrendering the use and occupancy agreement and possession of the Unit and leaving the same vacant, in good condition and broom clean within thirty (30) days after he elects to rescind. He must also pay any rent due under his use and occupancy agreement. Nothing contained herein shall relieve any Purchaser of liability for damage caused to the Unit, and Purchaser shall also be liable for all expenses including legal fees incurred in any proceeding to remove the Purchaser from the Unit.

It should be noted that until the Purchaser acquires title to the Unit, Purchasers of Units will not be able to claim the income tax deductions described in the Plan. Said deductions may become available only when and if (a) the Plan is declared effective and there is a sale to Purchasers hereunder, and (b) the conditions set forth in the Attorneys Income Tax Opinion have been meet, and then only for the period subsequent to the closing of such Unit. **NO PART OF THE RENT PURSUANT TO AN USE AND OCCUPANCY AGREEMENT WILL BE APPLIED TOWARD THE PURCHASE PRICE OF ANY RESIDENTIAL UNIT.**

PROCEDURE TO PURCHASE

A Purchaser desiring to purchase a Unit will be required to execute a Purchase Agreement, which will be in the form set forth in Part II of the Plan.

Purchasers shall be afforded not less than 3 business days to review the Plan prior to executing a Purchase Agreement. A Purchaser may obtain the Plan upon payment of a $250 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition or (ii) the execution by the Purchaser of a Purchase Agreement subsequently accepted by Sponsor. If a Purchaser has not received the Plan at least 3 business days prior to executing a Purchase Agreement, a Purchaser shall have the right to rescind the Purchase Agreement within 7 days from the date Purchaser delivers an executed Purchase Agreement together with the required Deposit to the Selling Agent. The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by Purchaser. Purchasers should be aware that if any conflict exists between the Plan and Purchase Agreement, the provisions of the Plan shall in all events control.

Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement will not be contingent on Purchaser obtaining financing. Purchasers should be aware that even if a loan commitment is obtained, its terms may be limited, and it could expire before the Closing Date. Sponsor shall have no liability as a result of any scheduling or adjournment of closing beyond the expiration of a loan commitment.

Purchase Agreements will not be binding on Sponsor until approved and executed by it, and delivered by Sponsor to the Purchaser. Sponsor will have 30 days after delivery by Purchaser of an executed Purchase Agreement and the required Deposit, within which to accept or reject the Purchase Agreement. 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.

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

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

A Purchaser is required to make a Deposit in an amount equal to fifteen percent (15%) of the Purchase Price of such Unit (the "Deposit"). In the event a Purchaser defaults under the Purchase Agreement, time being of the essence with regard to the obligations of the Purchaser thereunder, and does not cure such default within 30 days after Sponsor gives written notice to the Purchaser of such default, Sponsor may cancel the Purchase Agreement and retain, as liquidated damages, the entire Deposit, together with interest earned thereon, if any.

Sponsor may require that Purchasers of more than one Unit deliver a Deposit in excess of that set forth in the Plan, which amount shall be on terms individually negotiated with each Purchaser. All Deposits must be made payable to the direct order of "Goldfarb & Fleece LLP, as escrow agent". All checks delivered in payment of the Deposit shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be cancelled and of no further force or effect.

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

The balance of the Purchase Price shall be payable simultaneously with the delivery of the deed to the Unit by wire transfer (at Sponsor's sole option) or, official bank check drawn on or issued by a New York 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. The deed will be substantially in the form as set forth in Part II of the Plan. Interest, if any, on Purchaser's Deposit will be credited or paid to Purchaser at Closing.

The Sponsor anticipates that the First Closing will occur by September 1, 2015, based upon the current construction schedule, unless delayed by Force Majeure. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Unit occurs later than August 31, 2016, twelve (12) months after the projected date for the First Closing of September 1, 2015, or (ii) the projected date of closing of title to the first Unit occurs later than August 31, 2016, twelve (12) months after the projected date for the First Closing of September 1, 2015. If the Plan is amended to provide for a later projected date for the First Closing, Purchasers will be entitled to an offer of rescission if the First Closing occurs more than twelve (12) months beyond that amended, later date. Such right of rescission shall be offered in an amendment to all Purchasers, with not less than fifteen (15) days to exercise such right. **TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S RIGHT TO EXERCISE SUCH RESCISSION RIGHT.** However, even if the First Closing occurs before September 1, 2015 or a later projected date, the closing of subsequent Units could be substantially delayed beyond the date of such First Closing if a TCO has not been issued for such Units or for the floor on which such Units are located. In such case, a Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full Purchase Price for the Unit and the Sponsor may schedule the closings of title to other Units significantly later than the date of the First Closing. The Sponsor is not obligated to schedule Purchaser's closing within any specified time frame or to ensure that closing of title to Purchaser's 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. Purchasers should note that: (i) Units will be completed at different times over a period that may begin prior to and/or extend significantly beyond the date of the First Closing, and (ii) Units on higher floors generally close later than Units on lower floors. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the Purchase Price for the Unit if the First Closing occurs earlier or later than the projected date, or the time to complete or to close title to any Unit is delayed or postponed by Sponsor.

After the Plan has been declared effective, Sponsor will fix dates for closing of title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser, which notice will state Purchaser's closing date and will be delivered no less than 30 days before the Scheduled Closing Date. If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he or she has thirty (30) days after notice to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" and that if such default is not cured within thirty (30) days after delivery of such written notice, Sponsor, at its option, may cancel such Purchase Agreement and retain the downpayment, together with interest earned thereon, made by Purchaser as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and the Purchaser shall wholly cease and terminate.

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

If a Purchaser fails for any reason to close title to the Unit on the originally scheduled date of Closing ("Scheduled Closing Date") and Sponsor elects not to cancel the Purchase Agreement as a result of such default: (a) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the Scheduled Closing Date, and not as of midnight of the day preceding the actual date of Closing ("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 Unit, per day commencing with the Scheduled Closing Date through the Actual Closing Date.

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

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any such Purchaser shall designate and authorize 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 the Purchase Agreement or the Condominium Documents. Such Purchaser will be required at Closing to deposit with the Condominium an amount equal to 2 years' Common Charges then in effect for the Unit, which will be in addition to the required contribution to the Working Capital Fund. The foregoing deposit shall in no way affect the obligation of such Purchaser to continue to pay Common Charges, and, to the extent utilized by the Condominium in the event of any default in the payment of Common Charges or any other sums owed by such Purchaser to the Condominium, shall be promptly replenished as set forth in Section 6.4 of the By-laws.

Prior to the Closing of Title to a Unit, a Purchaser shall not list such Unit for resale or rental with any broker or place or authorize a listing in any broker's listing system or other listing service or advertise or otherwise offer, promote or publicize the availability of the Unit for sale or rental, without Sponsor's prior written consent, which may be withheld or delayed by Sponsor in Sponsor's sole and absolute discretion. Any listing of the Unit or other form of advertising, promotion or publicizing of the Unit by Purchaser prior to the Closing of Title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase". After the Closing of Title to a Unit, for so long as Sponsor owns any Unsold Units, but not to exceed two (2) years from the date of the First Closing, Purchaser shall not advertise, promote or publicize the availability of the Unit for sale or lease at prices lower than those being advertised or promoted by Sponsor for similar Unsold Units. This restriction on advertising may affect the ability of Purchaser to sell its Unit within such two (2) year period and Purchaser should carefully consider such restriction before entering into a Purchase Agreement.

If the Plan is withdrawn or abandoned, the Deposit previously paid to and actually collected by Sponsor together with any interest earned thereon, shall be returned to Purchaser in accordance with the provisions herein set forth.

From and after the Closing of each 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 Unit, whether or not Purchaser has taken possession of the Unit, and whether or not all work required to be performed by anyone in or to the Unit has been completed.

The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until Purchaser takes possession of the Unit, at which time such risk shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price for the 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 Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-laws (see the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-laws"), the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Deposit, together with any interest earned thereon, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all 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 Unit requests that Sponsor perform special or additional work on the Unit or provide extra or upgraded furnishings, 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 to perform such work and/or provide such furnishings, then Sponsor may require such Person to deposit an amount greater than Deposit required under the Purchase Agreement. All funds received by Sponsor for upgrades or extras will be placed in the non-interest bearing portion of the Master Escrow Account. Such funds, however, may be released from the Master Escrow Account by Escrow Agent to Sponsor provided Sponsor uses the funds for upgrades or extras or the funds are used to reimburse Sponsor. As a result, in the event Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, Purchaser will not receive a refund of any funds used for upgrades or extras.

SPONSOR SHALL IN NO EVENT BE OBLIGATED TO PERFORM ANY SPECIAL 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 a reasonable opportunity to examine the Unit prior to the Closing and is urged to make a careful inspection thereof. At the Closing, each Purchaser of a 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 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 default under the Purchase Agreement entitling Sponsor to all of the remedies set forth in the Plan and the Purchase Agreement. The

form of Unit Power of Attorney shall be substantially in the form as set forth in Part II of the Plan. As provided in the Purchase Agreement, a Purchaser will expressly agree that consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013).

ESCROW AND TRUST FUND REQUIREMENTS

All Deposits made by Purchasers prior to the Closing of a Unit will be held in escrow in conformity with the disclosure contained in this Section of the Plan and in accordance with the escrow provisions contained in the Purchase Agreement.

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto and Section 71-a(3) of the State of New York Lien Law. 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 a Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds. However, notwithstanding anything to the contrary set forth herein or anywhere else in the Plan, in the Event of Default by Purchaser, as that term is defined the Purchase Agreement, Purchaser shall be obligated to reimburse Sponsor for any legal fees, expenses and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or otherwise enforcing Purchaser's obligations thereunder.

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in segregated special escrow accounts of Goldfarb & Fleece LLP, the escrow agent ("Escrow Agent"), whose address is 345 Park Avenue, New York, New York 10154 and whose telephone number is (212) 891-9100. The signatories on this account authorized to withdraw funds are all partners of Goldfarb & Fleece, LLP. The name of the account is Goldfarb & Fleece LLP Attorney Trust Account – 151 East 78th, located at Bank of America, 345 Park Avenue, New York, New York 10154 (the "Master Escrow Account"). All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing. Escrow Agent shall maintain the Master Escrow Account under its direct supervision and control.

If a Purchaser makes a Deposit in excess of $250,000 for the purchase of a Unit, the amount in excess of $250,000 will not be federally insured. Additionally, until such time as Purchaser delivers either an executed W-8 or W-9 Form to Sponsor, the Deposit shall remain in the non-interest bearing portion of the Master Escrow Account. While the Deposit remains in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be federally insured even if the Deposit does not exceed $250,000. No representation is made with respect to any further changes in law concerning such accounts. Purchasers should consult with their accountants or financial advisors for further information. Deposits will be placed in the Master Escrow Account after tender by Purchaser to Sponsor or Selling Agent.

All Deposits will be placed initially in the non-interest bearing portion of a Master Escrow Account within ten (10) business days after the Purchase Agreement is tendered, along with the Deposit, by Purchaser. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status) in the forms set forth in Part II to the Plan, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and the Purchase Agreement. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8, the Deposit will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow account to the non-interest bearing portion of the Master Escrow Account so that checks may be drawn thereon.

All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

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

The Deposit may be tendered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. The Deposit shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent. Sponsor agrees that Sponsor and its agents, including any selling agents, shall deliver the Deposit received by them prior to Closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Deposit by Purchaser. Acceptance of the Deposit by Sponsor or Selling Agent and the Deposit thereof by Escrow Agent into escrow shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and Sponsor or Selling Agent executes a duplicate thereof and delivers the Purchase Agreement to Purchaser in accordance with the terms of the Plan.

The Purchase Agreement is set forth as an exhibit in Part II of the Plan. The relevant escrow trust fund provisions are included in Schedule D of the Purchase Agreement, which must be executed by the Sponsor, Purchaser, and Escrow Agent.

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

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow account portion of the Master Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Deposit. As of the Filing Date, the interest rate for the Escrow Bank is .15%. 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. The interest rate is subject to change by the Escrow Bank. Sponsor makes no guarantee of, and shall have no liability to Purchaser for changes to, the interest rate. Interest will begin to accrue within: (x) 3 business days, if the Deposit is cash or cash equivalent, or (y) 5 business days, if the Deposit is other than cash or cash equivalent, of the transfer of the Deposit from the checking account portion of the Master Escrow Account into the sub-escrow account portion of the Master Escrow Account.

The Deposit shall be made payable to the direct order of "Goldfarb & Fleece LLP, as Escrow Agent". 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. Endorsed instruments will not be accepted.

If a check delivered by a Purchaser fails for collection, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within 10 business days of Sponsor receiving notice from Escrow Agent of such failure for collection.

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

The Letter of Credit will provide that Escrow Agent shall have sole power to draw upon the Letter of Credit without the consent or despite the objection of Sponsor or the issuer bank, at such times or upon such events as set forth below. The Letter of Credit will continue in effect, or shall be periodically renewed, until the closing of title as to all Units for which Deposits have been placed in Sponsor's construction fund account.

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

Escrow Agent, as the beneficiary of the Letter of Credit, acting as fiduciary for the benefit or Purchasers under the Plan whose funds were released from escrow, shall have the duty and the right to

draw upon and collect the proceeds of the Letter of Credit, 10 business days after notice to Sponsor and Sponsor's failure or refusal to restore such funds to Escrow Agent, without the consent or despite the objection of Sponsor or the issuer bank, upon the following events or circumstances:

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

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

(c) a written agreement of Sponsor and Purchaser directing payment of the funds or a determination of the Attorney General or an order or judgment of a court of competent jurisdiction, or pursuant to terms and conditions set forth in the Plan and Purchase Agreement upon closing of title to the Unit;

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

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

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

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

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

PURCHASERS WILL EARN NO INTEREST ON DEPOSITS EXCEPT DURING SUCH PERIODS AS THE DEPOSITS ARE PLACED IN THE INTEREST-BEARING PORTION OF THE MASTER ESCROW ACCOUNT.

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

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

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

(c) by a final, non-appealable order or judgment of a court.

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

The Sponsor shall not object to the release of the Deposit to:

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

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

Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.

Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance of release of the Deposit from escrow

The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto. A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

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

Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties as Escrow Agent 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.

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

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

Sponsor has agreed to indemnify Escrow Agent from all costs, claims, expenses and damages incurred in connection with or arising out of the escrow agreement or the performance or non-performance of Escrow Agent's duties under the escrow agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or willful disregard of the escrow agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

If Sponsor agrees to compensate Escrow Agent for services rendered in connection with Escrow Agent's duties, Escrow Agent's fees and disbursements will neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance. Escrow Agent will maintain all records concerning the Master Escrow Account for 7 years after the release of funds.

ASSIGNMENT OF PURCHASE AGREEMENTS

No Third-Party Assignment

Purchaser does not have the right to assign the Purchase Agreement, directly or indirectly, without the prior written consent of Sponsor. A transfer of a controlling interest in any entity constituting Purchaser shall be deemed an assignment. Any purported assignment by Purchaser in violation of this Section will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, then Purchaser shall be required to pay to Goldfarb & Fleece 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.

No Advertising

Prior to the Closing of Title to a Unit, a Purchaser shall not list such Unit for resale or rental with any broker or place or authorize a listing in any broker's listing system or other listing service or advertise or otherwise offer, promote or publicize the availability of the Unit for sale or rental, without Sponsor's prior written consent, which may be withheld or delayed by Sponsor in Sponsor's sole and absolute discretion. Any listing of the Unit or other form of advertising, promotion or publicizing of the Unit by Purchaser prior to the Closing of Title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase". After the Closing of Title to a Unit, for so long as Sponsor owns any Unsold Units, but not to exceed two (2) years from the date of the First Closing, Purchaser shall not advertise, promote or publicize the availability of the Unit for sale or lease at prices lower than those being advertised or promoted by Sponsor for similar Unsold Units. This restriction on advertising may affect the ability of Purchaser to sell its Unit within such two (2) year period and Purchaser should carefully consider such restriction before entering into a Purchase Agreement.

EFFECTIVE DATE

The offering by Sponsor of the Units under the Plan is contingent upon the Plan being declared effective. The First Closing shall not occur until the Plan has been declared effective. The Plan may be declared effective, at Sponsor's option by (i) an amendment to the Plan or (ii) notice to each Purchaser stating that the Plan is declared effective and submission of an amendment to the Department of Law within 5 days confirming that the Plan was declared effective on a specified date. The Plan may be declared effective, at Sponsor's option, at any time when bona fide purchasers, including investors, have executed Purchase Agreements with respect to not less than 15% of the Units, or three (3) Units in number. The Plan must be declared effective at such time as Purchase Agreements have been executed and are in effect with respect to 80% of all Units offered for sale, or twelve (12) Units in number.

The Plan will not be declared effective based on Purchase Agreements: (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived, or (ii) signed by Purchasers who have not been afforded at least 3 business days to review the Plan and all filed amendments prior to executing a Purchase Agreement or, in lieu thereof, at least 7 days to rescind after executing a Purchase Agreement, or (iii) signed by any Purchaser who is Sponsor, Selling Agent, Managing Agent or a principal of either, or is related by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner of Sponsor, the Selling Agent, the 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.

Pursuant to Law, Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of the Units in the Condominium. 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. Purchasers should note that in the current real estate market banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments 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 difficulty 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 apartments in the building or group of buildings, which in some cases maybe 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 may also be difficult for purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales investor ownership.

The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to its being declared effective, in which event Purchasers will be notified by Sponsor in writing, by registered or certified mail.

Once the Plan has been declared effective, it may not thereafter be abandoned or withdrawn, 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 (e.g., $868,425), and which are not waived by the Purchasers thereof, (2) a substantial damage to or destruction of the Condominium (or any portion thereof) by fire or other casualty that cannot be

repaired prior to the date set forth 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 attorney's 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 withdrawn or abandoned, all Deposits, together with any interest earned thereon, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras will be returned to Purchasers within 30 days following such withdrawal or abandonment. Upon the return of the Deposits, together with any interest earned thereon, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to Purchaser under the Plan or the Purchase Agreement. Sponsor shall promptly submit an amendment to the Department of Law confirming such abandonment or withdrawal and shall file a notice of abandonment on form RS-3 or such other as the Department of Law may require and explain the reason for the abandonment and disposition of all Deposits received, and any interest earned thereon.

CLOSING OF TITLE TO UNITS

The Closing of Title to each Unit shall be held at the office of Goldfarb & Fleece LLP, 345 Park Avenue, New York, New York 10154 or at such other place as Sponsor may designate. The Closing shall take place only after or concurrently with 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 TCO or FCO for the Unit is in effect (ongoing construction in the Condominium or other Units and/or the absence of a temporary or permanent certificate of occupancy for any other Unit shall not constitute a basis for Purchaser's failure or refusal to close)**;**

(c) the recording or filing of the Declaration, By-laws, Floor Plans and architect's 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 Unit and its 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 (which 30 day notice may be waived by the Purchaser), including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Unit and the Property, during normal business hours and in the company of Sponsor's agent, prior to Closing;

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

(g) the installation by Sponsor of a smoke and carbon monoxide detector in the Unit;

(h) the execution and delivery by Purchaser of the Unit Owner's Power of Attorney, the form of which is set forth in Part II of the Plan;

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

(j) if Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's sole expense) of a policy of title insurance in at least the amount of the purchase price of the Unit, insuring that (i) Purchaser has fee title to the Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions and (2) liens and encumbrances other than Permitted Encumbrances to which the Unit's title is subject to 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 Unit; or (d) as to which the Sponsor, at its sole option, pays and discharges from monies paid by Purchaser at Closing, and (ii) the Condominium has been validly created pursuant to the Condominium Act; and

(k) Purchaser shall execute and deliver all other documents necessary and/or customary in connection with a condominium unit conveyance, as directed by Sponsor's Attorney.

Sponsor shall be entitled to deliver a 30 day closing notice to a Purchaser prior to meeting the closing prerequisites set forth in items (b) through (j) above. Purchaser may waive this notice period.

Ongoing construction in the Building or other Units and/or the absence of a TCO or FCO for any other Unit shall not constitute a basis for Purchaser's failure or refusal to close.

Purchaser's failure to execute and deliver at Closing, all documents necessary and/or customary in connection with the conveyance of a condominium Unit, including without limitation, the power of attorney form and transfer tax forms, shall constitute an event of default under the terms of the Purchase Agreement, entitling Sponsor to the default remedies set forth in the Purchase Agreement.

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

In the event of the existence of any lien, encumbrance or title defect other than Permitted Encumbrances, which Sponsor fails or refuses to correct, the sole remedy of Purchaser under the Plan, provided Purchaser is not then in default, will be to either (i) take title subject to the title defect or (ii)

terminate the Purchase Agreement, within 15 days after receipt of notice or an amendment disclosing such lien, encumbrance or title defect. A Purchaser electing to proceed with the purchase of the Unit will not be entitled to any credit against, or abatement of, the purchase price set forth in the Purchase Agreement and will have no claim or right of action against Sponsor for damages or otherwise by reason thereof. If Purchaser elects to terminate the Purchase Agreement, Sponsor shall cause the Deposit together with any interest earned thereon, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras, to be returned to Purchaser, within 30 days after receipt of Purchaser's termination notice. Upon making such refund, Sponsor and Purchaser shall be relieved of all further obligations and liabilities under the Purchase Agreement and the Plan. The foregoing shall not be construed to set financial limitations on Sponsor's obligation to convey marketable title to a Unit (unless used as a basis for abandonment of 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.

Sponsor shall be entitled to adjourn the Closing 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 acknowledgement 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 Purchase Agreement, in 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 of the Purchase Agreement is executed or located within the Common Elements on the date the Declaration is filed, that is owned by Sponsor, is included in the conveyance unless specifically excluded in the Purchase Agreement or the Plan.

CLOSING COSTS AND ADJUSTMENTS

Closing Costs

As more particularly set forth in the Purchase Agreement, in addition to Purchaser's legal fees, Purchaser will pay the following estimated closing costs and expenses at the time of the Closing of Title.

(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 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. If ordered from the Title Company the premium will be calculated at the standard fee policy rates as set forth below:

FEE RATE SCHEDULE FOR INSURANCE OF $1,000,000 OR MORE

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 $1,000,000 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 30% 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 or 1.451% where the Purchase Price is greater than $500,000. A similar position has been taken by the New York State Department of Taxation and Finance and as a result the effective tax rate for the State Transfer Tax is $4.06 per thousand dollars of the Purchase Price where the consideration is $500,000 or less and $4.074 per thousand dollars of the Purchase

Price where the consideration is greater than $500,000. When the Purchase Price is equal to or in excess of $1,000,000, payment by Purchaser of the Mansion Tax is not considered additional consideration to Sponsor for purposes of the calculation of the State Transfer Tax.

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

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

The tax on the 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 Units:***

The tax on each 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 Unit (i.e., two Units). Purchaser shall indemnify and hold harmless Sponsor from any and all loss, cost or expenses, including but not limited to reasonable attorneys fees, that may be incurred by Sponsor in connection with any payment (or failure to pay)of transfer taxes for the Unit. This indemnity shall survive the Closing.

(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 Unit may provide that the 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 Unit, together with 1/12 of the annual fire and casualty insurance policy premiums for the 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 Goldfarb & Fleece LLP, in accordance with the following schedule, all of which fees will be cumulative to the extent applicable to any individual closing:

(1) $3,000 for the preparation of closing documents, calculation of adjustments, attendance at Closing at the offices of Goldfarb & Fleece 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 Goldfarb & Fleece 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 $1,250 for each Closing held within Manhattan. No Closing will be held in any borough outside Manhattan.

(4) If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement (which request in all instances must be received by Sponsor's attorney no later than 7 business days prior to the Scheduled Closing Date), a fee of $1,250 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 each rescheduled Closing granted at Purchaser's request to defray the cost of preparing and coordinating the Closing and recalculating the Closing apportionments.

Purchaser may pay more than one item of additional fees pursuant to (g) above with respect to a Unit. In addition to an attendance fee in connection with a completed Unit transfer, Goldfarb & Fleece 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 Unit, based on the Condominium's budget in effect as of the Closing Date of the Unit and

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

Example of Estimated Closing Costs for a Typical Unit

A numerical example of estimated closing costs and expenses for a single Unit with a Purchase Price of $3,400,000 and a mortgage of $2,550,000 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 $3,400,000 of owner's insurance	(70% first condo bulk sale rate)	$9,304.40
Mortgage Insurance Premium for $2,550,000 of lender's insurance	(21% first condo bulk sale simultaneous rate)	$1,783.53
NYC RPT Tax	NOTE: transfer taxes are based upon bulked-up consideration of $3,462,050. The NYC RPT rate is 1.425%.	$49,334.21
NYS Mansion Tax	1% of bulked-up consideration	$34,620.50
NYS Transfer Tax	The tax rate is $2 for every $500 of consideration or fraction thereof.	$13,848.20
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	$55,432.50
Estimated Recording Fees	(one deed, one mortgage and one condo power of attorney)	$475.00
Estimated Lender's Title Endorsements	Three endorsements at $25 each.	$75.00
Closing fees to Goldfarb & Fleece LLP	Basic closing fee and ACRIS document preparation fee	$3,250.00
Working Capital Contribution	2 months' Common Charges	See Schedule A
Total Estimated Closing Costs	Excluding Working Capital Contribution	$168,123.34

This example does not include the following costs or fees, to the extent applicable: Purchaser's financing costs, legal fees of Purchaser's attorney, costs of Purchaser's title searches, 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 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 Unit on the Scheduled Closing Date, and Sponsor does not cancel the Purchase Agreement, (a) the Closing adjustments described above will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the Actual Closing Date occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to .03% of the Purchase Price for each day starting from (and including) the Scheduled Closing Date to (and including) Actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally Scheduled Closing Date, these provisions shall apply to any new Scheduled Closing Date.

(iii) Real Estate Taxes. In the event the Units have not been separately assessed for real estate tax purposes by the New York City Department of Finance ("Finance Department") prior to the First Closing. Sponsor shall deliver at the First Closing to Escrow Agent, either cash, a letter of credit or a surety bond ("Tax Security") in the amount of the real estate taxes for the next ensuing tax period ("Future Taxes"). Escrow Agent shall hold the Tax Security in escrow for the benefit of the Condominium. At each Closing prior to the date the Units are separately assessed and billed, Purchasers will be obligated to pay to Sponsor an amount equal to the Unit's pro-rata share of the Future Taxes (computed by multiplying the Common Interest of the Unit by the amount of the Future Taxes) ("Unit Tax Payment"). The Future Taxes shall be paid to the Finance Department when due by Sponsor, or by Escrow Agent using the Tax Security, either at Sponsor's direction, or upon Sponsor's failure to make such payment. If Sponsor pays the Future Taxes directly, the Tax Security shall be released to Sponsor upon delivery to Escrow Agent of proof of payment from the Finance Department of the Future Taxes. If at the time the Future Taxes are paid, the amount of the Future Taxes has been reduced by the Finance Department, 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 Unsold Units), in proportion to each Unit's Common Interest, adjusted for the period of ownership of each Unit by the respective Unit Owner. Such amount of increase shall be payable to Sponsor or the Condominium Board, as the case may be, within 5 days following written notice provided to such Unit Owner. Such increase shall be deemed additional Common Charges.

Other Costs

Except as specifically set forth in the Plan, Sponsor will pay all costs and expenses incurred in connection with the promulgation and consummation of the Plan and the sale of Units by Sponsor, including, but not limited to, all selling expenses and commissions payable to Selling Agent, advertising, printing and architects' fees, the fees of Sponsor's attorneys, engineering and appraisal costs and governmental filing fees, whether incurred prior or subsequent to the effective date of the Plan, in connection with the obligations of Sponsor. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

RIGHTS AND OBLIGATIONS OF SPONSOR

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

1. 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, shall not materially and adversely affect any obligation of a Unit Owner or Purchaser, and any substitution of appliances, equipment or materials shall be of substantially equal or better quality, and no change to the size, location of buildings or Units, other improvements or Common Elements shall be made if such changes affect the percentage of Common Interests or adversely affect the value of any Unit to which title has closed, or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change. Sponsor further reserves the right to enter into any Units after a Purchase Agreement has been executed and delivered with a Purchaser to access Common Elements for any purposes, including, but not limited to, accommodating work by other Unit Owners or prospective Unit Owners. There shall be a rebuttable presumption that a change in the square foot area and dimensions of Unit due to field conditions, construction variances and tolerances, which do not increase or decrease the square foot area of the Unit by more than 5% (excluding interior partitions), shall not be deemed a material and adverse change.

2. Sponsor has obtained acquisition and construction loans from the Lender in the aggregate amount of up to $60,000,000. Such loan is secured by mortgages on the Property. The Lender have agreed in the absence of an event of default under the loan documents, to subordinate the lien of such mortgages to the Declaration of the Condominium and to release each Unit from the lien of such mortgages provided that net proceeds from the Unit closings are remitted to the Lender from Sponsor in repayment of the outstanding loan. The loan documents with the Lender provide for minimum release prices. Without the prior written consent of the Lender (i) Sponsor may not abandon or materially change its Plan for submission of the property to the condominium form of ownership; or (ii) enter into any purchase agreement unless the sale price is greater than or equal to specified minimum release prices.

3. 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 further details).

4. 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 construction of the Condominium 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.

5. The Sponsor anticipates that the First Closing will occur by September 1, 2015, based upon the current construction schedule, unless delayed by Force Majeure. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Unit occurs later than August 31, 2016, twelve (12) months after the projected date for the First Closing of September 1, 2015, or (ii) the projected date of closing of title to the first Unit occurs later than August 31, 2016, twelve (12) months after the projected date for the First Closing of September 1, 2015. If the Plan is amended to provide for a later projected date for the First Closing, Purchasers will be entitled to an offer of rescission if the First Closing occurs more than twelve (12) months beyond that amended, later date. Such right of rescission shall be offered in an amendment to all Purchasers, with not less than fifteen (15) days to exercise such right. **TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S RIGHT TO EXERCISE SUCH RESCISSION RIGHT.** However, even if the First Closing occurs before September 1, 2015 or a later projected date, the closing of subsequent Units could be substantially delayed beyond the date of such First Closing if a TCO has not been issued for such Units or for the floor on which such Units are located. In such case, a Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full Purchase Price for the Unit and the Sponsor may schedule the closings of title to other Units significantly later than the date of the First Closing. The Sponsor is not obligated to schedule Purchaser's closing within any specified time frame or to ensure that closing of title to Purchaser's 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. Purchasers should note that: (i) Units will be completed at different times over a period that may begin prior to and/or extend significantly beyond the date of the First Closing, and (ii) Units on higher floors generally close later than Units on lower floors. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the Purchase Price for the Unit if the First Closing occurs earlier or later than the projected date, or the time to complete or to close title to any Unit is delayed or postponed by Sponsor.

6. In the event the actual or anticipated commencement date of the first year of condominium operation set forth in Schedule B 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 projected budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

7. 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.

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

9. Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final permanent certificate of occupancy ("FCO") covering the entire Condominium but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive TCOs. 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 FCOs are issued by the Buildings Department. A TCO is intended to indicate that the property "CONFORMS SUBSTANTIALLY TO THE DOB APPROVED PLANS AND BUILDING SPECIFICATIONS, AND TO THE REQUIREMENTS OF ALL APPLICABLE LAWS, RULES AND REGULATIONS FOR THE USES AND OCCUPANCIES SPECIFIED IN THE TCO". 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, finance, 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 FCO. Sponsor anticipates this scenario will occur. Sponsor will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire building, 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 Condominium after Sponsor no longer controls the Condominium Board or (v) any other cause over which Sponsor has no control. Sponsor makes no representation or guarantee that the Buildings Department will issue the FCO by any specific date. NOTWITHSTANDING THE FOREGOING, SPONSOR IS OBLIGATED TO PROCURE THE FCO FOR THE ENTIRE BUILDING, AND SHALL EXERCISE COMMERCIALLY REASONABLE EFFORTS TO OBTAIN THE FCO 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 shall not be responsible for any costs or liabilities suffered by Unit Owners on account of delays in obtaining the FCO 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 FCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, the Condominium Board and/or Sponsor may refuse to permit a Residential Unit Owner to perform alterations to a Residential Unit until such time as the Condominium has been completed and a FCO 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 FCO. A Factsheet on Certificates of Occupancy is currently available on the DOB website at: http://www.nyc.gov/html /dob/downloads/pdf/co_factsheet.pdf.

10. If Sponsor fails to obtain a FCO for the Condominium prior to the First Closing, Sponsor will be obligated to: (i) direct the Escrow Agent to hold and maintain those monies received pursuant to all Purchase Agreements (see the Section of the Plan entitled "Escrow and Trust Fund Requirements") which would otherwise be payable to Sponsor in the special trust account required by the General Business Law of the State of New York, Sections 352-e(2)(b) and 352(h), provided, however, that if Sponsor's Architect 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 FCO, then the amount exceeding the sum so certified by the Sponsor's Architect shall be released from the special escrow account to Sponsor; or (ii) Sponsor shall deposit with Escrow Agent cash or an unconditioned, irrevocable letter of credit or post a surety bond in an amount Sponsor's Architect, from time to time, certifies is reasonably necessary to complete the work needed to obtain the FCO.

11. Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems. 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 year of Condominium operation, construction workers and related personnel will be at the Condominium from time to time, completing construction of the Condominium, making adjustments and corrections and performing various tasks relating to the completion of construction. A Purchaser who closes title to his or her Unit during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibration, fumes, odors, dust, debris and other temporary interruption of services may affect Purchaser's enjoyment of the Unit during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser whatsoever or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the Condominium. During this period, various building systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time after any Closing 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. The building will contain certain major mechanical equipment, which may include, but not be limited to, fans, pumps, generators, domestic water tanks and

chillers. While Sponsor is endeavoring to reduce excessive noise and vibration emanating from the aforementioned equipment, it is impossible to eliminate it entirely and therefore, Unit Owners (particularly those in Units neighboring or adjacent to any such equipment) may be affected. Furthermore, Sponsor makes no representation or warranty (express or implied) that any noise, odors, fumes or vibrations, if any, emanating from mechanical equipment will not disturb occupants of the Units, and Sponsor shall have no liability whatsoever for any such disturbance to any Unit Owner or occupant.

12. Sponsor has no obligation to repair or improve the Units, the Condominium, the Common Elements or the Facilities used in connection with the operation of the Condominium except as otherwise expressly provided in the Plan. Sponsor agrees to complete construction and to cause all mechanic's liens with respect to the construction of the Condominium 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). Each Unit and the fixtures and personal property contained therein, are being sold and delivered "AS IS," 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 Units, upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the 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 Unit in good condition and in accordance with the terms of the Plan. However, if Purchaser finds that Sponsor's improvements as described in the Plan or in the Purchase Agreement or other writing duly executed and delivered by Sponsor, have not been fully completed, although such improvements have been substantially 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 thereunder shall survive delivery of the deed to the Purchaser. The failure of Sponsor to complete such work shall not be grounds for Purchaser to delay the Closing or to unilaterally refuse to pay the full Purchase Price at Closing. Purchasers shall be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access to the Unit and any 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, at such time as a TCO for the Unit is issued, Purchaser shall be obligated to close title to the Unit and pay the balance of the Purchase Price at Closing.

13. Warranties for Units. Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") does not apply to this offering as the Building is more than 5 stories in height. Sponsor makes no 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 13. Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability. There is no warranty as to sound transmission. There is no warranty as to odors. There is no warranty with respect to mold, mildew, spores, fungi or other toxins. There is no warranty as to view or light quality. Sponsor has not given and Purchaser has not relied on or bargained for any such warranties. Sponsor's obligations are limited to the Limited Warranty and in no event will Sponsor be liable for incidental or consequential damages, including, but not limited to, damages in the nature of alternative housing, lost rent, or damage to personal property or installations claimed by the Unit Owner, nor shall Purchaser have any suit, claim, cause of action or demand (whether based on negligence, breach of contract, warranty, or otherwise). In the event of any

conflict between the foregoing disclaimers and Sponsor's obligations to construct the Condominium in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan, Sponsor's obligations to construct the Condominium in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan will control. Any warranty provided by Sponsor pursuant to this Section 13 is a limited warranty and the sole warranty made by Sponsor - there are no warranties which extend beyond the face hereof. **TIME SHALL BE OF THE ESSENCE WITH RESPECT TO ALL OF THE TIME PERIODS SET FORTH IN THIS SECTION 13**.

Sponsor will correct, repair, or replace any and all defects relating to construction of the Building, Common Elements or the Units or in the installation or operation of any appliances, fixtures, or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:

(a) 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;

(b) 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 or audibly ascertainable) in the construction of a Unit, within one (1) year of the earlier to occur of (x) the Closing of Title to the Unit or (y) 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 in the construction of a Unit within thirty (30) days of the earlier to occur of (x) the Closing of Title to the Unit or (y) 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 one (1) year from the date of substantial completion of the portion of the Common Elements claimed to be defective. The issuance of a certification from Sponsor's registered architect or licensed engineer shall be presumptive evidence that the construction of the Common Elements has been substantially completed.

(c) 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 any defects, whether patent or latent, if:

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

(ii) The Condominium Board and/or the Unit Owner fails to allow prompt access to the Unit in question by Sponsor or Sponsor's contractors or other representatives;

(iii) Sponsor has corrected, or caused the correction of, the defect in accordance with local standards customary in the industry, as determined by Sponsor's general contractor, architect, or engineer, in their sole judgment; or.

(iv) 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.

This Limited Warranty is only available to the first Purchaser of the Unit and Sponsor shall have no liability to any subsequent owner with respect to any claimed defects relating to the construction of the Units, the Common Elements or the Building. Any repair or correction performed by Sponsor shall not serve to reset the time period applicable to the Limited Warranty.

An action for damages or other relief based upon an alleged breach of this Limited Warranty may only be commenced if the Sponsor was timely notified as required by Section 13(b) above, and must be commenced, if at all, prior to the earlier of ninety (90) days after the expiration of the applicable warranty period set forth in Section 13(b) above, or sixty (60) days after the Sponsor has given written notice of rejection of claim or completion of corrective action, **TIME BEING OF THE ESSENCE**. **FAILURE TO COMMENCE AN ACTION FOR AN ALLEGED BREACH OF THE LIMITED WARRANTY WITHIN THE APPLICABLE TIME PERIOD WILL CONSTITUTE A WAIVER OF ALL CLAIMS WITH RESPECT TO ANY ALLEGED BREACH FOR WHICH THE APPLICABLE TIME PERIOD HAS EXPIRED.** The making of repairs by Sponsor shall not have the effect of extending the time period within which an action must be commenced.

(d) Notwithstanding the foregoing, Sponsor is obligated to construct the Condominium in accordance with the terms of the Plan and in compliance with Law.

14. Limitations on Sponsor's Obligations for All Units. The following limitations on Sponsor's obligations shall apply to all Units, as well as any claims of any nature regarding construction. Sponsor will not be obligated to correct, and will not be liable to the Condominium or any Unit Owner at any time 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:

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

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

(c) resulting from Unit Owner's and/or the Condominium Board's, as the case may be, (i) failure to maintain such appliances, equipments, finishes, materials, or fixtures in accordance with manufacturer's guidelines and specifications and (ii) renovations and/or alterations to a Unit or its appurtenant Limited Common Elements;

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

(i) 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, salting, 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;

(ii) 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;

(iii) 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;

(iv) variations in tone, texture, or color of interior and exterior natural stone (including the limestone used on the exterior façade of the Building) or variations in tone or color of vanity tops or other natural stone surfaces, slight scratches in plastic laminate, glass, metal, vitreous china, natural stone, wood, stainless steel, or porcelain surfaces, discoloration to hardware and plumbing finishes, cracked bath tile grouting, variation in grouting thickness, and misalignment of bathroom finishes; 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;

(v) variations in wood floor stains and finishes, if performed by Sponsor, caused by normal foot traffic during construction and sales periods;

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

(vii) repair of chips, scratches, mars, breaks, dents, cracks, and other defects in any windows and window sashes, sliding glass doors, shower doors, louvers, insulation attached to the curtain wall, 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;

(viii) normal wear, including chips, to passenger elevator cabs, cab doors, elevator door frames, cab panels, Unit doors and Unit door frames;

(ix) pertaining to television, radio, internet or other telecommunication reception;

(x) any condition resulting from abuse, modifications not performed by Sponsor or its contractors, improper or insufficient maintenance, improper operation, normal wear and tear or natural deterioration or from the normal settling or shifting of the Building;

(xi) variations in floor levels;

(xii) painting defects;

(xiii) alignment of bathroom finishes;

(xiv) air infiltration from windows;

(xv) variations in width, length or tone or cupping of wood flooring, or any warpage or cupping of any wood flooring, including but not limited to any of the wood flooring installed in kitchens of the units,

(xvi) variation in shading of marble; and

(xvii) subsequent to the unit closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts.

Notwithstanding the foregoing, Sponsor shall have no obligation to correct any defect:

(e) resulting from any damage to the extent that it is caused or made worse by:

(i) Improper use, improper care, negligence, improper maintenance, or improper operation by anyone other than the Sponsor, its employees, agents, and those engaged by Sponsor;

(ii) failure of the Unit Owner and/or the Condominium Board, as the case may be, to give notice to the Sponsor of any defects or damage promptly upon manifestation of any condition giving rise to such defects or damage;

(iii) changes in the grading of the ground by anyone other than the Sponsor, its employees, agents, and those engaged by Sponsor;

(iv) changes, alterations or additions made to the Unit by anyone after the Closing Date; or

(v) dampness or condensation due to failure of the Purchaser or occupant to maintain adequate ventilation.

(f) Loss or damage caused by workmanship performed by any person other than (i) the Sponsor, (ii) an agent of the Sponsor, or (iii) and those engaged by Sponsor.

(g) Loss or damage caused by defective materials supplied by any person other than (i) the Sponsor, (ii) an agent of the Sponsor, or (iii) and those engaged by Sponsor.

(h) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Sponsor.

(i) Patent defects including defects shown on the Inspection Statement and defects which an examination of the Unit prior to acceptance of the deed or occupancy of the Unit ought to have revealed.

(j) Defects in driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); off-site improvements or any other improvements not a part of the Unit itself.

(k) Any condition which does not result in actual physical damage to the Unit.

(l) Loss or damage caused by or resulting from accidents, riot and civil commotion, war, terrorist activities, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water, soil movement and/or changes in the underground water table.

(m) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect.

(n) Any damage which the Unit Owner and/or the Condominium Board, as the case may be, has not taken timely action to minimize.

(o) Normal wear and tear and normal deterioration.

(p) Insect damage.

(q) Bodily injury or damage to personal property.

(r) Loss or damage which arises while the Unit is being used primarily for Non Residential purposes.

(s) Loss or damage due to abnormal loading on floors by the Purchaser which exceeds design loads as mandated by the Building Code.

(t) Defects in any work or materials ordered directly by Purchaser from anyone other than Sponsor. and for incidental or consequential damages resulting from such work or materials;

In no event shall the presence of any equipment, cabinetry, fixtures or furniture ("FFE") that may exist in any model unit imply or represent that any Unit will contain such FFE upon delivery of such Unit to Unit Owner. Unit Owners should refer to the Description of Property and Improvements set forth in the Plan for a description of the FFE that will be delivered with the Unit, and any discrepancies between a model unit and the actual Unit as delivered shall be resolved in favor of the Description of Property and Improvements set forth in the Plan.

THE ITEMS AND CONDITIONS DESCRIBED IN (d) ABOVE ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED OR RENOVATED CONDOMINIUM. PURCHASERS WHO PURCHASE A UNIT IN THE CONDOMINIUM OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND 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 THE CONDOMINIUM BOARD THEREFOR. IF PURCHASER OR THE CONDOMINIUM BOARD DESIRES TO CORRECT OR REPAIR ANY SUCH ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THE PURCHASER OR THE CONDOMINIUM BOARD WILL HAVE TO PROCEED AT ITS SOLE COST AND EXPENSE AND/OR UTILIZE ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO IT BY SPONSOR.

15. LIMITATION ON DAMAGES. NOTHING CONTAINED IN THIS PLAN WILL BE CONSTRUED SO AS TO RENDER SPONSOR LIABLE FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES INCLUDING, BUT NOT LIMITED TO, DAMAGES IN THE NATURE OF ALTERNATIVE HOUSING, LOST RENT, PERSONAL PROPERTY OR INSTALLATIONS CLAIMED BY THE UNIT OWNER (WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, NEGLIGENCE OR OTHERWISE), ALL OF WHICH ARE EXCLUDED FROM THE COVERAGE OF THIS PARAGRAPH TO THE MAXIMUM EXTENT PERMISSIBLE, IT BEING INTENDED THAT SPONSOR'S SOLE OBLIGATION UNDER THE PLAN WILL BE TO REPAIR OR REPLACE ANY DEFECTIVE ITEM OF CONSTRUCTION UPON, AND SUBJECT TO, THE TERMS AND CONDITIONS SET FORTH ABOVE. ADDITIONALLY, EXCEPT AS EXPRESSLY SET FORTH ABOVE, SPONSOR WILL HAVE NO OBLIGATION TO CORRECT OR REPAIR ANY DEFECTIVE OR OTHER CONDITIONS IN THE BUILDING (INCLUDING IN THE UNSOLD 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 SECTION 13 ABOVE, 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.

16. DISCLAIMER OF WARRANTIES. 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 PROPERTY.

17. Prior to or at 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).

18. 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.

19. Sponsor will pay or cause to be paid all contractors, subcontractors and materialpersons and all others involved in the construction and equipping of the Condominium in accordance with the New York Lien Law, for work performed and fixtures, material and equipment supplied or installed during Sponsor's construction thereof and will cause any and all mechanics' liens arising out of such construction and equipping, if any, to be discharged by bonding, or otherwise, promptly after the filing of any such liens, unless the Title Company is willing to insure title over such liens at no additional cost to Purchaser.

20. No Closing of a Unit will occur prior to the issuance of a TCO for the particular Unit, unless such Unit is being sold as a "raw space" Unit in accordance with the terms of this Plan. Sponsor will perform any work and/or supply any material necessary to obtain a FCO.

21. Sponsor shall be obligated to defend any suits or proceedings arising out of Sponsor's acts or omissions and shall be obligated to indemnify the Condominium Board and Unit Owners against any such action or proceeding.

22. Following the issuance of a FCO for the Condominium, Sponsor will deliver to the Condominium Board copies of all of the mechanical, electrical and plumbing drawings for the Building.

23. 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 Condominium 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 Condominium is built in accordance with the Plans and Specifications.

24. 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 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 Units and Sponsor's other financial resources. The ability of Sponsor to perform its obligations under the Plan will partly depend upon its financial condition at the time it is called upon to perform. No bond or other security will be posted by Sponsor with respect to this obligation.

25. Sponsor will initially procure on behalf of the Condominium Board the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By-laws, the types and cost of which insurance has been reflected in the First Year's Budget.

26. 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.

27. 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.

28. In the event of the dissolution or liquidation of Sponsor or the transfer by Sponsor of 10 or more Units or 20% or more of the total number of Units in the Condominium, whichever is less, to a single Purchaser, the principals of Sponsor will provide financially

responsible entities or individuals who will assume the status and all obligations of Sponsor for those Units under the Plan and Laws.

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

30. 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.

31. Sponsor intends, in good faith, to sell rather than rent Units. However, under this Plan, Sponsor has reserved the unconditional right to rent Units rather than sell Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, Sponsor is not committed to sell more units than the 15% necessary to declare the Plan effective and, therefore, owner-occupants may never gain effective control and management of the Condominium. In addition, it is anticipated that one or more principals, members, employees or affiliates of Sponsor, directly or indirectly, may acquire one or more of the Units in the Building.

32. Sponsor intends to offer Unsold 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.

33. 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 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.

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.

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

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

Use of Unsold Units

Sponsor reserves the right, without prior notice or amendment to the Plan, to use any Unsold 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 Unit, Sponsor may require Purchaser to purchase all or any of the furniture, furnishings, finishes, equipment or decorations (including wall coverings and carpeting) ("FFE") therein and pay, in addition to the purchase price for the Unit, such amounts as Sponsor may determine.

Sales Center/Model Units

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

Sponsor's Easement Rights

Sponsor shall have an easement in, over, under, through and upon the General Common Elements and Limited Common Elements (including, but not limited to, 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 Units, provided the same is in accordance with Law. Sponsor has further reserved the right to (a) enter into any Unit (upon reasonable notice) at any time to access Common Elements for any purposes, including, but not limited to, accommodating work by other Unit Owners or prospective Unit Owners, and (b) enter into any Unit (upon reasonable notice) and/or access any Common

Element to perform work both prior to and following a Closing under a Purchase Agreement to the extent Sponsor determines the same is necessary to respond to any claims regarding construction of any nature, whether under the Purchase Agreement or otherwise. Sponsor has reserved the right to install additional fireplace flues and mechanical equipment on the roofs of the Condominium. Subject to the terms of Condominium Documents and Law, as applicable, Sponsor, for so long as Sponsor shall own any Unsold 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 Units and the Common Elements. Sponsor shall have an exclusive right and easement for so long as Sponsor owns any Unsold Unit, to (a) erect, use, lease, maintain, repair, replace and operate antennae, satellite dishes and other communications equipment on any part of the roof of the Building and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces) and (b) to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith, provided, that with respect to any antennae, satellite dishes or other communications equipment, Sponsor shall only erect such structures if for the benefit of one or more of the Unit Owners. 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 the Sponsor. Any obligations of the Sponsor under any lease, license or other right of use granted by Sponsor with respect to the roof of the Building 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. Sponsor shall be entitled to utilize such rights and easements for their own account or the account of its Permitted Users.

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 Joshua Crane, Robert Schwartz, and Edward Kim, who shall serve as President, Vice President and Secretary/Treasurer, respectively. Joshua Crane and Robert Schwartz are principals of Sponsor, and Edward Kim is an employee of Sponsor. Sponsor reserves the right to designate different individuals to serve on the initial Condominium Board in lieu of the above mentioned individuals. The initial Condominium Board shall conduct all affairs of the Condominium.

The first annual meeting of the Unit Owners will be held approximately 30 days after the earlier to occur (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan to Units representing at least 50% in number of all Units offered for sale. At the first annual meeting a three (3) member Condominium Board shall be elected (or designated, with respect to those Board Members selected by Sponsor).

Sponsor will have voting control over the Condominium Board until the last to occur of: (i) the Closing of Title with Purchasers under the Plan to Units representing at least 95% in number of all Units offered for sale, (ii) three (3) years after the final TCO is issued for any portion of the Condominium, and (iii) the issuance of a FCO for the Condominium ("Initial Control Period").

During the Initial Control Period, Sponsor may designate two (2) of the three (3) Board Members of the Condominium Board. Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Initial Control Period.

Commencing with the first annual meeting, the Condominium Board shall consist of three (3) individuals elected and/or designated in accordance with the terms of the By-laws by the Unit Owners

(including Sponsor) (collectively, the "Board Members"). The number or composition of Board Members may not be changed except in accordance with the procedures described in the By-laws.

At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interest attributable to the Unsold Units as it sees fit. When voting for Members of the Condominium Board, each Unit Owner shall be entitled to cast 1 vote for each .00001% of Common Interest attributable to the Unit per Board Member to be elected. However, as set forth above, at elections of Board Members to the Condominium Board held during the Initial Control Period, Sponsor shall have the right to designate two (2) of the three (3) Board Members of the Condominium Board.

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

Within 30 days after the expiration of the Initial Control Period, subject to Sponsor's right to designate a Board Member to the Condominium Board so long as Sponsor shall continue to own 1 Unsold Unit, the Board Members of the Condominium Board who were designated by Sponsor shall resign and a replacement shall be filled by a vote of the Unit Owners (including Sponsor) at a special meeting called for such purpose. After the Initial Control Period, a majority of the Board Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor or its principals.

The number of Board 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 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.

During the first five (5) years following the First Closing, and so long as Sponsor continues to own at least 25% in number of all Units, 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 Assessments 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 those 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 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; (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 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.

CONDOMINIUM BOARD

The affairs of the Condominium shall be governed by the Condominium Board, which shall consist initially of three (3) Board Members, all of whom are to be designated by Sponsor. Sponsor presently anticipates that the initial Members of the Condominium Board shall be Joshua Crane, Robert Schwartz, and Edward Kim, who shall serve as President, Vice President and Secretary/Treasurer,

respectively. The term of office of the Board Members of the Condominium Board shall be for one (1) year or until their successors are elected. Board Members of the Condominium Board shall serve without compensation. Any Board 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 Board 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 further details.)

A Board Member of the Condominium Board may be removed with or without cause by an affirmative vote of a majority of Unit Owners who are present at a meeting containing a quorum of Unit Owners, provided, however, that (a) any Board Member designated by Sponsor may only be removed and replaced by Sponsor, and Sponsor alone shall have the right to designate a replacement. After the Initial Control Period, a majority of the Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor or its principals. No Board Member of the Condominium Board shall continue to serve on the Condominium Board if, during the term of office, such Board 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 Board Members of the Condominium Board designated by Sponsor.

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 Board 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 or fidelity coverage 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, Board 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 Board 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 interest of the Condominium. All Unit Owners shall jointly, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Board Member of the Condominium Board against any liability or claim except those arising out of the bad faith or willful misconduct of such Board Member of the Condominium Board.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Units

Each Unit Owner may sell, or lease its Unit for terms of not less or more than one (1) year provided the Unit Owner ("Offering Unit Owner") first gives the Condominium Board, on behalf of all Unit Owners, notice of intention to sell or lease together with any and all application forms and documentation required by the Condominium Board (including, but not limited to, security search documentation with respect to prospective purchasers), and an opportunity to purchase or lease such 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 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 lease 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 Unit without prior approval of a majority in interest of all Unit Owners. The By-laws permit the Condominium Board to (i) borrow money on behalf of the Condominium for the benefit of Unit Owners, (ii) increase Common Charges assessed against all Unit Owners and (iii) impose Special Assessments against all 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 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 lease of a 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, national origin, sex, age, disability, marital status or other grounds proscribed by Law.

A Unit Owner may lease, sell or convey the Unit to a Family Member, may convey the Unit by gift, may devise the Unit by will, or have it pass by intestacy, without complying with the foregoing restrictions; provided, however, that each succeeding Unit Owner shall be bound by, and the Unit shall be subject to, the preceding restrictions. In addition, any Unit Owner may lease, sell or convey the Unit to a related or controlled individual or entity, as more particularly set forth in the By-laws.

A Unit Owner may only sell or lease the entire Unit. In addition, each conveyance of a Unit by a 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 Limited Common Elements (with respect to Units); (c) any Unit or Units acquired by the Condominium Board on behalf of all Unit Owners, or any proceeds of the sale or

lease thereof and (d) any other assets of the Condominium. No part of the 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 Unit Owners. 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 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.

A Unit may not be sold or leased unless all unpaid Common Charges, license fees and liens against the Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to the sale or lease. In addition, the Condominium Board may (i) establish reasonable restrictions with respect to the sale and lease of Units and (ii) implement reasonable fees in connection with the processing of sale and lease packages, which shall be payable by the Offering Unit Owner.

Sponsor is free to sell or lease all or any portion of its Unsold Units without first notifying or obtaining the approval of the Condominium Board and without payment of any fee or charge to the Condominium Board. The restrictions upon the sale and lease of Units shall not apply to Sponsor with respect to any Unsold Units, or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, 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.

Notwithstanding anything contained herein to the contrary, so long as Sponsor owns at least one Unit, prior to the Closing of Title to a Unit, a Purchaser shall not list such Unit for resale or rental with any broker or place or authorize a listing in any broker's listing system or other listing service or advertise or otherwise offer, promote or publicize the availability of the Unit for sale or rental, without Sponsor's prior written consent, which may be withheld or delayed by Sponsor in Sponsor's sole and absolute discretion. Any listing of the Unit or other form of advertising, promotion or publicizing of the Unit by Purchaser prior to the Closing of Title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase". After the Closing of Title to a Unit, for so long as Sponsor owns any Unsold Units, but not to exceed two (2) years from the date of the First Closing, Purchaser shall not advertise, promote or publicize the availability of the Unit for sale or lease at prices lower than those being advertised or promoted by Sponsor for similar Unsold Units. This restriction on advertising may affect the ability of Purchaser to sell its Unit within such two (2) year period and Purchaser should carefully consider such restriction before entering into a Purchase Agreement.

Use of Units, Storage Bins and Common Elements

A Unit shall be used for residential purposes only (except as described below), and not more than one family may occupy a Unit at one time. A Unit may not be used for any "dormitory, "bed and breakfast" or other transient hotel-type use. A Unit owned or leased by an individual, corporation, partnership, 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, 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 Unit may be used for any other purpose, provided such use is permitted by, and complies with Law, does not violate the then existing certificate of occupancy covering the Building, and the Condominium Board, in its sole discretion, grants permission for such use.

A Storage Bin licensed to a Unit Owner may be used for the storage of personal effects of a 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 create a nuisance, be stored therein.

Notwithstanding the foregoing, Sponsor may, without the permission of the Condominium Board: (a) use or grant permission for the use of any Unsold 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 Condominium or any other governmental regulations; (b) retain ownership of one or more Unsold Units for use as model Units and offices for the selling, leasing, management, operation and promotion of any Unsold Unit, or for any other purpose, subject only to compliance with Law; and (c) lease any Unsold 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 nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Condominium. All Laws shall be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whoever or whichever shall have the obligation to maintain or repair such portion of the Property.

No awnings, air conditioning equipment or ventilators shall be installed or modified in the Condominium by any Unit Owner without prior written approval of the Condominium Board. No radio or television aerial or satellite dish or other similar device shall be erected on the roof or exterior walls of the Building or on the Property (excluding Sponsor) by Unit Owners, without obtaining in each instance the written consent of the Condominium Board, and then, only to the extent the same is permitted by Law.

No pets other than dogs, caged birds, cats, small reptiles, and fish (which do not cause a nuisance, health hazard or unsanitary condition) shall be permitted, kept or harbored in a Unit without the same in each instance having been expressly permitted in writing by the Sponsor or the Condominium Board. Such consent, if given, shall be revocable by the Sponsor or the Condominium Board at any time, with or without cause. In no event shall there be maintained in a Unit more than 2 pets without the consent of Sponsor or the Condominium Board, nor shall any animal be permitted in any public elevator, other than the elevators designed by the Condominium Board or Managing Agent for that purpose, or in the public portions of the Condominium, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. Each Unit Owner who keeps any type of pet in such Unit Owner's Unit may be required to enter into an agreement with the Condominium Board regarding pets as the Condominium Board may deem suitable, indemnifying and holding harmless the Condominium, all Unit Owners and Managing Agent from all claims and expenses resulting from acts of such pet.

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 Rules and Regulations concerning the use of Units may be amended from time to time by the Condominium Board provided that copies thereof are furnished to each Unit prior to the time that they become effective (except that no amendment thereof affecting the Unsold Units may be made unless agreed to by Sponsor, so long as Sponsor owns one Unsold Unit).

Mortgage of Units by Unit Owners

Each Unit Owner may mortgage its 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 (or other form reasonably acceptable to the Condominium Board) except for such changes or additions as may be required to permit a lender to make the loan, or such other forms customarily used by Institutional Lenders making loans more secured by individual residential condominium units, (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 Unit, other than Permitted Mortgages. Sponsor shall have the right to mortgage any Unsold Unit, without the foregoing 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 Rules and Regulations. The By-laws provide that no more than 3 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, (ii) a bank, trust company, insurance company, real estate investment or mortgage trust or (iii) a governmental or union employee, welfare, pension or retirement fund or system.

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 in proportion to their respective Common Interest. 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 Condominium; (c) real estate taxes and assessments levied with respect to the Property (until the same are separately assessed to individual Units); and (d) amounts for 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.

The Common Interests of the Units have been allocated 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 Real Property Law Section 339-i(1) subsection (iv).

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.

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 $250 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 reasonable 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 Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unsold Unit thereafter accruing, unless: (i) the aggregate Common Interests appertaining to the Unsold Units constitutes 15% or less of the total Common Interests then appertaining to all 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 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 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, the plumbing, appliances in the Units, the fireplace 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 expenses, (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 Common Expense, (c) in or to the Limited Common Elements shall be performed (i) by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a 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 Unit Owner having direct and exclusive access thereto at such Unit Owner's sole cost and expense, if involving painting, decorating, and non-structural ordinary maintenance, repairs and replacements.

Unit Owners of Units with a Terrace are required to ensure that no unusual, disturbing, or objectionable noises, sounds (including, but not limited to, music) or odors are produced from or emanate from its Terrace that may disturb or annoy other occupants of the Condominium, and that no actions taken on its Terrace shall adversely affect or interfere with the use or enjoyment of any part of the Condominium by any other Unit Owner or occupant, including but not limited to, placing an unreasonable burden upon any of the Common Elements. Such Unit Owners shall ensure that any invitees or visitors present on such Unit Owner's Terrace shall act in such manner so as not to create any nuisance, or interfere with, annoy or disturb any Unit Owner or any occupant of the Condominium or the immediate area. Terraces shall also be subject to such other reasonable restrictions as may be imposed by the Condominium Board from time to time, and to ensure that the Common Elements remain available for the use and enjoyment by all Unit Owners. The above described restrictions on Terraces are in addition to the detailed regulations and restrictions set forth in the Bylaws (which may be modified by the Condominium Board from time to time), relating to noise, odors and behavior, and which regulations in the By-laws that include, among other things, the obligation of such Unit Owners to maintain all plantings, furnishings and structures on their respective Terraces. Purchasers are further advised that the consent of the Condominium Board shall be required for any modifications of the Terraces and the plantings, furnishings, and structures therein contained. Smoking is not prohibited on Terraces, but is prohibited in all other common areas. Any such grilling or barbequing must be in compliance with Law.

The exterior and interior glass surfaces of all windows located in any Unit shall not be colored or painted and are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. Any replacement of glass windows in any 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 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, 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 window treatments in, or appurtenant to the Unit. Each Unit Owner shall be responsible for the maintenance and repair of any ranges and range hoods within the Units. Any

Unit Owner modifying or replacing a range hood must maintain and replace the interlock during any such work.

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 further 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.

Alterations, Additions and Improvements of Units and Common Elements

No Unit Owner may make any structural alteration, addition, improvement or repair in or to the Unit or its appurtenant 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 Unit. Except as otherwise permitted in the By-laws, no 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 Unit Owner prior to Sponsor's completion of the punchlist items, Sponsor shall be relieved of completing all such items or any other items requested by the Unit Owner.

Sponsor shall have the right, without the approval of the Condominium Board to: (a) make alterations, additions, improvements, or repairs in or to their respective Units, whether structural of 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 further details.)

Prior to, and as a condition of, the granting of its consent to the making of any structural alteration, addition, improvement or repair in or to a Unit, or its appurtenant Limited Common Elements each Unit Owner is required by the By-laws to (i) obtain the written approval of the Condominium Board (for all work other than Decorative Work), (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) agree to pay a fee to the Managing Agent for processing such alteration applications, and (vii) execute and enter into a Construction 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. The current form of Construction Agreement is set forth in Part II of this Plan as an exhibit. Purchasers are advised that any alterations or work in or to a Unit must be performed in a manner to maintain the original floor and demising wall acoustical performance, including a sufficient underlay on floor slabs.

Every Unit Owner performing a non-structural alteration shall also execute a Construction Agreement, although Board approval shall not be required with respect to interior, nonstructural, aesthetic alterations ("Decorative Work") which (i) are not visible from outside the Unit, (ii) will not affect any of the Common Elements including, without limitation, the Limited Common Elements and the electrical, plumbing, sprinkler, HVAC, elevator, mechanical and all other systems serving the Building or the Unit, and (iii) do not require a Permit (as hereinafter defined). Under no circumstances shall a 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 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 Condominium employees or other contractors or subcontractors employed in the Condominium.

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 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 Unit provided any alteration to such 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, Storage Bin or the Limited Common Elements. 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, including, without limitation, the flooring, fixtures, furniture, furnishings, equipment, appliances and personal property situated within the Unit and the Limited Common Elements appurtenant thereto, and liability insurance with respect to acts occurring therein. Each Unit Owner shall be required to maintain insurance for any Storage Bin in amounts sufficient to cover the property located 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, Sponsor, and Managing Agent as additional insureds.

Rights of Access

As more fully set forth in the By-laws, the Condominium Board and any Managing Agent, manager, Resident Manager and other persons authorized by the Condominium Board, will have a right of access to any Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by Law, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the 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 for purposes of performing certain alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan, provided that access to any Unit may not be exercised in such a manner as will unreasonably interfere with the use of such Unit for its permitted purposes. Without limiting the foregoing (a) the PHA Unit owner shall be required to permit access to the roof of the building through the PHA Unit as required by the Condominium Board in connection with maintenance, repair and replacement of certain mechanical equipment on the roof (or accessible at the roof level), including, but not limited to, elevators, the cooling tower, fans, roof top air conditioning units and the generator located on the roof, and (b) the unit owners on floors 6 and 7 of the Building shall be required to permit access to and through their respective Units as required by the Condominium Board in connection with maintenance, repair and replacement of certain expansion joints located on heating and hot water risers.

By-laws and Rules and Regulations

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

General

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

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 of the Unit Owners to elect a new Condominium Board approximately 30 days after the later to occur of (i) the second anniversary of the First Closing or (ii) the Closing of Title with Purchasers under the Plan to Units representing at least 50% in number of all Units offered for sale. At such meeting, the incumbent Condominium Board shall resign and, subject to the rights of Sponsor to designate two (2) of the three (3) Board Members during the Initial Control Period, the Unit Owners (including Sponsor) shall elect Board Members to the Condominium Board. (See the subsection below entitled "Meetings and Votes of Unit Owners" and the Section of the Plan entitled "Control by Sponsor" for further 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 Board Members of Condominium Board designated or elected by Sponsor, all Board Members of the Condominium Board must be either Unit Owners or certain interested parties as described in the By-laws. No Board Member of the Condominium Board shall continue to serve on the Condominium Board if, during such Member's term of office, such Board Member shall cease to be a Unit Owner or an interested party. All Board 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.

During the first five (5) years following the First Closing, and so long as Sponsor continues to own at least 25% in number of all Units, the Condominium Board may not, without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements; (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; (c) increase or decrease the number, or change the kind of employees from those 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 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; (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 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.

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 Unit Owners shall elect the three (3) Board Members to the Condominium Board, subject to any rights of Sponsor to designate Members to the Condominium Board, and there shall also be transacted such other business as may properly come before such meetings. 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 Common Interest of all Unit Owners. 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 Unit Owners, the presence in person or by proxy of Unit Owners owning more than 40% of the Common Interests attributable to all Units shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all 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. Except as otherwise provided by 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 Condominium 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 Condominium 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 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 Condominium 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 Condominium 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 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 Condominium (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 Condominium (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 and flood 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 of the Unit Owners 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 Owner's Unit or within the Common Elements, if any, exclusive to such Unit Owner's 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 of Unit Owners, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

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 Limited Common Element appurtenant thereto, as well as Storage Bins. 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 Board 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 Board Member of the Condominium Board shall be liable for such Board Member's own bad faith or willful misconduct. All Unit Owners shall jointly, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Board Member of the Condominium Board against any liability or claim except those arising out of such Board 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 provided that required consents of the Mortgage Representatives, if any, are obtained (if applicable), any provision of the Declaration, By-Laws or Rules and Regulations affecting the 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; 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 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.

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of at least 80% in number and in Common Interest of all Unit Owners. Such vote shall not be effective, however, without the written consent (which consent shall not be unreasonably withheld or delayed) of the Permitted Mortgagees representing at lease fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on the Unit in the order of priority of such liens.

Units Acquired by Condominium Board

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

The purchase of any Unit by the Condominium Board on behalf of the 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 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 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 Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units. All Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Common Interests. In the event any Unit Owner individually seeks to have the assessed valuation of the 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 Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies the Condominium Board from all claims, costs and expenses (including, without limitation, reasonable 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 the 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 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 has been granted certain easements with respect to the use and operation of its 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 UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of Units by Purchasers who use such Unit as a personal residence was prepared by Sponsor based, in part, upon the income tax opinion of Goldstick, Weinberger, Feldman & Grossman, P.C.having an office at 7 Penn Plaza, Suite 1602, New York, New York 10001, a copy of which is set forth in Part II of the Plan.

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

Income Tax Deductions to Unit Owners

Each Unit Owner will own fee simple title to the Unit together with an undivided interest in the Common Elements. Each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. As a result, each Unit Owner will be individually liable for the real estate taxes and assessments levied against the Unit. Additionally, each Unit Owner may mortgage the 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 Goldstick, Weinberger, Feldman & Grossman, P.C.that a Unit Owner who uses the 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 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, 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. These other income sources include gross income from

Condominium membership dues, as well as gross income derived from investments, all reduced by any allowable deductions and taxed at the rate of thirty (30%) percent. Deductions are allowed for expenses related to the production of non-exempt income, but only if such expenses are directly connected with the production of such income. A specific deduction of one hundred ($100) dollars is allowed against non-exempt income.

Accordingly, if the Condominium qualifies and makes a timely election under Section 528 of the Code, it would be taxed only upon net income from Condominium membership dues, and from other sources including income from the leasing of laundry facilities and from investment income, if any. If the Condominium is operated for the first year of operation in such a manner that the income projected in Schedule B of the Plan is received and the expenses on said Schedule B are incurred and paid, it is our opinion that the Condominium will qualify to make the Section 528 election for the first year of Condominium Operation.

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.

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 Goldstick, Weinberger, Feldman & Grossman, P.C., as Special Tax Counsel to Sponsor, 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 Units offered under the Plan, and no one has been authorized to give any warranties.

REAL ESTATE TAXES

It is estimated that the aggregate real estate taxes payable with respect to all Units for the first year of Condominium operation will total approximately $554,866, assuming (a) a taxable assessed valuation for the Property of $3,608,220 for 10 months of tax year 2015/2016 reflecting the assessment for a partially constructed property and a taxable assessed value of $7,216,440 for 2 months of tax year 2016/2017 based on the real estate tax projection opinion prepared by Marcus & Pollack LLP set forth in Part II of the Plan, and (b) a tax rate of 13.181 per $100 of assessed valuation. Purchasers should note that once the Condominium is assessed as being fully constructed in the second year of condominium operation, it is estimate that the real estate taxes for the Units will total approximately $951,199.

In arriving at the assessed valuation for each Unit in the Condominium, the Condominium 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 Registers Office. It is expected 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 project and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular units.

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, the obligation of the Condominium to pay real estate taxes to the Finance Department for the next ensuing tax period, ("Future Taxes") shall be secured by Sponsor delivering at the First Closing to Goldfarb & Fleece LLP ("Escrow Agent"), either cash, a letter of credit, or a surety bond ("Tax Security") in the amount of the Future Taxes. Escrow Agent shall hold the Tax Security in escrow for the benefit of the Condominium. At each Closing prior to the date the Units are separately assessed and billed, Purchasers will be obligated to pay to Escrow Agent 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"). Purchasers are further advised that in addition to making a Unit Tax Payment to the Escrow Agent, a Purchaser's lender may also requires that funds be placed in escrow with such lender for such real estate tax payments. Unit Tax Payments will not be placed in an interest-bearing account by Escrow Agent. 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 is 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 Purchasers who deposited Unit Tax Payments with Escrow Agent.

At such time as the Units have been separately assessed for real estate tax purposes, and real estate tax bills are issued by the New York City taxing authorities to each Unit Owner, such 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.

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 Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate.

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

The tax projections found in Schedule A are merely estimates and cannot be construed as an assurance of the actual amount of real estate taxes that will be assessed.

WORKING CAPITAL FUND AND APPORTIONMENTS

A Purchaser of a Unit purchased directly from Sponsor 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 assessed against the Unit at the time of Closing.

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.

At the First Closing, certain apportionments will be made between the Sponsor and the Condominium. 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 then existing amount of the Working Capital Fund is to be used for payment by the Condominium Board of any net closing adjustment expenses owed to Sponsor at the First Closing. If there remains 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 or more installments on or prior to the first anniversary of the First Closing, without interest, pursuant to an unsecured, negotiable, promissory note to be executed by the Condominium and delivered to Sponsor at the First Closing. Such promissory note may be prepaid by the Condominium in full at any time, or in part from time to time,

without penalty. Such payments shall be promptly made to Sponsor by the Condominium from the Working Capital Fund as funds are collected from Purchasers.

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 further 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 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 Condominium 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; CONTINGENCY

This Plan provides for the establishment of a Reserve Fund as set forth in Schedule B. It is not anticipated that the Condominium will require capital expenditures of a material nature within five (5) years following the First Closing, as it will be either entirely new construction or renovated construction. The Reserve Fund provided for in the First Year's Budget is intended to provide a fund for unanticipated capital expenses, repairs and replacements not included in the First Year's Budget, No reserve fund for capital expenditures has been established except as expressly specified in the projected Budget, and such fund may not be sufficient to fully 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 to increase Common Charges or institute a Special Assessment.

The contingency provided for in the Schedule B – Projected Budget for First Year of Condominium Operation 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 operating expenses which may be required. If additional funds are required to meet such expenses, it may be necessary for the Condominium Board to increase Common Charges or impose Special Assessments.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Management Agreement

It is presently contemplated that, prior to the First Closing, the Condominium Board will enter into a management agreement with Halstead Management Company LLC for an initial term of 2 years, subject to the right of Manager to cancel same at any time without cause upon at least 30 days prior written notice and the right of the Condominium Board to cancel for certain defaults by Manager thereunder after notice and opportunity to cure. Thereafter, the management agreement will be automatically renewed on a yearly basis until canceled by either party on thirty (30) days prior written notice.

The Managing Agent will receive a stated annual fee of $30,000 per annum, payable in equal monthly installments for the first year, $30,900 per annum in the second year, and annual increases as agreed upon or if no increase has been agreed upon, 103% of the prior years annual fee, with increases on each anniversary of the commencement date of the management agreement. In addition, for services rendered to Unit Owners (other than Sponsor), in connection with processing applications to (i) sell, lease or otherwise transfer 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 Unit and (iii) alter or renovate a Unit, the Managing Agent shall receive a fee from the Unit Owner in such amounts as shall be determined, time to time, by the Condominium Board. The stated annual fee will be paid by the Condominium Board and will be charged to all Unit Owners as a Common Expense. In addition, Unit Owners shall be responsible for certain itemized fees on a usage basis, such as for sale or leases or sublease of Units, transfer of title (related party transaction), Move in/out coordination, and alteration coordination. In addition, Agent shall be reimbursed for any out-of-pocket costs incurred by Agent incurred by Agent including the costs of any credit reports it is required to order, postage, messenger and duplicating costs. The aforementioned costs may be modified by Managing Agent from time to time in accordance with the terms of the Management Agreement.

The management fee is comparable to the fee for similar services in comparable buildings.

Sponsor will guarantee the obligation of the Managing Agent to provide all such services and facilities unless a majority of the Condominium Board is composed of persons other than Sponsor or individuals designated by Sponsor.

The duties and services to be rendered by the Managing Agent include, among others:

(i) billing and collecting Common Charges;

(ii) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board, except that the approval of the Condominium Board is necessary for any expenditure of over $5,000.00 for any one item of ordinary repairs or alterations (other than emergency repairs);

(iii) contracting for necessary services for the Common Elements (such as utility, exterminator, elevator and fuel services), as authorized by the Condominium Board;

(iv) purchasing all supplies necessary to properly maintain and operate the Common Elements;

(v) checking all bills received in connection with the operation of the Common Elements and causing all such bills and other expenses to be paid;

(vi) supervising, hiring and discharging employees, which duty may be delegated by the Managing Agent to one or more persons in its general employ;

(vii) rendering monthly statements of receipts and disbursements to the Condominium Board;

(viii) maintaining payroll records and filing withholding tax statements for employees;

(ix) maintaining accurate sets of books for the Condominium (other than books of account to be maintained by the Condominium's accountants) and orderly files of rent records, insurance policies, leases, receipted bills, and the like;

(x) preparing and submitting to the Condominium Board, on an annual basis, operating budgets setting forth the anticipated income and expenses for the ensuing year;

(xi) attending meetings of the Condominium Board and Unit Owners, and preparing agendas and sending notices relating to such meetings.

(xii) causing to be obtained and maintained insurance for the Condominium in amounts deemed advisable by the Condominium Board.

(xiii) processing applications of Unit Owners for permission to alter the Units;

(xiv) processing applications for waivers of the right of first refusal; and

(xv) generally, doing all things deemed reasonably necessary or desirable by the Condominium Board for the proper management of the Building.

All disbursements incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium Board and charged to the Unit Owners as a Common Expense. In addition, the Condominium Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful failure to comply with its obligations under the management agreement.

The Managing Agent's contract is not assignable without the consent of the Condominium Board, except with respect to an affiliate of Managing Agent.

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 the 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.

All Members of the Condominium Board, officers and employees of the Condominium and officers and employees of the Managing Agent (during the term of the management agreement) will be bonded at all times from and after the First Closing under fidelity bonds in favor of the Condominium in the amount of $100,000.00 for each loss. The cost of the bonds will be borne by the Condominium Board and charged to the Unit Owners as a Common Expense, and has been provided for in the estimate of Common Charges contained in the First Year's Budget.

Other Agreements

Upon commencement of Condominium operation, the Property will be subject to the agreements affecting the Condominium (see footnotes to Schedule B for details of the agreements in effect or proposed at the date of presentation of the Plan).

IDENTITY OF PARTIES

Sponsor

Spruce 317 West 77th LLC, a New York limited liability company and 78 RPM Owner LLC, a Delaware limited liability company, both with an address at Spruce Capital Partners, 902 Broadway, New York, NY 10010 are collectively the Sponsor under this Plan. Robert Schwartz and Joshua P. Crane own the membership interest of Sponsor and are principals of Sponsor under this Offering Plan. The aforementioned principals of Sponsor have offices located at c/o Spruce Capital Partners, 902 Broadway, New York, NY 10010. The aforementioned Sponsor's principals have not taken part in any public offerings of condominium or cooperative interests in the State of New York in the past five years.

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

In addition to Sponsor, the individual principals of Sponsor are required by the Department of Law to execute the Certification by Sponsor and Sponsor's Principals ("Certification") set forth in Part II of the Plan, solely in connection with enforcement by the Department of Law of Article 23-A of the General Business Law (the "Martin Act"). Consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013). The Purchaser will specifically acknowledge and agree to the above limitation on personal liability in the Purchase Agreement**.**

Attorneys for Sponsor

Sponsor has retained the law firm of Goldfarb & Fleece LLP, having an office at 345 Park Avenue, New York, New York 10154, to represent it in connection with the Plan, to serve as Escrow Agent and to represent Sponsor in connection with matters relating to closings. Neal A. Weinstein, Esq. and Nathan Nudelman, Esq. participated in and supervised the preparation of the Plan.

Sponsor has retained the law firm of Goldstick, Weinberger, Feldman & Grossman, P.C., with an office at 7 Penn Plaza, Suite 1602, New York, New York 10001, to provide the Attorney's Income Tax Opinion set forth in Part II of the Plan.

Marcus & Pollack LLP has been retained by Sponsor as special real estate tax attorney in connection with this Plan. This firm prepared the "estimates of real estate taxes" set forth in Schedule A and deliver the Real Estate Tax Projection Opinion set forth in Part II. The offices of Marcus & Pollack LLP are located at 708 Third Avenue, 11th Floor New York, New York 10017.

Attorneys to Sponsor have not undertaken any responsibility for the business or financial terms of this Plan and make no representations with respect to this Plan.

Selling Agent

Selling Agent under the Plan is Stribling Marketing Group, having an office at 32 Avenue of the Americas, New York, New York 10013. 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

The Managing Agent for the Condominium is Halstead Management Company, LLC, a limited liability company organized and existing under the laws of the State of New York, having its principal office at 770 Lexington Avenue, New York, New York 10065. Managing Agent and its affiliates have been engaged in the management of residential real estate for many years, manages approximately 85 cooperative and condominium buildings and is licensed as a real estate broker in the State of New York

There have been no prior felony convictions of Manager, or any principals of Manager, and no prior convictions, injunctions and judgments against Manager, or any principals of Manager 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.

Architect of Record

Sponsor has retained Peter Pennoyer Architects, 432 Park Avenue South, 11th Floor, NY, NY 10016 as the architect of record for the Building ("Architect"). The Architect prepared the Unit Floor Plans 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 prepared its report for the Building and a Certification which is set forth in Part II of the Plan. Architect has been providing architectural services for over 22 years and has been the architect of many Manhattan building renovations including The Mark Hotel, 25 East 77th Street, New York, New York 10075, 10 East 75th Street, New York, New York 10075, and 209 East 72nd Street, New York, New York, as well as many others.

Condominium Budget Expert

Sponsor has engaged Penmark Management LLC, having an office at 770 Lexington Avenue, New York, New York 10065 as Sponsor's Budget Expert. The Budget Expert estimated all amounts of income and expenses in "Schedule B – Projected Budget for 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 Owners, which may be found in Part II of the Plan.

Title Company

Riverside Abstract, LLC, having an office at 3839 Flatlands Avenue, Suite 208, Brooklyn, New York 11234, has reviewed the Plan and the Condominium Documents and has committed to insure that a valid condominium will be created pursuant to the Condominium Act. The Title Company is prepared to issue fee and/or mortgage title insurance policies to those Purchasers who request them. 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.

Related Parties

Sponsor and its principals have no affiliation with the Attorneys, the Budget Expert, the Architect of Record, or any person or firm who will provide services to the Condominium subsequent to the First Closing (other than the Managing Agent, as disclosed herein). Neither the Condominium Budget Expert, the Architect of Record nor the Attorneys have any financial interest in the Property, the Units, the Condominium, or this offering, except for the fees for services rendered.

Certain principals of Sponsor are affiliated with the Managing Agent.

Designation of Secretary of State

The entity constituting Sponsor that is not a New York limited liability company has qualified to do business in New York and has designated the Secretary of State of the State of New York as agent for receipt of service of process.

REPORTS TO UNIT OWNERS

It is the obligation of the Condominium Board to give all Unit Owners annually:

a. 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.

b. At least 30 days' prior notice of the annual Unit Owners' meeting.

c. 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.

NO RESERVATION OF AIR OR DEVELOPMENT RIGHTS

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

Sponsor and [redacted], a neighboring landowner (together with its successors and assigns, the "Neighbor"), have entered into a certain Zoning Lot Development Agreement dated as of June 27, 2013, and recorded as CRFN 2013070900318060001 in the New York County Office of the Register of The City of New York (the "ZLDA") to create a combined zoning lot in order to make a portion of excess floor area development rights owned by Neighbor available to Sponsor so that the Condominium may be constructed. The building on the Neighbor's site currently has a chimney that may be required to be extended in compliance with applicable law as a result of the construction of the Condominium. At the current time, it is anticipated that the chimney extension shall not be required and that there shall be no ongoing financial obligation of the Condominium with respect thereto. Sponsor has agreed, if necessary, to construct, install and maintain the chimney extension and the Neighbor has granted to Sponsor a chimney access easement to the extent the same is necessary to maintain such chimney extension of the chimney on the Neighbor's building, as more particularly described in the ZLDA. This obligation of Sponsor to maintain the chimney extension shall become an obligation of the Condominium at the first Unit Closing, as the decision to construct such chimney extension is anticipated to be made prior to the first closing. If required, the maintenance expenditure annually in connection with any required chimney maintenance is anticipated to be less than one percent of the Condominium's budget. In addition to the ZLDA, Sponsor has entered into certain light and air easements with neighboring landowners that benefit the Property. A copy of the ZLDA and the light and air easements are included in Part II of this Plan. Purchasers are urged to review the ZLDA in Part II of this Plan to familiarize themselves with obligations of the Sponsor and the Condominium thereunder.

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, Bylaws, Purchase Agreement, Unit Deed, Unit 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 aversely affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof, which are not covered by insurance.

Since the Condominium is new construction there are neither commercial or residential tenants occupying the Condominium 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 the 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 Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor and Purchasers. However, Sponsor may not unilaterally cancel a Purchase Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the purchase price or payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a substantial amendment to the Plan that materially and adversely affects Purchasers, except as otherwise provided herein, Purchasers will have a right of rescission which may only be exercised within 15 days from the Presentation Date of such amendment. Sponsor shall promptly return any Deposit, together with any interest earned thereon to Purchasers who rescind, except that Sponsor shall retain the Deposit of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period. Differing purchase prices for similar Units which result from individual negotiations of decreased prices or an increase in purchase price pursuant to a duly filed amendment, or an increase in the total projected budget by less than 25%, shall not be deemed material adverse amendments.

In accordance with the provisions of the Laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in the sale of Units offered by the Plan or in the leasing of any such Units because of such person's sex, sexual orientation, race, ancestry, creed, color, national origin, marital status, age, disability or any 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.

Neither Sponsor nor its principals have entered into any contracts or agreements, written or oral, for the sale or transfer of any of the Units offered in the Offering Plan nor taken any deposits or advances of funds by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Units, prior to the submission of the Offering Plan to the Department of Law.

As of the date of the submission of the Plan, the Condominium was under construction and therefore none of the Units in the Building were occupied by either residential or commercial tenants.

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.

As more fully described above, and subject to the matters described therein, Sponsor anticipates that construction of the Condominium will be sufficiently completed to allow the First Closing to occur as projected in Schedule B. A certificate of occupancy for the Condominium will be issued when the construction of the Condominium is complete. Sponsor will obtain a TCO permitting occupancy of specific Units (as set forth above) prior to the Closing of Title of such Units.

The Units are being sold "as is" in the condition they exist at the time of transfer of title to the Unit, unless Sponsor and the Purchaser of such Unit otherwise agree in writing. Except as otherwise expressly provided in this Plan, Sponsor's obligation to make repairs in any Unit will cease upon the Closing of Title to such Unit.

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PART II

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EXHIBIT 1

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

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Condominium Offering Report for
151 East 78th Street
a Fourteen Unit Residence
New York, New York

PPAPC Job No. 3599

Owner/Sponsor
78 RPM Owner LLC
Spruce 317 West 77th Street LLC
c/o Spruce Capital Partners
902 Broadway
New York, New York 10010

Architect
Peter Pennoyer Architects P.C.
432 Park Avenue South
New York, New York 10016

Mechanical Engineer
Ventrop Engineering and Consulting Group
365 West 34th Street
New York, New York 10001

Structural Engineer
WSP
228 East 45th Street
New York, New York 10017

October 10, 2013
Amended December 3, 2013
Amended March 3, 2014

This report is based on DOB filing plans prepared by Peter Pennoyer Architects dated September 5, 2013 and specifications as prepared by consultants for the Owner/Sponsor:

(1) Structural Engineer: WSP, 228 East 45th Street, New York, NY 10017
(2) Mechanical, Electrical & Plumbing Engineer: Ventrop Engineering Consulting Group PLLC, 365 West 34th Street, New York, NY 10001
(3) Geotechnical Consultant: RA Consultants LLC, 47 Wilkens Drive, Dumont, NJ 07628
(4) Façade Consultant: Frank Seta & Associates LLC, 224 West 30th Street, Suite 206, New York, NY 10001
(5) Landscape Architect: Stamatios P. Lykos, 366 Broadway, Suite 5a, New York, NY 10013
(6) Acoustic Consultant: Cerami & Associates, 404 Fifth Avenue, New York, NY 10018
(7) Lighting Consultant: Conceptual Lighting, 479 Clark Street, South Windsor, CT 06074
(8) Land Surveyor: Perfect Point Land Surveying RT, 7914 Rockaway Beach Blvd., Suite 4B, Rockaway Beach, NY 11693
(9) Elevator Consultant: Jenkins & Huntington, 1251 Avenue of the Americas, Suite 920, New York, NY 10020

(a) *Location and use of property*. The property complies with all applicable zoning and use requirements including mandatory Quality Housing program.
(1) Address : 151 East 78th Street, New York, New York 10075
(2) Block : 1413, Lot : 23
(3) Zoning : C1-8X (R9X Equivalent)
(4) Permissible uses: Residential, Commercial, Community Facility Use Groups

(b) *Status of construction*. State:
(1) Year built : Estimated 2014-2015

Construction is anticipated to start January 2, 2014
Completion is anticipated October 31, 2015

(2) Class of construction : Construction Class 6 – Fire Resistive
(3) Certificate of Occupancy :

Sponsor anticipate Temporary Certificate of Occupancy for full building on October 31, 2015.

Sponsor anticipates Final C of O for the building on October 31, 2017

(4) New Building permit numbers - Not yet issued. NB Number -121234878

Description of work done. Erection of a new 16 story cast in place concrete building with masonry façade.

(c) *Site*. Discuss:

All dimensions in the report are approximate except for the property dimensions.

(1) Size: 65,773 Square Feet.
(2) Number of buildings and use : One newly constructed building.
(3) Streets owned or maintained by the project: None - Street is maintained by the City of New York.

(4) Drives, sidewalks and ramps : Sidewalks are installed as part of the construction of the building but are property of the City of New York. No drives or vehicular ramps are included on the property.

(i) Paving : Concrete, per NYC standard 5' x 5' flags.
(ii) Curbing : Steel Faced Concrete Curb per NYC standards.
(iii) Catch basins, drainage : No new catch basins are installed in public sidewalks or roadways as part of this project. There are small catch basins installed beneath the area drains in the rear yard.
(iv) Street lighting : Existing NYC street lighting on sidewalk to the east and west of the project. No new street lighting installed.
(v) State whether these items are in conformity with local fire district, town or municipal building codes : All sidewalks are new and these are in conformance with NYC Codes. New sidewalks and curbs will be free of tripping hazards and will be ADA compliant.
(vi) The condominium association will be responsible for maintaining the sidewalk per NYC DOT requirements.

(d) *Utilities*. Identify source or provider of each utility. Specifically identify which are public utilities or regulated companies and which are solely the obligation of the board of managers of the condominium. Indicate whether water, sewer (or septic tank), gas, electric and telephone are metered individually, collectively or by any other method of billing.

Electric service is delivered by Con Edison (a regulated utility). Service enters the building from East 78th Street at the cellar level. Each unit is individually metered and has its own account with the utility. Unit Owners will be required to arrange their own electric accounts upon taking possession. There is also a common meter for house loads.

Natural Gas service is delivered by Con Edison (a regulated utility). Service enters the building from East 78th Street at the cellar level. All domestic gas (cooking) is commonly metered.

Water and Sewer service are provided by NYC Department of Environmental Preservation (DEP) a public utility. Service enters the building from East 78th Street at the cellar level. There are two water meters one each for domestic use and fire protection. Water and sewer charges are commonly metered.

Telephone, Cable TV and Internet, are provided by Time Warner and Verizon, each a regulated utility. Unit Owners will be required to arrange their own account for these services with the providers. Each unit owner will be responsible for charges incurred on their own account. There will also be a common account for the building to provide service to residential amenities, back of house spaces and lobby.

#2 Fuel Oil for heat and hot water is delivered by an independent supplier. The fuel oil fill and vent are located on the sidewalk at the south east corner of the building. Procuring and arranging delivery of fuel oil is the obligation of the Board of Managers of the condominium. All fuel oil costs are allocated to Common Charges.

(e) *Sub-soil conditions*. Describe (including water conditions): The building is founded on competent soils including dense glacial till and/or decomposed rock as further described below.

The Building is located in FEMA Flood Zone X. According to FEMA panel #3604970089F, the site is approximately 43 feet above the 500 year flood elevation.

Subsurface conditions are generalized from the boring and test pit data and summarized in order of increasing depth or elevation. All depths are referenced from the courtyard located at 153 East 78th Street. All elevations are reference from the Borough President Manhattan Datum (BPMD) and are approximate.

Groundwater: Groundwater was encountered perched on top of bedrock at a depth of approximately 14' below the sidewalk level. This is approximately 2' below the cellar slab of the building.

Fill: Fill, generally consisting of sand with varying percentages of silt, gravel and concrete. The fill is uncontrolled and is classified as (7) in accordance with the New York City Building Code (NYCBC). The fill was encountered immediately below the existing courtyard in boring B-1W to a depth of 7-feet or about elev. +46.5. SPT-values ranged from 7- to 58- blows/ft.

Sand: A glacial deposit consisting mostly of sand with varying percentages of silt and fine gravel underlies the fill. The sand stratum was encountered in boring B-1W and Test Pit #2. It classified as SM, 3a per NYCBC. Where encountered, this stratum extended to a maximum depth of approximately 15.8-feet or about elev. +37.5. The SPT N-value was greater than 100- blows/ft (refusal).

Decomposed Rock (DR): Decomposed rock, generally consisting of highly weathered and broken soft mica schist (Class 1d per NYCBC) was encountered in both test pits. This is a product of the weathering of the underlying parent bedrock. Test Pit #1 revealed that the stratum was about 2-ft thick. The decomposed rock surface ranged from about elev. +44 to +37.5.

Bedrock: Bedrock, generally consisting of gray intermediate to medium hard mica schist (Class 1c and 1b per NYCBC). Bedrock was encountered in Boring B-1W and Test Pit #1. Core recoveries ranged from 100 to 50 percent with an apparent RQD of 0 percent. The bedrock surface was encountered at about elev. +40.5 and +42.

(1) Whether uneven foundation movement or settling has occurred (cracking, mortar joint decay, etc.);

N/A - This is a new building with new foundations; no settling has occurred, but minor settling is to be expected.

(2) Whether there is any evidence of moisture or seepage or ground water infiltration and, if so, whether corrective action is needed;

No groundwater was observed in the test pits. Groundwater may be encountered on top of the bedrock level after storm events, seasonal fluctuations and other unknown factors.

(3) Whether there is any danger from flooding, either due to water table in area or overflow from other bodies of water. Note potential for mudslides or erosion and what preventative action is appropriate.

The property is located at approximate elevation 55 ft above Manhattan datum and is in Flood Zone X area of no flooding per Survey notes.

(f) *Landscaping and enclosures*. Describe:

(*1*) Grass cover (type, location); Areas of Grass Cover may exist in the rear yard landscaping.

(*2*) Plantings (type, location); Shrubs and other plants will be incorporated in rear yard landscaping, these are as shown on the Landscape plans.

(*3*) Trees (location); Two street trees in front of the building are under the jurisdiction of the NYC dept of parks. Other trees on site if any are per the Landscape plans.

(*4*) Fencing (type, location); 6 ft high wood fencing separates the LCE portion of the rear yard from the common portion of the rear yard. In addition metal fencing separates the property's rear yard from the adjacent properties' rear yards.

At the roof level fencing made of wood separates the LCE portion of the roof from the mechanical areas.

(*5*) Gates (type, location); On the roof, gates constructed of wood or metal, are utilized to access the roof top mechanical area from the LCE portion of the roof.

(*6*) Garden walls (type, location); None other than perimeter retaining walls.

(*7*) Retaining walls (type, location); There is a concrete retaining wall between the rear yard of the building lot and the rear yard of lot 24 to the east. This wall is newly constructed and faced with masonry and stone.

(*8*) Display pools and fountains (location, materials). There is an ornamental fountain in the common area rear yard on the first floor.

(g) *Building size*. Specify:

(*1*) Total height (approximate total feet from ground level to highest part of roof) : 170'-0" to roof of highest occupied floor; 19'-10 1/2" to roof of elevator bulkhead from main roof.

(*2*) Crawl spaces (floor to ceiling, height) : None

(*3*) Number of sub-cellars and cellars : One Cellar

(*4*) Number of floors (actual including penthouses); Sixteen (16) Floors, plus cellar and bulk heads.

(*5*) Equipment rooms (location and use) :

(a) Boiler Room Located in Cellar – Boilers, Condenser Water Pumps, Domestic Hot Water Heaters, Sump Pumps and Ejector Pumps.

(b) Switch Gear Room in Cellar – Electrical Switch Gear

(c) Fire Pump Room in Cellar – Fire Pump, Domestic Water Booster Pump. Backflow Prevention, Water and Sewer Connections

(d) Telecom Room in Cellar – Telecom Equipment, Cable TV Equipment

(e) Gas Meter Room in Cellar – Gas metering equipment

(f) Equipment Area on Roof – Emergency Standby Generator and Cooling Tower

(g) Elevator Machine Room on Roof – Elevator Machines, Automatic Transfer Switch

(h) Roof – Corridor Supply Unit, Exhaust Fans

(i) Oil Tank Room in Cellar – Oil Tank.

(*6*) Parapet (height above roof). 4'6" above structure. 3'6" above walking surface

(h) *Structural system*. Describe materials used, include type of foundation(s) and method of installation. Specify:

Building structure consists of Reinforced concrete columns with two-way slab flat plate with mild reinforcing with stud-rail system at columns. Lateral resisting system consists of reinforced concrete shear walls around egress stairs and I shape walls at the elevator core from foundation to the bulkheads. Foundation consists of mostly spread footings under the columns and combined spread footings under the cores. 0'-6" thick slab on grade and strap beams interconnect the perimeter footings to the interior structure. Mini Caissons are supporting columns and basement walls along the MTA substation at the south property line.

(1) Exterior of buildings:

(i) Walls: List materials, type of construction, method of construction. If insulated, describe material, type, size and insulating value where available.

Walls are masonry cavity wall construction. From the exterior to the interior the typical assembly is as follows.

Construction	R Value
Nominal 4" Face Brick supported by steel relieving angles	0.65
Nominal 2" Cavity (air space)	0.87
Nominal 6" CMU Back up wall with fluid applied breathable membrane on the exterior face. Note where shear walls or columns are adjacent to exterior wall, these provide the back up wall in lieu of CMU.	1.77
Continuous 2" Semi Rigid Foil Faced Fiberglass Insulation. Note "Continuous Insulation" is interrupted by structure at slabs and shear walls.	8.90

One layer of GWB supported by steel studs 0.56

All R Values are taken from Chapter 20.31 Table 22 of ASHRAE Fundamentals Handbook

(ii) Windows: Specify type and materials in all parts of the building including sills, screens, window guards, lintels, storm, sash, hardware, single or double glazing and caulking. Indicate whether lot line windows exist and describe any potential future problems.

Typical windows are wood double hung windows with divided lights. They feature insulating glass with a solar heat gain coefficient of 0.39 or better. Hardware on these windows includes balances, sash locks and finger pulls. Screens are not provided.

Wood windows have installed stops that limit the opening to 4". Window guards are not installed.

There are lot line windows in certain units in the building as disclosed in the Special Risks of the Offering Plan. These are of noncombustible aluminum construction with insulating glass units. All lot line windows are covered by lot line sprinkler heads. Screens are not provided.

Lot line windows have installed stops that limit the opening to 4". Window guards are not installed.

Units 8, 9, 10, 11, PH C, PH B, and PH A contain lot line windows. Lot line windows can, under certain circumstances, be required by law to be closed up by the unit owner at his own cost if an adjacent land owner builds a structure up to the lot line of the property. Loss of any of the existing lot line windows shall not result in a loss of habitability under current code. Estimated cost for closing up a lot line window as of the date hereof is approximately $5,500. In such event, Unit Owners may lose light and air provided by such lot line windows and no compensation is required to be paid for such loss. Lot line windows are common in New York City and the uses of adjacent properties do not currently affect such windows, although future use cannot be predicted. In addition, New York City building code provisions regarding lot line windows may have certain requirements that can affect the internal configuration desired by a Purchaser. It should be noted that the present lot line windows are protected by legally required sprinklers that may not be removed.

(iii) Landmark status: State whether building has landmark status and discuss consequences.

The building does not have landmark status. However the building immediately to the east is an individual NYC landmark.

(2) Parapets and copings: State type of materials, how firmly secured in place and whether there is any indication of problems e.g., leakage, spalling, deterioration of mortar, cracking, etc.

All parapets are of new construction.

Parapets are constructed of 6" concrete back up walls with the 2" cavity and 4" face brick that is typical of the façade walls. In some locations an additional wythe of face brick is added to finish the interior side of the parapet.

Copings are typically of stone or cast stone construction with a single piece covering the full width of the parapet. In some locations bent sheet metal copings are used in lieu of stone. All copings are new construction.

(3) Chimneys and caps: Indicate number, location and material of each chimney for boilers, incinerators, compactors and fireplaces. If fireplaces are not usable for wood fires, this fact must be conspicuously disclosed.

Boiler Flue – Double wall steel construction with decorative masonry enclosure above the roof level, and drywall enclosure below the roof level. Located on the west wall of the building at the north west corner of the egress stair tower.

Compactor Chute Vent – Single wall steel construction. Enclosed in drywall. Sidewall vented through a louver above the roof at the north wall of the elevator bulk head.

There is one Wood Burning Fireplace at the 15th Floor in the PH A Unit. It has a 12" diameter flue constructed of metal.

(4) Balconies and terraces. Describe:

The building has set back terraces at the 12th, 14th and 15th floors.

(i) Deck finish (material);

Terrace decks are finished with pedestal pavers over roofing and insulation materials as described in the roofing section.

(ii) Balustrade (type, material);

N/A there is no balustrade

(iii) Railings (material);

Railings are cast iron and wrought iron. They are mounted to the top of the coping stones using core drilled holes filled with anchoring cement.

(iv) Copings (material);

Coping typically of stone or cast stone construction with a single piece covering the full width of the parapet. In some locations bent sheet metal copings are used in lieu of stone. All copings are new construction.

(v) Soffits (material);

N/A there are no soffits at the set back terraces

(vi) Doors to balconies and terraces (type, material).

Doors to terraces are swinging steel doors with locking hardware. Door closers are not provided.

(5) Exterior entrances. Describe:

(i) Exterior doors and frames (material, type, lock);

Lobby Entrance Door – Is constructed of steel, mounted on pivots with self-closing hardware located in the floor beneath the door. Door has a dead bolt lock in the shoe.

(ii) Vestibule doors and frames (material, type, lock);

None

(iii) Exterior stairs (material, location);

None

(iv) Railings (material, location);

None at entrances.

(v) Mail boxes (type, location);

None, mail is delivered to the doorman who distributes it to the residents.

(vi) Canopy

A canvas canopy on steel frame is provided above the main entrance.

(vii) Lighting (type, location).

Lighting at the main entrance is by means of down light mounted in the canvas canopy.

(6) Service entrances. Describe:

(i) Doors and frames (material, type, lock);

Service Door to Street – Hollow Metal door and frame with heavy duty butt hinges locking hardware and automatic closer. Painted finish

(ii) Gates (material, type, lock);

N/A There are no gates.

(iii) Exterior stairs (material, location);

N/A there are no exterior stairs

(iv) Railings (materials, location).

N/A there are no railings at entrances.

(7) Roof and roof structures. Describe:

(i) Type roofs for all areas:

(*a*) Material;

Cold fluid applied resinous membrane roofing system similar to Kemper System, fully adhered to concrete substrate. System is installed on a flat roof without pitch.

(*b*) Insulation (size, type and insulating value if available);

3" XPS insulation installed above roof membrane. R Value of this insulation is 15.

(*c*) Surface finish;

Roof shall be finished in one of four ways:
- Concrete or stone pedestal pavers
- Landscaped areas may have soil as the finish which will also serve as ballast in these areas.
- Mechanical areas may have a combination of washed stone ballasts and walking paths of precast concrete pavers.
- Select areas are covered with hardwood decking.

(*d*) Bond or guarantee;

Roofing manufacturer provides a 20 year No Dollar Limit warranty on the roof membrane.

Warranty covers labor and material to replace any defective portion of the roof during the warranty period. A specimen of a roofing warranty follows, coverage shall be substantially similar to this.

BEGIN ROOF WARRANTY SPECIMEN

ROOFING MANUFACTURER warrants to the above-named Owner that the waterproofing system ("System") installed on the Structure shall be free from leaks or seepage through the System to the substrate for a period of _____ years from the Completion Date. This warranty is subject to the conditions, limitations, and exclusions set forth below and on any riders. Only leaks or seepage found by ROOFING MANUFACTURER to have been caused by (1) defects in the content or composition of products supplied by ROOFING MANUFACTURER or (2) improper installation of the System, or (3) installation of the System other than in a workmanlike manner by the above-named Applicator Firm shall constitute defects covered by this warranty ("System defects").

ROOFING MANUFACTURER shall at its option repair or replace any defective area of the System discovered to be defective during the warranty period. The Owner must notify ROOFING MANUFACTURER in writing of the claimed defect within 30 days of its discovery during the warranty period. Failure to give timely notice of a claimed System defect shall constitute absolute waiver of any claim and ROOFING MANUFACTURER shall have no liability, under this warranty or otherwise, with respect to such System defect. The Owner will, at its sole expense, furnish ROOFING MANUFACTURER and its agents free access to the Structure for inspection, testing, and repairs or replacement and provide all required scaffolding, staging, and rigging. Owner shall bear the cost of materials and labor for repairs to the Structure and, except as otherwise provided by an overburden rider, for removal and replacement of overburden to afford access to the claimed System defect.

If leaks or seepage are caused in part by a System defect covered by this warranty and in part by a cause or condition excluded from this warranty, then ROOFING MANUFACTURER's liability under this warranty shall be proportionately and equitably reduced. In such event the Owner shall reimburse ROOFING MANUFACTURER for the cost of any repairs or replacement in excess of its proportionate liability. If after inspection it is determined that there is no System defect or that coverage under this warranty is for any reason excluded, then Owner shall reimburse ROOFING MANUFACTURER for its direct costs incurred in investigating or remedying the claimed defect.

EXCLUSIONS AND LIMITATIONS FROM WARRANTY COVERAGE. The System shall not be considered defective, and this warranty will not apply, where the claimed defect is attributable to any cause other than the above-defined System defects. In particular, this warranty shall not apply to:

- Damage to the System caused by:

- animals, flying or falling objects, or by natural disasters, including but not limited to earthquakes, hailstorms, windstorms (winds in excess of 72 miles per hour measured at 33 feet above ground), hurricanes, and tornadoes;
- deliberate or negligent act, vandalism, act of terrorism or war, mechanical damage, vehicular or pedestrian traffic, storage of material, or other misuse or abuse;
- defects in the design, materials, or construction of the Structure or substrate, including but not limited to structural movement, structural failure, substrate failure, internal substrate moisture, or internal pressure conditions;
- unprotected contact with uncured concrete and similar alkaline materials, organic solvents, or any other chemical (solid, liquid, gas, or any other form) that is not listed in ROOFING MANUFACTURER's literature regarding chemicals to which the System is resistant and that has not been otherwise approved by ROOFING MANUFACTURER in writing;
- Owner's failure to prevent or mitigate degradation or deterioration of, or leakage through, the substrate, overburden, or other elements of the Structure or substrate that are in contact with or otherwise affect the performance of the System;
- leaks or seepage due to existing project conditions that prevent proper termination or adhesion of membrane and flashing, including but not limited to low flashings less than 6" in height, tie-ins to adjacent roofing or waterproofing systems, or application to existing coatings or other finish materials;

- Repairs or modifications (including penetrations) made without ROOFING MANUFACTURER's prior written consent to the methods and materials to be used, or performed by an applicator not authorized by ROOFING MANUFACTURER;
- The performance of materials that are not supplied by ROOFING MANUFACTURER, regardless of whether ROOFING MANUFACTURER approves their use with the System;
- The performance of optional ROOFING MANUFACTURER and non-ROOFING MANUFACTURER surfacing materials not required for watertightness as part of the System, which Owner recognizes will require periodic reapplication.

CONDITIONS TO CONTINUING COVERAGE. This warranty shall be voided if:

- Owner fails to comply with its obligations under this warranty, including prompt reimbursement to ROOFING MANUFACTURER for expenses incurred in the investigation and repair of non-warranted conditions;
- Owner fails to remedy conditions affecting the System that are excluded from warranty coverage, including maintaining the Structure and any other non-System components, and repairing non-warranted damage to the System;
- There is a misrepresentation as to, or material change in, the use of the System or type of occupancy of the Structure that has a deleterious affect on the performance of the System;
- The extent of repairs or modifications made by third parties without ROOFING MANUFACTURER's prior written consent damages the System (the performance of emergency repairs will not in and of itself cause this warranty to be voided provided that permanent repairs are made promptly in a ROOFING MANUFACTURER - approved manner).

No claim may be made under this warranty unless asserted to ROOFING MANUFACTURER in writing within one year after the basis for such claim becomes known, or with the exercise of reasonable diligence should have become known, to the Owner or its representatives.

THIS EXPRESS WARRANTY IS GIVEN BY ROOFING MANUFACTURER IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR USE. Owner's sole and exclusive remedy against ROOFING MANUFACTURER in connection with the purchase, installation, use, and/or performance of the System is repair or replacement of the failed area as expressed in this warranty. ROOFING MANUFACTURER shall not be liable for damage to other components of the System not provided by ROOFING MANUFACTURER or approved by ROOFING MANUFACTURER in writing, the substrate, the Structure itself, or to the contents of the Structure, whether or not caused by a defect covered by this warranty. ROOFING MANUFACTURER SHALL NOT BE LIABLE TO THE OWNER OR TO ANYONE ELSE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY, INDIRECT, OR PUNITIVE DAMAGES ARISING FROM ANY DEFECT, DELAY, NONDELIVERY, NONPERFORMANCE, RECALL OR OTHER BREACH BY ROOFING MANUFACTURER, INCLUDING BUT NOT LIMITED TO PERSONAL INJURY, DEATH, PROPERTY DAMAGE, LOST PROFITS, OR OTHER ECONOMIC INJURY. All claims of negligence, strict liability in tort, failure of essential purpose and any other action at law or in equity are waived and excluded. ROOFING MANUFACTURER shall not be liable to the Owner or anyone else in tort for any negligent design, manufacture or application of the System, or for the omission of any warning with respect thereto.

This warranty is not transferable unless ROOFING MANUFACTURER, otherwise agrees in writing. Neither the parties to this warranty nor any other person (including Applicator Firm) may modify or expand this warranty, waive any of the limitations, or make any different or additional warranties with respect to the System. Any statements to the contrary are null and void unless made in a writing signed by an authorized representative of ROOFING MANUFACTURER

This warranty is subject to and shall be interpreted according to New York law without regard to principles of conflicts of laws. Any controversy or claims relating to the System shall be settled exclusively by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association ("AAA"), in the office of the AAA closest to the Structure within the state where the Structure is located, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. This agreement to arbitrate disputes shall not, however, apply to any lawsuits commenced by third parties wherein ROOFING MANUFACTURER, brings a claim against the Owner.

This warranty is not effective until (i) Owner has paid in full all invoices of ROOFING MANUFACTURER, Applicator Firm and any other supplier of materials for the System, (ii) ROOFING MANUFACTURER, receives payment in full of the purchase price for the warranty and any attached riders, and (iii) this document is signed by an authorized representative of ROOFING MANUFACTURER

END OF ROOF WARRANTY SPECIMEN

(*e*) Flashing materials including counter flashing.

Flashing is not used with the selected roof. It is a self flashing system which fully adheres to vertical surfaces. In select areas where flashings are required in conjunction with the roofing system stainless steel, zinc coated copper(ZCC) or lead coated copper (LCC) may be used.

(ii) Drains:

(*a*) Location, material and type;

Cast iron roof drains similar to Zurn Z-164 or Zurn Z 121 are cast into the concrete roof deck. These engage the roofing membrane by way of a clamping ring. Drains are located as shown on the architectural or plumbing plans. In landscaped areas or areas with special requirements other drain models may be used.

(*b*) Gutters and leaders (type, material).

Copper gutters, conductors and down spouts are used where required at the terrace above the 12th floor. There is also a small area of standing seam copper roofing above the thirteenth floor.

(iii) Skylights (location, type, material).

None

(iv) Bulkheads:

(*a*) Stairs (material);

Egress Stair bulk head projects approximately 12'-0" above the main roof level. Its structure and roof are of cast in place concrete. The exterior of the egress stair bulk head is finished in the building's common face brick to match the façade walls. Doors from egress stair bulk head to roof are painted hollow metal.

(*b*) Elevator (material);

Elevator bulk head projects approximately 20' above the main roof to its highest level. Its structure and roof are of cast in place concrete. The exterior of the elevator bulk head is finished in the building's common face brick to match the façade walls. The

elevator bulk head includes the vestibule for the elevator landing at the main roof level.

Doors from elevator bulk head to roof are painted hollow metal except for vestibule door described below

The vestibule is at the roof top elevator landing. Interior of the vestibule has a wood and glass interior door separating the vestibule from the penthouse interior stair. Exterior door from vestibule to roof is a steel and glass door with locking hardware.

(*c*) Other.

Mechanical Enclosure – At the northwest corner of the main roof there is a mechanical enclosure which surrounds the cooling tower and the generator. This enclosure has a cast in place concrete structure. The exterior of the enclosure is finished in the building's common face brick to match the façade walls. Louvers or other metal work are also part of the exterior of the mechanical enclosure.

(v) Metal work at roof levels:

(*a*) Exterior, metal stairs (material);

None – N/A

(*b*) Vertical ladders, including gooseneck (material);

There is an interior vertical steel ladder affixed to a concrete or masonry wall at the roof hatch.

There is a single steel goose neck ladder at the elevator bulk head, which is used to access the roof of the high level of the bulk head from the roof of the lower level of the bulk head. This ladder is affixed to the façade masonry.

(*c*) Railings (material);

Two line pipe rail is provided at all bulkhead roofs, where parapet walls are not tall enough to provide code complaint height.

(*d*) Hatches to roof (type, material);

There is one Bilco type roof hatch to access the stair bulk head roof from the stair bulk head.

(*e*) Other.

(vi) Rooftop facilities.

The north west part of the main roof and all of the bulk head roofs are reserved for mechanical equipment.

The balance of the main roof is reserved for the use of the PH A Unit. It will include a grill for outdoor cooking

Bulkhead roofs are used for fans and air conditioning equipment.

(8) Fire escapes. Describe at each floor and specify any unusual access situations:

There are no fire escapes on the building. All egress is through internal fire stairs.

(i) Location (describe how attached and supported); N/A
(ii) Floors covered; N/A
(iii) Drop ladder; N/A
(iv) Type; N/A
(v) Materials; N/A

(9) Yard and courts. Describe each yard or court including front, rear and interior areas, listing methods of access:

The Rear Yard of the building is a general common element and is accessed through the library space. Adjoining the Rear Yard, and separated by a fence, is a limited common element rear yard exclusively for the use of the Maisonette (Unit 2).

Part of the Rear Yard is supported by building structure above occupied cellar space.

(i) Paving (material);

Stone paving on pedestals at areas supported on structure or set in soil at areas on ground.

(ii) Drainage (type and material);

At the supported area drainage is provided by means of cast iron area drains Zurn Model 100 or similar. These are cast into the concrete. At landscaped areas other drain models may be used with catch basins where appropriate.

(iii) Railings (material);

None

(iv) Stairs (material);

A three riser stair connects the supported portion of the yard with the areas on grade. These stairs are made of stone.

(v) Fencing (type and material);

A fence of metal construction separates the LCE rear yard that is appurtenant to the Maisonette (Unit 2) from the neighboring building's rear yards and the Rear Yard.

(vi) Walls (type and material).

Building walls at the Rear Yard may be of stone or masonry construction.

(vii) Other

The buildings concrete storm water detention tank is buried below the rear yard.

(10) Interior stairs. Describe:

The building has two types of stairs; Fire Stairs in the building core and Communicating Stairs at duplex units.

Fire Stairs

(i) Number of stairs of each type;

There are four fire stairs in the building.
Stairs A and B extend from the first floor to the roof level.
Stairs C and D extend from the cellar to the first floor.
Each of these stairs is 44" wide and is constructed as described below.

(ii) Enclosure (construction and interior finishes);

Fire Stairs are enclosed in fire rated construction of either concrete, masonry or drywall.

(iii) Stair construction (steel, concrete, wood);

Cast in place concrete.

(iv) Stringers (material);

Cast in place concrete.

(v) Treads (material);

Cast in place concrete.

(vi) Risers (material);

Cast in place concrete.

(vii) Guard rails (material);

Painted steel handrails attached to surrounding partitions.

(viii) Balustrade (material).

None Stairs are surrounded on all sides by partitions.

Communicating Stairs at duplex units

(i) Number of stairs of each type;

There are three communicating stairs.
Unit 2 - From 1st to 2nd floor.
Penthouse C – From 12th to 13th floor
Penthouse A – From 15th to 16th floor and 16th to 17th floor
Each of these stairs is 36" wide and is constructed as described below.

(ii) Enclosure (construction and interior finishes);

None - the stairs are open in the unit.

(iii) Stair construction (steel, concrete, wood);

Wood

(iv) Stringers (material);

Wood

(v) Treads (material);

Wood

(vi) Risers (material);

Wood

(vii) Guard rails (material);

Metal or wood.

(viii) Balustrade (material).

Metal or wood.

(11) Interior doors and frames. Describe material, type and location for each, and state whether fireproof or exceeds fire/safety standards:

(i) Unit entrance and interior doors and frames;

Front entrance to unit - Zero Clearance Acoustic Doors at elevators opening into unit. These are STC -50 rated door assemblies with painted finish and Lowe/Accurate hardware or equal.

Rear entrance to unit from freight elevator vestibule – Hollow metal fire rated door and buck with self closing and locking hardware and STC 35 rating. Painted finish.

Unit Interior Doors – Solid MDF doors with raised or recessed panels in patterns as shown on architectural drawings in wood door bucks. These doors have hardware as scheduled. Painted finish.

(ii) Corridor doors and frames;

Door from unit to egress corridor and all public area corridor doors are hollow metal doors in hollow metal bucks, fire rated where required by code. Hardware is typically self closing and self latching, but may vary with code and functional requirements for specific doors.

(iii) Stair hall doors and frames;

Fire rated hollow metal doors in hollow metal frames with self closing and latching hardware.

(iv) Roof doors, basement doors and frames.

Roof Doors – Hollow metal doors in hollow metal frames. Roof doors are provided with weather stripping and door stops to prevent doors from opening beyond design rotation.

Cellar Utility Doors – Hollow metal doors in hollow metal frames. Hardware to suit functionality of each individual door.

(12) Elevators. Describe:

ELEVATORS

Designation	PE1	PE2
Number of Cars	1	1
Car Use	Passenger	Passenger/Service
Capacity	2500 lbs	2500 lbs
Speed	500 fpm	500 fpm
Stops	18	17/15
Floors Served (Front)	Roof, C,1-16,	C,1-16
Floors Served (Rear)	N/A	C,1-12,14,15
Machine Type	Machine Room Less(MRL)	Machine Room Less(MRL)
Machine Location	Machine Above	Machine Above
Travel	182	172
Car Inside Dimensions	5'-8" X 4'-3"	6'-8" X 4'-3"
Platform Dimensions	6'-0" X 5'-1"	7'-0" X 5'-11"
Hoistway Dimensions	7'-8" X 6'-10"	9'-8" X 6'-10"
Overhead	19'-2"	19'-2"
Pit Depth	6'-8"	6'-8"
Machine Room Height	8'-0"	8'-0"
Compensation	Whisper Flex	Whisper Flex
CWT Safeties	Not Required	Not Required
Cab Height	9'-0"	9'-0"
Cab Fixture	Deluxe	Deluxe
Cab Handrails	No Hand Rails	1 Hand Rail
Door Type (Front)	1 Speed Side Open	1 Speed Side Open
Door Width (Front)	3'-0"	3'-6"
Door Height (Front)	8'-0"	8'-0"
Door Type (Rear)	N/A	1 Speed Side Open
Door Width (Rear)	N/A	3'-6"
Door Height (Rear)	N/A	7'-0"
No. Car Button Panels	1	1
Motor Size	20 hp	25 hp
Line Voltage	208	208
Starting Amps	145 amps	165 amps
Running Amps	60 amps	70 amps
Heat Release	5,900 BTU per hour	7,200 BTU per hour

13. Elevator cabs. Describe:

(i) Kind (manufacturer);	TBD	TBD
(ii) Floor (material);	Stone	Stainless Steel Diamond Plate
(iii) Walls (material);	Leather and Wood	Aluminum Diamond PLate
(iv) Ceiling (material);	Wood	Plastic Laminate
(v) Lighting;	Recessed LED Down Lights	Recessed LED Down Lights
(vi) Alarm, safety system.	ADA phone/alarm button	ADA phone/alarm button

(i) *Auxiliary facilities*:

(1) Laundry rooms. Describe:

(i) Location and number of rooms; There is no common laundry room in the building. Each unit has a washer and dryer in the unit.

(ii) Clothes washers, number and type (e.g. heavy duty, coin operated, electric, gas); Not Applicable

(iii) Clothes dryers (number and type); Not Applicable

(iv) Room ventilation (method and final exhaust); Not Applicable

(v) Dryer ventilation (method and final exhaust). Not Applicable

(2) Refuse disposal. Describe, including:

(i) Incinerator(s) (number, location, capacity, type, manufacturer); None N/A

(ii) Compactor(s) (number, location, capacity, type, manufacturer);
A single compactor is located in the compactor room at the cellar level handles all non recycled refuse.

The compactor is served by a steel chute which extends from the cellar to the roof of the building. The chute has a fire rated "hopper door" at each unit excluding the 1st floor where there is a common Refuse Room. For duplex units the hopper door is located on the same level as the kitchen.

(iii) Approvals by authority having jurisdiction (date of each approval);

Not Applicable at time of offering.

(iv) Initial storage location (ultimate storage location)

Refuse is stored in the cellar level compactor room until day of pick up. Refuse is picked up curb side. Refuse is moved from the compactor room to the curb by means of the service elevator and the service corridor on the first floor.

(v) Pick-up schedule, and whether public or private provider.

Pick up is provided by NYC Department of Sanitation. (NYCDOS). Pick up schedule is as currently determined by NYCDOS and is subject to change.

(j) *Plumbing and drainage.*

(1) Water supply. Describe system, pumps, storage and location.

Potable water shall be supplied by New York City public water system administered by the Department of Environmental Protection (DEP). A six inch water service enters the south east corner of the building from 78th Street for the purpose of supplying the fire protection system. A dedicated double detector check valve provides back flow prevention for this service. This service is directly metered by DEP.

A separate three inch water service enters the south east corner of the building from 78th street for the purpose of supplying the hot and cold domestic water systems. A dedicated double detector check valve provide back flow prevention for this service. This service is directly metered by DEP.

Hot and cold water piping risers and mains throughout the building are insulated with 1" thick paper jacketed fiberglass insulation.

(2) Fire protection system. Describe:

(i) Standpipes (material, size, location);

There is one six inch combined sprinkler and standpipe riser in the A stairwell. This riser serves all floors of the building.

Each floor has an angle valve for connection of hoses by fire fighters and a sprinkler control rig which connects to the fire sprinklers on that floor.

In addition there is a drain riser parallel to the stand pipe for the purpose of draining and testing the system.

(ii) Hose racks, hoses and nozzles (location);

There is no hose rack.

There is a fire hose cabinet located near the lobby area per FDNY requirements. This cabinet contains a fire hose at the ready for use by the fire department on any floor of the building.

(iii) Sprinkler heads (type system, location);

The building has full sprinkler coverage in accordance with NFPA 13 of 2002 and New York City 2008 Building Code Chapter 9 and Appendix Q. Hazard Classification is Light Hazard.

Sprinkler Head Types as follows

Exposed QR Pendant or Upright Heads	Reliable F1FR or equal
Concealed QR Pendant Head	Reliable G4A or equal
Concealed Side Wall Heads	Reliable SWC56 or Similar
Concealed Extended Coverage QR Side Wall Heads	Reliable SWC 14'x26' or Similar

(iv) Siamese connection (type, location).

Combined Siamese Fire Department Connection is located on the street face of the building. The Siamese connection is cross connected to the combined stand pipe/sprinkler riser and can be used to charge that riser if the fire pump is not operating.

(v) Fire Pump / Jockey Pump

At the fire pump room in the south east corner of the building cellar there is a 50 HP Fire Pump and 1.5 HP Jockey Pump. These pumps serve to pressurize the fire suppression system in accordance with the requirements of NFPA 20 of 1999.

(3) Water storage tank(s) and enclosures. Describe:

There are no water storage tanks in the building other than the detention tank which stores storm water for discharge to the sewer.

(i) Number, type, location of each; N/A
(ii) Material (interior, exterior and roof of tank); N/A
(iii) Access to tank (e.g. vertical gooseneck ladder); N/A
(iv) Capacity (total gallons); N/A
(v) Capacity (fire reserve). N/A

(4) Water pressure and how maintained.

Pressure in the fire suppression system is maintained by the fire pump and jockey pump described above.

Pressure in the domestic system is maintained by a duplex booster pump. Bell and Gossett model V2VDC4G40B1C or similar, each of the duplex pumps being 5 HP. All pumps are controlled by a central control with VFD.

A cushion tank is provided to maintain pressure in low flow situations.

(5) Sanitary sewage system. Describe, including:

(i) Sewage piping (materials);

Above grade sanitary piping is regular weight cast iron with no hub joints.

Underground Sanitary piping is service weight cast iron with neoprene push joints.

(ii) Sewage pumps (if any);

There is a duplex sewage ejector pump at the boiler room. Federal Model VSS-4A or similar.

(iii) Sewage disposal (public/private; treatment; drain field; sewer).

All sewage drains to the New York City sewer system. Sewer enters the building at the south east corner at the cellar level. House trap is at this location.

(6) Permit(s) required. List and include date(s) obtained.

Sewer Connection – SD-1&2 dated 9/20/13, Approved by DEP - TBD
Water Connect / BFP Approval dated 6/17/13, Approved by DEP 8/2/13

(7) Storm drainage system. Describe system, adequacy, method of disposal and materials including:

(i) Catch basins (location); There is a small catch basin in the landscaped area of the rear yard.

(ii) Yard and roof drains (location);

Yard and roof drains are cast iron drains embedded in the concrete structure and connected to the building storm drainage system.

(iii) Piping (materials);

Above grade storm piping is regular weight cast iron with no-hub joints.

Underground storm piping is service weight cast iron with neoprene push joints.

(iv) Ejector / sump pumps (describe in detail and describe conditions requiring pumps).

In the boiler room there is a two chamber sump pump arrangement. A silt chamber accepts water from a porous pipe under slab drainage system which drains ground water from below the slab to relive uplift pressures. Adjacent to the silt chamber and accepting its overflow is a Sump pit with a duplex sump pump Federal Model VSS-2-1/2D or similar. These pumps pump ground water to the detention tank at the rear of the building.

(iv) Detention Tank

In order to comply with the requirements of NYC DEP, there is a concrete storm water detention tank buried beneath the Rear Yard of the building. The tank has a total capacity of 345 Cubic Feet and restricts discharge to the sewers to 0.25 CFS.

(k) *Heating*. Describe (including space heating and domestic hot water heating):

(1) Heating and distribution of domestic hot water and whether capable of providing peak required services. Describe heating system's ability to maintain legally required conditions under anticipated weather conditions, specifying internal temperature and ambient temperature used in calculations;

Space heating and cooling is provided by water source heat pumps, domestic hot water is provided by indirect hot water heaters both of these systems are more fully described below.

Supplemental hydronic fin tube heating is provided at the lobby and other selected areas.

The system is designed in accordance with ASHRAE 90.1 and is fully capable of maintaining legally required conditions under ASHRAE design criteria for the New York City geographic region.

Design criteria ASHRAE 90.1 Climate Zone 4

(2) Number of boilers and description;

The building has two (2) #2 Fuel Oil fired boilers. Each boiler is rated for 2,000,000 BTU input. Each boiler is sized for 70% of the combined domestic hot water and space heating load.

The boilers circulate water to a boiler header where hot boiler water is available for domestic hot water production and for injection to the secondary condenser water loop (defined below).

(3) Manufacturer and age of boiler(s) (model, capacity; alternatively, give type, approximate age and approximate remaining useful life);

Boilers will be Fulton Vantage Model VTG-2000DF or similar. These boilers are dual fuel and they are equipped to burn natural gas at a future date when service becomes available. Boilers are new, and have an expected useful life of at least 25 years.

(4) Manufacturer and age of burners (model; alternatively, give type and approximate remaining useful life);

Riello high efficiency burners or similar are provided with the boilers. These are new and have an expected useful life of 25 years.

(5) Type of controls;

Boilers are controlled by a Fulton Mod Sync digital control system or similar. This system manages the staging and turn down of the boilers and ties into demand for heat signals from the condenser water loop and domestic water heaters.

(6) Radiators, piping, insulation, valves, pumps;

Water source heat pumps in each unit provide heat for the units. Heat pumps are Climate Master TS, TC or TY series or similar.

Area Served	MFG	Model No.	Capacity (Tons)	Electrical (V/PH/HZ)	Cooling Capacity (BTU)	Heating Capacity (BTU)
Units	Climate Master	TC012	1.0	208/1/60	11,910	15,900
Units	Climate Master	TC018	1.5	208/1/60	17,750	21,900
Units	Climate Master	TY024	2.0	208/1/60	23,220	29,600
Units	Climate Master	TY030	2.5	208/1/60	29,550	36,200
Lobby	Climate Master	TY036	3.0	208/1/60	34,970	45,000
Gym	Climate Master	TY048	4.0	208/1/60	47,190	57,600
Electric Gear Room	Climate Master	TS006	0.5	208/1/60	4,960	7,800
Compactor Room	Climate Master	TS006	0.5	208/1/60	4,960	7,800

Library	Climate Master	TC012	1.0	208/1/60	11,910	15,900
Staff Room	Climate Master	TC018	1.5	208/1/60	17,750	21,900

Heat pumps are hung in the ceilings of the units over bathrooms, pantries, laundry rooms, halls or vestibules.

Conditioned air is ducted from the heat pumps to the larger rooms by means of sheet metal duct work.

Heat pumps are connecter to a boiler / tower condenser water loop from which they extract heat. The condenser water system is described in detail under item 'm' below.

Heat pumps are controlled by wall mounted thermostats.

(7) Fuel (if oil give type and grade; if gas give type and supply system);

#2 Fuel Oil is provided to the boilers and the emergency generator.

(8) Location of oil tank, materials, enclosure;

Fuel oil tank is in the fuel oil tank room at the south side of the cellar level.

(9) Capacity of oil tank.

Tank Capacity 2,400 Gallons.

(l) *Gas supply* (if not described above). Describe:

(l) Type; Natural Gas provided by Con Edison as described above.

(2) Meters; Two Meters

- Domestic Gas "Twin Set" Meter - Serves cooking gas to unit ranges.

(3) Piping. Schedule – Schedule 40 black iron threaded pipe is used for gas distribution. Similar welded pipe may be used at gas meter rigs.

(m) *Air conditioning*. Describe cooling system's adequacy to maintain comfortable conditions under anticipated weather conditions, specifying internal temperature and base ambient temperature used in calculations. Describe:

(l) Type of system;

Space heating and cooling is provided by water source heat pumps this system is more fully described below. The system is designed in accordance with ASHRAE 90.1 and is fully capable of maintaining legally required conditions under ASHRAE design criteria for the New York City geographic region.

Design criteria ASHRAE 90.1 Climate Zone 4

(2) Central system (manufacturer, model and capacity);

None

(3) Cooling towers, condensers (roof top, self-contained units, including number, location and description);

Heat pumps in the building are served by a boiler / tower condenser water system. The condenser water system has primary and secondary loops. Major elements of the system are described below.

i. Primary Condenser Water (PCW) loop circulates between the cooling tower and the Heat Exchanger. The purpose of this loop is to bring heat from the cooling system to the cooling tower where the heat is rejected through evaporative cooling. Piping for this loop may be Schedule 40 black steel with Victaulic couplings or Schedule 10 stainless steel with Victaulic couplings.

ii. PCW is circulated by the primary condenser water pumps. These are a triplex set of 5 HP pumps, each pumps 50% of the total system capacity. (i.e. 150% coverage). Pumps are horizontal end suction type B & G Model 1510 3E or equal. These pumps are controlled by VFD's which modulate the pumps to maintain a consistent temperature in the loop.

iii. The cooling tower is on the northwest corner of the roof of the building. The tower is a Marley Model NC8402HCN1. Nominally rated for 148 tons. It has a design capacity of 444 GPM at 10 deg delta T with entering water of 95 deg and ambient temperatures of 90 deg.

iv. Heat Exchanger is Bell and Gossett model P47 or equal with capacity of 1919MBH. The purpose of the heat exchanger is to transfer heat from the Secondary Condenser Water (SCW) loop to the PCW loop.

v. Secondary Condenser Water (SCW) loop circulates between the heat exchanger and the heat pumps. This loop maintains a neutral temperature so that heat may be either extracted from it or rejected to it by the heat pumps. Piping for this loop may be Schedule 10 black steel or a combination of Schedule 10 stainless steel and schedule 10 stainless tubing or schedule 40 polypropylene pipe.

vi. SWC is circulated by the secondary condenser water pumps. These are a triplex set of 7.5 HP pumps, each one pumps 50% of the total system capacity. (i.e. 150% coverage). Pumps are horizontal end suction type, B & G Model 1510 2-1/2BB. These pumps are controlled by VFD's which modulate the pumps to maintain a consistent pressure differential in the system.

vii. Injection pumps inject hot water from the boiler header into the SWC loop to raise the temperature of the SWC when heat is being extracted from the loop for space heating purposes. These pumps are B&G Series 90 2AA, or similar.

viii. Circulator pump, circulates hot water to supplemental fin tube heating. This pump is B&G Series 60, or similar.

(4) Individual units covered by the offer (window/sleeve - specify number, capacity, amperage and efficiency).

Water source heat pumps in each unit provide cooling for the units. Heat pumps are Climate Master TS, TC or TY series or similar. Heat pumps are hung in the ceilings of the units over bathrooms, pantries or vestibules.

See heat pump schedule above.

Conditioned air is ducted from the heat pumps to the larger rooms by means of sheet metal duct work.

Heat pumps are connecter to a boiler / tower condenser water loop to which they reject heat.

(n) *Ventilation*. Describe system in kitchens, fireplaces and all windowless areas such as corridors, garages, laundries, baths, etc.

(l) Kitchen Exhaust / Fresh Air Intake for units

Each kitchen on the second through 15th floor is provided with a vented exhaust hood with an integral fan.

For the first floor south Unit 1A has a vented hood with an integral fan.

The first floor north Unit 1B has a windowed kitchen and a re-circulating hood.

The vented hoods exhaust to sheet metal ductwork which brings the kitchen exhaust to the bulkhead roof level where utility fan sets assist in moving the kitchen exhaust.

The fresh air intake system brings un-tempered ducted fresh air to one heat pump unit in each unit on the second through 16th floors. The fresh air intake system is interlocked with the kitchen exhaust system and will increase the volume of outside air when this kitchen exhaust fan in the unit is running.

The additional intake air is approximately two thirds of the volume of the hood exhaust, and serves to relieve excessive negative pressure which could be created in the unit by the vented hood exhaust.

(2) Toilet Exhaust

Toilet exhaust system provides 150 cfm of exhaust from master bathrooms and 50 cfm of exhaust from all other non-windowed bathrooms. This exhaust is routed through sheet metal ductwork risers to utility type exhaust fans at the bulk head roof level.

(3) General Exhaust

The general exhaust system provides 50 cfm exhaust to each refuse room in the building as well as exhausting selected cellar level spaces. This exhaust is routed through sheet metal ductwork risers to utility type exhaust fans at the bulk head roof level.

(4) Dryer Exhaust

The dryer exhaust system provides exhaust to the clothes dryers in the units on the second through 16th floor of the building. This exhaust is routed through sheet metal ductwork risers to utility type exhaust fans at the bulk head roof level.

Note that clothes dryers on the first floor of the building are non venting type and are not connected to this system.

(5) Corridor Ventilation

This system serves the stair corridors on each floor and the common corridor at the cellar level. An Aaon model RN-015 or similar electric cooling roof top unit provides conditioned 100% outside air to these spaces by means of an insulated sheet metal ductwork riser at the south west corned of the fire stair.

(6) Fire Place Flues / FAI

There is a wood burning fireplace on the 15th floor of the building. The fireplace has an individual flue of stainless steel construction. The flue is routed above the roof level on the east side of the building.

(7) Combustion Air Intake

Provides combustion air for the boilers at the cellar level. This system brings air from louvers at the first floor level in the rear yard to the boiler room by means of insulated sheet metal duct work. The fan for this system is located in the boiler room.

(8) Windowless Areas

Windowless areas in units are ventilated by the unit heat pumps which circulate air from other areas with natural ventilation.

Windowless areas in the cellar are ventilated either by the Corridor Supply System or the General Exhaust system.

(o) *Electrical system*. Specify:

(l) Service from main service switchgear (amperes, voltage, phases, wire, protective equipment);

The main switch gear receives incoming service from Con Ed at the service end box located at the 78th street building façade at the cellar level.

Service is 208 Volt three phase. The main gear has three sections as follows.

(i) House distribution panel 1200 amps, 208 Volt, 3 phase, fused at 1200 amps. Serves all common electrical uses including mechanical systems, elevators and common areas.

(ii) Residential distribution panel 1200 Amps, 208 Volt, 3 phase, fused at 1200 amps. Serves the residential meter bank which distributes power to individual units as described below.

(iii) Fire Pump trans S cabinet 800 Amps, 208 Volts, 3 Phase, fused at 800 amps. Serves the fire pump.

(2) Service to individual units (risers, etc.);

Service to individual units is distributed from the residential meter bank. Power is routed from the meter bank to the units on dedicated risers.

Each unit from the second floor to the sixteenth floor receives 200 Amp, 208 Volt. three phase service to the main panel within the unit. Each of these units also has a sub panel to handle additional circuits.

Each unit on the first floor receives 60 Amp, 208 Volt, Single Phase service to a unit load center.

(3) Compartment switch gear (location and floor of sectional meter boards and transformers supplying power to the meter boards);

The House Distribution Panel (HDP) serves house loads through out the building. There are several small panels throughout the building served by the HDP.

There are no transformers in the building.

There is one meter bank as described above, it is located in the main switch gear room and serves all of the units.

(4) Unit service (ratings of fuses and circuit breakers); adequacy of electrical system to handle modern usage and appliances such as air conditioners, dishwashers and dryers;

Unit service is through panels or load centers in each unit. Service is fully adequate to handle normal and customary modern usage including multiple kitchen appliances and air conditioning for the unit.

(5) Adequacy:

(i) Service - average number of circuits per unit and capacity to handle normal and customary modern appliances - specifically air conditioners, dishwashers and electric dryers;

Average number of circuits per unit is 42. In addition to convenience outlets as required by code, there are dedicated circuits in each unit for each air conditioner, dishwasher and electric dryer.

(ii) Lighting and fixtures;

Adequate circuitry is provided to install lighting fixtures in each room provided that the fixtures conform to current energy codes.

(iii) Convenience outlets, appliance outlets.

Convenience and appliance outlets are provided per 2008 NEC code, and are adequate to normal and customary modern uses.

(p) *Intercommunication and/or door signal systems, security closed circuit TV.* Specify mode of operation and condition. Describe television reception facilities (master antennae, cable TV, antennae by tenants).

(1) Intercom – Building intercom serves each unit, and building common areas. Calls may be made to any handset from the lobby and from any handset to the lobby.

A separate intercom serves the elevators, call may be made to the lobby from each car.

(2) FiOS - The building and units are pre wired for FiOS service. This service will be available to residents if and when Verizon brings FiOS service to the area

(3) Time Warner Cable – The building and units are prewired for Time Warner Cable. This service is available to each residence at the refuse room on that residence floor. Cross connects and jacking will be service provider at time of installation.

(4) Resident Antennae – Are not permitted

(5) Master Antennae – There is no Master Antennae

(q) *Public area lighting*. Describe and state adequacy (entrances, halls and stairs, corridors, basements, courts and yards).

All areas have adequate lighting. Lighting schedule follows.

LIGHTING FIXTURE SCHEDULE

FIXTURE	LOCATION	DESCRIPTION	PRODUCT
P-1	UNIT ENTRY FOYER DECORATIVE PENDANT	DECORATIVE PENDANT	VISUAL COMFORT - HICKS LARGE PENDANT
		INCANDESCENT LAMP	TOB5063PN-WG
P-2	UNIT KITCHEN ISLAND DECORATIVE PENDANT	DECORATIVE PENDANT	VISUAL COMFORT - EASTERLY LARGE PENDANT
		INCANDESCENT LAMP	CHC5058-PN-WG
P-3	RESIDENT LIBRARY DECORATIVE PENDANT	DECORATIVE PENDANT	URBAN ELECTRIC - SHOREHAM
		INCANDESCENT LAMP	DC-2900 IN PBU FINISH
P-4	RESIDENT LOBBY DECORATIVE PENDANT	DECORATIVE PENDANT	URBAN ELECTRIC - CHISHOLM HALL
		INCANDESCENT LAMP	(CUSTOMIZED) MA-8484 IN PBU FINISH
P-5	PENTHOUSE A & C STAIR DECORATIVE PENDANT	DECORATIVE PENDANT	VISUAL COMFORT - BRYANT LARGE LANTERN
		INCANDESCENT LAMP	TOB5105PN-NP
S-1	RESIDENT/UNIT HALLWAY, CLOSET/LAUNDRY CEILING MTD FIXTURE	DECORATIVE CEILING MTD	VISUAL COMFORT - CHAPMAN MARINE LARGE
		INCANDESCENT LAMP	SL4002PN-WG
S-2	UNIT BAR & VESTIUBLE CEILING MTD FIXTURE	DECORATIVE CEILING MTD	VISUAL COMFORT - NEWHOUSE CIRCULAR
		INCANDESCENT LAMP	TOB4216PN-WG
S-3	UNIT BEDROOM CEILING MTD FIXTURE	DECORATIVE CEILING MTD	VISUAL COMFORT- CHAPMAN MARINE LARGE
		INCANDESCENT LAMP	SL4002PN-WG
S-4	UNIT POWDER ROOM CEILING MTD FIXTURE	DECORATIVE CEILING MTD	VISUAL COMFORT - MORRIS FLUSH MOUNT
		INCANDESCENT LAMP	SK4008PN-FG
S-5	UNIT BATHROOM CEILING MTD FIXTURE	DECORATIVE CEILING MTD	VISUAL COMFORT - MERCER SQUARE BOX LT
		INCANDESCENT LAMP	TOB2004PN
S-6	UNIT MASTER BATH CEILING MTD FIXTURE	DECORATIVE CEILING MTD	VISUAL COMFORT - MERCER SQUARE BOX LT
		INCANDESCENT LAMP	TOB2004PN
S-7	RESIDENT FITNESS ROOM 007 CEILING MTD FIXTURE	DECORATIVE CEILING MTD	HUDSON VALLEY - GROTON 3011-PN
		LED LAMP	PHILIPS 15A21-2700-WHT-DIM-6/1
S-8	RESIDENT ELEVATOR VESTIBULE 102 CEILING MTD FIXTURE	DECORATIVE CEILING MTD	URBAN ELECTRIC - CHISHOLM PASSAGE
		INCANDESCENT LAMP	MA-8488 IN PBU FINISH
R-1	UNIT LED RECESSED DOWNLIGHT	LED RECESSED HOUSING	CSL LIGHTING #EDL-NC-WW-3
		DOWNLIGHT TRIM	CSL LIGHTING #EDL-1004-3
		DIFFUSION LENS	CSL LIGHTING #EDL-RD-FT
		FLANGELESS ADAPTER	CSL LIGHTING #EDL-RD-TL
		LED LAMP	16W
R-3	RESIDENT/UNIT KITCHEN LED RECESSED DOWNLIGHT	LED RECESSED HOUSING	CSL LIGHTING #EDLM-RM-WW-HC-2
		DOWNLIGHT TRIM	CSL LIGHTING #EDLM-1004-1
		DIFFUSION LENS	CSL LIGHTING #EDLM-85-OPTIC
		FLANGELESS ADAPTER	CSL LIGHTING #EDLM-RD-TL
		LED LAMP	14W
R-4	UNIT BATH SHOWER & W.C. RECESSED DOWNLIGHT	LED RECESSED HOUSING	CSL LIGHTING #EDL-NC-WW-3
		DOWNLIGHT TRIM	CSL LIGHTING #EDL-1201-3
		DIFFUSION LENS	CSL LIGHTING #EDL-RD-FT
		FLANGELESS ADAPTER	CSL LIGHTING #EDL-RD-TL
		LED LAMP	16W
R-5	RESIDENT STUDIO/FLEX ROOM 008 RECESSED DOWNLIGHT	LED RECESSED HOUSING	LIGHTOLIER 5" ROUND #1050-LRN-09-D1
		DOWNLIGHT TRIM	LIGHTOLIER COMFORT DIFFUSE #1050-LRN-DL-CDP
		LED LAMP	LIGHTOLIER 900 LUMEN 2700K #1050-LRN-0927
W-1	UNIT LIBRARY WALL SCONCE	DECORATIVE WALL SCONCE	VISUAL COMFORT- REFINED RIB SCONCE
		INCANDESCENT LAMP	BBL2036EBO-S
V-1	UNIT BATH (TYP.) VANITY LIGHT	DECORATIVE WALL SCONCE	VISUAL COMFORT - MERCER LONG BOX
		INCANDESCENT LAMP	TOB2005PN
V-2	UNIT POWDER ROOM VANITY LIGHT	DECORATIVE WALL SCONCE	VISUAL COMFORT - CALLIOPE SHORT BATH
		INCANDESCENT LAMP	TOB2184HAB-WG
V-3	UNIT MASTER BATH VANITY LIGHT	DECORATIVE WALL SCONCE	VISUAL COMFORT - LONG DRESSER GLASS ROD
		INCANDESCENT LAMP	TOB2141PN-FG
UC	UNIT KITCHEN LINE VOLTAGE LED UNDER-CABINET LIGHTS	LED UNDER-CAB. LIGHT	TECH LIGHTING UNILUME
			LED LIGHT BAR 19" LENGTH:
			700-UCRD-19-9-2-W-LED 12W
		6' POWER FEED CABLE	700-UCRD-PF-06-W
		3" JUMPER CONNECTOR CABLE	700-UCRD-JC-03-W
		12" JUMPER CONNECTOR CABLE	700-UCRD-JC-12-W
		150 WATT REMOTE LED DRIVER	700-AT-1S24-ELW
F-2	UNIT CLOSET LIGHT STRIP (2 FT)	FLUORESCENT	WAC LIGHTING - BA-LED10-WT
		LAMP	-
F-4	UNIT CLOSET LIGHT STRIP (4 FT)	FLUORESCENT	WAC LIGHTING - BA-LED8-WT
		LAMP	-
F-5	OMITTED RESIDENT FITNESS ROOM	FLUORESCENT	FOCAL POINT LIGHTING
			FV3S-PL-3T8-120-S-C24-DC-WH-8'
		LAMP	SYLVANIA F032/830 (3000K/82CRI)
E1	SERVICE FLUORESCENT LIGHT (4 FT)	FLUORESCENT	LAMAR WS-2-32-E8-U
		LAMP	-
E1-EM	EGRESS FLUORESCENT ON BACK-UP ENERGY CIRCUIT	FLUORESCENT	LAMAR WS-2-32-E8-U
		LAMP	-
E2-EM	EGRESS FLUORESCENT WALL SCONCE ON BACK-UP ENERGY CIRCUIT	FLUORESCENT	LUNERA LIGHTING
		LAMP	SL4-LNBL-D-HU-N-BB
EX-EM	EGRESS LED EXIT SIGN	FIRE SAFETY EXIT SIGN	PHILIPS SC-N-2-R-W-IC-T
		LED LAMP	-
X-2	RESIDENT / LCE EXTERIOR WALL SCONCE	DECORATIVE WALL SCONCE	VISUAL COMFORT - CHO2224NC
		LAMP	-

(r) *Garages and parking areas*. Describe: None – N/A

No parking is required in this building as New York City zoning does not require parking inside the Manhattan Core.

(l) Location of garages (description of facility);
(2) Location of parking areas (number of spaces in each);
(3) Surfaces (materials used, lighting, fencing etc.);
(4) Parking (attended or unattended);
(5) Garage ventilation (method and equipment);
(6) Garage fire protection (method and equipment);
(7) Drainage.

(s) *Swimming pool(s)*. Describe in detail: None N/A

(1) Type (concrete, material composition) and location on property;
(2) Size, including length, width, depth, and approximate number of bathers permitted at any time;
(3) Enclosure (material including roof);
(4) Pumping and filter system (describe material);
(5) Water heating equipment or usage of building's hot water (feed or heat exchangers);
(6) If on building roof, specify structural support system.

(t) *Tennis courts, playgrounds and recreation facilities*.

(l) Tennis courts. Describe: None N/A
(i) Type (clay, macadam, turf);
(ii) Number and size;
(iii) Lighting (number and type);
(iv) Fencing or enclosure (including distance between fence or enclosure and all sides of court).

(2) Playgrounds. Describe location and size(s), fencing (if any), equipment types and sand bed or safety padding.

There is a Studio/Flex Room at the Cellar level. Floor is rubber.

(3) Recreation facilities. Describe any beach or lake front, boating facilities, golf course(s), handball, basketball or other game courts.

There is a fitness area at the Cellar level. The fitness area has stationary gym equipment as well as portable equipment like dumbbells and medicine balls.

(u) *Permits and certificates*. List all applicable permits which must be obtained and inspections which are to be done. List type of inspection, authority inspecting and duration of approval once obtained. Include all compactors, incinerators, boilers, oil storage tanks, elevators, etc. In New York City include Department of Air Resources, Elevator Safety, Boiler Safety, Fire Department and Buildings Department permits.

(1) Elevator Inspection
(2) Sprinkler & Standpipe System Inspection
(3) Boiler Inspection
(4) Back Flow Preventer Inspections
(5) NYCBC Special Inspections

(v) *Violations*. List all violations outstanding as of the date of this report and the agency imposing the violation, the condition involved, the date violation issued, and work required by violation notice to cure. If no violations are outstanding, so state.

Elevator violation to be resolved upon demolition of existing buildings.

(w) *Unit information*. Specify the number of units inspected. Specify the unit designations for each typical unit or line of units, including the number and type of rooms. Give criteria for calculations of the number of rooms. For lofts give useable residential space in square feet. Describe (include foyers, living rooms, dining areas, kitchen, bedrooms, bathrooms, etc.):

UNIT SCHEDULE							
UNIT NUMBER	LEVELS	BEDROOM COUNT	STAFF BEDROOM	DINING ROOM	BATHROOMS	UNIT AREA IN SQ. FT.	TERRACE AREA IN SQ. FT.
1A	1				1	523	
1B	1	1			1	781	
2	2	6		1	6	4,493	862
3	1	5		1	5	3,966	
4	1	5		1	5	3,966	
5	1	5		1	5	3,966	
6	1	5		1	5	3,966	
7	1	5		1	5	3,966	
8	1	5		1	5	3,966	
9	1	5		1	5	3,966	
10	1	5		1	5	3,966	
11	1	5		1	5	3,966	
PH C	2	6	1	1	7.5	6,924	493
PH B	1	3		1	2.5	3,381	66
PH A	3	6	1	1	7.5	6,975	268 1,690 1,958

Include bedroom count, bathroom count, square footage, terrace square footage, unit designation and unit description.

Each unit consists of the area measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one unit from another unit or separating a unit from a public corridor or Common Element, and solely with respect to the roof, to the centerline of the partitions enclosing mechanical equipment spaces and elevator overrun shaftway.

Elevator shaft, stairways, egress corridors, columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of a unit. Each unit consists of the area measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling slab above.

Terraces appurtenant to a unit are measured from the exterior measurement line of the unit to which they are appurtenant to the outside faces of the copings of the Terrace wall or partition, and/or the center line of any dividing wall or partition located between Terraces.

(l) Type and grade of finish material used in each type of unit and the number of coverings given. Include paint, wall and floor coverings, as well as specifying the type of flooring, walls and ceiling used.

UNIT FINISH SCHEDULE					
UNIT NUMBER (S)	ROOMS	FLOOR	BASE	WALL	CEILING
1A	Halls, Closets & Bedroom	3/4" x 4" wood	wood base, painted	gypsum, painted	gypsum, painted
	Living/Bedroom	3/4" x 4" wood	wood base, painted	gypsum, painted	covercoat, painted
	Kitchen	3/4" x 4" wood	wood base, painted	marble backsplash	gypsum, painted
	Bath	mosaic stone tile	stone tile	stone tile & gypsum, ptd.	gypsum, painted
	Laundry	stone tile	wood base, painted	gypsum, painted	gypsum, painted
3 - 11	Halls & Closets	3/4" x 4" wood	wood base, painted	gypsum, painted	gypsum, painted
	Entry Foyer	marble slabs	wood base, painted	gypsum, painted	gypsum, painted
	Dining, Living & Library	3/4" x 4" wood	wood base, painted	gypsum, painted	covercoat, painted
	Kitchen	3/4" x 4" wood	wood base, painted	marble backsplash	gypsum, painted
	Bedroom	3/4" x 4" wood	wood base, painted	gypsum, painted	covercoat, painted
	Master Bath	marble slabs	marble	marble slabs	stone tile & gypsum, ptd.
	Secondary Bath	mosaic stone tile	stone tile	stone tile & gypsum, ptd.	gypsum, painted
	Powder/Full Bath	marble slabs	wood base, painted	gypsum, painted	gypsum, painted
	Laundry	porcelain tile	wood base, painted	gypsum, painted	gypsum, painted
	Refuse Room	porcelain tile	porcelain tile	porcelain tile	gypsum, painted
2, PH C, PH B, PH A	Halls & Closets	3/4" x 4" wood	wood base, painted	gypsum, painted	gypsum, painted
	Entry Foyer	marble slabs	wood base, painted	gypsum, painted	gypsum, painted
	Dining & Living	3/4" x 4" wood	wood base, painted	gypsum, painted	covercoat, painted
	Library (excl. PH B)	3/4" x 4" wood	wood base, painted	gypsum, painted	gypsum, painted
	Kitchen	3/4" x 4" wood	wood base, painted	marble backsplash	gypsum, painted
	Bedroom	3/4" x 4" wood	wood base, painted	gypsum, painted	covercoat, painted
	Staff Bedroom (excl. 2, PH B)	3/4" x 4" wood	wood base, painted	gypsum, painted	gypsum, painted
	Master Bath	marble slabs	marble	marble slabs	stone tile & gypsum, ptd.
	Secondary Bath	mosaic stone tile	stone tile	stone tile & gypsum, ptd.	gypsum, painted
	Powder Bath	marble slabs	wood base, painted	gypsum, painted	gypsum, painted
	Laundry	porcelain tile	wood base, painted	gypsum, painted	gypsum, painted
	Refuse Room	porcelain tile	porcelain tile	porcelain tile	gypsum, painted
	Terrace (LCE)	granite pavers	brick	wood fence or brick	open to above

(2) Presence, type and condition of all bathroom fixtures.

PLUMBING FIXTURE SCHEDULE					
LOCATION	**TOILET**	**SINK**	**TAP**	**TUB**	**TUB / SHOWER TAP**
SERVICE BATH	Toto Drake II, CST454CEFG elongated bowl, white	Duravit Vero sink, white	Speakman Commander, SC-3004, polished chrome	not applicable	Speakman NEO showerset, SM-1010, polished chrome
FITNESS POWDER	Toto Drake II, CST454CEFG elongated bowl, white	Duravit Vero sink, white	Lefroy Brooks Mackintosh, M1-1121, polished nickel	not applicable	not applicable
UNIT STAFF BATH	Toto Aquia, CT418F, white	Duravit Vero sink, white	Lefroy Brooks Mackintosh, M1-1121, polished nickel	not applicable	Lefroy Brooks Mackintosh showerset M1-4303, polished nickel
UNIT POWDER BATH	Toto Drake II, CST454CEFG elongated bowl, white	Lefroy Brooks LW-7001, oval undermount, white, with metal & stone washstand	Lefroy Brooks Classic, C1-1049, polished nickel	not applicable	Lefroy Brooks Mackintosh showerset M1-4303, polished nickel
UNIT SECONDARY BATH	Toto Drake II, CST4S4CEFG elongated bowl, white or Toto Aquia, CT418F, white	Duravit Vero sink, white or Lefroy Brooks LW-7001, oval undermount	Lefroy Brooks Mackintosh, M1-1103, polished nickel	Duravit D-Code 700100, acrylic drop-in, white	Lefroy Brooks Mackintosh showerset M1-4303, tub filler M1-1031, pol. nickel
UNIT MASTER BATH	Toto Drake II, CST454CEFG elongated bowl, white or Toto Aquia, CT418F, white	Lefroy Brooks LW-7010, rectangular undemount, white	Lefroy Brooks Classic Black, CB-1050, polished nickel	Kohler Tea-For-Two, cast-iron K-855, white	Lefroy Brooks Classic Black showerset Y1-4502, tub filler CB-2651, pol. nickel
UNIT LAUNDRY (excl. 1A)	not applicable	Rohl Allia 6347, rectangular undermount white	Kohler Antique, K-149-3, polished chrome	not applicable	not applicable
UNIT KITCHEN (excl. 1A & 1B)	not applicable	Blanco Steel Art 515821, stainless steel undermount, double-sink	Lefroy Brooks Kafka, K1-3400, polished chrome	not applicable	not applicable
UNIT KITCHEN (1A & 1B)	not applicable	Franke Kubus KBX11021, stainless steel undermount, single-sink	Lefroy Brooks Kafka, K1-3400, polished chrome	not applicable	not applicable
UNIT KITCHEN (PH A & PH C)	not applicable	Franke Kubus KBX11013, stainless steel undermount, prep single-sink	Lefroy Brooks Kafka, K1-3400, polished chrome	not applicable	not applicable
UNIT WET BAR (excl. 3-11, PH B)	not applicable	Franke Compact CPX11013, stainless steel undermount, bar single-sink	Lefroy Brooks XO, X1-1041, polished chrome	not applicable	not applicable

(3) Presence, type and condition of kitchen and laundry equipment.

APPLIANCE SCHEDULE						
CELLAR - FITNESS POWDER ROOM						
Appliance	**Qty.**	**Power**	**Manufacturer**	**Model Number**	**Description**	**Color**
Hand Dryer	1	Electric	Dyson	AB04 PC-ABS	12" wide x 26" tall, Airblade automatic dryer	White
1ST FLOOR - LOBBY PACKAGE ROOM						
Appliance	**Qty.**	**Power**	**Manufacturer**	**Model Number**	**Description**	**Color**
Refrigerator	1	Electric	TRUE	TS-23G	27" wide, 20.8 cubic feet with glass door	Stainless Steel
1ST FLOOR - RESIDENT LIBRARY						
Appliance	**Qty.**	**Power**	**Manufacturer**	**Model Number**	**Description**	**Color**
Bar Refrigerator	1	Electric	Sub-Zero	UC-24CI	24" wide, undercounter with freezer and icemaker	NA
1ST FLOOR - UNIT 1-A						
Appliance	**Qty.**	**Power**	**Manufacturer**	**Model Number**	**Description**	**Color**
Range/Oven	1	Gas/Electric	Wolf	DF304	30" wide, 4-Burner with convection oven	Stainless Steel
Refrigerator	1	Electric	Sub-Zero	700TCI	27" wide, with 2 freezer drawers & ice maker	NA
Dishwasher	1	Electric	Miele	G 4580 SCVi	18" wide, fully integrated	NA
Microwave	1	Electric	GE	CSA1201RSS	30" wide, with recirculating vent	Stainless Steel
Washer	1	Electric	Bosch	WAS24460UC	24" wide, 2.3 cubic feet front load washer	White
Dryer	1	Electric	Bosch	WTE86300US	24" wide, 3.9 cubic feet ventless dryer	White
1ST FLOOR - UNIT 1-B						
Appliance	**Qty.**	**Power**	**Manufacturer**	**Model Number**	**Description**	**Color**
Range/Oven	1	Gas/Electric	GE	JGB281SERSS	30" wide, 4-burner with oven and storage drawer	Stainless Steel
Refrigerator	1	Electric	GE	GTZ18IBESS	30" wide, top freezer (ice-maker ready)	Stainless Steel
Dishwasher	1	Electric	GE	GDWF160VSS	24" wide, built-in	Stainless Steel
Microwave	1	Electric	GE	CSA1201RSS	30" wide, with recirculating vent	Stainless Steel
Food Disposer	1	Electric	Kitchen Aid	KBDS100T	Batch feed, 1 HP motor	Stainless Steel
Washer	1	Electric	Bosch	WAS24460UC	24" wide, 2.3 cubic feet front load washer	White
Dryer	1	Electric	Bosch	WTE86300US	24" wide, 3.9 cubic feet ventless dryer	White
2ND FLOOR - UNIT 2						
Appliance	**Qty.**	**Power**	**Manufacturer**	**Model Number**	**Description**	**Color**
Barbecue	1	Gas	Wolf	OG42-N	42" wide, 25,000 btu natural gas grill with lights	Stainless Steel
Dish Drawer	1	Electric	Fisher & Paykel	DD24STI7	24" wide, integrated dishwasher with remote	NA
Bar Refrigerator	1	Electric	Sub-Zero	UC-24CI	24" wide, undercounter with freezer and icemaker	NA
Wine Storage	1	Electric	Sub-Zero	424G/O	24" wide, undercounter with two-zone controls	NA
Oven	1	Electric	Wolf	SO30TE/S/TH	30" wide, wall convection oven with tube handle	Stainless Steel
Warming Drawer	1	Electric	Wolf	WWD30	30" wide, warming drawer	NA
Microwave	1	Electric	Wolf	MC24	30" wide, convection microwave	Stainless Steel
Range/Oven	1	Gas/Electric	Wolf	DF366	36" wide, 6-burner with convection oven	Stainless Steel
Exhaust Hood	1	Electric	Wolf	PL341912	34" wide, 900 CFM ventilation hood liner	Stainless Steel
Refrigerator	2	Electric	Sub-Zero	700TCI	27" wide, with 2 freezer drawers & ice maker	NA
Dishwasher	2	Electric	Miele	G 5285 SCVi	24" wide, fully integrated	NA
Food Disposer	1	Electric	Kitchen Aid	KBDS100T	Batch feed, 1 HP motor	Stainless Steel
Washer	1	Electric	LG	WM3050CW	27" wide, 4.0 cubic feet front load washer	White
Dryer	1	Electric	LG	DLE3050W	27" wide, 7.3 cubic feet front load dryer	White
3RD - 11TH FLOORS - UNITS 3, 4, 5, 6, 7, 8, 9, 10, & 11						
Appliance	**Qty.**	**Power**	**Manufacturer**	**Model Number**	**Description**	**Color**
Wine Storage	1	Electric	Sub-Zero	424G/O	24" wide, undercounter with two-zone controls	NA
Oven	1	Electric	Wolf	SO30TE/S/TH	30" wide, wall convection oven with tube handle	Stainless Steel
Warming Drawer	1	Electric	Wolf	WWD30	30" wide, warming drawer	NA
Microwave	1	Electric	Wolf	MC24	30" wide, convection microwave	Stainless Steel
Range/Oven	1	Gas/Electric	Wolf	DF366	36" wide, 6-burner with convection oven	Stainless Steel
Exhaust Hood	1	Electric	Wolf	PL341912	34" wide, 900 CFM ventilation hood liner	Stainless Steel
Refrigerator	2	Electric	Sub-Zero	700TCI	27" wide, with 2 freezer drawers & ice maker	NA
Dishwasher	2	Electric	Miele	G 5285 SCVi	24" wide, fully integrated	NA
Food Disposer	1	Electric	Kitchen Aid	KBDS100T	Batch feed, 1 HP motor	Stainless Steel
Washer	1	Electric	LG	WM3050CW	27" wide, 4.0 cubic feet front load washer	White
Dryer	1	Electric	LG	DLE3050W	27" wide, 7.3 cubic feet front load dryer	White
12TH - 13TH FLOORS - UNIT PH C						
Appliance	**Qty.**	**Power**	**Manufacturer**	**Model Number**	**Description**	**Color**
Bar Refrigerator	1	Electric	Sub-Zero	UC-24CI	24" wide, undercounter with freezer and icemaker	NA
Wine Storage	1	Electric	Sub-Zero	427G/O	27" wide, full-size with two-zone controls	NA
Oven	1	Electric	Wolf	SO30TE/S/TH	30" wide, wall convection oven with tube handle	Stainless Steel
Warming Drawer	1	Electric	Wolf	WWD30	30" wide, warming drawer	NA
Microwave	1	Electric	Wolf	MC24	30" wide, convection microwave	Stainless Steel
Range/Oven	1	Gas/Electric	Wolf	DF486-G	48" wide, 6-burner with griddle and 2 ovens	Stainless Steel
Exhaust Hood	1	Electric	Wolf	PL461912	46" wide, 1,200 CFM ventilation hood liner	Stainless Steel
Refrigerator	2	Electric	Sub-Zero	700TCI	27" wide, with 2 freezer drawers & ice maker	NA
Dishwasher	2	Electric	Miele	G 5285 SCVi	24" wide, fully integrated	NA
Food Disposer	1	Electric	Kitchen Aid	KBDS100T	Batch feed, 1 HP motor	Stainless Steel
Washer	1	Electric	LG	WM3050CW	27" wide, 4.0 cubic feet front load washer	White
Dryer	1	Electric	LG	DLE3050W	27" wide, 7.3 cubic feet front load dryer	White

14TH FLOOR - UNIT PH B						
Appliance	**Qty.**	**Power**	**Manufacturer**	**Model Number**	**Description**	**Color**
Wine Storage	1	Electric	Sub-Zero	427G/O	27" wide, full-size with two-zone controls	NA
Oven	1	Electric	Wolf	SO30TE/S/TH	30" wide, wall convection oven with tube handle	Stainless Steel
Warming Drawer	1	Electric	Wolf	WWD30	30" wide, warming drawer	NA
Microwave	1	Electric	Wolf	MC24	30" wide, convection microwave	Stainless Steel
Range/Oven	1	Gas/Electric	Wolf	DF366	36" wide, 6-burner with convection oven	Stainless Steel
Exhaust Hood	1	Electric	Wolf	PL341912	34" wide, 900 CFM ventilation hood liner	Stainless Steel
Refrigerator	2	Electric	Sub-Zero	700TCI	27" wide, with 2 freezer drawers & ice maker	NA
Dishwasher	2	Electric	Miele	G 5285 SCVi	24" wide, fully integrated	NA
Food Disposer	1	Electric	Kitchen Aid	KBDS100T	Batch feed, 1 HP motor	Stainless Steel
Washer	1	Electric	LG	WM3050CW	27" wide, 4.0 cubic feet front load washer	White
Dryer	1	Electric	LG	DLE3050W	27" wide, 7.3 cubic feet front load dryer	White
15TH - 17TH FLOOR - UNIT PH A						
Appliance	**Qty.**	**Power**	**Manufacturer**	**Model Number**	**Description**	**Color**
Barbecue	1	Gas	Wolf	OG42-N	42" wide, 25,000 btu natural gas grill with lights	Stainless Steel
Bar Refrigerator	1	Electric	Sub-Zero	UC-24CI	24" wide, undercounter with freezer and icemaker	NA
Wine Storage	1	Electric	Sub-Zero	427G/O	27" wide, full-size with two-zone controls	NA
Oven	1	Electric	Wolf	SO30TE/S/TH	30" wide, wall convection oven with tube handle	Stainless Steel
Warming Drawer	1	Electric	Wolf	WWD30	30" wide, warming drawer	NA
Microwave	1	Electric	Wolf	MC24	30" wide, convection microwave	Stainless Steel
Range/Oven	1	Gas/Electric	Wolf	DF486-G	48" wide, 6-burner with griddle and 2 ovens	Stainless Steel
Exhaust Hood	1	Electric	Wolf	PL461912	46" wide, 1,200 CFM ventilation hood liner	Stainless Steel
Refrigerator	2	Electric	Sub-Zero	700TCI	27" wide, with 2 freezer drawers & ice maker	NA
Dishwasher	2	Electric	Miele	G 5285 SCVi	24" wide, fully integrated	NA
Food Disposer	1	Electric	Kitchen Aid	KBDS100T	Batch feed, 1 HP motor	Stainless Steel
Washer	1	Electric	LG	WM3050CW	27" wide, 4.0 cubic feet front load washer	White
Dryer	1	Electric	LG	DLE3050W	27" wide, 7.3 cubic feet front load dryer	White

(i) If data is substantially the same for all units, a single narrative may be substituted for this schedule.
(ii) If any equipment or fixtures described are not included in the offering price, or the offering price is conditioned on the equipment and fixtures selected, such fact must be conspicuously noted in the body of the plan.

(x) *Finish schedule of spaces other than units*. The following is a form of schedule to be given for each floor.

COMMON AREA FINISH SCHEDULE					
FLOOR	**ROOMS**	**FLOOR**	**BASE**	**WALL**	**CEILING**
	Passenger Elevator PE1	marble slabs	wood	leather tiles & wood	wood
	Service Elevator PE2	stainless steel	aluminum	aluminum	laminate
All	Egress Stair & Corridor	concrete, painted	none	concrete, painted	concrete, painted
Cellar	Mechanical Rooms	concrete, sealed	none	concrete, painted	open to above
	Service Bath	porcelain tile	porcelain tile	porcelain tile	acoustic ceiling tile
	Resident Halls	porcelain tile	wood base, painted	grasscloth	acoustic ceiling tile
	Fitness Room & Studio	rubber tile	wood base	wood veneer & mirror	covercoat, painted
	Fitness Powder Bath	porcelain tile	porcelain tile	porcelain tile	gypsum, painted
	Bike & Storage Room	concrete, painted	vinyl	concrete, painted	acoustic ceiling tile
1st	Resident Lobby	marble slabs	stone	leather tiles & wood	covercoat, painted
	Elevator Vestibule	marble slabs	stone	leather tiles	covercoat & gypsum, ptd.
	Resident Library	3/4" x 4" wood	wood base, painted	grasscloth & wood	covercoat & gypsum, ptd.
	Resident Halls	marble slabs	wood base, painted	grasscloth & wood	gypsum, painted
	Rear Yard Terrace	granite pavers	none	wood fence or brick	open to above
	Refuse Room	porcelain tile	porcelain tile	porcelain tile	gypsum, painted
	Service Halls & Closets	porcelain tile	wood	gypsum, painted	gypsum, painted
	Service Powder	porcelain tile	porcelain tile	porcelain tile	gypsum, painted
1B	Halls, Closets & Living	3/4" x 4" wood	wood base, painted	gypsum, painted	gypsum, painted
	Bedroom	3/4" x 4" wood	wood base, painted	gypsum, painted	covercoat, painted
	Kitchenette	3/4" x 4" wood	wood base, painted	solid-surface backsplash	gypsum, painted
	Bath	porcelain tile	wood base, painted	porcelain tile	gypsum, painted
	Laundry	porcelain tile	wood base, painted	gypsum, painted	gypsum, painted

Describe all common rooms and spaces including but not limited to: sub-sub cellar, sub cellar, basement, cellar, first floor, penthouse floor, public and service halls, corridors, lobbies.

i. Cellar Fitness Area
ii. Cellar Studio/Flex Room
iii. Cellar Bike Room & Storage Room
iv. Cellar Level Corridors
v. First Floor Library
vi. First Floor Common Rear Yard
vii. First Floor Lobby
viii. First Floor Corridors & Package Room
ix. First Floor Refuse Room

Limited Common Elements: Include First Floor Maisonette/Unit 2 Rear Yard Terrace, 12th Floor Unit PH C Terrace, 14th Floor Unit PH B Terrace, 15th Floor Unit PH A Terrace, and 17th Floor Unit PH A Roof Terrace.

See finish schedule above.

(y) *Safety and warning devices*. Describe any fire or smoke safety devices installed in units and common areas. State what devices are required by law, and whether any required devices have not been installed.

The building will be provided with a voice evacuation fire alarm system which includes area smoke detectors located in all mechanical, electrical & telephone rooms.
The fire alarm panel located in the main lobby will provide a one way voice evacuation communication to each of the units in the event of a fire alarm emergency. In addition all public and common areas will be provided with audible & visual fire alarm devices as required by code.

Each unit is also equipped with a hard wired 120 volt combination smoke/carbon monoxide detector(s) in all sleeping rooms & within 15 feet of any bedrooms, the activation of any device in the unit, will sound a local alarm within the apartment as required by the NYC building code.

(z) *Additional information required.* Include the following in the Description of Property and Building Condition section of the plan:

(1) A site plan showing landscape features, roads, the outside dimensions of the building(s) and designated common areas, including recreation and refuse disposal areas, and all privately owned access roads. The site plan may be omitted if the building covers the entire lot.

(2) An area map showing the location of the condominium with respect to its surroundings, if the condominium is not located in a highly urban area.

(3) Floor plan for each line or type of unit drawn to scale, indicating room dimensions and unit boundaries.

(4) Floor to ceiling heights of units. Ceiling heights vary in height between similar units located on different floors and within a single unit due to structural, mechanical, and architectural systems. Ceilings heights within units range from approximately 8'-0" to approximately 9'-8", with a minimum of 7'-6" at showers and tub enclosures, with lower beams and soffits in some areas.

(5) Approximate total area of each unit.

(6) A master floor plan showing unit boundaries and the relationship of units to each other. The master floor plan may be omitted if the site plan clearly shows unit boundaries and appropriate unit designations.

(aa) In the event that certain conditions in the building(s) cannot be adequately evaluated by a visual examination, the Department of Law may, in its discretion, direct that an independent engineer or testing laboratory be retained to perform such tests or monitoring as may be necessary in order to make adequate disclosure. Conditions which may require additional testing or monitoring include, but are not limited to: settlement, masonry cracks, rusting of structural steel, adequacy of concrete cover, firestopping, etc. Test results must be reported in the offering plan or in an amendment thereto.

(bb) *Further development*. If the sponsor intends to add additional units to the building, either above the existing roof, outside the existing building development, or by altering space within the building, it must make disclosure about the new units to conform to 13 NYCRR Section 20.7. In addition: - No Further Development is planned by sponsor. Sponsor shall not construct any additional units or phases after completion of the structure, as per DOB approved plans.

(1) If additional units are to be added, sponsor must submit plans and specifications approved by all necessary local governmental agencies before the offering plan may be accepted for filing. - Not Applicable

(2) If additional units will be on top of an existing structure, state:

(i) Whether the existing structure has sufficient capacity to support the additional load, and, if not, what steps are being taken to support the increased load. - Not Applicable

(ii) What the resulting building height will be. – Not Applicable

(3) Describe the components which will be removed, relocated, or extended, *e.g.*, parapet, bulkheads, roof, tanks, elevators, service rooms, landscaping, etc. – Not Applicable

(4) Describe the effect the additional structure will have on existing systems and state the adequacy of all existing systems which will be affected by the addition, including heat and hot water, water pressure, sewage, elevators, electricity, air conditioning, parking and sprinklers. – Not Applicable

(5) Include a list of facilities that will be shared by the existing and new structures, *e.g.*, laundry room, intercom, garage, etc. – Not Applicable

(6) State the effect that the renovation or construction will have on tenants in occupancy. Specifically: - Not Applicable

(i) The manner in which construction debris will be handled and its effect on common areas used by tenants.
(ii) The schedule for renovation and construction work, e.g., Monday-Friday, 8:00 a.m. to 5:00 p.m., except holidays.
(iii) Any measures that will be taken to protect the security of the building during the construction or renovation process. Include a statement of the manner in which tenants and construction workers will gain access to the building.
(iv) Whether there will be any interruption of services during construction or renovation and, if so, provide details. This includes water, electricity, elevator service, and laundry rooms.
(v) Whether new piping will be added to existing piping and whether such work may cause breaks in existing piping. If so, state whether precautions will be taken to minimize damage and state who will be responsible for any such damage.
(vi) Whether the sponsor and/or contractors will have liability insurance in effect during construction.

(cc) *Asbestos*. State whether Asbestos Containing Material (ACM) is present in insulating or fireproofing material anywhere in the building. Sponsor shall perform such tests as are necessary to make such determination. In the event that ACM is present, sponsor shall have a person who is qualified to render an opinion on asbestos prepare a report on the asbestos in the building (the "asbestos report"). Such asbestos report shall contain at least the following information:

The building is newly constructed. There is no asbestos present on the site. There is no Asbestos Containing Material that will be present in insulating, fireproofing or any other construction materials anywhere in the building.

(1) The qualifications of the person preparing the report.
(2) A detailed inventory of the asbestos in each unit and in all other areas of the property, including the location, amount of ACM, type and concentration of asbestos in ACM, and condition. At least 10% of all units must be inspected in an initial inspection. If ACM is found in any of these units, a second inspection, with notice to tenants, must be performed in all remaining accessible units. List units inspected.

(3) Recommendations for handling each and every item of the asbestos inventory, *i.e.*, removal, enclosure, encapsulation, or leaving undisturbed.
(4) How the recommendations should be implemented. Include, if applicable, whether units must be vacated or whether use of certain rooms will be limited and the projected duration thereof. State whether the work must be performed in compliance with New York City Local Law 76 of 1985 or any other applicable laws.
(5) A recommended protocol (operations and maintenance program) for the future handling and maintenance of asbestos which will remain in the building, whether encapsulated, enclosed or left undisturbed.

(dd) *Lead-based paint.* Include records, reports, violations and any other information known or available to the sponsor or its agents concerning the presence of lead-based paint and/or lead-based paint hazards.

The building is newly constructed. There is no lead based paint present on the site or in the building. There are no lead based paint hazards in the building.

(ee) Additional Items

1. Fire Alarm System

   Building is provided with a Sprinkler and Smoke Detection Alarm System with one-way voice communications system in accordance with NFPA 72 of 2002 and New York City 2008 Building Code Chapter 9 and Appendix Q.

2. Generator

   An Emergency standby generator is provided in accordance with New York City 2008 Building Code Chapter 27 and NFPA 110 to provide power to required life safety systems in an event of a power outage. The generator is located on the roof.

   Life Safety systems supplied by the emergency standby generator include the fire pump, elevators, and fire alarm system

   The generator is oil fired, with a fuel oil storage tank and transfer pump located in the cellar and a day tank on the roof under the generator.

3. Closed Circuit TV System

   A sixteen channel closed circuit TV system with digital video recorder, monitors and records activity in the common areas of the building.

4. Storage Units at Cellar Level

There are 13 storage bins. These are located in the cellar in the resident storage room.

5. Resilient Underlayments – Are provided under all wood floors. These must be maintained for code compliance.

6. Corrosive Drywall Materials – Drywall containing high concentration of sulfides has NOT been used in this building.

7. Commissioning Agent – A commissioning agent has not been retained for this project at this time.

PETER PENNOYER ARCHITECTS



By: _____

Name: PETER PENNOYER

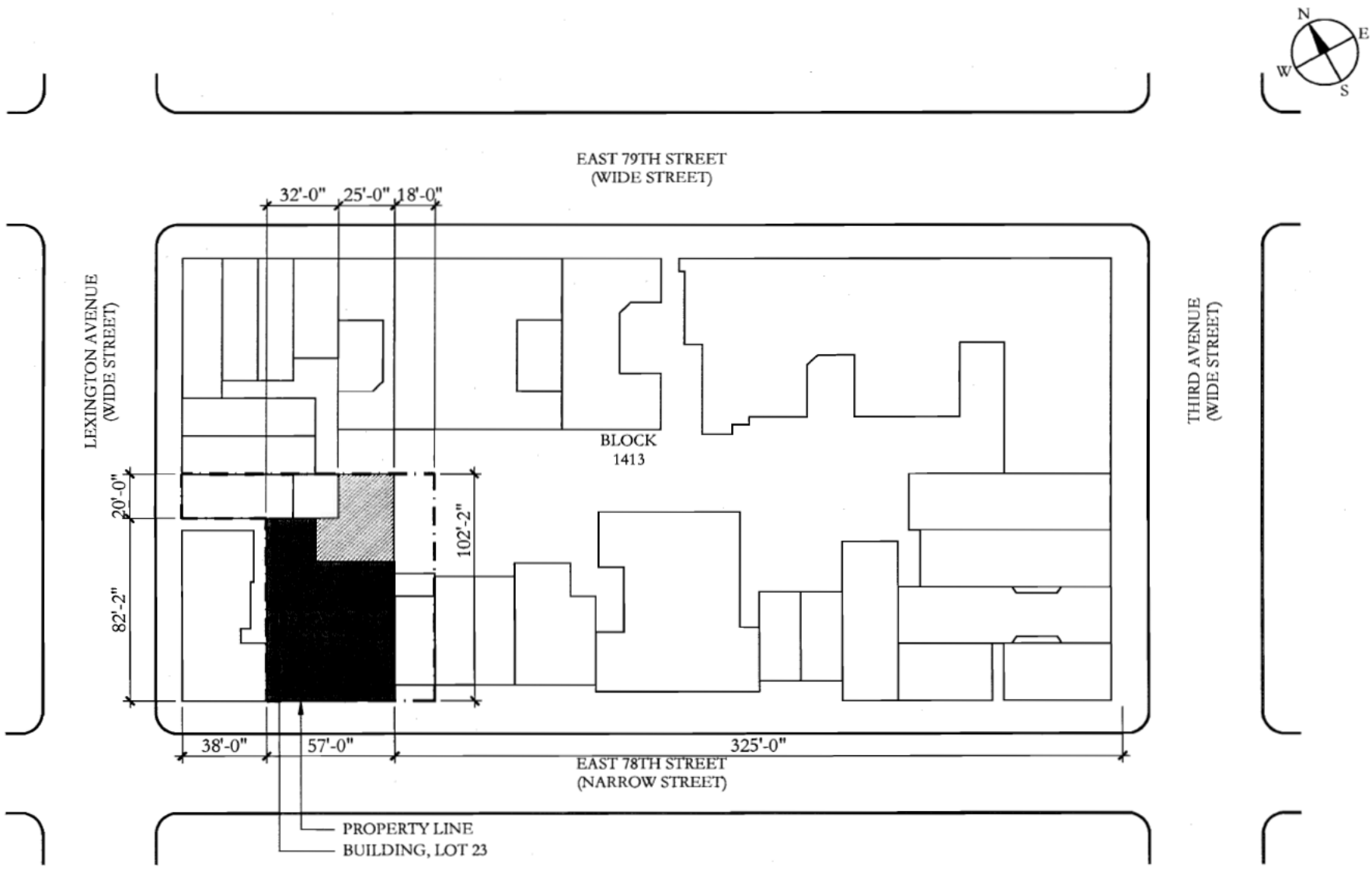
Title: PRESIDENT

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EXHIBIT 2

UNIT FLOOR PLANS

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ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS. NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.

PETER PENNOYER
ARCHITECTS
432 Park Avenue South, 11th Floor, NYC 10016
Telephone 212 779 9765 Fax 212 779 3814

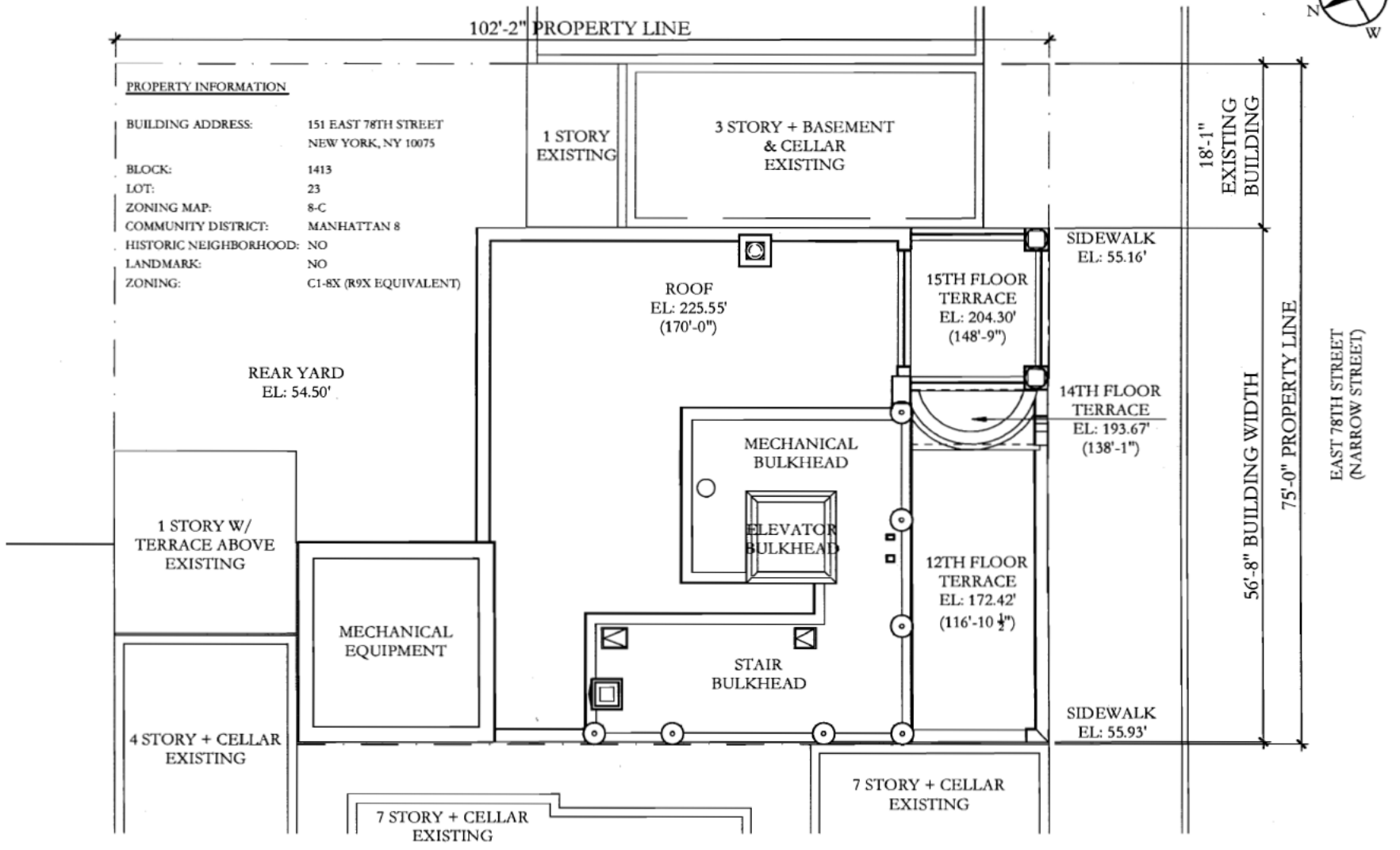
151 EAST 78TH STREET CONDOMINIUM
151 EAST 78TH STREET
NEW YORK, NY 10075

Issue Date: FEB. 25, 2014

LOCATION PLAN

Project No: 3599 *Scale:* 1/64"=1'-0"

OP-L



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS. NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

PETER PENNOYER ARCHITECTS

432 Park Avenue South, 11th Floor, NYC 10016
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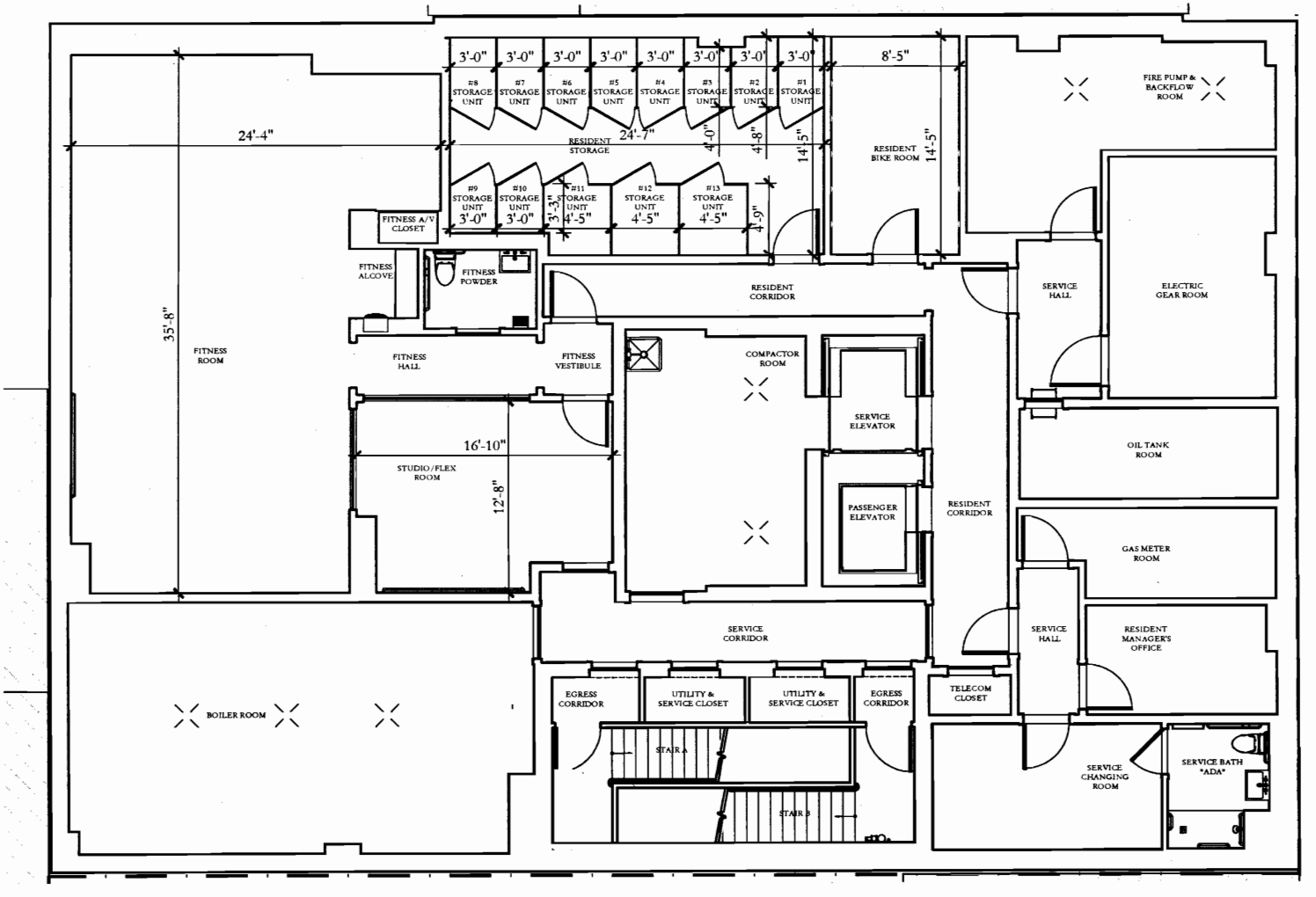
Issue Date: FEB. 25, 2014

SITE PLAN

Project No: 3599 *Scale:* 1/16"=1'-0"

OP-S

CELLAR FLOOR = 4,634 SQ. FT.



feet 0 5 10 3/32" = 1'-0"

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PETER PENNOYER ARCHITECTS

432 Park Avenue South, 11th Floor, NYC 10016
Telephone 212 779 9765 Fax 212 779 3814

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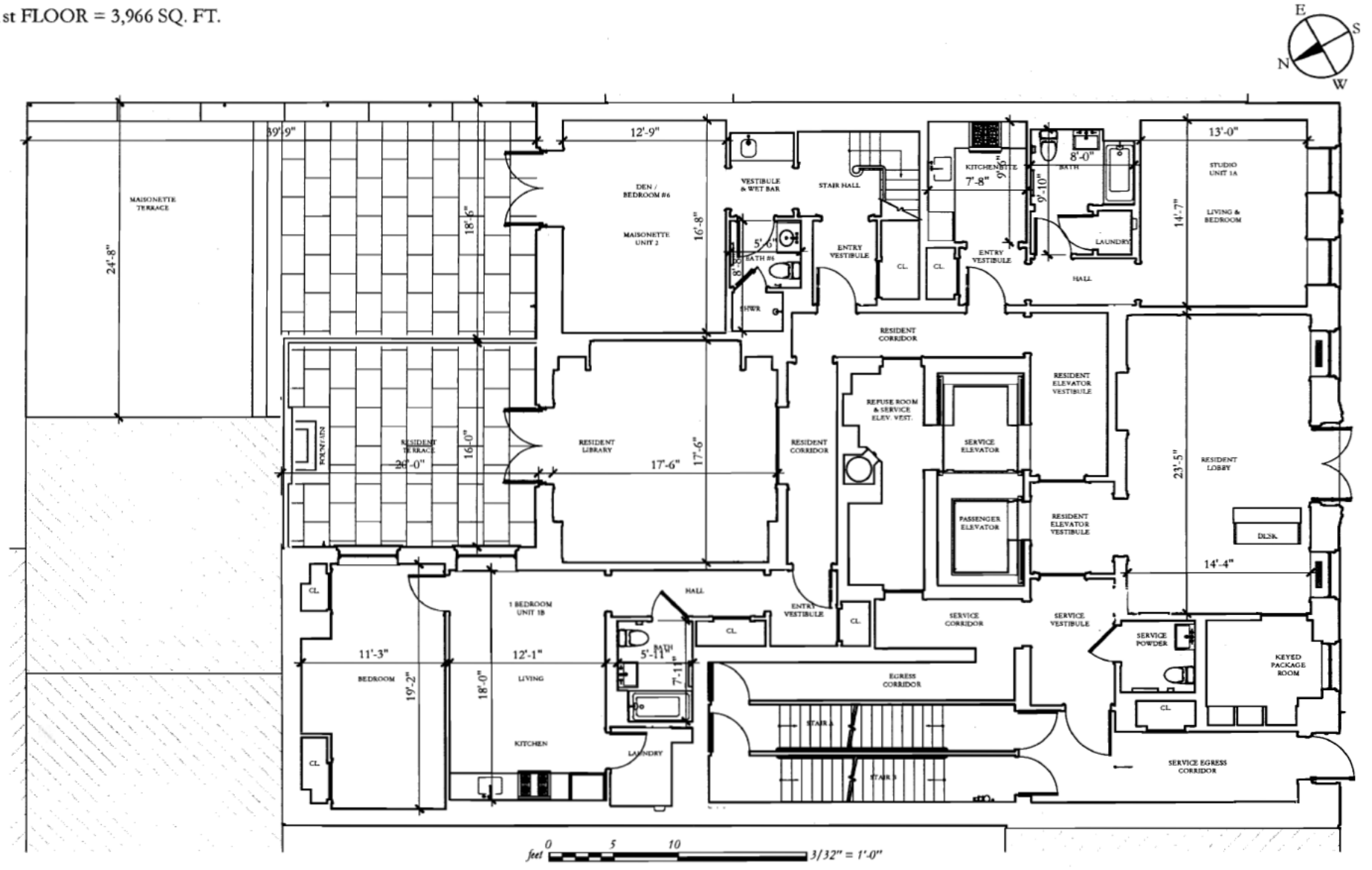
Issue Date: FEB. 25, 2014

CELLAR PLAN

Project No: 3599 *Scale:* 3/32" = 1'-0"

OP-C

1st FLOOR = 3,966 SQ. FT.



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS. NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.

PETER PENNOYER ARCHITECTS

432 Park Avenue South, 11th Floor, NYC 10016
Telephone 212 779 9765 Fax 212 779 3814

151 EAST 78TH STREET CONDOMINIUM
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NEW YORK, NY 10075

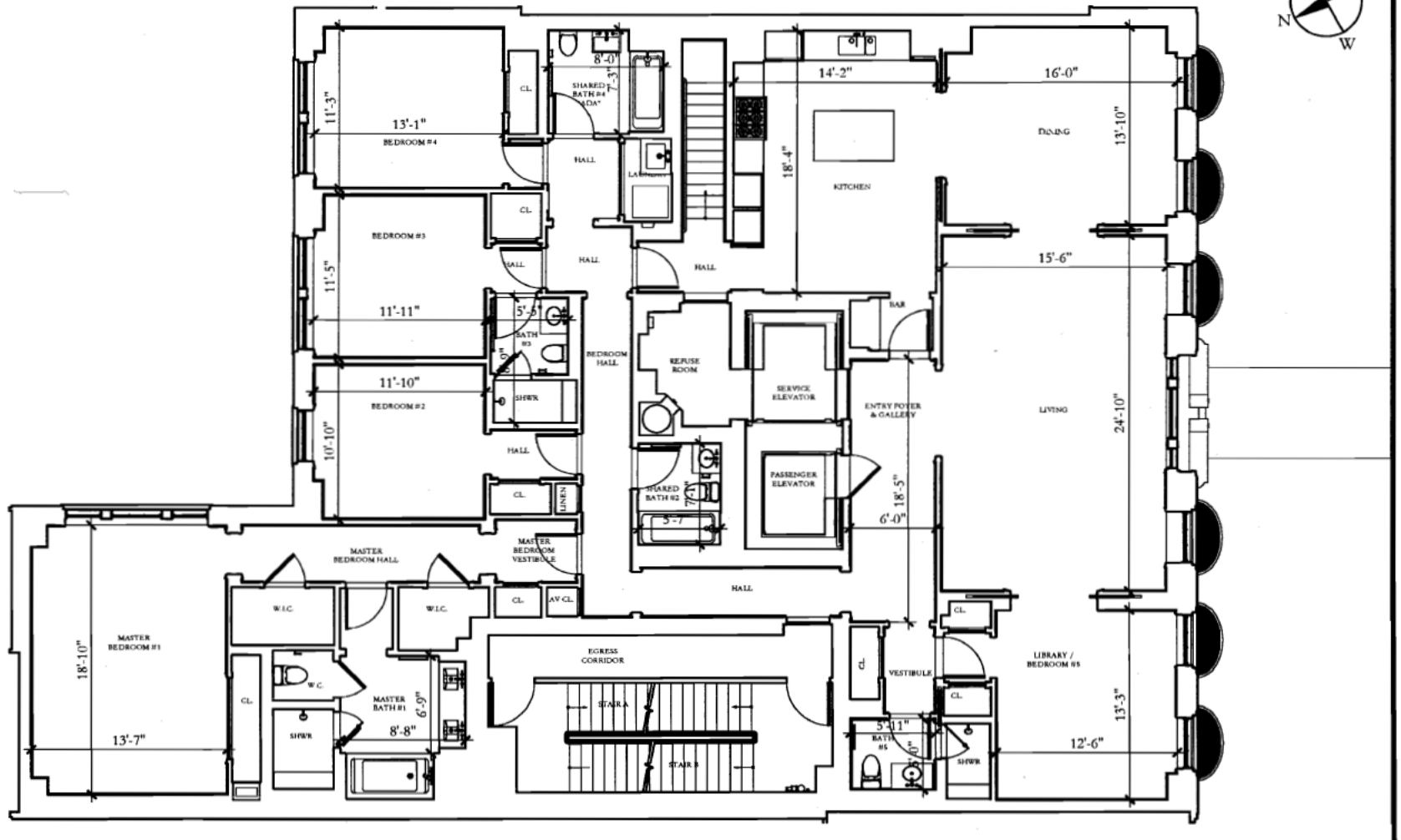
Issue Date: FEB. 25, 2014

1ST FLOOR PLAN
UNITS 1A, 1B & 2/MAIS.

Project No: 3599 *Scale:* 3/32" = 1'-0

OP-1

2nd FLOOR = 3,966 SQ. FT.



feet 0 5 10 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS. NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.

PETER PENNOYER ARCHITECTS

432 Park Avenue South, 11th Floor, NYC 10016
Telephone 212 779 9765 Fax 212 779 3814

151 EAST 78TH STREET CONDOMINIUM
151 EAST 78TH STREET
NEW YORK, NY 10075

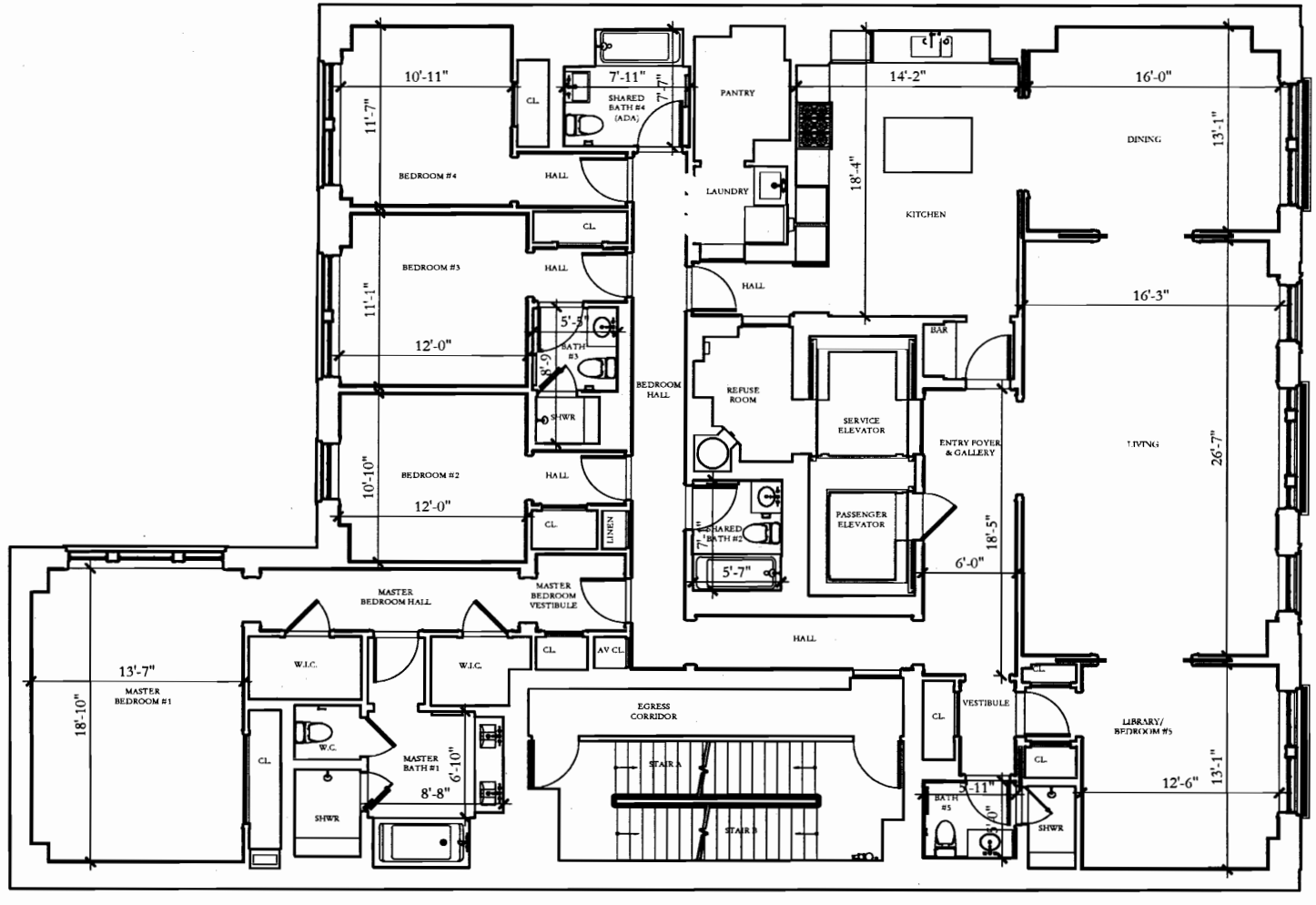
Issue Date: FEB. 25, 2014

2ND FLOOR PLAN
UNIT 2/MAISONETTE

Project No: 3599 *Scale:* 3/32" = 1'-0"

OP-2

3rd - 7th FLOOR = 3,966 SQ. FT.



feet 0 5 10 3/32" = 1'-0"

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS. NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.

PETER PENNOYER ARCHITECTS

432 Park Avenue South, 11th Floor, NYC 10016
Telephone 212 779 9765 Fax 212 779 3814

151 EAST 78TH STREET CONDOMINIUM
151 EAST 78TH STREET
NEW YORK, NY 10075

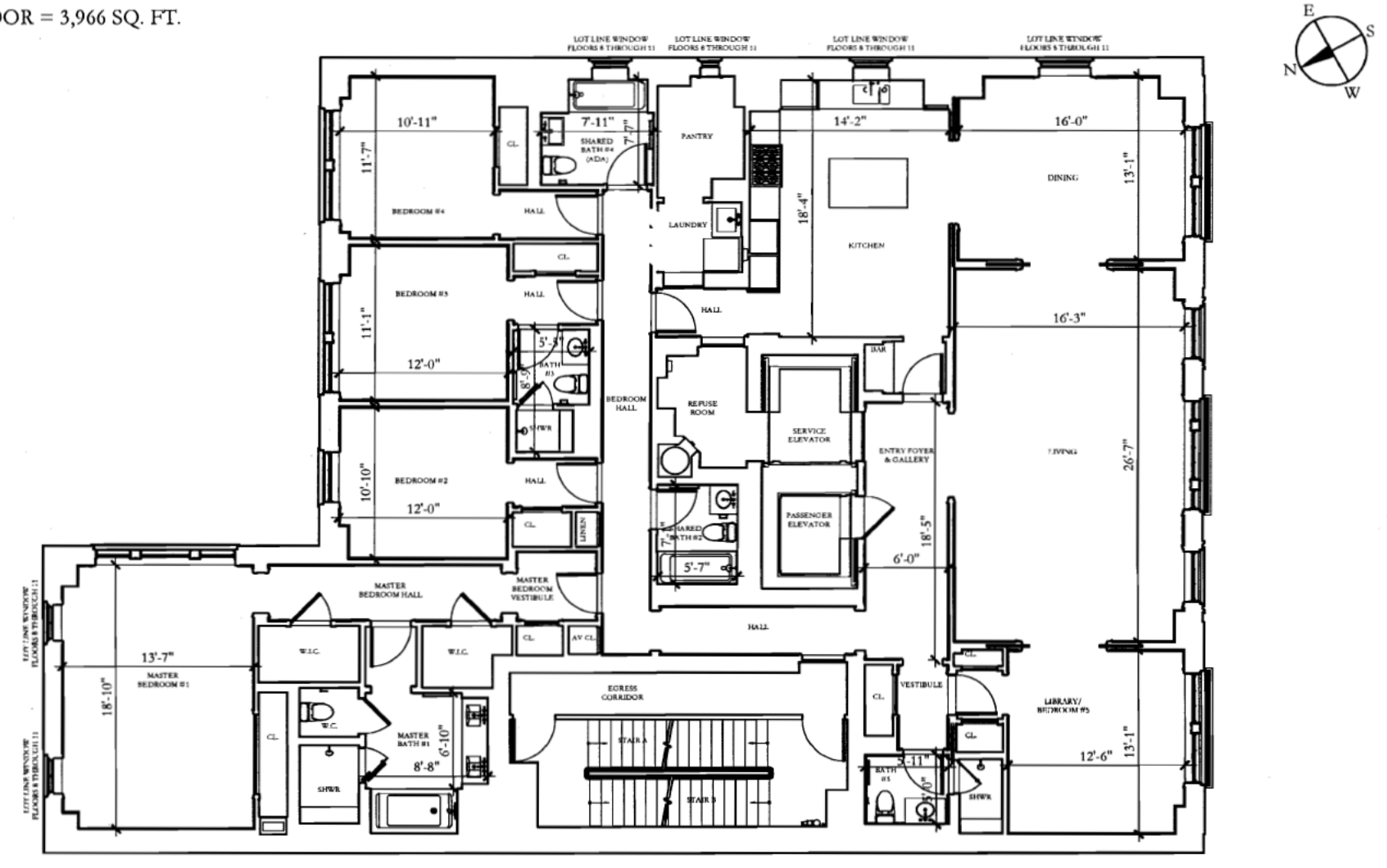
Issue Date: FEB. 25, 2014

3RD-7TH FLOOR PLAN
UNITS 3 - 7

Project No: 3599 *Scale:* 3/32"=1'-0"

OP-3-7

8th - 11th FLOOR = 3,966 SQ. FT.



feet 0 5 10 3/32" = 1'-0"

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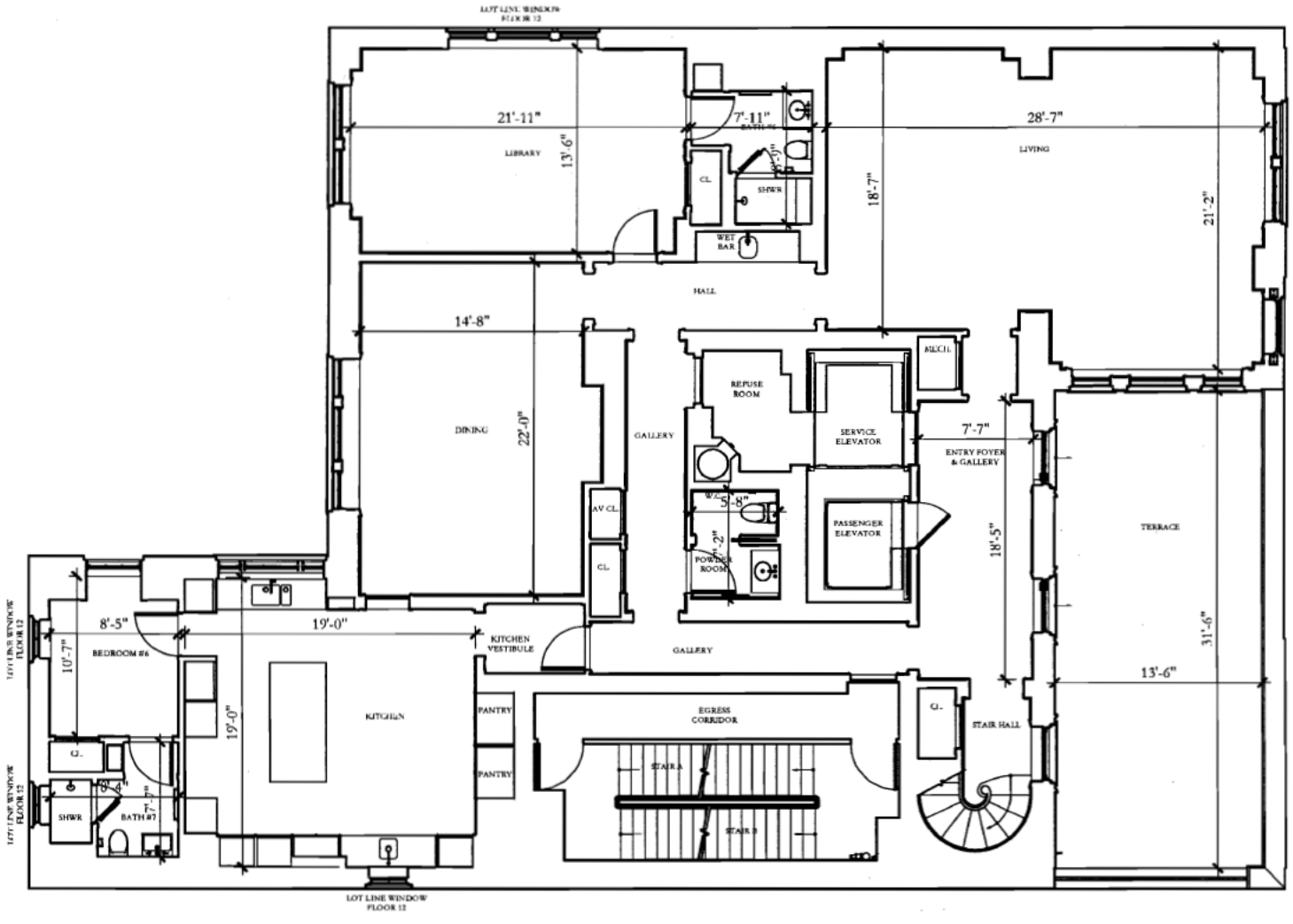
Issue Date: FEB. 25, 2014

8TH-11TH FLOOR PLAN
UNITS 8 - 11

Project No: 3599 *Scale:* 3/32"=1'-0"

OP-8-11

12th FLOOR = 3,472 SQ. FT.



feet 0 5 10 3/32" = 1'-0"

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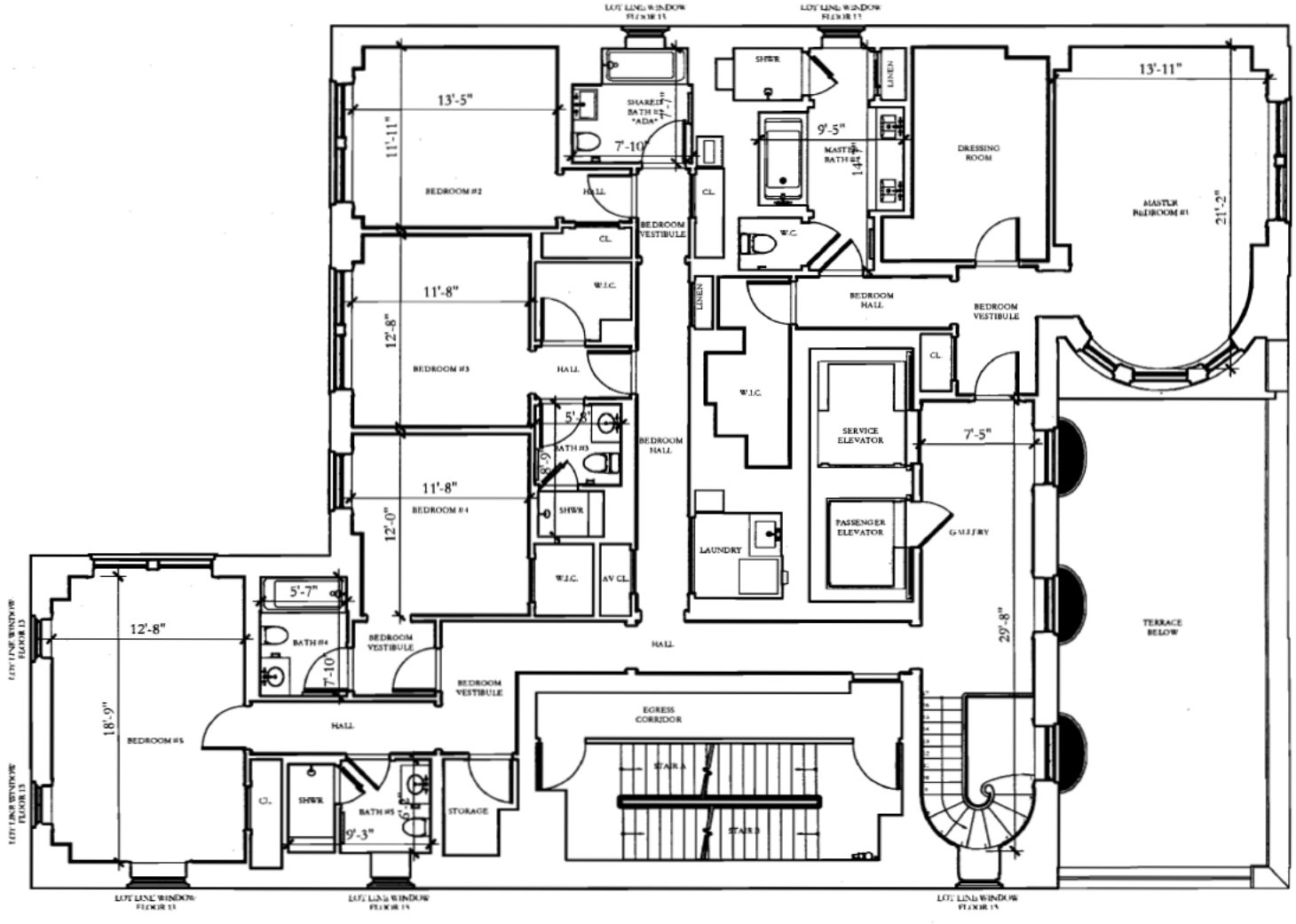
Issue Date: FEB. 25, 2014

12TH FLOOR PLAN
UNIT PH C

Project No: 3599 *Scale:* 3/32" = 1'-0"

OP-12

13th FLOOR = 3,452 SQ. FT.



feet 0 5 10 3/32" = 1'-0"

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NEW YORK, NY 10075

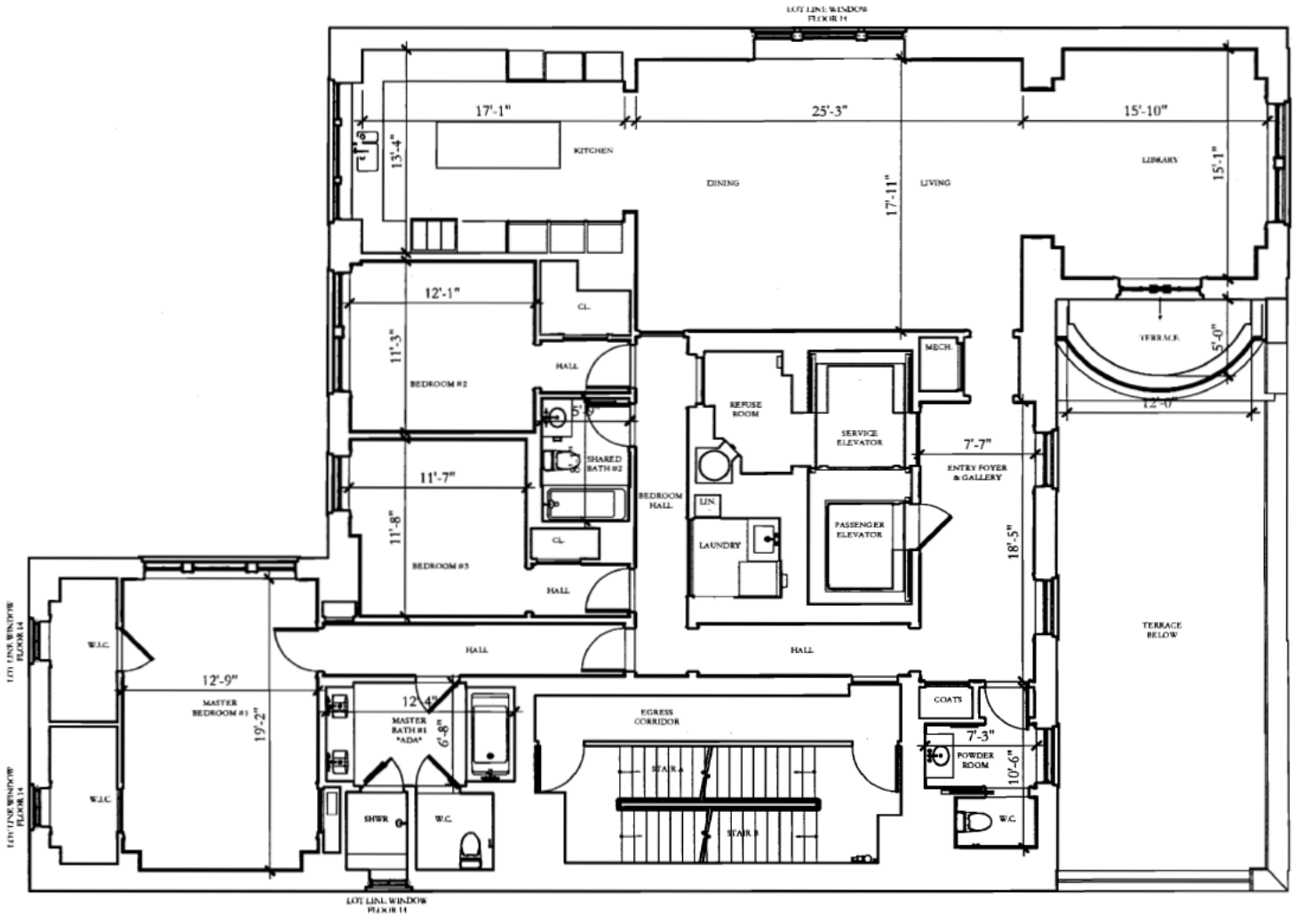
Issue Date: FEB. 25, 2014

13TH FLOOR PLAN
UNIT PH C

Project No: 3599 *Scale:* 3/32" = 1'-0"

OP-13

14th FLOOR = 3,381 SQ. FT.



feet 0 5 10 3/32" = 1'-0"

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NEW YORK, NY 10075

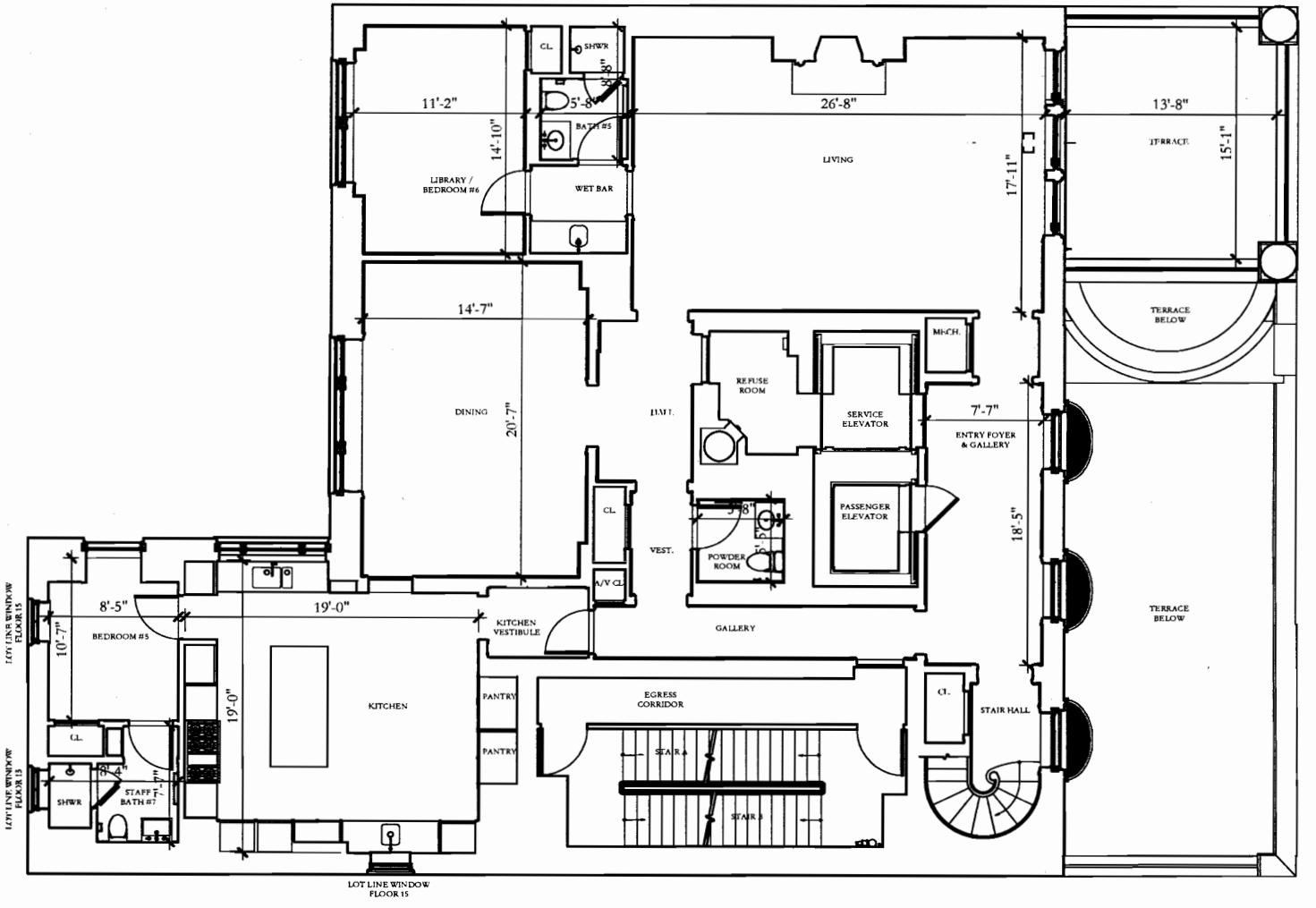
Issue Date: FEB. 25, 2014

14TH FLOOR PLAN
UNIT PH B

Project No: 3599 *Scale:* 3/32" = 1'-0"

OP-14

15th FLOOR = 3,116 SQ. FT.



feet 0 5 10 3/32" = 1'-0"

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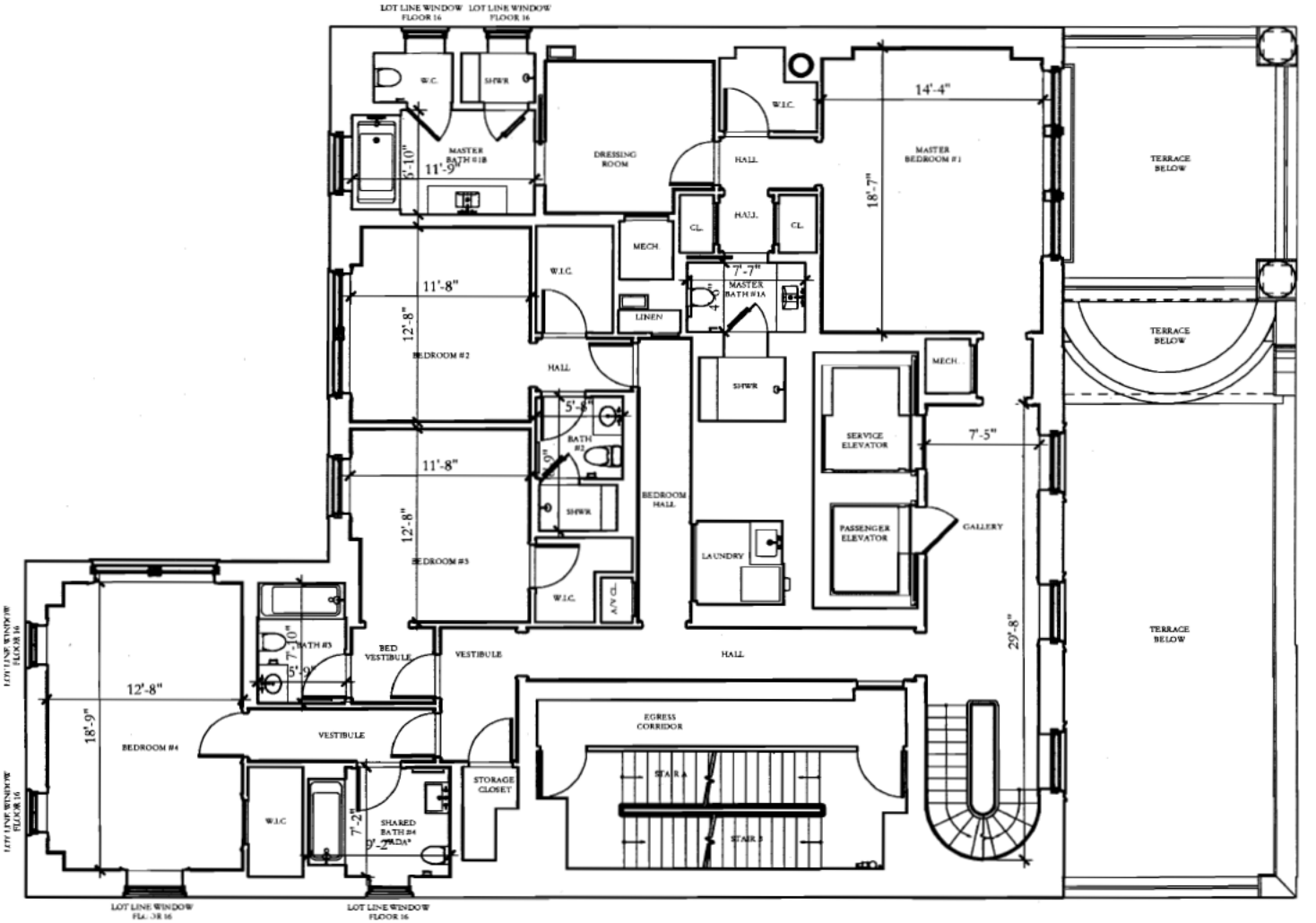
Issue Date: FEB. 25, 2014

15TH FLOOR PLAN
UNIT PH A

Project No: 3599 *Scale:* 3/32" = 1'-0"

OP-15

16th FLOOR = 3,116 SQ. FT.



feet 0 5 10 3/32" = 1'-0"

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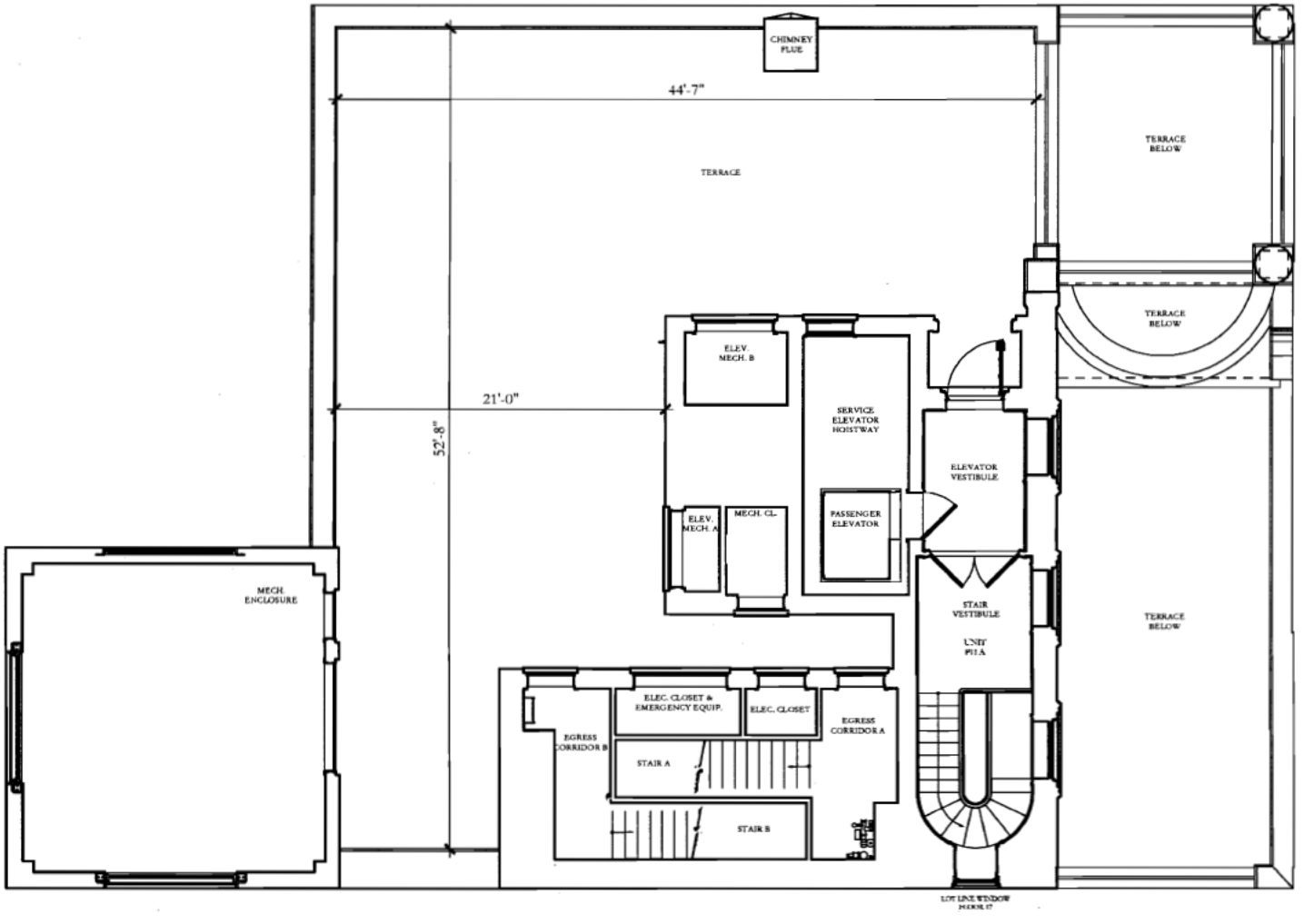
Issue Date: FEB. 25, 2014

16TH FLOOR PLAN
UNIT PH A

Project No: 3599 *Scale:* 3/32" = 1'-0"

OP-16

17th FLOOR = 976 SQ. FT.





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151 EAST 78TH STREET CONDOMINIUM
151 EAST 78TH STREET
NEW YORK, NY 10075

Issue Date: FEB. 25, 2014

17TH FLOOR PLAN
UNIT PH A

Project No: 3599 *Scale:* 3/32" = 1'-0"

OP-17

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EXHIBIT 3

PURCHASE AGREEMENT

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PURCHASE AGREEMENT

78 RPM OWNER LLC and SPRUCE 317 WEST 77th STREET LLC,
Sponsor

With

Purchaser

Unit Number ___

151 East 78th Street Condominium
151 East 78th Street
New York, New York 10075

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PURCHASE AGREEMENT

UNIT NUMBER ____

151 East 78th Street Condominium
151 East 78th Street
New York, New York 10075

PURCHASE AGREEMENT, made as of _____, 20__, between Sponsor and Purchaser (hereinafter referred to as the "Agreement").

WITNESSETH:

1. THE PLAN

Purchaser acknowledges having received and read a copy of the Offering Plan for the condominium known as 151 East 78th Street Condominium dated _____, 2013, 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 three (3) business days prior to Purchaser signing this Agreement. If Purchaser has not received and read the Plan and all amendments thereto at least three (3) business days prior to Purchaser 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 seven (7) days from the date Purchaser executes and delivers this Agreement together with the required Deposit to the 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 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" Spruce 317 West 77th LLC, a New York limited liability company and 78 RPM Owner LLC, a Delaware limited liability company, both with an address at Spruce Capital Partners, 902 Broadway, New York, NY 10010 (collectively, "Sponsor"). Sponsor's taxpayer identification numbers are _____ and _____

2.2 "Purchaser" means _____, having an address at _____, _____, _____. Purchaser's social security number is _____.

2.3 "Attorney for Sponsor" means Goldfarb & Fleece LLP, having an address at 345 Park Avenue, 33rd Floor, New York, New York 10154; Attention: Neal A. Weinstein, Esq., Telephone Number (212) 891-9132. Facsimile Number (212) 751-3738.

2.4 "Attorney for Purchaser" means _____, having an address at _____, _____, _____, Attention: _____, Esq. Telephone Number (___) ____-____. Facsimile Number (___) ____-_____.

2.5 "Selling Agent" shall mean Stribling Marketing Group, having an office at 32 Avenue of the Americas, New York, New York 10013

2.6 "Co-Broker" means _____.

2.7 "Escrow Agent" means Attorney for Sponsor.

2.8 "Title Company" shall mean Riverside Abstract, LLC, having an office at 3839 Flatlands Avenue, Suite 208, Brooklyn, NY 11234.

3. THE UNIT

Seller agrees to sell and convey, and Purchaser agrees to purchase, the unit designated as Unit ___ in the Declaration of The 151 East 78th Street Condominium, together with its undivided interests in the Common Elements appurtenant to such Unit (hereinafter, collectively referred to as the "Unit").

4. PURCHASE PRICE

4.1 The purchase price for the Unit is $_____ (the "Purchase Price")

The Purchase Price is payable as follows:

(a) $_____ ("Deposit"), representing 15% of the Purchase Price, due upon Purchaser's signing and delivering this Agreement, by check (subject to collection), receipt of which is hereby acknowledged;

(b) $_____, representing the balance of the Purchase Price, by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

4.2 All checks shall represent United States currency, be drawn on or issued by a United States bank or trust company which is a member of the New York Clearing House Association and shall be unendorsed. The Deposit shall be made payable to the direct order of "Goldfarb & Fleece LLP, as Escrow Agent". The balance of the Purchase Price shall be made payable to the direct order of Sponsor (or such other party as Sponsor directs to Purchaser, in writing, at least one (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 Deposit is returned for insufficient funds or any other reason, such return shall be deemed to be a non-curable default by Purchaser and this Agreement shall automatically be deemed cancelled. Upon

the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

5. DEPOSIT TO BE HELD IN TRUST

All Deposits made pursuant to this Agreement are subject to the requirements of Sections 352-e(2)(b) and 352-h of the New York General Business Law and the Attorney General's regulations promulgated pursuant thereto. All monies received from Purchaser towards the Deposit shall be delivered to Escrow Agent and shall be held in accordance with the Section of the Plan entitled "Escrow and Trust Fund Requirements" and the Escrow Provisions set forth on Schedule C hereto. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under this Agreement. If Purchaser shall default on Purchaser's obligations under this Agreement, then the Deposit shall be released to Sponsor as liquidated damages, and thereafter, neither party shall have any further rights or obligations against or to each other, subject to Section 13.2 below. In the event Sponsor cannot convey title to the Unit to Purchaser by reason other than Purchaser's default, the Deposit shall be returned to Purchaser, within 30 business days of Sponsor's notification to Purchaser that it cannot convey title.

6. CLOSING DATE AND PLACE

6.1 The Closing of Title shall be held at the offices of Attorney for Sponsor (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 (such original date, or a later date for which Closing has been scheduled by Sponsor, the "Scheduled Closing Date") on not less than 30 days' prior written notice ("Initial Closing Notice"). This notice period may be waived by 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. After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for Closing on not less than 5 business days notice to Purchaser, which new Closing notice shall fix a new date, hour and place for the Closing of Title and which date shall not be earlier than the date set forth in the Initial Closing Notice. Only the Initial Closing Notice shall require 30 days' prior written notice.

6.2 The term "Closing Date", "Closing, "Closing of Title" or words of similar import, whenever used herein, shall mean the date on which the deed to the Unit is delivered to Purchaser.

7. DELIVERY OF THE DEED, TRANSFER TAX FORMS / AND POWER OF ATTORNEY.

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, including, but not limited to, the so-called "mansion" tax, 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 and simultaneously with the delivery of the deed conveying the Unit to Purchaser, 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, as well as whatever other documents are reasonably necessary or customary in connection with the conveyance of a condominium unit, including but not limited to title affidavits, real property transfer tax forms, reporting information in respect of real estate transactions, smoke detector affidavit and window guard notices, etc.

7.3 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.

7.4 Purchaser's payment of the Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to Closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of the rights of purchasers under Article 23-A of the General Business Law, the Plan and Part 20 of the Regulations issued by the Department of Law.

8. STATUS OF TITLE.

8.1 At the Closing of Title, Sponsor shall convey to Purchaser, and Purchaser shall accept, such fee simple title to the Unit, as the Title Company will approve and insure without additional premium to Purchaser, provided that the only liens and encumbrances affecting title shall be those set forth in Schedule A annexed hereto and made a part hereof and those expressly agreed to by Purchaser. Any lien and encumbrance or condition to which title is not to be subject shall not be an objection to title if the instrument required to remove it of record is delivered at or prior to Closing of Title, together with the attendant recording or filing fee, if any, (a) to the Title Company or (b) to such other title insurance company as Purchaser may utilize), and the Title Company 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. The parties further agree that violations, if any, against any unit other than the Unit or against the Common Elements or Condominium are not required to be cleared by Seller as of the Closing Date. 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 Attorney for Sponsor 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 section, 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 section 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. The provisions of this Article shall survive the Closing of Title or the termination of this Agreement.

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 the 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 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 Scheduled Closing Date (a) the Closing apportionments described in Section 9.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing of Title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to .03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

9.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein in the Plan.

9.6 Any errors or omissions in calculating apportionments at Closing shall be corrected and, any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing of Title.

10. MORTGAGE TAX CREDIT.

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the New York Condominium Act, it is specifically understood that such credit shall enure to the benefit of Sponsor. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At the Closing of Title, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

11. CLOSING COSTS.

In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other Closing Costs which are Purchaser's responsibility as more particularly described in the Section of the Plan entitled "Closing Costs and Adjustments". All such Closing Costs shall be paid by Purchaser, at Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn upon a United States bank or trust company which 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 (x) the Deposit on the date set forth in Article 4.1 hereof, (y) the balance of the Purchase Price at Closing, or (z) any Closing adjustment or 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 or representations under this Agreement or the Plan; or

(iv) if Purchaser is permitted to become the tenant or occupant of the Unit (or any other unit in the Condominium), 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 advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental in violation of Article 21 of this Agreement; or

(x) an Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit at the Property.

13.2 TIME IS OF THE ESSENCE with respect to Purchaser's obligations to pay the Deposit and the balance of the Purchase Price and to pay, perform or comply with Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion, may elect by notice to Purchaser to 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, the Deposit and any interest earned on the Deposit. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

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 Deposit, together with interest earned thereon, shall be returned to Purchaser. 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, except as may be otherwise expressly provided herein.

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 one or more of the Buildings constituting the Condominium 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 Deposits and all other sums deposited by Purchaser hereunder, together with interest earned thereon, if any. Upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within 15 days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY.

Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in this sale. No portion of the Purchase Price shall be attributable to such items. Purchaser acknowledges and agrees that Seller has the right to substitute other appliances and equipment in place of those listed in the Plan, provided that the substitutions are of substantially equivalent or better quality, as more particularly set forth in the Plan.

17. CONSTRUCTION.

17.1 The construction of the Buildings constituting the Condominium and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially competed by Sponsor in accordance with the Plan and the Plans and Specifications, subject to the right of Sponsor to amend the Plan and the Plans and Specifications 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). Completion of the Condominium in accordance with the Plans and Specifications shall provide Purchasers with access to the Unit and all utilities necessary to utilize the Unit as a residence. The issuance of a permanent certificate of occupancy for the Buildings constituting the Condominium shall be deemed presumptive evidence that the Buildings and the Unit have been fully completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor". As specified in the Special Risks and the text of the Plan, consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013). Purchaser expressly acknowledges such disclaimer and agrees to the same.

17.2 The construction of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and Plans and Specifications as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

17.3 The Closing of Title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Closing of Title to Units" in Part I of the Plan. As a result, if all other prerequisites not involving the construction of the Unit are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without any credit against or abatement in the Purchase Price and without provision for escrow) once a temporary or permanent certificate of occupancy is issued for the Unit (notwithstanding any construction items noted on Purchaser's Inspection Statement (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligations under the Plan, and notwithstanding the incomplete construction, decoration of and/or damage to of any other portions of the Building not affecting the Unit).

17.4 The actual date for the First Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in the Section of the Plan entitled "Closing of Title to Units". Purchaser acknowledges that construction may be delayed by late delivery of materials 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 Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Unit within the 7 days prior to the Closing Date. 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 the Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within 7 days prior to the Closing Date or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from appearing at the Closing, paying the balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor".

18.2 Any work set forth on the Inspection Statement shall be completed by Sponsor as agreed in writing and shall not be grounds for delaying the Closing. Purchaser will be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access to the Unit and any 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 after 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 after 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 the Deposit and any 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 the Deposit and any 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. Purchaser agrees that a change in the square foot area and dimensions of Unit due to field conditions, construction variances and tolerances, which do not increase or decrease the square foot area of the Unit by more than 5% (excluding interior partitions), shall not be deemed a material and adverse change. The provisions of this Article shall survive the Closing of Title.

21. PROHIBITION AGAINST ADVERTISING.

Prior to the Closing of Title, Purchaser shall not list the Unit for sale or rental with any broker or place or authorize a listing in any broker's listing system or other listing service or advertise or otherwise offer, promote or publicize the availability of the Unit for sale or rental, without Sponsor's prior written consent. Any listing of the Unit or other form of advertising, promotion or publicizing of the Unit by Purchaser prior to the Closing shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement and the Plan.

After the Closing, for so long as Sponsor owns any Unsold Units, but not to exceed two (2) years from the date of the First Closing, Purchaser shall not advertise, promote or publicize the availability of the Unit for sale or lease at prices lower than those being advertised or promoted by Sponsor for similar Unsold Units. This Article shall survive the Closing of Title or the termination of 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 reasonable 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, directly or indirectly, without the prior written consent of Sponsor. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. A transfer of a controlling interest in any entity constituting Purchaser shall be deemed an assignment. 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 the Plan, and shall be voidable at the option of Sponsor.

24. 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 date hereof by the delivery of a fully executed counterpart, this Agreement shall be deemed to have been rejected and cancelled and the Deposit shall be promptly returned to Purchaser. 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 countersigning 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 Purchaser or

Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. Notwithstanding the foregoing, this Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status, or other ground proscribed by Law.

25. NOTICES.

25.1 Any notice, election, demand, request, letter, consent or other communication hereunder or under the Plan shall be in writing and either delivered in person 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 to the Purchaser at the address given at the beginning of this Agreement by regular mail, and to the Attorney for Sponsor at the address given at the beginning of this Agreement, with a copy to the Sponsor at the address given at the beginning of this Agreement by regular mail. 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 when personal delivery or delivery by overnight courier is effected, or in the case of mailing the third (3rd) business day after the date of mailing, 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.

25.2 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.

25.3 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.

26. JOINT PURCHASERS.

The term "Purchaser" shall be read as "Purchasers" if more than one person is a purchaser, in which case their obligations shall be joint and several.

27. 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, casualty, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor (including work stoppages and strikes), 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 reasonable 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

33. 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.

34. 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.

35. 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.

36. 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.

37. 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.

38. 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.

39. 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 Purchase Agreement has been executed for the Unit and the Purchase Price thereunder, but not the identity of Purchaser or its principals. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties respective lawyers, 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. The provisions of this Article shall survive the Closing of Title or the termination of this Agreement.

40. 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.

41. LETTER OF CREDIT IN LIEU OF DEPOSITS IN ESCROW

Purchaser acknowledges and agrees that Sponsor has the right, in its sole discretion, to elect to withdraw the Deposit and secure it with a Letter of Credit as more fully set forth in the Plan and Purchaser hereby consents to such withdrawal of the funds from escrow.

42. 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 public holiday (as such term is defined in N.Y. General Construction Law § 24), with the same force and effect as if made or performed in accordance with the terms of this Agreement.

43. COUNTERPARTS.

This Agreement and any riders hereto may be executed in any number of counterparts. Each such counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute and be one and the same instrument. Facsimile signatures or scanned signatures sent by e-mail shall bind the parties. Each party agrees to promptly deliver an executed original with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement and any riders thereto, it being expressly agreed that each party to this Agreement and any riders hereto shall be bound by its own telecopied or e-mailed signature and shall accept the telecopied or e-mailed signature of the other.

44. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY.

44.1 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.

44.2 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 of the purchase is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State without receipt by Sponsor of approval or disapproval of the purchase by the Department of State.

44.3 The provisions of this Article shall survive the Closing of Title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement or the Condominium Documents

45. OFAC COMPLIANCE.

Neither Purchaser nor, to Purchaser's knowledge, any of its affiliates, beneficiaries, partners, members, shareholders or other equity owners, and none of its employees, officers, directors, representatives or agents is, nor will they become prior to Closing, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action.

46. INTERNAL REVENUE SERVICE REPORTING REQUIREMENT.

Each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions as such other party may reasonably request in order to comply with IRC §6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions. The provisions of this Article 46 shall survive the Closing of Title. The parties designate Attorney for Purchaser or the attorney representing Purchaser's lending institution as the attorney responsible for reporting this information as required by law. Seller agrees to deliver to Purchaser at Closing an affidavit confirming that Seller is not a "foreign person", as that term is defined for purposes of the Foreign Investments in Real Property Tax Act, Internal Revenue Code Section 1445, as amended, and the regulations promulgated thereunder.

[END OF TEXT – SIGNATURE PAGE(S) IMMEDIATELY FOLLOW]

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

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

78 RPM OWNER LLC

By: _____
Name:
Title: Authorized Signatory

SPRUCE 317 WEST 77TH STREET LLC

By: _____
Name:
Title: Authorized Signatory

SCHEDULE A

PERMITTED ENCUMBRANCES

1. Building restrictions, zoning and historic designations 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 Rules and Regulations, all as set forth in the Declaration, the By-laws (and the Rules and Regulations made thereunder), the Power of Attorney from the Purchaser to the Condominium Board, and the Floor Plans, as all of the foregoing may be amended from time to time.

4. Consents by the Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.

5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended certificate of occupancy for the Buildings 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, licenses and service, maintenance, employment and concessionaire agreements, if any, of other Units or portions of the Common Elements.

10. The lien of any unpaid Common Charges, real estate taxes, water charge or sewer rent, or vault charges, 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 the Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

12. Any declaration or other instrument affecting the Property which the 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 Buildings.

13. Any encumbrance as to which the Title Company (or such other New York State Land Title Association 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 the Sponsor to the Purchaser.

16. Any violation against the Property (other than the Unit) and any violation 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 or the title company selected by Purchaser.

18. Any certificate of occupancy for the Buildings, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

19. Any encumbrance, covenant, easement, agreement, restriction, lien or violation 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. Any agreement or instrument affecting the Property which the Sponsor deems necessary or appropriate relating to the Condominium, which does not prevent the use of the Unit for dwelling purposes or materially adversely affect the Unit.

21. Covenants, Conditions, Easements, Leases, Agreements of record, as follows:

A) Party Wall Agreements in Liber 1561 Page 285 and Liber 3049 Page 449 (best copies to follow)(affects lot 23)

B) Amended, Restated and Spread Tenancy in Common Agreement in CRFN 2012000458916 (affects lot 23)

C) Covenants and Restrictions in Liber 1561 Page 285 (affects lot 22)

D) Covenants and Restrictions in Liber 1565 Page 189 (affects lot 22)

E) Covenants and Restrictions in Liber 3049 Page 449 (affects lot 22)

F) Covenants and Restrictions in Liber 3053 Page 53 (affects lot 22)

G) Covenants and Restrictions in Liber 3279 Page 47 (affects lot 22)

H) Certification Pursuant to Zoning Lot Subdivision recorded in CRFN 2013000319199 (Affects Lots 23,120)

I) Declaration of Zoning Lot Restrictions recorded in CRFN 2013000319200 (Affects Lots 23, 24 and 120)

J) Waiver of Execution of and Subordination to Zoning Lot Development Agreement recorded in CRFN 013000319201 (Affects lots 23, 24 and 120)

K) Zoning Lot Development Agreement recorded in CRFN 2013000319202 (Affects Lots 23 and 120)

L) Light and Easement Agreement recorded in CRFN 2013000319203 (Affects Lots 23 and 120)

M) Access and Indemnity Agreement recorded in CRFN 2013000319339 (Affects Lot 24)

N) Access and Indemnity Agreement recorded in CRFN 2013000319340 (Affects Lot 124)

O) Certification Pursuant to Zoning Lot Subdivision recorded in CRFN 2013000319341 (Affects Lots 23and 24)

P) Declaration of Zoning Lot Restrictions recorded in CRFN 2013000319342 (Affects Lots 23 and 24)

Q) Waiver of Execution of and Subordination to Zoning Lot Development Agreement and Access and Indemnity agreement recorded in CRFN 2013000319343 (Affects Lots 23 and 24)

R) Zoning Lot Development Agreement recorded in CRFN 2013000319344 (Affects Lots 23 and 24)

S) Light and Air Easement Agreement recorded in CRFN 2013000319345 (Affects Lot 24)

T) Waiver of Execution of and Subordination to Zoning Lot Development Agreement, recorded in CRFN 2013000381905. (Affects Lots 22, 23, 24 and 120)

U) Declaration of Zoning Lot Restrictions recorded in CRFN 2013000381906. (Affects Lots 22, 23, 24 and 120)

V) Certification Pursuant to Zoning Lot Subdivision recorded in CRFN 2013000381907. (Affects Lots 22,23, 24 and 120)

W) Zoning Lot Description and Ownership Statement recorded in CRFN 2013000381908. (Affects Lots 22, 23, 24 and 120)

X) Second Amended Tenancy, Restated and Spread tenancy in common agreement, to be duly recorded (Affects Lots 22, 23 and 120)

22. Any sidewalk violations that may exist, including but not limited to sidewalk violation filed on 08/12/2004 at Index Number 80470.

SCHEDULE B

INSPECTION STATEMENT

Date: _____

78 RPM LLC and Spruce 317 West 77th Street LLC
c/o Spruce Capital Partners
902 Broadway, 18th Floor
New York, New York 10010

Re: 151 East 78th Street Condominium

Ladies and Gentlemen:

1. On the date hereof, the undersigned has inspected the Unit set forth below which the undersigned is purchasing and have found the Unit to be in good condition, except as otherwise noted below.

2. The undersigned 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 the undersigned moves into the Building. The undersigned agrees to sign-off each item requiring adjustment, or repairs, if any, as they are completed.

Unit No._____

PURCHASER(S):

_____
(signature)

_____
(signature)

_____
Sponsor's Representative

SCHEDULE C

Escrow Provisions Rider

1. The law firm of Goldfarb & Fleece LLP, the escrow agent ("Escrow Agent"), whose address is 345 Park Avenue, New York, New York 10154 and whose telephone number is (212) 891-9100 shall serve as escrow agent for Sponsor and Purchaser. Escrow Agent has designated all partners of Goldfarb & Fleece to serve as signatories, including, but not limited to: Andrew Migdon, Spencer Stein, and Marc Wasser. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

2. Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance of release of the Deposit from escrow.

3. The Escrow Agent has established the escrow account at Bank of America located at 345 Park Avenue, New York, New York (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Goldfarb & Fleece Attorney Escrow Account – 151 East 78th Street Condominium ("Escrow Account"). The Escrow Account is not an IOLA account. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per Deposit. Any Deposit in excess of $250,000 will not be insured.

4. All checks shall represent United States currency, be drawn on or issued by a United States bank or trust company which is a member of the New York Clearing House Association and shall be unendorsed. The Deposit shall be made payable to the direct order of "Goldfarb & Fleece LLP, as Escrow Agent".

5. The interest rate for all deposits made into the Escrow Account shall be the prevailing rate for such accounts, which is currently .15% as of the date hereof. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at Closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

6. Within ten (10) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. With fifteen (15) business days of the placing of the Deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

7. The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen

(15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

8. All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

9. Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.

10. The Escrow Agent shall release the Deposit if so directed:

(a) pursuant to terms and conditions set forth in the Purchase Agreement upon Closing of Title to the Unit; or

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

(c) by a final, non-appealable order or judgment of a court.

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

The Sponsor shall not object to the release of the Deposit to:

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

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

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

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

12. Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

13. A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

14. Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

15. Sponsor agrees that Sponsor and its agents, including any selling agents, shall deliver the Deposit received by them prior to Closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Deposit by Purchaser.

16. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.

17. Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement.

18. Prior to release of the Deposit, 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.

19. Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to

retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

78 RPM OWNER LLC

By: _____
Name:
Title: Authorized Signatory

SPRUCE 317 WEST 77TH STREET LLC

By: _____
Name:
Title: Authorized Signatory

ESCROW AGENT, SOLELY WITH RESPECT TO THE ESCROW PROVISIONS HEREOF:

GOLDFARB & FLEECE LLP

By: _____
Name:
Title:

EXHIBIT 4

UNIT DEED

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UNIT DEED

THIS INDENTURE, made the _____ day of _____, 20__, between Spruce 317 West 77th LLC, a New York limited liability company and 78 RPM Owner LLC, a Delaware limited liability company, both with an address at Spruce Capital Partners, 902 Broadway, New York, NY 10010 (collectively, "Grantor") and _____ having an address at _____, ("Grantee").

WITNESSETH:

That 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 Unit No. _____ in the building ("Building") known by the street address of 151 East 78th Street, New York, New York 10075 (the "Condominium"), said Unit being designated and described as Unit No. ____in a certain declaration dated _____, ____ made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") establishing a plan for condominium ownership of the Building located on 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 New York County Office of the Register of The City of New York ("Register's Office") on _____, under CFRN#_____ ("Declaration"). The Unit is also designated as Tax Lot ___ in Block _____ of Section _____ of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of the Building, certified by _____ on _____, 2013, and filed with the Real Property Assessment Department of The City of New York on _____, 2013, as Condominium Plan No. ____ and also filed in the Register's Office on _____, 2013, as Condominium Map No. _____;

TOGETHER with an undivided ____% interest in the Common Elements (as such term is defined in the Declaration);

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-laws of the Condominium (the "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"), as more particularly described in Exhibit B attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-laws is invalid under, or would cause the Declaration or 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 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 Rules and Regulations adopted under the By-laws) and as to matters set forth on Exhibit B attached hereto and made a part hereof.

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 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.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

GRANTEE: **GRANTOR:**

_____

78 RPM Owner LLC

By: _____
Name:
Title: Authorized Signatory

Spruce 317 West 77th Street LLC

By: _____
Name:
Title: Authorized Signatory

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

On the ___ day of _____, 20__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the ____ day of _____, 20__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

Exhibit A

LEGAL DESCRIPTION OF THE LAND

Part of Parcel I: (Old lot 23)

All that certain plot, piece or parcel of land situated, lying and being in the Borough of Manhattan, County of New York, State of New York bounded and described as follows:
BEGINNING at a point on the northerly side of East 78th Street distant seventy feet easterly from the corner formed by the intersection of the northerly side of East 78th Street and the easterly side of Lexington Avenue;
RUNNING THENCE northerly parallel with said easterly side of Lexington Avenue and part of the distance through a party wall one hundred two feet two inches to the center line of the block;
THENCE easterly along the said center line of the block, twelve feet six inches;
THENCE southerly again parallel with the easterly side of Lexington Avenue and part of the distance through another party wall, one hundred two feet two inches to the northerly side of 78th Street;
THENCE westerly along the said northerly side of 78th street twelve feet six inches to the point or place of BEGINNING.

Part of Parcel I: (Old lot 123)
All that certain plot, piece or parcel of land situated, lying and being in the Borough of Manhattan, County of New York, State of New York bounded and described as follows:
BEGINNING at a point on the northerly side of 78th Street, distant 82 feet 6 inches easterly from the corner formed by the intersection of the northerly side of East 78th Street and the easterly side of Lexington Avenue;
RUNNING THENCE easterly along the northerly side of 78th Street, 12 feet 6 inches;
THENCE northerly parallel with the easterly side of Lexington Avenue, 102 feet, 2 inches to the center line of the block;
THENCE westerly parallel with 78th Street, 12 feet 6 inches;
THENCE southerly parallel with the easterly side of Lexington Avenue and party of the way through the center line of party wall, 102 feet 2 inches to the point or place of BEGINNING

Parcel II:
All that certain plot, piece or parcel of land situated, lying and being in the Borough of Manhattan, County of New York, State of New York bounded and described as follows:
BEGINNING at a point on the northerly side of 78th Street, distant 38 feet easterly from the corner formed by the intersection of the northerly side of 78th Street, with the easterly side of Lexington Avenue;
RUNNING THENCE northerly and parallel with Lexington Avenue, 82 feet 2 inches;
THENCE easterly parallel with 78th Street, 32 feet;
THENCE southerly parallel with Lexington Avenue and part of the way through a party wall, 82 feet 2 inches to the northerly side of 78th Street;
THENCE westerly along the northerly side of 78th Street, 32 feet to the point or place of BEGINNING.

Exhibit B

PERMITTED EXCEPTIONS

[TO BE ATTACHED FROM PURCHASE AGREEMENT]

EXHIBIT 5

DECLARATION OF CONDOMINIUM

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DECLARATION

Establishing a Plan for Condominium Ownership

of the Premises Known as

151 East 78th Street Condominium

and having a street address of

151 East 78th Street ,New York, New York 10075

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

Name: **151 East 78th Street Condominium**

Declarant: **78 RPM OWNER LLC and SPRUCE 317 WEST 77TH STREET LLC**
c/o Spruce Capital Partners, 902 Broadway, New York, New York 10010

Date of Declaration:

_____, 20__

Prepared by:

GOLDFARB & FLEECE LLP
Attorneys at Law
345 Park Avenue
New York, New York 10154
Attn: Neal A. Weinstein
(212) 891-9100

The land affected by the within instrument lies in
Block ____, F/K/A Lot __, N/K/A Lots _____
on the Tax Map of the Borough of Manhattan
County of New York, City and State of New York

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Exhibit

A DESCRIPTION OF THE LAND

B DESCRIPTION OF THE UNITS

C DEFINITIONS

D CONDOMINIUM BY-LAWS

E UNIT POWER OF ATTORNEY

DECLARATION
OF
151 EAST 78TH STREET CONDOMINIUM

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

78 RPM OWNER LLC, a Delaware limited liability company, and SPRUCE 317 WEST 77TH STREET LLC, a New York limited liability company (collectively, "Sponsor" or "Declarant"), both having an office at c/o Spruce Capital Partners, 902 Broadway, New York, New York 10010, 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 such 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

Declarant hereby submits the Property to the provisions of the Condominium Act and pursuant thereto, does hereby establish a regime for the condominium ownership of the Property as more particularly set forth herein and in the By-laws.

ARTICLE 3.

NAME OF THE CONDOMINIUM

The Condominium shall be known as the 151 East 78th Street Condominium. Sponsor shall own and control all rights and interest, appurtenant to the name of the Condominium and/or the Building, and any intellectual property relating thereto, including without limitation, any logos, marks, websites, trademarks, copyrights or names relating to or referring to the name of the Condominium or the Building unless prohibited by Law. Only Sponsor shall have the right to change or assign the name of the Condominium, subject to the consent of the Condominium Board. 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.

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 Building Constituting the Condominium. The Condominium shall include one (1) sixteen (16) story building (the "Building") and the improvements located on the Property. The Building shall contain 14 residential Units.

5.2 Construction of Building. The construction of the Building is classified as Construction Classification 6 – Fire Resistive. The Building will be newly constructed with a cast in place concrete with a masonry façade.

ARTICLE 6.

THE UNITS

6.1 Exhibit B. 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 applicable Building; approximate square foot area; number of rooms contained therein; 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 Unit and Terrace Measurement. Each Unit consists of the area measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one Unit from another Unit or to the corridor side of any partition separating a Unit from a public corridor, and solely with respect to the roof, to the centerline of the partitions enclosing mechanical equipment spaces and elevator overrun shaftway. Columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of a Unit. Each Unit consists of the area measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling slab or to the fireproofing of the metal decking above at areas of steel structure. Terraces appurtenant to a Unit are measured from the exterior measurement line of the Unit to which they are appurtenant to the outside faces of the copings of the Terrace wall or partition, and/or the center line of any dividing wall or partition located between Terraces.

6.3 Unit Inclusions. Each Unit includes, and each Unit Owner shall be responsible for: (a) the Unit side of the front entrance door and any other entrance doors to the Unit, including Terrace or balcony doors, and any hallway exclusively serving such Unit, (b) the interior walls, (c) partitions, floors and floor coverings, (d) any ceiling material or covering affixed, attached or appurtenant to the Unit, (e) smoke/carbon monoxide detectors, sprinkler system, window panes, fireplaces, fireboxes, dampers, mantels, flues, elevators, dumbwaiters, all mechanical systems located within the Unit, heating and cooling systems, (f) all plumbing, gas and heating fixtures and equipment, (g) all appliances, including but not limited to, refrigerators, dishwashers, washers and dryers, ranges and other appliances, and (h) sinks, bathtubs, water closets 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, 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 Owner acquired title to the Unit, in which event the Unit Owner shall be responsible for such installations.

6.4 Common Elements Not Part of Unit. Any Common Elements located within a Unit shall not be considered a part of such Unit.

6.5 Decorative Alterations. 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 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 applicable Building, expose any lead based paint or asbestos containing materials, or violate Law. The foregoing rights are granted to and restrictions are imposed upon Unit Owners only, and the provisions of Article 12 hereof shall govern alterations made by Sponsor.

6.6 Title Vests in Sponsor. 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 without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7.

THE COMMON ELEMENTS

The Common Elements consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements are comprised of the General Common Elements and the Limited Common Elements.

7.1 The General Common Elements consist of those portions of the Building that are designated as "General Common Elements" on the Floor Plans, and, to the extent not specifically identified as part of the General Common Elements on the Floor Plans, the following:

(a) the Land (including the landscaping appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto.

(b) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, exterior walls, interior walls, partitions, floor slabs and ceilings, window sashes and frames, roofs and ceilings in, on or under the Building, to the extent that the same are not expressly included as part of the Limited Common Elements pursuant to the terms of Paragraph 7.2 below or a Unit pursuant to the terms of Article 6 hereof;

(c) that portion of all such interior walls, partitions, floors and ceilings separating a General Common Element from a Unit, and/or a Limited Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element or Unit, as the case may be, to the extent that the same are not expressly included as part of the Limited Common Elements pursuant to the terms of Paragraph 7.2 below or a Unit pursuant to the terms of Article 6 hereof,

(d) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, water irrigation system servicing landscaping on Common Areas and Terraces, heat, garbage disposal, master and cable television and other mechanical and electrical systems, which service all or any combination of Units and/or both the General Common Elements and the Limited Common Elements to the extent that the same are not expressly included as a part of the Limited Common Elements pursuant to the terms of Paragraph 7.2 below or a Unit pursuant to the terms of Article 6 hereof;

(e) the pump room, fire pump room, domestic water room, telephone room, gas meter room, electrical room, oil tank room, service bathroom, Resident Manager's office, and service changing room, each of which are located on the cellar floor of the Condominium; and

(f) 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 any combination of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, including, but not limited to, the common Rear Yard.

(g) all stairways (other than those located entirely within particular Units), passenger and service elevators and their respective bulkheads, shafts, pits and equipment rooms and the hallways not part of a Unit or a Limited Common Element;

(h) compactor rooms located on the cellar floors of the Building and their respective shafts and equipment;

(i) the lobby, service entrances, exit corridors, concierge stations (if any), package storage room(s) if any), library, service bathroom and Rear Yard, each of which are located on the ground floor of the Building;

(j) bicycle storage rooms, the storage rooms and Storage Bins, fitness center, studio and fitness center bathroom located in the cellar level;

(k) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Unit from another Unit or a General Common Element and that portion of all such masonry walls, partitions, floor slab and ceiling slab separating a Limited Common Element from a General Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Limited Common Element;

(l) all 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 Units and/or the Common Elements and/or the Limited Common Elements only and are not part of the Units;

(m) 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 or use of Units or the 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 7.1 above or the Limited Common Elements pursuant to the terms of Paragraph 7.2 below or a Unit pursuant to the terms of Article 6 hereof.

7.2 The Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are designated on the Floor Plans as Limited Common Elements or if not so designated are for the use of one or more specified Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Limited Common Elements include the Terraces adjoining certain Units more particularly set forth on Exhibit "B" to this Declaration entitled "Description of Units".

7.5 The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-laws.

ARTICLE 8.

DETERMINATION OF COMMON INTEREST

8.1 Common Interest Determination. The Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act and accordingly based upon a comparison of 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. The Condominium Board shall have the right to specially allocate certain profits and expenses based on special or exclusive use or availability or exclusive control of particular Units or common areas by particular Unit owners in a manner different from common profits and expenses.

ARTICLE 9.

USE OF UNITS

9.1 Use of Units. As more particularly set forth in, and subject to the provisions of, the By-Laws, the Units shall be used for residential purposes only (excluding "dormitory", "bed and breakfast" or other transient hotel-type use) and home occupation use ancillary to such residential purposes, and not more than one family may occupy a Unit at one time. A Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity may only be occupied (unless the Condominium Board otherwise consents in writing) by said individual, or any 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 or 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 (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Member or guests); however, the foregoing restrictions shall not apply to any Unsold Units. Upon the prior written consent of Sponsor (or, where there are no longer any Unsold Units, the Condominium Board), any Unit may be used for any other lawful purposes, subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for the Building and the By-laws, (2) Law, (3) the use of such Unit shall not adversely affect the use and enjoyment of neighboring or adjacent Units for residential purposes, and (4) the prior written permission of the Condominium Board is first obtained. Units may only be leased in accordance with the By-laws and the Rules and Regulations.

9.2 Rights of Sponsor. Notwithstanding the foregoing or anything contained in this Declaration, the By-laws or the Rules and Regulations to the contrary, Sponsor may, without the permission of the Condominium Board, subject to compliance with Law, (1) use or grant permission for the use of any Unsold Unit as a professional office or for any other purpose, (2) use any Unsold Units as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Units or for any other purpose, (3) use or change the use of any Storage Bin for any purpose, and (4) lease any Unsold Unit to third parties for either long term or short term stays. This grant to Sponsor of certain rights in this section shall not restrict any other rights granted to Sponsor under Article 12 hereof or elsewhere in this Declaration and/or the By-laws.

ARTICLE 10.

EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS

10.1 Easements through General Common Elements. Subject to the terms of this Declaration, the By-laws, the Rules and Regulations, and Law, as applicable, Sponsor, the Unit Owners, the 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.

10.2 Exclusive Easements for Limited Common Elements. Subject to the terms of this Declaration, the By-laws, the Rules and Regulations, and Law, as applicable, each Unit Owner whose Unit has one or more appurtenant Limited Common Elements shall have an exclusive easement for the use thereof. The Units having the same are indicated on Exhibit B. The By-laws and Rules and Regulations contain detailed provisions regarding limitations and uses on Limited Common Element Terraces.

10.3 Certain Easements for Sponsor. Subject to the terms of this Declaration, the By-laws, the Rules and Regulations, and Law, as applicable, Sponsor and its Permitted Users shall have an easement in, over, under, through and upon the General Common Elements (including, but not limited to, 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 Units including, without limitation, the right to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property, the right to place "for sale", "for rent" and other signs and promotional materials, of such size and content as Sponsor shall determine, provided the same is in accordance with Law. Sponsor and its Permitted Users further reserve the right to (a) enter into any Unit (upon reasonable notice) at any time to access Common Elements for any purposes, including, but not limited to, accommodating work by other Unit Owners or prospective Unit Owners, and (b) enter into any Unit (upon reasonable notice) and/or access any Common Element to perform work both prior to and following a Closing under a Purchase Agreement to the extent Sponsor determines the same is necessary to respond to any claims regarding construction of any nature, whether under the Purchase Agreement or otherwise. Without limiting the foregoing, the Sponsor and the Condominium Board shall also have an easement to access any portions of a Unit that may be required in the Sponsor's or the Condominium Board's discretion to service any traps, panels, equipment that are accessible from within the applicable Unit. Sponsor reserves the right to install additional fireplace flues and mechanical equipment on the roofs of the Condominium. Subject to the terms of this Declaration, the By-laws, the Rules and Regulations and Law, as applicable, Sponsor and its Permitted Users, for so long as Sponsor shall own any Unsold 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 Units and the Common Elements.

ARTICLE 11.

OTHER EASEMENTS

11.1 General Easements. Subject to the terms of this Declaration, the By-laws, the Rules and Regulations, and Law, as applicable, each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all Common Elements located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit, including an easement to connect to existing utilities, including, without limitation, utilities for gas, electricity, steam and ventilation. Each Unit (including any Common Elements located therein) shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace all Common Elements located in such Unit or elsewhere on the Property which serve other Units. All easements and rights of access described in this Section shall be exercised by the Sponsor and the Condominium Board on behalf of all

Unit Owners. The Sponsor and 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 Condominium or for the safety of occupants of the Condominium, or other persons, or required to avoid the suspension of any necessary service in the Condominium). Without limiting the foregoing, the PHA Unit owner shall be required to permit access to the roof of the building through the PHA Unit as required by the Condominium Board in connection with maintenance, repair and replacement of certain mechanical equipment on the roof (or accessible at the roof level), including, but not limited to, elevators (in particular, load bank testing), the cooling tower and the generator located on the roof. If a Unit Owner requires access to a Common Element in another Unit and requests that the Condominium Board exercise any such easement of right of access, then such Unit Owner shall submit plans and specifications with respect to any such proposed work to both the Condominium Board and 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 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 Additional Utility Easements. Subject to the terms of this Declaration, the By-laws, the Rules and Regulations, and Law, as applicable, Sponsor for so long as it shall own any Unsold Unit and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof for the Unit in question, 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 use of the 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 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.

11.3 Subjacent Support and Necessity. Subject to the terms of this Declaration, the By-laws, the Rules and Regulations, and Law, as applicable, each Unit and the Common Elements shall have easements of subjacent support and necessity.

11.4 Additional Sponsor Easements. Subject to the terms of this Declaration, the By-laws, the Rules and Regulations, and Law, as applicable Sponsor, and its Permitted Users, to the extent permitted by Sponsor, shall have an exclusive right and easement for so long as Sponsor owns any Unsold Unit, to (a) erect, use, lease, maintain, repair, replace and operate antennae, satellite dishes and other communications equipment on any part of the roof of the Building and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces) and (b) to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith,

provided, that with respect to any antennae, satellite dishes or other communications equipment, Sponsor shall only erect such structures if for the benefit of one or more of the Unit Owners. 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 the Sponsor. Any obligations of the Sponsor under any lease, license or other right of use granted by Sponsor with respect to the roof of the Building 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.

11.5 Easements for Signs, Canopies, Flags, Awnings. Subject to the terms of this Declaration, the By-laws, the Rules and Regulations and Law, as applicable, Sponsor and its Permitted Users, shall, to the extent permitted by Law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs, canopies, flags or awnings or other protrusions on or from the Property, including, without limitation, the exterior of the walls of the Building, for the purposes of advertising the sale or lease of any Unsold Unit, the sale or lease of all or any portion of any Unsold Unit, or the operation of any business of a tenant or occupancy of all or any portion of any Unsold Unit, as the case may be.

11.6 Easements for Encroachments. Subject to the terms of this Declaration, the By-laws, the Rules and Regulations, and Law, as applicable, if any portion of the Common Elements encroaches upon any Unit or upon any other portion of the Common Elements, and/or any Unit encroaches upon any other Unit or upon any portion of the Common Elements, then a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand. A valid easement for an encroachment shall also exist where any encroachment shall hereafter occur as a result of (a) the settling or shifting of any portion of any Building, (b) 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 (c) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements.

11.7 Prior Utility Easements. Subject to the terms of this Declaration, the By-laws, the Rules and Regulations, and Law, as applicable, 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.

11.8 Use of Easements. The beneficiary of the easements and rights granted to Unit Owners under this Article 11 shall be deemed to permit the Unit Owners, its contractors, subcontractors, agents, representatives employees and other designees to use such easement or other right, as applicable; provided that the Unit Owner through which such rights are derived shall be responsible for any act or omission of any such party, and shall indemnify the Condominium Board from any and all loss, cost or damage in connection therewith.

ARTICLE 12.

ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNITS

12.1 Rights of Sponsor. 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, the 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 Units and their appurtenant Limited Common Elements, if any; change the layout of, or number of rooms in, any Unsold Units; amend the certificate of occupancy for the Condominium as it relates to the Unsold Units;

(b) change the size and/or number of Unsold Units by (i) subdividing one or more Unsold Units into two or more separate Units, (ii) combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, (iii) altering the boundary walls between any Unsold Units, or (iv) otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Unit) which exclusively benefit an Unsold Unit into such Unsold Unit without changing the percentage of Common Interest of such Unsold Unit; and

(c) if appropriate, reapportion among the Unsold Units affected by such change in size or number pursuant to the preceding clauses their Common Interests;

Provided however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon any Unsold Unit: (i) no physical modifications shall be made to any other Unit and the Common Interest (other than Unsold Units), as the case may be, or interior dimensions of any other Units (other than Unsold 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 Condominium or the safety of any tenant or other persons at the Property.

Notwithstanding the foregoing, the aggregate amounts of the Common Interests of all the Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to any Unit, as the case may be, shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest of the affected Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by Sponsor or any other Person reasonably acceptable to the Condominium Board. By written permission of (x) the Condominium Board, which permission shall not be unreasonably withheld or delayed following the expiration of the Initial Control Period, and (y) Sponsor (until the PCO for the Condominium has been obtained and Sponsor owns no Unsold Units in the Condominium), any other Unit Owner may be given with respect to such Unit the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Units. Notwithstanding the other provisions of this Article, no reapportionment of the Common Interests appurtenant to any 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 Unit has been based upon the factors set forth in Article 8 hereof by Sponsor or any other Person reasonably acceptable to the Condominium Board. The certification referred to in the preceding sentence shall be delivered by the 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.

ARTICLE 13.

ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD

If (a) any Unit Owner surrenders its 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, or 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 Appointment of Sponsor. 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 Sponsor as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, to amend this Declaration pursuant to the terms hereof, and the other Condominium Documents pursuant to the terms thereof.

14.2 Power of Attorney to Condominium Board from Unit Owners. 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 the Persons who shall from time to time constitute the Condominium Board as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, 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 administrative and tax certiorari proceedings on behalf of the Unit Owners for the reduction of the assessed valuation of their Units, such Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire or lease or license any Unit, together with its Appurtenant Interests, whose owner desires to sell, convey, transfer, assign, lease or surrender same or acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale (whether pursuant to a foreclosure of the lien granted by Section 339-z of the Condominium Act or otherwise) in the name of the Condominium Board of its designee, corporate or otherwise, on behalf of the Unit Owners;

(c) convey, sell, lease, mortgage, or otherwise deal with (but not to vote the Common Interest, appurtenant to any Unit so acquired pursuant to (b) above or to sublease any Unit so leased;

(d) purchase or lease, in the name of the Condominium Board, space for the storage of personal property, for some but not necessarily for all Unit Owners;

(e) lease or purchase and finance the purchase of an apartment for use as the residence of the Resident Manager, either in the Condominium or elsewhere (in compliance with applicable Law and regulations);

(f) execute, acknowledge and deliver, and if necessary, record:

(i) any declaration or other instrument affecting the Condominium and/or the Property that the Condominium Board deems necessary or appropriate to comply with Law, regulation, zoning resolution or requirement of the Department of Buildings, the New York City Department

of Housing Preservation and Development, the City Planning Commission, the Board of Standards and Appeals, the Landmarks Preservation Committee, or any other public authority or agency, applicable to the maintenance of or operation of the Condominium and/or the Property, or

(ii) following due authorization by any affected Unit Owner(s) to the extent required in the Condominium Documents, any agreement, consent, covenant, variance, filing, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate to comply with or effectuate (1) any zoning lot declaration, (2) tax lot merger, (3) any protests and tax certiorari proceedings affecting the Units, and/or (4) any agreement to which the Condominium is a party that is disclosed in the Offering Plan for the Condominium.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

14.3 Power of Attorney to Sponsor from all Unit Owners. 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 Sponsor as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, to amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents, including without limitation, when such amendment (i) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor in accordance with this Declaration, or (ii) shall be required by (1) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (2) any governmental agency having regulatory jurisdiction over the Condominium, or (3) any title insurance company selected by Sponsor to insure title to any Unit; or (4) shall be required to correct any inconsistencies or scriveners' errors in the Condominium Documents or any related filings with any governmental agency, or (5) is necessary to 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 change the Common Interest of the Unit Owner's Unit, require a material, physical modification to the Unit Owner's Unit, or adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender covering the Unit Owner's Unit unless the affected Unit Owner (in the event described in (1) or (2) of this paragraph or the holder of such mortgage (in the event described in (3) of this paragraph) shall consent thereto by joining in the execution of such amendment; and

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 80% (in number and in Common Interest) of the 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 51% 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 the mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 16.

COVENANT OF FURTHER ASSURANCES

16.1 General Covenant. 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 any of the foregoing 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 Rights of Persons to Execute and Deliver. 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 (a) 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 (b) to deliver a written notice to the Person requesting such execution, acknowledgement or delivery, and to the Condominium Board stating the reasons why such Unit Owner, Condominium Board or other Person refuses to execute, acknowledge or deliver such instrument or take such action, then the Condominium Board or other Person is hereby authorized as attorney-in-fact for such Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Condominium Board or other Person and such document or action shall be binding on such Unit Owner, Condominium Board or other Person.

16.3 Right of Sponsor to Execute and Deliver. If any Unit Owner, the Condominium Board or other Person that is subject to the terms of this Declaration fails to, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefore by Sponsor, either (a) to execute, acknowledge or delivery any instrument, or to take any action which such Unit Owner, Condominium Board or other Person is required to take pursuant to this Declaration, or (b) to deliver a written notice to Sponsor 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 Sponsor 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, the Condominium Board or other Person, as the case may be.

ARTICLE 17.

COVENANTS RUNNING WITH THE LAND

17.1 Covenants Running with the Land. All provisions of this Declaration, the By-laws and 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 Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance, the entering into a lease, or the entering into occupancy of a Unit shall constitute an agreement that the provisions of this Declaration, the By-laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupants; 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 Savings Clause; Invalidity. 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 to the extent possible within the restrictions of the Condominium Act, such provision 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 Law to the extent permitted under 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/or the By-laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-laws then such provisions shall be deemed included as part of this Declaration or the By-laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

17.3 Savings Clause; Insufficiency. 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 Law to the extent permitted under such Law with the same force and effect as if, immediately after the recording of this Declaration and the By-laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 18.

AMENDMENTS TO THIS DECLARATION

18.1 Amendment to Declaration. Subject to the provisions contained herein or in the By-laws with respect to amendments, modifications, additions or deletions affecting Sponsor, any provision of this Declaration affecting the 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 in Common Interest of all Unit Owners; 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, 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 pursuant to Section 18.8 below, 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, 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, Section 18.1 of this Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, pursuant to Section 18.8 below) 80% in number and 80% in Common Interest of all Unit Owners affected thereby, approve such amendment, modification, addition or deletion in the manner set forth above.

18.2 Rights of Sponsor. Sponsor shall have the right, at its sole cost and expense, and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record (or, at Sponsor's sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration (including, but not limited to, Exhibit B hereto), the By-laws, the Rules and Regulations, and/or the Floor Plans of the Condominium, as Sponsor, together with such documents, plans and maps, as Sponsor deems appropriate:

(a) to reflect any changes in Unsold Units and/or the reapportionment of the Common Interest of the affected Unsold Units resulting therefrom made by Sponsor in accordance with the terms of Article 12 hereof;

(b) required by (1) an Institutional Lender designated by Sponsor to make a loan secured by a mortgage on any Unsold Unit, (2) any governmental agency having regulatory jurisdiction over the Condominium, or (3) any title insurance company insuring title to any Unit;

(c) to correct any inconsistencies or scrivener's errors in this Declaration, the By-Laws and/or Floor Plans; or

(d) to relinquish any rights granted to Sponsor hereunder.

Provided, however, that any amendment made pursuant to the terms of subparagraph (a) or (b) of this Section shall not (i) change the Common Interest of any Unit other than a Unit owned by Sponsor, or (ii) require a material, physical modification of any Unit other than a Unit owned by Sponsor, or (iii) 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 (i) or (ii) of this paragraph) or the holder of such mortgage in the event described in (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

18.3 Rights of Unit Owners. Notwithstanding anything contained in the Condominium Documents to the contrary, if any Unit Owner, with the prior written approval of the Condominium Board, changes the size and/or number of Units owned by such Unit Owner by either (i) subdividing a Unit(s) into two or more separate Units, (x) combining a Unit into one or more Units, (y) altering the boundary walls between any adjacent Units owned by such Unit Owner, or (z) otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the owner of such Unit) which exclusively benefit a Unit into such Unit, then the Condominium Board on behalf of such Unit Owner and at the Unit Owner's sole cost and expense, shall have the right to execute, and record in the City Register's Office and elsewhere, if required by Law, any amendment to this Declaration and other documents which are necessary or appropriate to reflect the changes made by the Unit Owner, all without the approval of the other Unit Owners, provided, however, that any such amendment shall not (1) change the Common Interest or 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.

18.4 Execution of Amendments. Any amendment to this Declaration may be executed: (i) if on behalf of Sponsor pursuant to the terms of Section 18.2 hereof, by Sponsor, and (ii) 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.

18.6 Restriction on Certain Amendments. 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 the Sponsor if the same would (i) unreasonably interfere with the sale, lease, or other disposition of any Unit owned by Sponsor (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit granted to Sponsor, unless the Sponsor shall consent to such amendment in writing, or (iii) impose any discriminatory charge or fee against Sponsor, unless the Sponsor shall consent to the same in writing.

18.7 Modification of this Article. The provisions of this Article may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor o if the same relate to Sponsor.

18.8 Permitted Mortgagee Rights. No amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 19.

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 (a) Sponsor no longer owns any Units, (b) Sponsor has completed all of its obligations under the terms of the Offering Plan and (c) a PCO has been issued for the Condominium.

ARTICLE 20.

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 21.

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (a) the property description annexed hereto as Exhibit A, (b) the description of the Units annexed hereto as Exhibit B, (c) the table of definitions annexed hereto as Exhibit C, (d) the By-laws annexed hereto as Exhibit D, (e) the Unit Power of Attorney annexed hereto as Exhibit E, and (f) 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 22.

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 23.

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 24.

SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor 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 (subject to the limitation set forth for Sponsor's construction lender in the definition of Sponsor herein). The purchaser of all of the then Unsold Units at a foreclosure sale of any existing mortgage of Sponsor shall be deemed a successor of Sponsor as set forth in the preceding sentence (subject to the limitation set forth for Sponsor's construction lender in the definition of Sponsor herein). Sponsor 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 25.

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 26.

CERTAIN REFERENCES

26.1 Definitions. 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 Herein, Hereof, Hereunder. 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 References. Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 27.

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 set forth in this Declaration or the By-laws annexed hereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the ____ day of _____, 20__.

SPONSOR:

(ACKNOWLEDGEMENT)

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

On the _____ day of _____ in the year 20__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT A

DESCRIPTION OF THE LAND

EXHIBIT B

DESCRIPTION OF THE UNITS

UNIT DESIGNATION	NUMBER OF BEDROOMS/ BATHS	UNIT APPROXIMATE TOTAL SQ. FT.	BALCONY/ TERRACE APPROXIMATE TOTAL SQ. FT.	TAX LOT NO	PERCENTAGE OF COMMON INTEREST	COMMON ELEMENTS TO WHICH UNIT HAS IMMEDIATE ACCESS

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:

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

"Attorney General" means the Attorney General of the State of New York.

"Building" shall mean the building located at 151 East 78th Street, New York, New York.

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

"Bulk Sales" shall mean the transfer of 10 or more Units or 20% of the total number of Units in the Condominium, whichever is less

"By-laws" shall mean the by-laws governing the operation of the Condominium, which are set forth as Exhibit D to the Declaration, as the same may be amended or supplemented from time to time.

"Closing of Title" or "Closing" or "Closing Date" shall mean the date upon which, among other things, a Unit and its appurtenant Common Interest is conveyed pursuant to a Purchase Agreement.

"Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-laws, or in the First Year's Budget) to meet the Common Expenses.

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

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Condominium or 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, a reserve fund, a fund for working capital, or 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 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 this Declaration.

"Condominium" shall mean 151 East 78th Street Condominium, which was 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 and presently found in the 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 and the Rules and Regulations of the Condominium, as the same may be amended or supplemented from time to time.

"Construction Agreement" shall mean the form of construction agreement set forth in Part II of the Plan, as the same may be modified from time to time by the Sponsor or Condominium Board.

"Declarant" shall mean Sponsor and its successors and assigns.

"Declaration" shall mean the declaration executed by Declarant and recorded in the Register's Office for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for condominium ownership thereof, as the same may be amended or supplemented from time to time.

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

"Deposit" shall mean the payment of a portion of the Purchase Price made by a Purchaser under a Purchase Agreement in accordance with the terms thereof, prior to payment of the balance of the Purchase Price.

"DOB" shall mean the NYC Department of Buildings.

"Effective Date" shall mean the date upon which Sponsor has declared the Plan effective pursuant to the provisions of the General Business Law.

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

"Family Members" shall mean the Unit Owner's spouse, domestic partner, and any children (natural or adopted), stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of the Unit Owner, the Unit Owner's spouse or domestic partner, who in any event reside in such Unit Owner's 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 Closing" shall mean the Closing of Title with respect to the first Unit to be conveyed to a Purchaser pursuant to the terms of the Plan.

"First Year's Budget" shall mean the Section of the Plan entitled "Schedule B" – Projected Budget for First Year of Condominium Operation." The First Year's Budget is sometimes referred to herein 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 delays caused by an act of God, casualty, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor (including work stoppages and strikes), 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 reasonable control of Sponsor.

"General Common Elements" shall mean those certain portions of the Common Elements (other than the Units and the Limited Common Elements), 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 or reserve fund for working capital, and/or for replacements with respect to the General Common Elements.

"Housing Merchant Implied Warranty Law" shall mean Article 36-B of the New York General Business Law.

"Initial Control Period" shall mean the period ending on the last to occur of (i) the Closing of Title with Purchasers under the Plan to Units representing at least 95% in number of all Units offered for sale, (ii) three (3) years after the final TCO is issued for any portion of the Condominium, and (iii) the issuance of a FCO for the Condominium. Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Initial Control Period.

"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.

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

"Insurance Trustee" shall mean a bank or a trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of $500,000,000 or more, from time to time appointed to serve as such by the Condominium Board. The initial Insurance Trustee shall be AR BETA LLC for so long as AR BETA LLC continues to maintain its mortgage (or any portion thereof) on the Property. AR BETA LLC may decline such designation as Insurance Trustee at any time, on no less than thirty (30) days notice to the Condominium Board and Sponsor.

"Land" shall mean the land located in the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 1413, Lots 22 and 23 (and former Lot 123), as 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 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 which are applicable at the time in question, and all requirements of the any recorded documents affecting the Property. Any statement in the Condominium Documents to the effect that any action or use be in compliance with "Law" or any variation thereof shall be deemed to include compliance with all of the foregoing.

"Letter of Credit" shall have the meaning given to such term in the Section of the Plan entitled "Escrow and Trust Fund Requirements".

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

"Majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of the By-laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

"Managing Agent" shall mean the managing agent or manager of the Condominium at the time in question. The initial Managing Agent shall be Penmark.

"Master Escrow Account" shall mean the Goldfarb & Fleece LLP Attorney Trust Account.

"Member", "Members", or "Board Member" shall mean a member of the Condominium Board elected or designated, as the case may be, in accordance with the terms of the By-laws.

"Mortgage Representatives" shall mean the representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of the By-laws.

"Permanent Certificate of Occupancy" or "FCO" shall mean the permanent certificate of occupancy to be issued by the Buildings Department for the Condominium.

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

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

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

"Permitted Mortgagee" shall mean any holder of a Permitted Mortgage at the time in question and shall specifically include the lender which currently holds a mortgage on the Property, for so long as such lender continues to maintain such mortgage (or any portion thereof) on the Property.

"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 Section 352-e of the General Business Law of the State of New York and any and all amendments thereto.

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

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

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

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

"Purchase Price" shall mean the purchase price of a Unit.

"Purchaser" shall mean a purchaser of a Unit pursuant to a Purchase Agreement.

"Real Property Law" shall mean N.Y. Real Prop. Law § 339 et seq. (or Article 9-B of the New York Real Property Law known as the Condominium Act).

"Rear Yard" shall mean the general common element rear yard as shown on the Floorplans.

"Register's Office" shall mean the Office of the Register of the City of New York and the County in which the Property is located.

"Reserve Fund" shall mean the reserve fund set forth in Schedule B.

"Resident Manager" shall mean the superintendent for the Condominium.

"Rules and Regulations" shall mean the Rules and Regulations of the Condominium, which are annexed as an addendum to the By-laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-laws.

"Sales Center" shall mean the sales office for the 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 "Schedule B – Projected Budget for First Year of Condominium Operation". Schedule B is sometimes referred to as the First Year's Budget or the budget for the first year of Condominium operation.

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

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

"Special Assessments" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-laws), in accordance with Section 6.1(C) of the By-laws of the Condominium.

"Sponsor" shall mean Declarant, and (if applicable) a Person designated by Declarant. Pursuant to Section 20.1(c) of the Part 20 regulations of the New York State Department of Law, in the event of a foreclosure, deed in lieu or other transfer wherein Unsold Units owned by Declarant, its successors, designees or assigns become the property of the Condominium construction lender or its assignee, the Condominium construction lender shall not become a successor Sponsor unless and until it makes a public offering thereunder.

"Storage Bin" shall mean any Storage Bin located in the cellar and shall include the structural framework and materials out of which the Storage Bin is constructed.

"Temporary Certificate of Occupancy" or "TCO" shall mean a temporary certificate of occupancy to be issued by the Buildings Department for the Condominium.

"Terrace" shall mean any terrace, balcony, garden, patio, rear yard or front yard which is appurtenant to a Unit as a Limited Common Element and shall include any Facilities attached thereto that were installed as part of the original construction of the Condominium, including, but not limited to, pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures and enclosures. All such terraces,

balconies, rear yards, front yards, patios or gardens are collectively referred to as the "Terraces". The term "Terraces" shall not include the "Rear Yard", which is a general common element.

"Title Company" shall mean Riverside Abstract, LLC, having an office at 3839 Flatlands Avenue, Suite 208, Brooklyn, NY 11234.

"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 Floor Plans" shall mean the floor plans set forth as an exhibit in Part II of the Plan.

"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 Power of Attorney" shall mean the power of attorney set forth as an exhibit hereto.

"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".

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

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

EXHIBIT D

BY-LAWS

[TO BE ATTACHED PRIOR TO RECORDATION]

EXHIBIT E

UNIT POWER OF ATTORNEY

[TO BE ATTACHED PRIOR TO RECORDATION]

EXHIBIT 6

CONDOMINIUM BY-LAWS

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BY-LAWS

OF

151 E. 78th STREET CONDOMINIUM

Prepared by:

GOLDFARB & FLEECE LLP
345 PARK AVENUE
NEW YORK, NEW YORK 10154

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BY-LAWS

ARTICLE 1

GENERAL

Section 1.1 *Purpose.* The purpose of these By-laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is more particularly described in Exhibit A to the Declaration; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto, and all other property, real, personal, or mixed, intended for use in connection therewith; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-laws form a part. The purpose of the Condominium is to carry on the acquisition, construction, management, maintenance and care of the Common Elements and to perform related functions with respect to the other portions of the Property.

Section 1.2 *Definitions.* All capitalized terms used in these By-laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context 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, Permitted Users, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-laws and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-laws and the Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5 *Principal Office of the Condominium.* The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

CONDOMINIUM BOARD

Section 2.1 *General.* As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-laws, the Condominium Board shall act as, and shall be, the agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-laws.

Section 2.2 *Status of the Condominium Board.* Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 *Principal Office of the Condominium Board.* The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 *Powers and Duties of the Condominium Board*

(A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith, (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel;

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for 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 (including the right to specially allocate certain profits and expenses based on special or exclusive use or availability or exclusive control of particular Units or common areas by particular Unit owners in a manner different from common profits and 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); and (b) (i) 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) or (ii) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Limited 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 the previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interests of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file against such Unit Owner's Unit;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefore 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, (b) the funding of a reserve fund or working capital fund, and/or (c) the making of restorations, additions, alterations and improvements to the Common Elements, subject to (v) above;

(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 Unit pursuant to the terms of paragraph (D) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase, lease, or otherwise acquire Units offered for sale, lease or assignment by their owners, 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;

(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 Units and Storage Bin Licenses acquired by, and to sublease Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the interest appurtenant to any such Unit;

(xvii) to adopt and amend the Rules and Regulations and to levy and authorize collection of fines against Unit Owners for violations of the 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) and to adopt and amend Rules and Regulations relating to use by Unit Owners of any common facilities (such as the Fitness Center, rear yard, and Library), including rules

establishing and implementing fees and security deposits for use of the common facilities;

(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 Condominium and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

(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 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 Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said 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 reasonable attorney's fees, shall be borne by such Unit Owner;

(xxv) to establish policies and procedures and impose move-in fees and charges and transfer fees in connection with the sale, lease or alteration of a Unit

and/or Storage Bin Licenses, provided no such fees or charges or other conditions of transfer or lease may be imposed upon Sponsor;

(xxvi) to maintain the Resident Manager's unit and otherwise deal in any way with respect to such Resident Manager's unit;

(xxvii) to prepare, execute and administer Storage Bin Licenses and assignments thereof;

(xxviii) to take any actions required to comply with the obligations of the Condominium under any recorded documents affecting the Condominium, including, but not limited to, the obligations of the Condominium to comply with the obligations set forth in that certain Zoning Lot Development Agreement dated as of June 27, 2013, and recorded as CRFN 20130709003180600l in the New York County Office of the Register of The City of New York, as the same may be amended;

(xxix) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-laws; and

(xxx) to adjust the First Year's Budget to reduce the Common Charges if the services or facilities anticipated to in place at the First Closing are not available at the First Closing; and

(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, During the first five (5) years following the First Closing, and so long as Sponsor continues to own at least 25% in number of all Units, 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 of, addition to, 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 Year's 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;

(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.

(B) Notwithstanding anything to the contrary contained in these By-Laws, the Condominium Board shall not take any of the following actions unless all members thereof shall approve the same in writing or by vote at a duly constituted meeting called for such purpose;

(i) increase the number, or change the type, of employees from those hired at the time of recording the Declaration;

(ii) provide for new or additional services from those being provided at the time of recording the Declaration;

(iii) impose any Common Charge or Special Assessment for the purpose of making any capital or major improvement, alteration, or addition to the Common Elements or to any Unit, unless required by Law; or

(iv) establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements, or replacements, other than a reserve for contingencies to be used within a period of twelve months from the date such reserve is established, not exceeding 5% of the budgeted operating expenses for the ensuing twelve months of operation.

Section 2.6 *Exercise and Delegation of Powers and Duties.*

(A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board may appoint an executive committee by duly adopted resolution, which executive committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6. The executive committee and each other committee shall consist of three (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 of the Unit Owners held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of three (3) individuals, all of whom are to be designated from time to time by Sponsor. From and after the first annual meeting of the Unit Owners, at all times during the Initial Control Period, Sponsor shall have the right to designate two (2) of the three (3) Members to the Condominium Board, and Sponsor, and all other Unit Owners shall have the right to vote for the remaining Member of the Condominium Board. Subsequent to the Initial Control Period, and for so long as Sponsor continues to own at least one (1) Unsold Unit, Sponsor shall have the right to designate one (1) Member to the Condominium Board, and shall have the right to vote its Common Interest attributable to the Unsold Units for the remaining Members of the Condominium Board. Except for Members designated by Sponsor pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all Members of the Condominium Board shall be either: (i) individual Unit Owners or adult family members of an individual Unit Owner; (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 Members of the Condominium Board must be owner-occupants of the Condominium 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 three (3) Members of the Condominium Board designated by Sponsor prior to the first annual meeting of the Unit Owners shall expire when the three (3) 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 three (3) individuals elected and qualified or designated, as the case may be, at the first annual meeting of the Unit Owners 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 Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board,

pursuant to the terms of Section 2.10 hereof, may be removed from office with or without cause, by a vote of a Majority of Unit Owners. Any Member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat. 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.

(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 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 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.

(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 Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 *Organizational Meeting of the Condominium Board*. The first meeting of the Condominium Board following each annual meeting of the Unit Owners shall be held within 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, except as otherwise expressly set forth in these By-laws. To constitute a quorum of the Condominium Board, a majority of all of the Members of the Condominium Board must attend the Condominium Board meeting for any business relating to the Common Elements, the Common Expenses, or, all or a portion of the 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 or attendance 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 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 to the Common Elements, the Common Expenses, or, all or a portion of the 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 was 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 of Board Members and Officers.* To the extent permitted by Law, the Members of the Condominium Board and the officers thereof 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 4.14 hereof. This indemnification obligation below shall include all actions taken by Condominium Board Members and officers. 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). To the extent permitted by Law, the Members of the Condominium Board and officers thereof shall have no liability to Unit Owners except that a Member of the Condominium Board (and officers thereof) shall be liable for such Member's (or officer's, as the case may be) own bad faith or willful misconduct. All Unit Owners shall jointly, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Member of the Condominium Board and the officers thereof against any liability or claim except those arising out of such Member's (or officer's) own bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any Member or officer 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.

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 or designated 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 of the Unit Owners shall be held approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan of Units representing at least 50% in both number and aggregate Common Interests of all Units offered for sale. At such meeting, a three (3) 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 meeting signed by Unit Owners having, in the aggregate, not less than 40% of the Common Interests of all Unit Owners. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 *Place of Meetings*. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough in which the Property is located as may be designated by the Condominium Board.

Section 4.4 *Notice of Meetings*.

(A) The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery or mail 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. All notices sent pursuant to the terms of this Section 4.4 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 State Postal Services depository located outside of the State of New York shall be deemed to have been given when received.

(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 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 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. No proxy shall be effective for a period in excess of 6 months after the date thereof, except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s).

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 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 one 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 Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Unit(s) owned by the voting Unit Owner; (iii) the percentage(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 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 two (2) of the three (3) Members to the Condominium Board, and Sponsor, and all other Unit Owners shall have the right to vote for the remaining Member of the Condominium Board. Subsequent to the Initial Control Period, and for so long as Sponsor continues to own at least one (1) Unsold Unit, Sponsor shall have the right to designate one (1) Member to the Condominium Board, and shall have the right to vote its Common Interest attributable to the Unsold Units for the remaining Members of the Condominium Board. There is no restriction on the right of the Sponsor to vote for Members of the Condominium Board who are not related to or affiliated with the Sponsor.

(E) Within 30 days after the Initial Control Period, Members of the Condominium Board who were designated by Sponsor shall resign (but such resignation shall not vitiate Sponsor's continuing right to designate one (1) Member to the Condominium Board for so long as Sponsor continues to own at least one (1) Unsold Unit) and the replacement Members shall be filled by a vote of the Unit Owners (including Sponsor for so long as Sponsor shall own any Unsold Unit) at a special meeting called for such purpose.

Section 4.10 *Action Without a Meeting.* Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both in absolute number and aggregate Common Interests whenever applicable) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.11 *Title to Units.* Title to any Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate. 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) may at the Condominium Board's discretion require any and all documents and security as are

reasonably requested 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 4.12 *Contractual Liability of Unit Owners.* Every contract made by the Condominium Board, by any officer of the Condominium, or by the Managing Agent of the Condominium 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 Common Elements, and (ii) 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 (and all associated equipment) 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 of such Unit at such Unit Owner's sole cost and expense;

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 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 Limited Common Elements shall be performed (a) by the Condominium Board as a General Common Expense, if involving structural or extraordinary maintenance, repairs, or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Unit Owner having direct and exclusive access thereto), or (b) by the Unit Owner having direct and exclusive access thereto at such Unit Owner's sole cost and expense, if involving 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 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 Condominium (including, cleaning and snow and ice removal) as if the sidewalks were General Common Elements. Each Unit Owner shall be responsible for the maintenance and repair of any ranges and range hoods within the Units. Any Unit Owner modifying or replacing a range hood must maintain and replace the interlock during any such work. The exterior and interior glass surfaces of all windows located in any Unit shall not be colored, painted or otherwise modified by the Unit Owner. All exterior and interior glass surfaces located in any Unit shall be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. Any replacement of glass windows in any Unit because of breakage or otherwise shall be made by the Unit Owner thereof, each 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 Condominium and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Condominium, as determined by the Condominium Board in its sole discretion, by (i) the Condominium Board, with respect to such parts of the Condominium required to be maintained by it, and (ii) each Unit Owner, with respect to the interior surfaces of windows as well as shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Unit Owner's Unit. No neon, strobing, flashing or abnormally bright and/or disruptive lighting, shall be visible from the exterior of any window of any Unit. 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 owners of any Unit with a Terrace shall be responsible to (i) maintain the planters and plantings, located on such Terraces, in good repair and condition, and (ii) replace such plantings when necessary with plantings of substantially similar height and width and in accordance with "Planting Specifications" to be adopted by the Condominium Board. Terraces located on the ground floor shall be serviced by a general irrigation system that services all ground floor landscaped areas of the Condominium, and Unit Owners shall be prohibited from interfering with such general irrigation system.

(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 Unit Owner may make any structural alteration, addition, improvement or repair, in or to the Unit or its appurtenant 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 for all work other than the below defined Decorative Work, the Condominium Board may, at its sole option, require the 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 a Construction 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 form of which is set forth in the Plan. 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 Unit Owner shall employ only such laborers and other workers as shall not conflict with any other worker employed in the Condominium or otherwise cause disharmony with any Condominium service union. Unit Owners shall not be permitted to engage any Condominium staff or any contractors or sub-contractors engaged by either the Condominium Board or Sponsor in connection with a Unit Owner's alterations, additions, improvements or repairs to such Unit without the prior consent of the Condominium Board. The Condominium may impose charges upon the Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the Unit Owner's request for approval and in monitoring the work performed until completion and a fee payable to the Managing Agent for processing the alteration application. The current form of Construction Agreement is set forth in Part II of this Plan as an exhibit. Purchasers are advised that any alterations or work in or to a Unit must be performed in a manner to maintain the original

floor and demising wall acoustical performance, including a sufficient underlay on floor slabs. Every Unit Owner performing a non-structural alteration, addition, improvement or repair shall also execute a Construction Agreement, although Board approval shall not be required with respect to interior, nonstructural, aesthetic alterations ("Decorative Work") which (i) are not visible from outside the Unit, (ii) will not affect any of the Common Elements including, without limitation, the Limited Common Elements and the electrical, plumbing, sprinkler, HVAC, elevator, mechanical and all other systems serving the Condominium or the Unit, and (iii) do not require a Permit (as hereinafter defined). Under no circumstances shall a 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 such Unit Owner under the Condominium Documents.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor shall have the right, pursuant to the terms of Article 12 of the Declaration, to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Unit and/or its appurtenant 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 Units, all without the approval of the Condominium Board or the execution of a Construction Agreement. Notwithstanding the foregoing, all Unit Owners, including Sponsor, prior to the making of any alteration, addition, improvement or repair in or to their respective Unit and its appurtenant Limited Common Elements, if any, must (i) procure and maintain such insurance as the Condominium Board may reasonably require, (ii) indemnify the Condominium Board, the Members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners 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 Unit or its appurtenant Limited Common Elements (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant 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, or the alterations, improvements, additions, or repairs therein described; (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 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 Condominium, no Unit Owner (other than Sponsor, to the extent Sponsor is the owner of any Unit) shall make any alterations in or to the Unit or its appurtenant Common Elements without first entering into a Construction Agreement.

(F) If any Unit Owner commences any such alterations, additions, improvements and repairs in violation of the foregoing terms and conditions, or fails to comply with the requirements of the Construction Agreement, Sponsor shall be entitled to all rights and remedies set forth in the Construction Agreement, including the right to cause such work by the Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Condominium to the Unit Owner's workers and suppliers, until the Unit Owner complies with the same. During the period until the Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to perform any and all work in and to the 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 Condominium (or any amendment to, or extension of, the certificate of occupancy if theretofore issued), 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 Unit Owner. The cost and expense of any such work performed by Sponsor shall be borne by such 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.* (a) Except as otherwise provided in the Declaration or in these By-laws, all necessary or desirable repairs, 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 Common Expense attributable to all Unit Owners. Notwithstanding the foregoing, however, whenever the cost and expense of such repairs, alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $500,000, at any one time, in any fiscal year, such proposed repairs, alterations, additions or improvements shall not be made unless first approved by the Unit Owners (including Sponsor if Sponsor then owns any Unsold Unit) owning 66 2/3% of the aggregate Common Interests, at a duly constituted meeting of the Unit Owners or the Unit Owners, as applicable, and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration, and in these By-laws, all such repairs, alterations, additions, or improvements costing $500,000 or less, in any fiscal year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to any of the Common Elements, regardless of the cost thereof, unless the prior written consent of Sponsor is first obtained, provided, however, that Sponsor's written consent is not necessary if such additions, alterations, or improvements to the Common Elements is required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's issuer. In no event will the limitations imposed in the preceding sentence continue beyond the earlier to occur of (i) 5 years from the First Closing or (ii) such time as Sponsor no longer owns 25% in number of all Units.

Section 5.4 *Insurance.*

(A) If the same shall be obtainable, the Condominium Board shall obtain, and shall maintain in full force and effect, special multi-peril insurance policies including fire with extended "all risk" coverage, replacement cost coverage and agreed valuation, vandalism and malicious mischief endorsements, insuring the entire Condominium (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 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 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 its own Unit or its Limited Common Elements, and any Storage Bin License, if any);

(ii) rent insurance;

(iii) worker's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance;

(v) flood insurance, and water damage insurance;

(vi) directors and officers liability insurance for the Condominium Board and officers;

(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 Condominium, 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 $2,000,000 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 Common Expense.

(E) For so long as Sponsor owns at least 1 Unsold 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, including, without limitation, the flooring, fixtures, furniture, furnishings, equipment,

appliances and personal property situated within the Unit and the Limited Common Elements appurtenant thereto, and liability insurance with respect to acts occurring therein. Each Unit Owner shall be required to maintain insurance for any Storage Bin it licenses in amounts sufficient to cover the property located 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, Sponsor, and Managing Agent as additional insureds.

Section 5.5 *Casualty or Condemnation.*

(A) In the event that either (i) the Condominium or any part thereof is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain ("Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss, or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be $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 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, and/or its appurtenant 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 Condominium (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 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 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, 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, 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 Condominium 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, 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 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 appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Limited Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant Limited Common Elements, if any, prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest, appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and 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, of such Unit, and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests, of the other 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 or the Insurance Trustee 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. 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 Condominium, 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) General. 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) Use of Units.

(i) Subject to the terms of paragraphs (C) and (D) of this Section 5.7, each Unit shall be used for residential use only (excluding "dormitory", "bed and breakfast" or other transient hotel-type use) and "home occupation" use ancillary to such residential purposes (as defined in the Zoning Resolution of the City of New York), and not more than one family may occupy a Unit at one time. A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity (including, but not limited to, embassies and consulates of foreign governments) may only be occupied by an 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 an individual fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners and 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 the Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any such Unit by such Family Members or guests). Notwithstanding the foregoing, Sponsor (or, when there are no longer any Unsold Units, the Condominium Board) may, in its sole discretion, permit Persons other than those set forth above to occupy a Unit. In no event, however, shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased.

(C) The Condominium Board may, in its sole discretion, consent to the use of a Unit as a professional or business office or for any purpose other than that set forth in paragraph (B) hereof, provided that the nature and manner of such use complies with Law and does not violate the then existing certificate of occupancy covering the Condominium. Any such consent shall be in writing and shall be personal to such Unit Owner. Any lessee of, or successor in title to, such Unit Owner shall be required to obtain the prior written consent of the

Condominium Board before using such Unit for any purpose other than that set forth in paragraph (B) hereof.

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(x) grant permission for the use of any Unsold Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and the user thereof complies with Law; and

(y) use any one or more Unsold Units as model Units and offices for the sales promotion, rental, management and operation of the Unsold Units or for any other purpose, subject only to compliance with Law.

(E) Use of Storage Bins. Storage Bins may be used only for the storage of personal effects of a Unit Owner who has executed a Storage Bin License, 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 a nuisance, be stored therein. Storage Bins may not be assigned (except as otherwise set forth in the Declaration or Bylaws) or sublet, nor altered or subdivided, without the prior written consent of Sponsor and the Condominium Board. Sponsor shall have the right to use any unassigned Storage Bin for any purpose permitted by Law or to change the permitted use of any unassigned Storage Bin, subject, however, to the provisions of the By-laws. Unit Owners may not store any property in the Storage Area outside of their Storage Bin, or allow any other Person to use the Storage Bin except in accordance with the terms of the Declaration, By-Laws, and Rules and Regulations. Unit Owners shall be obligated at their sole cost and expense to obtain and maintain insurance covering their respective Storage Bins in amounts sufficient to cover the property located therein. 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 Bin and the Storage Area. The Condominium Board and its agents and employees shall have the right, but not the obligation, to open the Storage Bin in an emergency at any time, and, at other reasonable times upon prior notice to the Unit Owner having ownership of the Storage Bin, to inspect and examine the Storage Bin, and the Storage Area, and to make any such repairs, replacements and improvements as the Condominium Board shall deem necessary.

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 Condominium and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Elements (except for those areas designated as Storage Areas) without the prior written consent of the Condominium Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for access and 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 Units, which Units are the only Units serviced or benefited by any Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any residential hallway that is directly adjacent to any such

Units located on opposite sides of such hallway) shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed, but subject to compliance with all requirements regarding alterations), have the right to use such Common Elements exclusively, as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such event, however, such owner or owners shall, at such owner's or their sole cost and expense, both (i) operate, maintain and repair such Common Element for so long as such owner or owners (or their successors) exercise such exclusive right of use and (ii) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor for so long as there are any Unsold Units. Sponsor shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor on or about any portion of the Common Elements chosen by Sponsor including, the area adjacent to the main entrances of the Condominium; (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 Units, to complete any work or repairs to the Condominium 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) The Condominium Board has the authority to promulgate additional rules regarding the use of and access to the Storage Bins and the procedures for assigning such Storage Bins. A Unit Owner may transfer or surrender a Storage Bin License to the Condominium Board which shall be authorized to reissue such Storage Bin License to another Unit Owner for such consideration as the Condominium Board shall deem appropriate.

(E) Notwithstanding anything to the contrary contained in this Section 5.8, Sponsor may, without the consent of either the Condominium or the Unit Owners, use any unlicensed Storage Bin for any purpose, provided such use is permitted by Law, without being required to enter into a Storage Bin License.

Section 5.9 *Rights of Access.*

(A) Each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the Manager or to any other Person authorized by any of the foregoing a right of access (including the right of forced entry if required in the discretion of the party seeking such entry) to the Unit and its appurtenant Limited Common Elements, if any, and any Storage Bin, for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Units, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in 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 or elsewhere in the Condominium;

(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 Condominium or for the safety of the occupants of the Condominium or other individuals, or required to avoid the suspension of any necessary service in the Condominium), 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 use of the Units and their appurtenant 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 its Unit and its appurtenant 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 Limited Common Elements, if any, in such a manner as will unreasonably interfere with the use of such Unit and its appurtenant 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 5.10 *Modification of the Rules and Regulations.* The Condominium Board shall have the right to amend, modify, add to, or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of at least 66 2/3% of all Unit Owners, in number and Common Interest. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulations shall be furnished to all Unit Owners not less than 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 Rules and Regulations if the same would materially and adversely affect Sponsor, without the prior written consent of Sponsor.

Section 5.11 *Real Estate Taxes*. Unless and until real estate taxes are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes as a 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 5.12 *Fuel (Gas)*. Unless and until fuel (gas) is billed directly to Unit Owners by the supply company, or until submeters are installed, in accordance with and subject to the provisions of the Plan, the cost and expense of fuel (gas) 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 the Unit Owners as a Common Expense for such portion attributable to the 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 Common Expense.

Section 5.13 *Water Charges and Sewer Rents*. Unless and until water is separately metered in a Unit and water charges and sewer rents are billed directly to a Unit Owner by the City Collector, in accordance with and subject to the provisions of the Plan, the cost and expense of water serving or benefiting a Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: the Unit Owners as a Common Expense for such portion attributable to the Units and/or Common Elements. In addition, the cost of submetering shall be a Common Expense.

Section 5.14 *Electricity*.

(A) Electricity for each Unit shall be either individually direct metered or submetered for each Unit (or portion thereof).

(B) If individually direct metered, each Unit Owner shall be required to pay the billing utility directly for electricity consumed in such Unit Owner's Unit (or portion thereof).

(C) If the Units are submetered, each Unit Owner shall be required to pay bills for electricity consumed in such Unit Owner's Unit to the Condominium Board 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 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 Unit Owners as Common Charges. In addition, the cost of submetering shall be Common Expense.

(E) Any disputes with respect to submetering rates and billing must be submitted to Arbitration pursuant to Article 10 of these By-laws.

Section 5.15 *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.

Section 5.16 *Obligations of the Condominium under ZLDA.* Sponsor and [redacted] a neighboring landowner (together with its successors and assigns, the "Neighbor"), have entered into a certain Zoning Lot Development Agreement dated as of June 27, 2013, and recorded as CRFN 20130709003180600l in the New York County Office of the Register of The City of New York (the "ZLDA") to create a combined zoning lot in order to make a portion of excess floor area development rights owned by Neighbor available to Sponsor so that the Condominium may be constructed. The building on the Neighbor's site currently has a chimney that may be required to be extended in compliance with applicable law as a result of the construction of the Condominium. Sponsor has agreed to construct, install and maintain the chimney extension and the Neighbor has granted to Sponsor a chimney easement to the extent the same is necessary to maintain such chimney extension of the chimney on the Neighbor's building, as more particularly described in the ZLDA. This obligation of Sponsor to construct and maintain the chimney extension shall become an obligation of the Condominium at the first Unit Closing. All costs associated with compliance with the ZLDA following the First Unit Closing shall be General Common Expenses assessed to all Unit Owners. The Condominium shall indemnify Sponsor from and all loss, cost or expense in connection with the obligations of the Condominium with respect to the ZLDA.

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, and 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, 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 the Sponsor's prior written consent, or eliminating or reducing 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 the 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 Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests, except with respect to any Special Assessments relative to the Storage Licenses which shall be levied only against the licensees of such Storage Bin Licenses in equal shares relative to the number of such Storage Bin Licenses. 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) A Reserve Fund will be established by the Condominium for the sole purpose of payment of costs and expenses related to capital reserves and replacements for Condominium systems and components.

(E) 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, Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners and shall be collected on behalf of the Unit Owners by the Condominium Board and applied against the Common Expenses attributable to the Common Elements 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 Common Expenses attributable to the 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, and any such distributions must be made out of the Common Charges collected from Unit Owners.

Section 6.2 *Payment of Common Charges.*

(A) All Unit Owners (including Sponsor with respect to Unsold Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent permitted by Law, to any liens for real estate taxes assessed against such Unit and any sums unpaid on a Permitted Mortgage recorded against the Unit.

(B) Notwithstanding anything to the contrary contained in paragraph (A) above, during the Initial Control Period, the Condominium Board, in its sole discretion, shall have the right to waive all Unit Owner's obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided during such period, the basic operating costs of the Condominium (exclusive of reserves) are paid from the working capital fund and any balance by Sponsor. Sponsor further reserves the right to collect the full amount of Common Charges from all Unit Owners (including Sponsor with respect to Unsold Units) and refund a portion of such Common Charges in the event the actual costs to operate the Condominium prove to be less than the full amount of Common Charges provided for in the First Year's Budget of the Condominium.

(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. Any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure sale or from the defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time 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 therefore, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit. However, in no event shall Sponsor be permitted to convey any Unsold Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Unit thereafter accruing unless the aggregate Common Interests then appertaining to the Unsold Units constitute 15% or less of the total Common Interests then appertaining to all 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 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 (D) 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 therefore from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 6.4 *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 upon demand 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. If 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 reasonable attorney's 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, reasonable 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 reasonable attorney's 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 reasonable attorney's 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; ASSIGNMENT OF STORAGE BIN LICENSES

Section 7.1 *General.* Subject to the terms of Section 7.5 hereof, each Unit Owner may (i) sell the Unit and (ii) lease the Unit for periods of not less nor more than one (1) year, provided however, no Unit Owner may sell or lease the Unit except in compliance with the applicable provisions of this Article 7 and the policies and procedures established by the Condominium Board. Any purported sale or lease 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 leasing Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized lease) in the name of such Unit Owner. Such Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Section 7.2 *Right of First Refusal.*

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Unit together with its Appurtenant Interests and any lease of a 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 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 Unit, together with its Appurtenant Interests, or to lease the Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be a 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. which may include, but shall not be limited to, security search documentation with respect to an Outside Offeror.

(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 Unit together with its Appurtenant Interests or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any 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, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by Law in connection with its exercise of its right of first refusal with respect to the sale or lease of a 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 Unit together with its Appurtenant Interests, to lease such Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale Agreement or Lease Agreement, at the office of the attorneys for the Condominium Board within 45 days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Unit 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 Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale Agreement, the Condominium Board may purchase the Unit and assume or take title thereto subject to such mortgage or mortgages as the case may be. At the Closing of Title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale (including, if applicable, all New York State and New York City Real Property 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 Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit and the entire Property, as herein provided.

(C) In the event that such Unit is to be leased by the Condominium Board or its designee on behalf of all Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 *Failure to Accept Offer.*

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within 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 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 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 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 Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing

Agent to furnish without charge, such certificate upon written request to any Unit Owner in respect to whom the provisions of Sections 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of 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 Unit, together with its Appurtenant Interests, by:

(i) the 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 Unit Owner is an infant or a person judicially declared incompetent of managing affairs, then such Unit shall be held by the personal representative of such infant or incompetent, or in the case of a Unit Owner that is not an individual, to any entity or individual that owns more than 50% of the legal and beneficial interests of such Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof;

(ii) Sponsor;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or

(v) any Permitted Mortgagee or its nominee, who has acquired title to any Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction;

provided, however, that each succeeding Unit Owner shall be bound by, and the Unit shall be subject to, all of the terms and conditions of this Article 7.

Section 7.6 *No Severance of Ownership.* No Unit Owner shall execute any deed or other instrument conveying title to 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 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 Units shall not apply to the sale lease, sublease, license or conveyance of a Unit by the reasons set forth in subsections 7.5(B) (ii), (iii), (iv) and (v) 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 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 so violating this Article 7 as an additional Common Charge.

Section 7.12 *Assignment of Storage Bin Licenses.*

(A) No Unit Owner shall be permitted to assign, convey or lease a Storage Bin to anyone other than a Unit Owner (or who is becoming a Unit Owner simultaneously with assuming such Storage Bin License). Such licenses may be assigned by a Unit Owner at any time (and are not subject to any right of first refusal by the Condominium Board) provided (i) the assignee is a Unit Owner at the Condominium; (ii) the assignee assumes the obligations under the Storage Bin License; (iii) notification of the assignment is promptly delivered to the Condominium Board in compliance with its requirements; and (iv) all unpaid Common Charges and Special Assessments, license fees (if any) under such Storage Bin License and other obligations due to the Condominium and Sponsor with respect to the Storage Bin License and the transferor's Unit have been paid in full.

(B) If the Condominium Board terminates a Storage Bin License or a Unit Owner surrenders a Storage Bin License without assigning the Storage Bin License to another Unit Owner, the Condominium Board shall have the right to issue a new Storage Bin License for such Storage Bin to another Unit Owner, in its sole discretion and the surrendering Unit Owner shall not be entitled to any compensation.

(C) To protect the security of the Condominium, no Storage Bin can be owned or licensed independently of the ownership of a Unit, and Storage Bin may be licensed only to another Unit Owner or Purchaser who is simultaneously purchasing a Unit; provided, however, that the foregoing restrictions shall not apply to Sponsor.

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 restrictions, terms and conditions relating to mortgaging a Unit contained in this Section 8.1, however, shall not apply to Sponsor.

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) The mortgage shall be substantially in the form of the New York Board of Title Underwriters form of mortgage (or other form reasonably acceptable to the Condominium Board) except for such changes or additions as may be required to permit a lender to make the loan, or such other forms customarily used by Institutional Lenders making loans more secured by individual residential condominium units.

(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.* Whenever requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such 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 the Permitted Mortgagee, any other default by the Permitted Mortgagee's mortgagor or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any 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 all liens on such Unit Owner's Unit in order of priority of such liens, as set forth in Section 6.5(C) above, including, to the extent proceeds are available, payment to such Permitted Mortgagee of any net proceeds of any foreclosure sale of such Unit or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 *Performance by Permitted Mortgagees.* Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by the Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 *Examination of Books.* Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6 *Consent of Mortgagees; Designation of Mortgage Representatives.*

(A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against Unit Owner's mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-laws, the decision of a majority of the Mortgage

Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than 3 Mortgage Representatives by giving written notice thereof to the Condominium Board, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-laws. Any designation of a Mortgage Representative pursuant to the terms of this Paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by Law, no holders of mortgages (which are not Institutional Mortgages) shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-laws.

Section 8.7 *Notice to Permitted Mortgagees* .

(A) Whenever requested by a Permitted Mortgagee, the Condominium Board shall provide timely written notice to such Permitted Mortgagee of (i) any condemnation or casualty loss that affects either (x) a material portion of the Condominium or (y) a material portion of a Unit, (ii) a lapse, cancellation or material modification of any insurance policy maintained by the Condominium, and (iii) any proposed action by the Condominium Board that requires the consent of a specified percentage of Permitted Mortgagees or the approval of the majority of the Mortgage Representatives.

(B) In no event, however, shall the Condominium Board (including its members, officers, agents, attorneys and employees) and Unit Owners be liable for any claims or liabilities and expenses for any failure through oversight or negligence, in giving a Permitted Mortgagee any notice required under (A) above. Nonetheless, the Condominium Board shall give such missed notice with reasonable promptness after discovering such failure.

(C) Where the consent of the Permitted Mortgagees or Mortgage Representatives is required pursuant to the terms of the Declaration or By-laws, if the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the required consent, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 *Self Help*. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, including, without limitation, any breach of Unit Owner's obligation to paint, decorate, maintain, repair, or replace the Unit or its appurtenant Limited Common Elements, if any, pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within five (5) days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five (5) day period and, thereafter, to

prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common Elements, if any, and summarily to abate, remove, or 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 Condominium or for the safety of the occupants of the Condominium or other individuals or is required to avoid the suspension of any necessary service in the Condominium, 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 shall give to Sponsor the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 *Remedies Cumulative.* The remedies specifically granted to the Condominium Board or to Sponsor in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 *Costs and Expenses.* All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, 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 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 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 9.4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1. *Procedure.* Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or 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 one (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 ten (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 five (5) principals or partners whose principal office is located in the City of New York and has at least ten (10) years experience with mixed-use projects in Manhattan, 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 Common Expenses to be borne by all Unit Owners.

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 Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(A) 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 or first class mail to the Managing Agent (if any) at its principal office address as aforesaid.

(B) if to a Unit Owner other than Sponsor, to such Unit Owner at Unit Owner's address at the Property.

(C) if to Sponsor, to Sponsor at its principal office as set forth in the Plan, together with a copy to Goldfarb & Fleece LLP, 345 Park Avenue, New York, New York, 10154, Attention: Neal A. Weinstein, Esq.

(D) 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 Services 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.*

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 and/or any Permitted Mortgagee, any provision of these By-laws affecting the 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, either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.13 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage (where applicable) of Unit Owners approved the amendment, modification,

addition, or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.13 hereof, in which Secretary's Certification there shall be described the number and percentage (where applicable) of Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-laws with respect to Special Amendments:

(i) the Common Interest appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.5 hereof; and

(ii) the terms of Section 5.7 (Use of Units) 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, without the consent of the Condominium Board or the Unit Owners, shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor, as 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 certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or the 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 unless and until Sponsor 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 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 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 or refuses, within ten (10) days (or sixty (60) days, with respect to a Permitted Mortgagee) after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to these By-laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If the Condominium Board or other Person that is subject to the terms of these By-laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days (or sixty (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, as the case may be, then Sponsor, 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 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 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.

Section 14.6 *Gender; Singular/Plural.* 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 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.* All of the Units are and will be used by individuals for residences.

ADDENDUM TO THE BY-LAWS

RULES AND REGULATIONS

1. The sidewalks, entrance passages, public halls, vestibules, elevators, corridors and stairways of or appurtenant to the Condominium shall not be obstructed or used for any purpose other than ingress to and egress from the Units.

2. No bicycles, rollerblades, scooters, skateboards or similar vehicle shall be taken into or from the Condominium 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. 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 Condominium.

3. All service and delivery persons will be required to use the service entrances or such other entrances of the Condominium designated by the Condominium Board or the Managing Agent. In addition, all domestic employees, messengers and tradespeople visiting the Condominium 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 elevators for any purpose, provided, however, that care givers in the employ of 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 Condominium 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 Condominium, nor shall any fire exit thereof be obstructed in any manner.

6. No 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 Condominium.

7. No refuse from the Units shall be sent to the service area of the Condominium, 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 Condominium, and no 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 Condominium.

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 Condominium.

10. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Condominium, or the contents thereof. No Unit Owner shall permit anything to be done or kept in the Unit or in the Common Elements that will result in the cancellation of insurance on the Condominium, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in the Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of the Unit.

11. There shall be no barbecuing in the Units, in their appurtenant Limited Common Elements, if any, or the Common Elements, except on Terraces or in the rear yard, in compliance with Law.

12. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from the Unit or its appurtenant Limited Common Elements, if any, or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated any device that plays music (i.e, phonograph, CD player, MP3 player), radio, television set, or other loudspeaker in such Unit Owner's Unit or its appurtenant 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 Condominium, and in no event shall any 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 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, small reptiles, and fish (which do not cause a nuisance, health hazard or unsanitary condition) shall be permitted, kept or harbored in a Unit without the same in each instance having been expressly permitted in writing by the Sponsor or the Condominium Board. Such consent, if given, shall be revocable by the Sponsor or the Board at any time, with or without cause. In no event shall there be maintained in a Unit more than 2 pets without the consent of the Condominium Board, nor shall any animal be permitted in any public elevator, other than the elevators designed by the Condominium Board or Managing Agent for that purpose, or in the public portions of the Condominium, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. Each Unit Owner who keeps any type of pet in such Unit Owner's Unit may be required to enter into an agreement with the Condominium Board regarding pets as the Condominium Board may deem suitable, indemnifying and holding harmless the Condominium, all Unit Owners and Managing Agent from all claims and expenses resulting from acts of such pet.

14. No group tour, open house or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit, without the consent of the Condominium Board or the Managing Agent in each instance. In the event that any Unit shall be used for home occupation purposes in conformance with the Declaration and the By-laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

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 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 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 Unit be colored or painted.

17. No ventilator or air conditioning device shall be installed in any Unit or its appurtenant Limited Common Elements, if any, without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

18. No radio or television aerial shall be attached to or hung from the exterior of the Condominium, 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 Condominium, except such as are permitted pursuant to the terms of Declaration and/or the By-laws or shall be projected from any window of a 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 Condominium 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 Unit.

21. Each Unit Owner shall keep its Unit and its appurtenant Limited Common Elements, if any, in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-laws.

22. Any access doors located in various portions of the ceiling of the Units (if any) 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, may enter any Unit at any reasonable hour of the day, on at least 1 day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests, however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

24. The Condominium Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to the Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-laws, and

has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

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 Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rules 23 and 24 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

26. 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(s) of the Condominium unless such roof is part of a lawful Terrace.

27. No occupant of the Condominium shall send any employee of the Condominium or of the Managing Agent out of the Condominium on any private business.

28. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

29. No Unit Owner shall install any plantings on any Terrace or roof without the prior written approval of the Condominium Board. Unit Owners shall not exceed the maximum load designed for the Terrace. Plantings shall be placed in containers impervious to dampness and standing on supports at least two inches from the Terrace or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the containers to draw off water. In special locations, such as corner abutting a parapet wall, plantings shall 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. Any 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 Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such 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 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 Unit Owner shall enclose, erect a greenhouse and/or alter a Terrace (including, but not limited to, installing speakers) appurtenant to a Unit in any way, without the prior written consent of the Condominium Board.

31. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board and the Managing Agent.

32. 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.

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EXHIBIT 7

UNIT POWER OF ATTORNEY

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UNIT POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the declaration (the "Declaration") establishing a plan for condominium ownership of the premises known as the 151 East 78th Street Condominium (the "Condominium"), and by the street number 151 East 78th Street, New York, New York 10075 under Article 9-B of the Real Property Law of the State of New York, dated _____, ___, and recorded in the New York County Office of the Register of The City of New York on _____, _____ under CRFN #_____, or (b) in the By-laws of the Condominium ("By-laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Unit Power of Attorney as in the Declaration or the By-laws.

A. 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 ___ 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 administrative and tax certiorari proceedings on behalf of the Unit Owners for the reduction of the assessed valuation of their Units, such Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire or lease or license any Unit, together with its Appurtenant Interests, whose owner desires to sell, convey, transfer, assign, lease or surrender same or acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale (whether pursuant to a foreclosure of the lien granted by Section 339-z of the Condominium Act or otherwise) in the name of the Condominium Board of its designee, corporate or otherwise, on behalf of the Unit Owners;

(c) convey, sell, lease, mortgage, or otherwise deal with (but not to vote the Common Interest, appurtenant to any Unit so acquired pursuant to (b) above or to sublease any Unit so leased;

(d) acquire, mortgage, lease, sublease, license, convey or otherwise deal with the Resident Manager's Unit, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(e) purchase or lease, in the name of the Condominium Board, space for the storage of personal property, for some but not necessarily for all Unit Owners;

(f) lease or purchase and finance the purchase of an apartment for use as the residence of the building Resident Manager, either in the Condominium or elsewhere (in compliance with applicable Law and regulations);

(g) execute, acknowledge and deliver, and if necessary, record:

(i) any declaration or other instrument affecting the Condominium and/or the Property that the Condominium Board deems necessary or appropriate to comply with Law, regulation,

zoning resolution or requirement of the Department of Buildings, the New York City Department of Housing Preservation and Development, the City Planning Commission, the Board of Standards and Appeals, the Landmarks Preservation Committee, or any other public authority or agency, applicable to the maintenance of or operation of the Condominium and/or the Property, or

(ii) following due authorization by any affected Unit Owner(s) to the extent required in the Condominium Documents, any agreement, consent, covenant, variance, filing, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate to comply with or effectuate (1) any zoning lot declaration, (2) tax lot merger, (3) any protests and tax certiorari proceedings affecting the Units, and/or (4) any agreement to which the Condominium is a party that is disclosed in the Offering Plan for the Condominium.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

B. The undersigned do(es) hereby nominate, constitute and appoint Spruce 317 West 77th LLC, a New York limited liability company and 78 RPM Owner LLC, a Delaware limited liability company, both with an address at Spruce Capital Partners, 902 Broadway, New York, NY 10010 and its successors and assigns (collectively, "Declarant"), as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution in the name of its designee (corporate or otherwise), but subject in all respects to the provisions of the Condominium Documents then in effect, to amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Declarant under the Condominium Documents, including without limitation, when such amendment (a) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Declarant in accordance with the Declaration, or (b) shall be required (i) by an Institutional Lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (ii) by any governmental agency having regulatory jurisdiction over the Condominium, (iii) by any title insurance company selected by Declarant to insure title to any Unit; (iv) to correct any inconsistencies or scriveners' errors in the Condominium Documents or any related filings with any governmental agency, or (v) to relinquish Declarant's rights under the Condominium Documents, provided, however, that any amendment made pursuant to the terms of subdivision (a) or (b) of this paragraph shall not (1) change the Common Interest of the undersigned's Unit, (2) require a material, physical modification to the undersigned's Unit, or (3) 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 (1) or (2) of this paragraph) or the holder of such mortgage (in the event described in (3) of this paragraph) shall consent thereto by joining in the execution of such amendment; and

The terms, covenants and conditions contained in, and the powers granted to Declarant pursuant to paragraph (B) above shall remain in full force and effect until such time as (i) Declarant shall cease to own any Unit in the Condominium; (ii) Declarant 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 Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, 20__.

_____

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

On the ___ day of _____, 20__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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EXHIBIT 8

ATTORNEY'S INCOME TAX OPINION

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GOLDSTICK, WEINBERGER, FELDMAN & GROSSMAN, P.C.
ATTORNEYS AT LAW
7 PENN PLAZA • NEW YORK, NEW YORK 10001
(212) 687-3440
TELECOPIER (212) 818-0625

July 25, 2013

Spruce 317 West 77th Street LLC
and 78 RPM Owner LLC
c/o Spruce Capital Partners
902 Broadway
New York, New York 10010

Re: Condominium Offering Plan
Premises: 151 East 78th Street, New York, New York ("Plan")

Dear Sir or Madam:

You have requested our opinion concerning 1. the availability of certain deductions for Federal, New York State and New York City income tax purposes to individuals who purchase Residential Units for residential use ("Residential Unit Owners") under the Plan and 2. the treatment for such income tax purposes of the Common Charges paid or borne by individual Residential Unit Owners.

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

Article I. Deductibility of Mortgage Interest and Real Estate Taxes

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

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

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

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

It is also our opinion that each owner of an individual Residential Unit Owner who uses his Residential Unit as a residence will generally, for New York State and New York City income tax purposes, be entitled to deductions for the mortgage interest and real estate taxes paid during the taxable year. However, under New York State and New York City Income Tax Law, itemized deductions, such as interest and real estate tax deductions, are subject to reductions by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Furthermore, certain individual taxpayers may not be able to utilize the deductions herein discussed, in whole or in part, if they are subject to the Alternative Minimum Tax and /or if their incomes exceed certain levels. Purchasers should consult their tax advisors to

Tax and /or if their incomes exceed certain levels. Purchasers should consult their tax advisors to determine the availability of deductions for mortgage interest and real estate taxes for New York State and New York City Income Tax purposes with respect to their particular Residential Units.

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

Article II. Common Charges

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

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

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

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

b) Sixty (60%) percent or more of the organization's gross income for the taxable year must be membership dues, fees, or assessments received from residential condominium unit owners. The Plan currently provides that 100% of the Common Interest is to be allocated to residential Units and accordingly, we assume 100% of the gross income of the Condominium will be from membership dues, fees or assessments received from residential condominium unit owners.

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

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

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

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

If the above requirements are met and a timely election is made, the Condominium's exempt function income is not subject to tax. Income from other sources such as that derived from the lease of laundry facilities or from investment income, is subject to tax after allowable deductions at the rate of thirty (30%) percent. Deductions are allowed for expenses related to the production of non-exempt income, but only if such expenses are directly connected with the production of such income. Section 528(d)(1)(B) of the Code. A specific deduction of One Hundred ($100) Dollars is allowed against non-exempt income. Section 528 (d)(2)(A) of the Code. Neither the net operating loss deduction nor the special deductions for corporations are allowed. Sections 528(d)(2)(B) and 528(d)(2)(C) of the Code.

Accordingly, if the Condominium qualifies and makes a timely election under Section 528 of the Code, it would be taxed only upon income from sources other than Common Charges including investment and income derived from the lease of laundry facilities, if any, and if the Condominium is operated for the first year of operation in such a manner that the income projected in Schedule B of the Plan is received and the expenses on said Schedule B are incurred and paid, it is our opinion that the Condominium will qualify to make the Section 528 election for the first year. However, since the election must be made on an annual basis, we render no opinion as to whether the Condominium would qualify to make the election in subsequent years. Moreover, since deductions ordinarily allowable to corporations are not allowed with respect to an organization electing under Section 528 of the Code, we also render no opinion whether it would be advisable for the Condominium to make the election even if it would be qualified to do so.

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

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

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

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

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

The precise tax status of the Condominium for New York State and New York City tax purposes is also unclear. The relevant New York State and New York City laws incorporate by reference federal entity classification provision which, as discussed above, do not specifically address the treatment of condominium. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for Federal income tax purposes, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Condominium does not constitute an association that is taxable as a corporation for Federal income tax purposes, it is still possible, although not certain, that the Condominium might be subject to the New York State Corporation Franchise Tax. Further, in such event, the Condominium likely would be

subject to the New York City Unincorporated Business Tax, unless it were eligible for and elected treatment under Code Section 528 as a homeowners association.

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

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

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

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

Very truly yours,

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

By: Bonnie Covey
Bonnie Covey, Esq.

EXHIBIT 9

REAL ESTATE TAX PROJECTION OPINION

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MARCUS & POLLACK LLP

ATTORNEYS AT LAW

INCLUDING PROFESSIONAL CORPORATIONS

708 THIRD AVENUE

11TH FLOOR

NEW YORK, NY 10017-4112

(212) 490-2900

FAX: (212) 599-3167

www.marcuspollack.com

taxappeal@marcuspollack.com

JOEL R. MARCUS

ROBERT M. POLLACK

PHILIP H. AZARIAN

BRUCE A. BRASKY

August 9, 2013

78 RPM Owner LLC
c/o Spruce Capital Partners LLC
902 Broadway
New York, New York 10010-6002

Re: 151 East 78th Street
Manhattan Block 1413 Lots 22 and 23

Dear Sir/Madam:

You have requested that we project the real estate tax liability for the residential and condominium units to be created upon completion of the demolition and new construction of the buildings at 149-51 East 78th Street, 153 East 78th Street and 155 East 78th Street collectively known as 151 East 78th Street ("151 East 78th Street") to a residential condominium building. The two existing lots are to be merged into a single Residential condominium building. Upon completion of construction, the New York City Department of Finance ("DOF") will apportion the existing tax lots into separately assessed residential condominium tax lots.

Since tax year 1982/1983, Real Property Tax Law §1805(3) has mandated that increases in assessed valuation must be phased in over a five year period, resulting in a Transitional Assessed Value. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitations, or additions of square footage to existing structures) changes directly into the taxable assessed valuation without the five-year phase-in. The Actual Assessed Value is the target value which will be reached at the end of the five year period, assuming the assessment is not increased in the interim. Taxes are payable based upon the lower of the two values, known as the Billable Assessed Value.

The total Actual (target) and Transitional Assessed Valuations for the subject property for the most recent tax year are set forth as follows:

Lot	Tax Years	Actual Assessment	Transitional Assessment
22	2013/14	$1,455,300	$1,424,880
23	2013/14	$ 351,156	$ 351,156

You have advised us of the following facts regarding this project:

1. 151 East 78th Street will be developed into a residential condominium building. Upon completion of the construction, there will be fourteen (14) separately assessed residential condominium dwelling units with accessory use space containing approximately 60,137 gross square feet of which 58,737 gross square feet of space to be used for residential and approximately 1,400 square feet of community and accessory use space on 16 floors. Additionally, you have advised us that the superintendants unit will be a part of the condominium common elements.

2. The site which comprises the subject property currently consists of the tax lots identified on the New York City Department of Finance records as Block 1413, Lots 22 and 23 in Manhattan.

3. The construction will commence on October 1, 2013 and is projected to be completed by September 30, 2015. For the purposes of this analysis, we estimate that the property will be assessed as if the property was complete on January 5, 2016. As the estimated completions dated would occur prior to the tax status date for tax year 2016/2017, i.e., January 5, 2016, we estimate the 2016/2017 tax year should therefore be the first tax year in which the City's assessment roll reflects the value of the completely renovated building.

4. Once construction has been completed, the property will consist of a single condominium building with separately assessed condominium tax lots for each residential dwelling unit.

5. The first year of condominium operation is scheduled to extend from September 1, 2015 through August 31, 2016. As this period corresponds with the City's 2015/2016 and 2016/2017 tax assessment years, real estate taxes due for the first year of condominium operation will therefore be based on the assessed value of the tax lots for ten (10) months of tax year 2015/2016 and two (2) months of tax year 2016/2017. The 2015/2016 assessed valuations will reflect a building in the process of construction which has not yet been completed.

There are three recognized appraisal methods which are employed by the Real Property Assessment Department to determine the full market value of income producing real property. These methods are the original cost method, capitalization of income approach and the sales price comparison method.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a significant indicator of value with respect to new buildings. Relevant data used in the cost method includes material and labor ("hard") costs, and financing, engineering, architectural, testing and professional fees and construction period taxes ("soft") costs.

The capitalization of income method is based upon the proposition that the annual net income generated by a property, when divided by the rate of return an investor at a given time would accept for his money in a competing investment, yields a close estimate of the market value of the property. In the past the Department of Finance has used gross income multipliers to value residential properties. However, the Department of Finance has recently indicated that they will no longer utilize this approach to value.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. However, the addition of sale prices of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation. Real Property Tax Law Section 581 requires that the Department of Finance assess residential condominiums without regard to their form of ownership. This requirement has been interpreted to mean that cooperatives and condominiums are to be assessed as if they were rental properties, thus requiring a valuation based upon the capitalization of income utilizing rents imputed from comparable rental properties.

In arriving at the assessed valuation for each unit in the Condominium, the building is first assessed in its entirety. This overall assessment is then apportioned among the respective units, each of which will be assigned a tax lot designation once the condominium Declaration has been recorded and the floors plans are filed with the City Register. In the past, the apportionment was based in part upon the proportion of the projected selling price presented in the Offering Plans for each residential units bears to the gross sellout price for all residential units available for purchase in the project (hereinafter, "Proportionate Valuation"), and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases, if any, on particular units. However, more recently, the Department of Finance had enunciated a policy which has allocated assessed values for the residential unit within a condominium by utilizing each unit's respective percent interest in the common elements.

We make no representation that the Department of Finance will use any particular method to apportion assessed valuation among the units for the purpose of computing the portion of the condominium building's total assessed valuation that will be allocated to the residential or commercial units within the condominium building.

Reconciliation of the three approaches to valuation discussed above, including review of the final 2013/2014 assessed valuations for the current tax year for newly constructed residential apartment building throughout Manhattan, justifies an estimated overall Actual Assessed Valuation for the entire condominium building (including "land" and "building") upon completion of construction of $7,216,440 or approximately $120 per square foot and we estimate the taxable Assessed Value of $7,216,440. The assessed value of the completed condominium building would first be reflected on the City's 2016/2017 tax assessment roll.

For our projections, we have placed preference to the Comparable Assessment Study. The Comparable Assessment studies generally indicate that the City's assessment of newly constructed condominiums is often lower than what would normally be indicated by the capitalization of income method.

The most recent and currently available tax rate for tax year (2012/2013), for residential real property is 13.181% and for commercial property is 10.288%. For purposes of the following projections, we have assumed that these overall rates will remain in effect for the 2015/2016, 2016/2017, and 2017/2018 tax years. The estimated taxes payable during tax years 2015/2016 2016/2017 and 2017/2018 for the condominium building as defined above, are projected as follows:

Estimated Taxes Payable During Tax Year 2015/2016 – During the Course of Construction:

For purposes of this analysis, we have estimated that as of the January 5, 2015 taxable status date governing the 2015/2016 assessment roll, the property will be assessed as if 50% completed and as a residential condominium with tax class 2 classification for the residential condominium. We estimate the total Actual Assessed Value of 151 East 78th Street, inclusive of the 14 residential condominium units, to be $3,608,220 and the estimated total billable Assessed Value to be $3,608,220. We note once more that the assessment roll for tax year 2015/2016 will reflect only a partially constructed building whose completion will not be fully reflected on the City's assessment roll until the 2016/2017 tax year.

Estimated Taxes Payable During Tax Year 2016/2017 – Upon Completion of Construction:

For purposes of this analysis, we have estimated that as of the January 5, 2016 taxable status date governing the 2016/2017 assessment roll, the building will be assessed as a complete building and the total Actual Assessed Value of 151 East 78th Street, inclusive of the 14 residential condominium units, to be $7,216,440 and the estimated total billable Assessed Value to be $7,216,440.

Estimated Taxes Payable During Tax Year 2017/2018

For purposes of this analysis, we have estimated that as of the January 5, 2017/2018 taxable status date governing the 2017/2018 Assessment Roll, the total Actual Assessed Value of 151 East 78th Street, inclusive of the 14 residential condominium units to be $7,216,440 and the estimated total billable Assess Value to be $7,216,440.

Estimated Real Estate Taxes for the First Year of Condominium Operation – September 1, 2015 through August 31, 2016

For the first year of condominium operation covering the period of September 1, 2015 through August 31, 2016, we project that the real estate taxes will be based on ten (10) months of tax year 2015/2016 and two (2) months of tax year 2016/2017. Thus, for the first year of condominium operation, the estimated real estate tax liability for the condominium will be as follows:

September 1, 2015 to June 30, 2016 (10 months of tax year 2015/2016)

When it is estimated that as of the taxable status date January 5, 2015 the property is still under construction. We estimate that by the taxable status date of January 5, 2015 for tax year 2015/16 the property will be assessed as tax class 2 for the residential condominium use.)
$3,608,220 x 13.181% / 12 x 10 = $396,333

July 1, 2016 to December 31, 2016 (2 months of tax year 2016/2017)

$7,216,440 x 13.181% / 12 x 2 = $158,533

Residential condominium first year estimated real estate taxes = $554,866

We note once again, that the first year of condominium operation is projected to fall within part of tax year 2015/2016 prior to completion of the construction. Real estate taxes in the second year of condominium operation will be higher reflecting twelve (12) months of taxes to be assessed on a fully completed building in operation for tax year 2016/2017 and 2017/2018 based upon the projected completion date of September 2015.

Estimated Real Estate Taxes for the Second Year of Condominium Operation – September 1, 2016 through August 31, 2017

For the second year of condominium operation covering the period of September 1, 2016 through August 31, 2017 the estimated real estate tax liability for the condominium would be as follows:

September 1, 2016 to June 30, 2017 (10 months of tax year 2016/2017)

$7,216,440 x 13.181% / 12 x 10 = $792,666

July 1, 2017 to August 31, 2017 (2 months of tax year 2017/2018)

$7,216,440 x 13.181 / 12 x 2 = $158,533

Residential condominiums second year estimated real estate taxes = $951,199

MARCUS & POLLACK LLP

This letter was prepared at the sponsor's request. Certain figures set forth herein are approximations derived from material submitted by the sponsor and area subject to variation. We have not passed upon the accuracy of any figures or estimates contained in the Plan, and offer no warranties of the amount of any tax liabilities for any period.

Prospective Purchasers are advised that while there is a formula which has been utilized by the Real Property Assessment Department in assessing such properties in the past, it has not be employed consistently, and it is therefore not possible to estimate or determine the post-construction assessed valuation of this property with any degree of certainty. However, the estimates presented below are based upon current policies and practices of that department. All prospective purchasers are further advised that although the estimate of assessed valuation upon completion of construction is a good-faith estimate, such assessed valuation, when actually made, may be less or more than as estimated herein.

The opinions expressed above are based on our interpretation of the Real Property Tax Law, Administrative Code of the City of New York, and the applicable rules and regulations, policies and practices of the Department of Finance in effect as of the date hereof. While we believe our opinions are well founded, they are not intended, and should not be construed as representations or warranties. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

The foregoing analysis is based upon our experience with the Real Property Assessment Department and the Tax Commission of the City of New York, and their assessment policies regarding newly constructed or renovated properties held in condominium ownership. Application of a particular approach to valuation by an individual assessor may yield substantially a different result. This would necessitate commencement of real property tax review proceedings at the Tax Commission or Supreme Court level to bring the assessment in line with the estimates presented herein.

We hereby consent to the inclusion of this letter in the Offering Plan.

Very truly yours,

Marcus & Pollack LLP

Marcus & Pollack LLP

MP:tg

EXHIBIT 10

UNIT OWNER'S SPECIMEN TITLE POLICY

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Riverside Abstract, LLC
as Agent for
Old Republic National Title Insurance Company

OWNER'S POLICY
SCHEDULE A

Name and Address of Title Insurance Company:
Old Republic National Title Insurance Company
501 New Karner Road, Suite 4
Albany, NY 12205

Title Number:	**MRNY-11011**
Policy Number:	TBD
Address Reference:	**Parcel I:** **153-155 East 78th Street** **New York, NY 10075-0405** **PARCEL II:** **149 East 78th Street** **New York, NY 10075-0405**
Amount of Insurance:	**$TBD**
Date of Policy:	**Date of Closing**

1. Name of Insured:

   TBD

2. The estate or interest in the land which is covered by this Policy is:

   Fee Simple

3. Title to the estate or interest in the land is vested in the insured by:

   TBD acquired title by a deed dated TBD, and to be duly recorded in the New York County Clerk/Register's Office, made by Spruce 317 West 77th LLC and 78 RPM Owner LLC.

4. The land referred to in this Policy is described as follows:

   See Schedule A Description, attached hereto and made a part hereof.

PROFORMA

THIS IS A PRO FORMA POLICY.
It does not reflect the present state of the title and is not a commitment to (a) insure the title or (b) issue any of the attached endorsements. THIS PRO FORMA AND THE PREMIUM TO BE CHARGED ARE PRELIMINARY AND SUBJECT TO FINAL CORPORATE APPROVAL. SUCH APPROVAL MUST BE RECEIVED PRIOR TO CLOSING.

Issued by:
Riverside Abstract, LLC
3839 Flatlands Avenue Suite 208, Brooklyn, NY 11234
T: (718) 252-4200 F: (718) 252-4226

Riverside Abstract, LLC
as Agent for
Old Republic National Title Insurance Company

OWNER'S POLICY
SCHEDULE A DESCRIPTION

Title Number: **MRNY-11011**
Policy Number:

The Condominium Unit (The "Unit") known as and designated as Unit No. _____ situate in the building designated as _____, a condominium, in the Declaration establishing a Plan for Condominium ownership of said premises under Article 9-B of Real Property Law of the State of New York (The "New York Condominium Act"), dated _____and recorded in the Office of the Register of NEW YORK County (the "Register's Office") on_____ in (as) CRFN _____ and also designated as Tax Lot _____ in Block _____ of the Borough of _____ on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of said building, and filed with the Real Property Assessment Department of the City of New York as Condominium Plan No. _____, and also filed in the City Register's Office on _____ as Map No. _____.

Together with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration).

The land on which said building is located in being more particularly described in the Declaration aforementioned.

Part of Parcel I: (Old lot 23)
All that certain plot, piece or parcel of land situated, lying and being in the Borough of Manhattan, County of New York, State of New York bounded and described as follows:

BEGINNING at a point on the northerly side of East 78th Street distant seventy feet easterly from the corner formed by the intersection of the northerly side of East 78th Street and the easterly side of Lexington Avenue;

RUNNING THENCE northerly parallel with said easterly side of Lexington Avenue and part of the distance through a party wall one hundred two feet two inches to the center line of the block;

THENCE easterly along the said center line of the block, twelve feet six inches;

THENCE southerly again parallel with the easterly side of Lexington Avenue and part of the distance through another party wall, one hundred two feet two inches to the northerly side of 78th Street;

THENCE westerly along the said northerly side of 78th street twelve feet six inches to the point or place of BEGINNING. Said premises being known as No. 153 East 78th Street.

SCHEDULE A DESCRIPTION
CONTINUED

Part of Parcel I: (Old lot 123)
All that certain plot, piece or parcel of land situated, lying and being in the Borough of Manhattan, County of New York, State of New York bounded and described as follows:

BEGINNING at a point on the northerly side of 78th Street, distant 82 feet 6 inches easterly from the corner formed by the intersection of the northerly side of East 78th Street and the easterly side of Lexington Avenue;

RUNNING THENCE easterly along the northerly side of 78th Street, 12 feet 6 inches;

THENCE northerly parallel with the easterly side of Lexington Avenue, 102 feet, 2 inches to the center line of the block;

THENCE westerly parallel with 78th Street, 12 feet 6 inches;

THENCE southerly parallel with the easterly side of Lexington Avenue and party of the way through the center line of party wall, 102 feet 2 inches to the point or place of BEGINNING

Note: Address, Block & Lot shown for informational purposes only

Designated as Block 1413 Lot 123 and also known as 155 East 78th Street.

Parcel II:
All that certain plot, piece or parcel of land situated, lying and being in the Borough of Manhattan, County of New York, State of New York bounded and described as follows:

BEGINNING at a point on the northerly side of 78th Street, distant 38 feet easterly from the corner formed by the intersection of the northerly side of 78th Street, with the easterly side of Lexington Avenue;

RUNNING THENCE northerly and parallel with Lexington Avenue, 82 feet 2 inches;

THENCE easterly parallel with 78th Street, 32 feet;

THENCE southerly parallel with Lexington Avenue and part of the way through a party wall, 82 feet 2 inches to the northerly side of 78th Street;

THENCE westerly along the northerly side of 78th Street, 32 feet to the point or place of BEGINNING.

Note: Address, Block & Lot shown for informational purposes only

Designated as Block 1413 Lot 22 and also known as 149 East 78th Street.

Riverside Abstract, LLC
as Agent for
Old Republic National Title Insurance Company

OWNER'S POLICY
SCHEDULE B
Part I
EXCEPTIONS FROM COVERAGE

Title Number: **MRNY-11011**
Policy Number:

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which may arise by reason of:

1. Rights of tenants or persons in possession, if any.

2. Covenants, restrictions, easements, leases and agreements of record, etc., more fully set forth herein:
A) Party Wall Agreements in Liber 1561 Page 285 and Liber 3049 Page 449 (best copies to follow)(affects lot 23)
B) Amended, Restated and Spread Tenancy in Common Agreement in CRFN 2012000458916 (affects lot 23)
C) Covenants and Restrictions in Liber 1561 Page 285 (affects lot 22)
D) Covenants and Restrictions in Liber 1565 Page 189 (affects lot 22)
E) Covenants and Restrictions in Liber 3049 Page 449 (affects lot 22)
F) Covenants and Restrictions in Liber 3053 Page 53 (affects lot 22)
G) Covenants and Restrictions in Liber 3279 Page 47 (affects lot 22)
H) Certification Pursuant to Zoning Lot Subdivision recorded in CRFN 2013000319199 (Affects Lots 23, 120)
I) Declaration of Zoning Lot Restrictions recorded in CRFN 2013000319200 (Affects Lots 23, 24 and 120)
J) Waiver of Execution of and Subordination to Zoning Lot Development Agreement recorded in CRFN 013000319201 (Affects lots 23, 24 and 120)
K) Zoning Lot Development Agreement recorded in CRFN 2013000319202 (Affects Lots 23 and 120)
L) Light and Easement Agreement recorded in CRFN 2013000319203 (Affects Lots 23 and 120)
M) Access and Indemnity Agreement recorded in CRFN 2013000319339 (Affects Lot 24)
N) Access and Indemnity Agreement recorded in CRFN 2013000319340 (Affects Lot 124)
O) Certification Pursuant to Zoning Lot Subdivision recorded in CRFN 2013000319341 (Affects Lots 23 and 24)
P) Declaration of Zoning Lot Restrictions recorded in CRFN 2013000319342 (Affects Lots 23 and 24)
Q) Waiver of Execution of and Subordination to Zoning Lot Development Agreement and Access and Indemnity agreement recorded in CRFN 2013000319343 (Affects Lots 23 and 24)
R) Zoning Lot Development Agreement recorded in CRFN 2013000319344 (Affects Lots 23 and 24)
S) Light and Air Easement Agreement recorded in CRFN 2013000319345 (Affects Lot 24)
T) Waiver of Execution of and Subordination to Zoning Lot Development Agreement, recorded in CRFN 2013000381905. (Affects Lots 22, 23, 24 and 120)
U) Declaration of Zoning Lot Restrictions recorded in CRFN 2013000381906. (Affects Lots 22, 23, 24 and 120)
V) Certification Pursuant to Zoning Lot Subdivision recorded in CRFN 2013000381907. (Affects Lots 22, 23, 24 and 120)

SCHEDULE B
PART I
CONTINUED

W) Zoning Lot Description and Ownership Statement recorded in CRFN 2013000381908. (Affects Lots 22, 23, 24 and 120)
X) Second Amended Tenancy, Restated and Spread tenancy in common agreement, to be duly recorded (Affects Lots 22, 23 and 120)

3. Any state of facts which an accurate survey and inspection would show, but this policy insures that any encroachment of a portion of the unit structure upon other units or upon the common elements may remain undisturbed as long as the building shall stand.

4. FOR NYC ONLY: Policy excepts Emergency Repair Liens and charges which may exist but are not filed. There may be work in progress or completed work and such items can not effectively be determined due to the delay in entering such items.

5. Section 26-128 of the Administrative Code of The City of New York, creates tax liens for unpaid Inspection Fees and Permit Fees billed by the Building Department and Fire Department regardless of the fact that such fees may not be reflected in the City Collector's records. Policy excepts any loss, claim or damage for any unpaid fee or charge claimed by the Building Department or Fire Department and entered in the records of the City Collector after the date of closing.

6. All taxes, water, sewer rent charges and other miscellaneous assessments not entered prior to date of closing, which might include charges for use prior to the date of the policy.

7. If the subject premises are currently benefited by a tax exemption, discount, credit or abatement, no liability is assumed for the retroactive restoration of any taxes due to a loss or reversal, partial or total, of said exemption, discount, credit or abatement. Any tax which may be assessed or entered subsequently by the City is not insured.

8. If the subject premises consists of 6 units or more and is rent stabilized, this policy excepts any rent stabilization fees not transferred to the NYC Department of Finance as of the date of closing. Any fee which may be assessed or entered subsequently by the City is not insured.

9. Terms, provisions, covenants, restrictions, conditions and options contained in and rights and easements established by the Declaration of Condominium dated _____and recorded _____ in the Office of the _____ County Register/Clerk, at Reel _____ Page _____ but policy will insure against loss or damage occasioned by the premises not being part of the condominium validly created pursuant to Article 9-B of the Real Property Law.

10. Subject to the rights of others in and to all common areas and party wall rights.

11. Affects Part of Parcel I (Old Lot 123): Sidewalk violation filed on 08/12/2004 at Index Number 80470.

NOTE (FOR MORTGAGE POLICIES ONLY): Although this item is provided for information only and will not appear in our mortgage policy, failure to repair sidewalk (or remove violation) may result in a future lien against which the policy does not protect. (See chapter 28-A, Title A, Section 693-6.0, Administrative Code of the City of New York.)

12. Mortgage made by TBD to TBD, dated in the amount of $TBD, to be duly recorded in the New York County Clerk/Register's Office.

SCHEDULE B
PART I
CONTINUED

13. In the event that escrow is being held for taxes, water/sewer charges, the liability of this Company shall be limited to the sum deposited in escrow.

Countersigned by:

Authorized Signature for:
Riverside Abstract, LLC
3839 Flatlands Avenue Suite 208
Brooklyn, NY 11234
T: (718) 252-4200 F: (718) 252-4226

PROFORMA

Riverside Abstract, LLC
as Agent for
Old Republic National Title Insurance Company

STANDARD NEW YORK ENDORSEMENT
(OWNER'S POLICY)

Attached to and made part of Policy Number:

1. The following is added as a Covered Risk:

   "11. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Exclusion Number 5 is deleted, and the following is substituted:

   5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

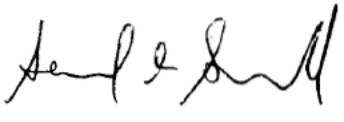
This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

This endorsement shall not be valid or binding until countersigned by an authorized signature as designated below.

Riverside Abstract, LLC
3839 Flatlands Avenue Suite 208
Brooklyn, NY 11234
T: (718) 252-4200 F: (718) 252-4226

Dated:

Countersigned by:



Authorized Office or Agent

Riverside Abstract, LLC
as Agent for
Old Republic National Title Insurance Company

WAIVER OF ARBITRATION ENDORSEMENT
(OWNER'S POLICY)

Attached to and made part of Policy Number:

The policy is amended by deleting therefrom:

(A) If this endorsement is attached to an ALTA Loan Policy: Condition 13.

(B) If this endorsement is attached to an ALTA Owner's Policy: Condition 14.

(C) If this endorsement is attached to a TIRSA Owner's Extended Protection Policy: Condition 12

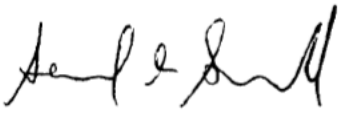
This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any other endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any other endorsements, nor does it extend the effective date of the Policy and any other endorsements, nor does it increase the face amount thereof.

This endorsement shall not be valid or binding until countersigned by an authorized signature as designated below.

Riverside Abstract, LLC
3839 Flatlands Avenue Suite 208
Brooklyn, NY 11234
T: (718) 252-4200 F: (718) 252-4226

Dated:

Countersigned by:



Authorized Office or Agent

TIRSA ENDORSEMENT FORM 4
New York Condominium Endorsement
Owner's Policy

Attached to Policy Number

Issued by

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Title Number: **MRNY-11011**

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.

Dated:

Old Republic National Title Insurance Company

By: _____

Shaul C. Greenwald, Esq.
Authorized Signatory

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EXHIBIT 11

FORM W-8 (CERTIFICATION OF FOREIGN STATUS)

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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

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EXHIBIT 12

FORM W-9 (REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)

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Form **W-9**
(Rev. December 2011)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

			–			–				

Employer identification number

		–							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here | **Signature of U.S. person** ▶ | **Date** ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/ disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/ disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over $600 required to be reported and direct sales over $5,000 [1]	Generally, exempt payees 1 through 7 [2]

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee [1] The actual owner [1]
5. Sole proprietorship or disregarded entity owned by an individual	The owner [3]
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity [4]
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.ftc.gov/idtheft* or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

EXHIBIT 13
CERTIFICATION OF SPONSOR AND PRINCIPALS

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CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS

Sept 3, 2013

Re: 151 East 78th Street Condominium
New York, New York

We are the Sponsor and the Principals of the Sponsor of the Condominium offering plan ("Offering Plan") with respect to the premises ("Premises") known as 151 East 78th Street, in the Borough of Manhattan, City, County and State of New York.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations which may be applicable.

We have read the entire Offering Plan, investigated the facts set forth therein together with the underlying facts upon which the Offering Plan is based, and exercised due diligence to form a basis for making this certification. We jointly and severally certify that the Offering Plan does, and that any documents submitted hereafter by us which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or is unwarranted by existing circumstances; and

(vii) not contain any representation or statement which is false and which we (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have adequate knowledge concerning the representations or statements made.

This certification is made upon penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and the Penal Law of the State of New York.

This certification may be executed in one or more counterparts each of which when so executed and delivered by each party to the other shall be deemed an original, but all of which when taken together shall constitute but one and the same instrument.

SPONSOR:

SPRUCE 317 WEST 77TH LLC, a New York limited liability company

By: _____
Name: Joshua P. Crane
Title: Authorized Signatory

78 RPM OWNER LLC, a Delaware limited liability company

By: _____
Name: Joshua P. Crane
Title: Authorized Signatory

PRINCIPALS OF SPONSOR

_____
Joshua P. Crane

_____
Robert Schwartz

ACKNOWLEDGMENT

Sworn to before me this
3 day of SEPT., 2013

_____
Notary Public

HENRY M. DUBROW
Notary Public, State of New York
No. 01DU5018897
Qualified in Nassau County
Commission Expires October 12, 2013

EXHIBIT 14

CERTIFICATION OF ARCHITECT

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CERTIFICATION OF SPONSOR'S ARCHITECT
PURSUANT TO PART 20 OF THE REGULATIONS ISSUED
UNDER GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Investment Protection Bureau

Re: Condominium Offering Plan

151 East 78th Street
New York, NY 10075

Gentlemen:

The Sponsor of the offering to convert the captioned property (the "Property") to condominium ownership retained our firm to prepare a report describing the construction of the new building at the Property (the "Report"). We prepared the building plans and specifications and the Report dated October 10, 2013, as amended December 3, 2013 and March 3, 2014, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

The undersigned is an architect registered in New York State.

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 Report.

We have read the entire Report and reviewed 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 physical condition of the entire Property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we have examined;

(ii) in our professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the Property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(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 the 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.

PETER PENNOYER ARCHITECTS

By: _____
Name: PETER PENNOYER
Title: PRESIDENT

Sworn to before me
this 3 day of March, 2014

_____
Notary Public

DINA PAKHOMOV
Notary Public - State of New York
NO. 01PA6254759
Qualified in Kings County
My Commission Expires 01-23-2016

EXHIBIT 15

CERTIFICATION OF BUDGET EXPERT

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HALSTEAD PENMARK

PART 20: CERTIFICATION BY EXPERT AS TO ADEQUACY OF CONDOMINIUM BUDGET

September 11, 2013

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

Re: 151 East 78th Street Condominium
151 East 78th Street
New York, NY 10075

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B and review Schedule B-1 ("Schedules") containing projections of income and expenses for the first year of condominium operation. Penmark Management LLC has been engaged in the management of residential real estate for many years, manages approximately 85 cooperative and condominium buildings and is licensed as a real estate broker in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Schedules.

We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in the Schedules appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules:

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(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:

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HALSTEAD
PENMARK

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income or expenses for the first year of condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

PENMARK MANAGEMENT LLC

By: _____
Name: Leslie Bøgen Winkler
Title: Senior Vice President

Sworn to before me this
11th day of September, 2013

_____
Notary Public

ARLENE ATHERLY
NOTARY PUBLIC-STATE OF NEW YORK
No. 01AT6174538
Qualified in Kings County
My Commission Expires September 24, 2015

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EXHIBIT 16

REAL PROPERTY LAW SECTION 339-kk

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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.

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EXHIBIT 17

FORM OF CONSTRUCTION AGREEMENT

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EXHIBIT "C"

ASSUMPTION OF CONSTRUCTION AGREEMENT

WHEREAS, simultaneously with its execution and delivery of this Assumption of Construction Agreement, the undersigned is becoming a Unit Owner of Unit No. ___ in the 151 East 78th Street Condominium, 151 East 78th Street, New York, New York.

WHEREAS, a prior owner of the Unit and the Condominium Board entered into a Construction Agreement dated _____ (the "**Construction Agreement**") a copy of which is annexed hereto;

WHEREAS, the Construction Agreement provided that any person acquiring the Unit shall assume the obligations of the Unit Owner under the Agreement and authorized the Condominium Board not to issue a waiver of its right of first refusal unless and until such person assumes the obligations of the Unit Owner under the Agreement;

NOW, THEREFORE, in order to induce the Condominium to issue its waiver of its right of first refusal for the Unit, the undersigned hereby ASSUMES AND AGREES TO PERFORM AND OBSERVE all the terms, covenants and conditions of the Construction Agreement to be performed or observed by the Unit Owner thereunder.

Henceforth, the term Unit Owner as used in the Construction Agreement shall include the undersigned with the same force and effect as if the undersigned has been the original Unit Owner thereunder.

This Assumption of Construction Agreement shall be binding on, and enforceable against, the undersigned and the undersigned's estate, heirs, executors, administrators, representatives, successors and assigns.

New York, New York
Dated _____

_____

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

On the ___ day of _____, 20__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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151 EAST 78TH STREET CONDOMINIUM
CONSTRUCTION AGREEMENT

THIS CONSTRUCTION AGREEMENT (this "**Construction Agreement**") is made as of _____ 20___, by and between Spruce 317 West 77th LLC, a New York limited liability company and 78 RPM Owner LLC, a Delaware limited liability company, both with an address at Spruce Capital Partners, 902 Broadway, New York, NY 10010 (collectively, "**Sponsor**"), the Sponsor of 151 East 78th Street Condominium (the "**Condominium**"), **THE CONDOMINIUM BOARD OF 151 East 78th STREET CONDOMINIUM**, with an address at 151 East 78th Street in the Borough of Manhattan, City, County and State of New York (the "**Board**"), and _____ ("**Unit Owner**").

WHEREAS, pursuant to that certain Purchase Agreement (the "**Agreement**") dated as of [_____] and made by and between Sponsor, as seller, and Unit Owner, as purchaser, Unit Owner is the purchaser of that certain residential condominium unit known as Unit [___] (the "**Unit**") in the Condominium, which Unit shall be located in the building located at 151 East 78th Street, New York, New York (the "**Building**");

WHEREAS, in accordance with and pursuant to the terms of (i) the Agreement, (ii) the Offering Plan (the "**Offering Plan**") for the Condominium, as filed with the Department of Law of the State of New York and as the same may have been or may hereafter be amended and (iii) the declaration, by-laws and rules and regulations of the Condominium (collectively, the "**Condominium Documents**"), Unit Owner has requested permission and otherwise elected to perform, at its sole cost and expense, construction work and alterations in the Unit, (all of such work and installations being hereafter collectively referred to as "**Unit Owner's Work**"), which Unit Owner's Work is more specifically described on Exhibit A annexed hereto, and Sponsor and the Board, in order to insure compliance by the Unit Owner with the applicable provisions of the Condominium Documents and the timely issuance of a permanent certificate of occupancy for the Condominium (the "**PCO**") have agreed to permit Unit Owner to perform Unit Owner's Work upon the terms, and subject to the conditions, hereinafter set forth.

NOW, THEREFORE, in consideration of the sum of Ten and 00/100 ($10.00) Dollars, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sponsor, the Board and Unit Owner, intending to be legally bound, hereby covenant and agree as follows:

1. Approvals Necessary; Conditional Approval.

(a) Notwithstanding anything to the contrary in this Construction Agreement, to the extent that any consent of Sponsor is required hereunder, such consent shall no longer be required after both of the following have occurred: (i) the permanent certificate of occupancy has been issued and (ii) Sponsor has no remaining Unsold Units in the Condominium (the "**Completion Date**"). To the extent that any deliveries are specified to be made to Sponsor hereunder, after the occurrence of the Completion Date, such deliveries shall be made to the Board. In the event that Sponsor elects to perform any construction at the Condominium, Sponsor shall not be required to enter into any Construction Agreement as the holder of an Unsold Unit.

(b) Subject to Sponsor's and the Board's approval of complete and detailed plans, specifications, drawings and other documents (collectively, the **"Plans"**) depicting, describing and detailing Unit Owner's Work (the sufficiency of the Plans also being subject to the reasonable approval of both Sponsor and the Board), Sponsor and the Board hereby grant permission to Unit Owner to perform Unit Owner's Work, subject to and conditioned upon Unit Owner's full compliance with, and satisfaction of, each of the terms, conditions and provisions of this Construction Agreement.

2. Prior to Commencement of Unit Owner's Work.

2.1 Prior to and as a condition precedent to the commencement of Unit Owner's Work, Unit Owner shall:

(a) Cause a licensed architect and/or engineer selected by Unit Owner with the consent of Sponsor and the Board (which consents shall not be unreasonably withheld or delayed) to prepare the Plans for Unit Owner's Work which Plans shall be submitted to Sponsor and the Board for approval not later than one hundred twenty (120) days after the execution date of this Construction Agreement. Sponsor's and the Board's approval may be granted or withheld in either of such party's sole discretion, except that such approval shall not be required with respect to interior, nonstructural, aesthetic alterations (**"Decorative Work"**) which (i) are not visible from outside the Unit, (ii) will not affect any of the Common Elements including, without limitation, the Limited Common Elements (as such term is defined in the Condominium Documents) and the electrical, plumbing, sprinkler, HVAC, elevator, mechanical and all other systems serving the Condominium or the Unit (collectively, the **"Condominium Systems"**), (iii) do not require a Permit (as hereinafter defined), and (iv) do not impact upon any areas in which asbestos containing materials ("**ACM** ") may be located. Sponsor and the Board shall notify Unit Owner of their approval or rejection of said Plans, together with its reasons for rejection, if applicable, within thirty (30) days after Sponsor's receipt thereof. If the Plans are rejected, Unit Owner shall revise the Plans and submit the revised Plans to Sponsor and the Board for their review within fifteen (15) days of Unit Owner's receipt of Sponsor and the Board's notice of rejection. Each review of revised Plans and notification by Sponsor and the Board shall be completed within twenty (20) days after its receipt of such revised Plans. Unit Owner shall not commence Unit Owner's Work until the Plans have been approved in writing by Sponsor and the Board and all required Permits and insurance certificates have been obtained. Unit Owner shall pay promptly to Sponsor and the Board the costs and expenses actually incurred by Sponsor and the Board in reviewing the Plans.

(b) Deliver a check in the sum of $_____ payable to the Board for the security deposit required to be posted by Unit Owner as provided for in Section 6.4 of this Construction Agreement.

(c) Deliver a check in the sum of $1,500 payable to the managing agent for the Condominium (the **"Managing Agent"**), as a processing fee in connection with this Construction Agreement.

(d) To the extent Unit Owner's Work involves the electrical systems serving the Unit, as a prerequisite to its approval of the Plans, Sponsor shall require Unit Owner to furnish a letter from Unit Owner's licensed architect or engineer certifying to Sponsor and the Board that the electrical loads required as a result of Unit Owner's Work and will not be in excess of the present electrical capacity of the Unit, will not adversely affect the Condominium's electrical service and certifying to such other matters as Sponsor and the Board shall reasonably identify.

(e) represent and warrant that after the Plans have been approved in writing by Sponsor, Unit Owner's Work will not include or result in a change in the number of zoning rooms located within the Unit or any other change that would result in a delay in obtaining a permanent certificate of occupancy with respect to the Condominium or any part thereof, or any amendments to any existing permanent certificate of occupancy, if theretofore issued. Any modifications of, or variances from, the approved Plans must be submitted to Sponsor and the Board by Unit Owner and approved by Sponsor and the Board in writing prior to the commencement of any Unit Owner's Work not previously approved by Sponsor and the Board as part of the previously approved set of Plans.

(g) covenant and agree to cause the Plans and the Unit Owner's Work to comply with Law (as defined in the Condominium Documents) including, but not limited to, all applicable laws, ordinances, orders, rules, regulations and requirements (collectively, **"Legal Requirements"**) of all governmental and quasi-governmental authorities and agencies including, without limitation, the Department of Buildings, City Planning Commission, and the Landmarks Commission (as defined herein) and Board of Fire Underwriters having jurisdiction over the Condominium and/or the Unit (collectively, **"Governmental Authorities"**). Unit Owner agrees that prior to the issuance of thepermanent certificate of occupancy, if required by Sponsor, Unit Owner shall only utilize union workers with respect to any Unit Owner's Work.

(h) Unit Owner shall have submitted to Sponsor and the Board, a written designation of the general contractor which will be principally responsible for the Work, which designation shall authorize the general contractor to interface, communicate and otherwise deal with Sponsor and the Board on behalf of Unit Owner with respect to all aspects of Unit Owner's Work.

2.2. If such Unit Owner's Work is to commence prior to the issuance of a permanent certificate of occupancy, then Unit Owner shall utilize Sponsor's filing representative or expediter to file the Plans with all Governmental Authorities and Unit Owner shall obtain all necessary governmental permits, authorizations, certificates, licenses and approvals (collectively, **"Permits"**) for the commencement, performance and completion of Unit Owner's Work. In connection therewith, Unit Owner shall prepare all necessary applications for the required Permits, shall submit such applications to Sponsor for execution by the Board and shall pay all fees and expenses in connection therewith. The Board shall execute all necessary and properly completed applications, provided same are reasonably acceptable to Sponsor and the Board, within ten (10) days after submission to Sponsor and the Board of such applications and all other information relating to such applications as Sponsor and the Board shall reasonably request and shall submit such applications to the appropriate Governmental Authorities. The Board shall deliver copies of all necessary Permits to Unit Owner promptly after the issuance thereof and Unit Owner shall not commence Unit Owner's Work until the issuance thereof. If there be any doubt as to the need for any such Permits, Sponsor and the Board shall resolve such doubt in their sole but reasonable discretion. Unit Owner shall pay Sponsor and the Board and/or its filing representative or expediter all fees and expenses associated with the filing of the applications for the Permits.

2.3 Unit Owner shall provide Sponsor and the Board with a list of the names, telephone numbers (day and night), addresses and principals of every contractor retained by Unit Owner and of every subcontractor retained by any such contractor and, at the request of Sponsor, Unit Owner shall provide Sponsor and the Board with a conformed copy of every agreement made with such contractors or subcontractors. Anything to the contrary set forth herein notwithstanding, prior to the issuance of a permanent certificate of occupancy, all portions of Unit Owner's Work related to (i) any portion of the Condominium not forming a part of the Unit, (ii) the Condominium Systems and/or (iii) the Common

Elements of the Condominium shall be performed, at Unit Owner's cost, by contractors designated by Sponsor, unless Sponsor shall agree otherwise. In addition, Sponsor and the Board reserve the right to designate the contractor to be used by Unit Owner for any work which could reasonably be expected to affect or void any warranties with respect to the Condominium Systems or the Common Elements.

2.4 Unit Owner shall deliver to Sponsor and the Board certificates of insurance (together with proof of payment of one year's premiums and annual renewal date) from all contractors and subcontractors involved in the performance of Unit Owner's Work evidencing that such contractors and subcontractors maintain the following insurance with insurers reasonably satisfactory to Sponsor and the Board: (a) commercial general liability insurance on an occurrence basis for any occurrence in or about the Condominium in which the Insured Parties (as hereinafter defined) shall be named as additional insureds, in a combined single limit not less than $5,000,000.00 (The limits of liability can be provided in a combination of a Commercial General Liability policy and an Umbrella Liability policy), which insurance shall include coverage for broad form property damage, bodily injury, personal injury, independent contractor's liability, blanket contractual liability and completed operations liability: (b) comprehensive automobile liability, covering owned, non-owned and hired vehicles, providing coverage for bodily injury and property damage, all on a per occurrence basis, in a combined single limit not less than $1,000,000.00; and (c) workers compensation insurance in statutory limits. With regard to the commercial general liability policy, such policy will (i) contain the "Broad Form Comprehensive General Liability" endorsement; (ii) include contractual liability coverage, (iii) as to the Completed Operations Coverage, extend for a period of one year following termination of Unit Owner's Work, (iv) include ((y) Knowledge of Occurrence and Notice of Occurrence endorsements and (z) and Unintentional Errors and Omissions clause; (v) include coverage with respect to asbestos exposure if Unit Owner's Work involves any asbestos-containing material, and (vi) shall not include a sunset clause without Sponsor's and the Board's consent, (vii) shall include Waiver of Subrogation language, and (viii) shall apply on a Primary & Non-Contributory basis.

2.5 Prior to the commencement of any Unit Owner's Work hereunder, detailed certificates of insurance shall be furnished to Sponsor and the Board showing that the required insurance is in full force and effect and that the premiums due thereunder have been paid. Such certificates shall provide that the said insurance may not be canceled, termination or modified without thirty (30) days written advance notice thereof to Sponsor. Each Contractor shall promptly furnish Sponsor and the Board with copies of any endorsements subsequently issued amending such insurance coverages or limits. In the event of the failure of any contractor to furnish and maintain such insurance, Sponsor shall have the right, at its option at any time: (a) to revoke permission to perform Unit Owner's Work and to deny entry into the Condominium of all workers, except that if such workers are escorted by a member of the Condominium's staff, they shall be permitted to remove their tools and supplies, or (b) to take out and maintain the said insurance for and in the name of the Insured Parties, as hereinafter defined and, in such a case, Unit Owner agrees to pay the cost thereof and to furnish all information and consents necessary to permit Sponsor and the Board to take out and maintain such insurance for and in the name of the Insured Parties. Compliance with the foregoing requirements to carry insurance and furnish certificates shall not relieve Unit Owner from liability assumed under any provisions of this Construction Agreement. Nothing in this Construction Agreement shall constitute a waiver of or limitation of any other rights or remedies Sponsor and the Board may have for consequential damages or otherwise.

2.6 As used herein, the term **"Insured Parties"** means Unit Owner, Sponsor (and its constituent members, officers, directors, shareholders, partners, principals, employees), the Board, the members of the Board, the officers of the Condominium, any mortgagee of any portion of the

Condominium and its successor and assigns, Managing Agent, Sponsors's general contractor, Architects and/or construction manager (**"Construction Manager"**) and any of their respective designees, directors, officers, members, shareholders and all related companies.

2.7 Unit Owner shall notify in writing the owners of units adjacent thereto, above and below the Unit, that Unit Owner's Work is being performed, the duration and that Unit Owner shall indemnify them for any damage caused by such Unit Owner's Work. Copies of such letters shall be delivered to the Managing Agent prior to the commencement of construction.

3. Performance of Unit Owner's Work.

3.1 Unit Owner shall commence Unit Owner's Work after all necessary Permits have been granted and Sponsor and the Board have approved the Plans, and shall thereafter prosecute the same in a diligent and expeditious manner in order to complete Unit Owner's Work on or before _____ (the **"Required Completion Date"**). The determination of whether Unit Owner's Work is completed shall be made by Sponsor and the Board, and Sponsor and the Board's determination shall be conclusive. All time limitations set forth in this paragraph 3.1 shall be subject to extension for delays caused by or attributable to acts of God, unusual weather conditions or strikes not attributable to Unit Owner or Unit Owner's general contractor or subcontractors or other agents bad faith, not to exceed forty-five (45) calendar days.

3.2 Unit Owner shall perform and complete all of Unit Owner's Work in a first-class, workmanlike manner, in keeping with the standards of the Condominium. All materials used shall be new and of high quality.

3.3 Unit Owner's Work shall be performed in accordance with (i) the Plans, (ii) this Construction Agreement, (iii) the rules and regulations established, from time to time, by Sponsor or the Board, (iv) the Condominium Documents and (v) all Legal Requirements. Unit Owner shall promptly furnish to Sponsor and the Board have evidence of such compliance as Sponsor and the Board may from time to time request.

3.4 Unit Owner shall comply with the following rules in its performance of Unit Owner's Work:

(1) No Unit Owner's Work shall adversely affect or otherwise impair the Condominium Systems.

(2) No electrical, water or gas lines, pipes or conduits in the Unit servicing other units or common areas of the Condominium (collectively, **"Risers"**) shall be altered, replaced, moved, over-loaded or otherwise affected by reason of Unit Owner's Work unless such action(s) are (i) specified at the time of original submission of the Plans to Sponsor and the Board, and (ii) approved in advance and in writing by Sponsor and the Board. Sponsor shall have the right, in its sole discretion, to determine whether there is available space and, if so, whether such space should be allocated to Unit Owner in any Riser.

(3) If Sponsor is requested to shut off water, gas, or electricity to other units in the Condominium in connection with Unit Owner's Work, Sponsor and the Board may require as a condition thereof that adequate means be installed to isolate the Unit from the rest of the Condominium, such as the installation of hot and cold water valves to avoid future water shutdowns, and Unit Owner

shall pay the attendant cost of a general shut down, such as re-lighting pilot lights after gas shut downs or clearing strainers after a water shutdown. The type of shutdowns permitted as well as the duration and timing thereof will be determined by Sponsor and the Board in their sole discretion. Any shutdowns which may be required by reason of Unit Owner's Work must be indicated at the time of original submission of Plans to Sponsor and the Board.

(4) No alterations to any exterior element of the Condominium nor any change in the outside appearance of the Condominium will be permitted in connection with Unit Owner's Work, including, without limitation, the alteration of window glass by the application of tinting or shading, back-lighting, surface coating, or changing type, thickness or color of the glass; no exterior element, such as terrace, floor, parapet or railing may be painted, decorated or altered or its appearance changed in any way.

(5) All contractors performing Unit Owner's Work shall be duly licensed to the extent required by applicable Legal Requirements and, if required under any contract with any union whose members are performing services at the Condominium (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor and the Board, any other unit owner), such work shall be performed solely by members of the respective union locals whose members are performing such services.

(6) Unless Unit Owner receives from Construction Manager written approval to the contrary, the performance of Unit Owner's Work shall in all respects be subordinate to and afforded lower priority than the performance of (i) all work which Sponsor is obligated to perform pursuant to the terms of the Offering Plan, the Agreement and/or any agreement with any other purchaser of a residential unit and (ii) all other work necessary to complete the alteration, improvement, renovation and restoration of the Condominium, as provided in the Offering Plan. Unit Owner shall cause the contractors performing Unit Owner's Work to coordinate all (i) deliveries, (ii) use of freight elevators, (iii) work schedules and (iv) the general timing of Unit Owner's Work with Construction Manager. In the case of any dispute regarding such matters, Construction Manager shall determine the respective priorities and Unit Owner shall, and shall cause its contractors to, abide by any such determination.

3.5 During the performance of Unit Owner's Work, Unit Owner shall do whatever may be necessary to insure that (i) the performance of Unit Owner's Work does not disrupt, delay, disturb or hinder the performance of any work being performed by Construction Manager or any contractor hired by Construction Manager or any other Unit Owner, and (ii) other portions of the Condominium and its equipment are not damaged and that other occupants of the Condominium and the operation of the Condominium Systems are not disturbed (or, if it is not possible to avoid disturbance entirely, to minimize such disturbance). In connection therewith, but without limiting the generality of the foregoing:

(1) If the Condominium, the Condominium Systems or any of the Condominium's equipment, is adversely affected by Unit Owner's Work, Unit Owner shall, when so advised, promptly remove the cause of the problem and repair any damage caused hereby.

(2) Unit Owner shall perform Unit Owner's Work in a manner which will not (i) disrupt, delay, hinder, or disturb Construction Manager and its contractors in the performance of work being performed by Construction Manager in the Condominium nor (ii) interfere with, or cause any labor disturbance or stoppage in the work of Construction Manager and/or any contractor or employee

employed by either Sponsor or Construction Manager or any other Unit Owner in the Condominium or otherwise cause disharmony with any service union.

(3) Except with the prior written approval of Sponsor and the Board, (i) any work which produces noise which might be disturbing to Condominium occupants shall be performed only between the hours of 10:00 A.M. and 5:00 P.M. and (ii) no part of Unit Owner's Work shall be performed on Saturdays, Sundays or holidays. The use of pneumatic or power tools such as electric hammers or portable electric saws which may disturb other occupants of the Condominium (**"Power Tools"**) will not be permitted except on a limited basis, where absolutely necessary. If either Sponsor or the Board determine, in their sole discretion, that the use of Power Tools is excessive, Unit Owner shall, when so advised, cause the use of such Power Tools either to be immediately discontinued or reduced to a level determined by Sponsor and the Board, in their sole discretion, to be acceptable.

(4) Unit Owner shall take all possible precautions to prevent dirt and dust from entering other parts of the Condominium during the progress of Unit Owner's Work. During any demolition, dust from the debris shall be controlled by either using green dust or, if possible, watering down the dust twice a day. Dust-proof partitions (plastic, paper and/or tape) shall be installed and maintained during Unit Owner's Work over and around all doorways leading to Condominium hallways and all windows of the Unit to prevent any dust or debris from entering into the Condominium hallways, stairwells, elevator shafts or systems, or into the atmosphere. All affected Condominium areas must be mopped clean or vacuumed each night before contractors leave the Condominium and the Unit must be kept reasonably clean at all times. Debris and rubbish shall be placed in covered barrels or sealed bags before being taken out of the Unit. Unit Owner shall remove from the Condominium all such barrels or bags, rubbish, rubble, debris, equipment, emptied packing cartons and other material (collectively, **"Construction Debris"**) as often as deemed necessary by Sponsor and the Board, in their reasonable discretion, in order to prevent the accumulation thereof and to ensure that no fire hazard is created. In no event shall Unit Owner store any Construction Debris in the common areas of the Condominium or other than within the confines of the Unit, except that such items may be stored in an area to be designated by Sponsor or the Board for a period of not more than two (2) hours immediately prior to the pick-up and removal of same. Unit Owner shall use the service or other elevator designated for such removal and only at such times as may be convenient to the operation of the Condominium and as the superintendent of the Condominium may direct. Unit Owner shall be responsible for arranging for the pick-up and removal from the Condominium and its vicinity to a legal dump-site of all Construction Debris caused by Unit Owner's Work by a licensed common carting service at Unit Owner's expense. Unit Owner shall not permit any dumpster or garbage container to be left overnight in front of the Condominium. Notwithstanding the foregoing, Unit Owner's placement of any dumpsters shall comply with all governmental regulations, including, without limitation, the procurement and maintenance of any necessary permits.

(5) Unit Owner and Unit Owner's employees, contractors and subcontractors shall not have any right of access or passage, by person or instrument (including, without limitations, the piercing or penetration through any walls, floors or ceilings) into or through any other unit (or, with the Board's approval, the common elements) in the Condominium for any reason in connection with Unit Owner's Work.

(6) Unit Owner shall maintain functioning fire extinguishers and smoke alarms in the Unit throughout the prosecution of Unit Owner's Work. Unit Owner shall insure that the Work does not block access to any fire exits in the Condominium. Unit Owner shall install smoke detectors within fifteen (15) feet of every sleeping area on the ceiling or wall pursuant to Local Law 62, carbon

monoxide detectors within fifteen (15) feet of every sleeping area on the ceiling or wall pursuant to pursuant to Local Law 7. The Units contain window stops that have been approved by the City of NY Department of Health, and these window stops may not be removed unless replaced with a window guard or similar device in compliance with all applicable law, including but not limited to the New York City Health Code.

3.6 If, at any time, there shall be filed against the Unit, the Condominium or any other unit in the Condominium, any lien or claim for work, labor or materials furnished or claimed to have been furnished in the performance of Unit Owner's Work or the supplying materials with respect thereto, Unit Owner shall, within ten (10) days after the filing thereof, cause the same to be fully bonded or discharged or record.

3.7 Unit Owner hereby acknowledges and agrees that Sponsor shall have the right, on notice to Unit Owner (except in the case of an emergency, in which case notice shall not be required), to inspect the status and progression of Unit Owner's Work in order to confirm that such work is being performed in a manner which will not delay or interfere with the issuance of the permanent certificate of occupancy. Anything to the contrary set forth in this Construction Agreement notwithstanding, if, within one (1) month prior to the expiration of the temporary Certificate of Occupancy, Sponsor in its sole discretion, determines that the progression of Unit Owner's Work is such that there is a potential to delay or otherwise hinder the issuance of the permanent certificate of occupancy, Sponsor may undertake to perform, at Unit Owner's sole cost and expense, those items of work necessary to be completed for the issuance of the PCO. Unit Owner shall not do or permit any act or thing to be done contrary to law, or which will invalidate or be in conflict with any provisions of any liability, casualty or other insurance policies carried by Unit Owner or for Unit Owner's benefit. Unit Owner shall comply with all federal, state and local laws, rules and regulations pertaining to Unit Owner's Work, including any such laws, rules and regulations pertaining to lead-based paint, asbestos and other hazardous material.

3.8 Unit Owner shall be responsible for any damage to or any other adverse effect upon the Unit, any other unit comprising a part of the Condominium or the Building (including the structure, shell, Condominium Systems, equipment, fixtures and finishes of the Condominium) caused by or resulting from Unit Owner's Work, regardless of when such damage or adverse effect becomes apparent. If any such damage or adverse effect shall occur or arise, Sponsor or the Board may (a) require Unit Owner, at its expense, promptly to repair the damage or remedy the condition giving rise to such adverse effect and/or (b) repair such damage or remedy such condition at Unit Owner's expense. Without limiting the generality of the foregoing, Unit Owner specifically acknowledges that this Section 3.8 shall be applicable to any damage to the carpeting, wallcoverings or other finishes in the Condominium's elevators and other common areas (including, without limitation, the cost of cleaning, shampooing, painting or repairing the same if soiled or otherwise damaged). If Sponsor or the Board advises Unit Owner of any damage which, in Sponsor's or the Board's reasonable opinion, was caused by Unit Owner's Work, then Unit Owner shall promptly submit a claim to Unit Owner's insurance carrier and to Unit Owner's contractor for submission to its insurance carrier, and Unit Owner agrees to use all reasonable efforts, and to cause its contractor to use all reasonable efforts, to cause such insurance carriers to expeditiously review and settle all such claims for which they are responsible, provided such insurance claim shall not limit Unit Owner's liability under this Section 3.8.

4. <u>After Completion of Work</u>

4.1 Upon completion of Unit Owner's Work, Unit Owner shall promptly, at its sole cost and expense (a) obtain all necessary inspections, certificates, signoffs and approvals of the same from any Governmental Authorities, including, without limitation an amended Certificate of Occupancy for the Condominium if a permanent Certificate of Occupancy has been previously obtained; (b) file all necessary notices and/or certifications with the applicable Governmental Authorities; (c) deliver to Sponsor and the Board copies of all such inspections, approvals, notices and certifications, a certificate from Unit Owner's architect or engineer to the effect that Unit Owner's Work has been completed in accordance with the approved Plans and with all Legal Requirements; a New York City Electrical Certificate and a certificate from the Board of Fire Underwriters with respect to Unit Owner's Work; and such other proof as may be necessary to indicate that Unit Owner's Work has been done in accordance with all applicable Legal Requirements; and (d) if in the judgment of Sponsor or the Board, in its sole discretion, Unit Owner's Work so requires, cause the Condominium Documents and Floor Plans to be amended by those attorneys designated by Sponsor to prepare such amendments at Unit Owner's sole cost and expense.

4.2 Unit Owner shall be solely responsible for the maintenance and repair of all portions of Unit Owner's Work, whether or not structural, and maintenance of all Condominium Systems and other equipment installed or altered as part of Unit Owner's Work. A full cleaning and filter change for all fan coil units in the Unit is required at Unit Owner's expense upon completion.

4.3 If any riser or electrical, water or gas branch line is relocated, as part of Unit Owner's Work, Unit Owner's contractor shall, upon completion of Unit Owner's Work, supply Sponsor and the Board with one full set of reproducible as-built drawings clearly indicating the location of all such Risers, branch lines and shut-off valves, if any. If there is undue noise, vibration, fumes or exhaust heat or any other nuisance from air conditioning equipment, whirlpool baths or other equipment, appliances or fixtures installed as part of Unit Owner's Work, or as a result of a change in usage of any portion of the Unit arising out of Unit Owner's Work, then Unit Owner shall upon notice from Sponsor or the Board make immediate repairs or adjustments to eliminate the cause thereof. If the complaint continues after repairs and adjustments, then Unit Owner shall cease to operate such equipment, appliances or fixtures or cease such changed usage, as the case may be, and Unit Owner shall indemnify and hold the Insured Parties harmless from and against any liability, loss, cost, expense or damage, including, without limitations, attorneys' fees, incurred by any of the Insured Parties in connection with any such noise, vibration, fumes, heat or nuisance.

5. Unit Owner's Costs and Liabilities

5.1 The entire cost of Unit Owner's Work, including, without limitation, the cost of preparing the Plans, the procurement of all required Permits, and the cost of labor, materials, and professional fees, shall be paid in full by Unit Owner within thirty (30) days after the earlier of (a) completion of Unit Owner's Work or (b) rendition of a final bill therefor.

5.2 All fees, costs and expenses actually incurred by any of the Insured Parties resulting from, arising out of, or in any way connected with or occasioned by this Construction Agreement and the performance of Unit Owner's Work and all matters related thereto, including, without limitation, all legal expenses, disbursements and all costs incurred in connection with the preparation and review of this Construction Agreement and all related documents and all costs, fees and expenses of architects, engineers, attorneys or other professionals incurred in connection with Unit Owner's Work, the review of the Plans, obtaining Permits, inspection of Unit Owner's Work, the enforcement of this Construction Agreement or the assertion or any right, claim, cause of action or remedy hereunder by Sponsor and the

Board, and any additional or overtime labor or services provided by Condominium employees, shall be paid by Unit Owner to such Insured Parties within twenty (20) days after its receipt of a demand for payment, together with reasonably detailed supporting documentation.

5.3 Unit Owner hereby assumes the entire responsibility and liability for all damages or injury of any kind, whether direct, indirect or consequential, to all persons, including, without limitation, the Insured Parties, owners of other units in the Condominium and their tenants, guests, employees and invitees (collectively, the "**Indemnified Parties**"), and to all property, including, without limitation, the Condominium, the Condominium Systems, the Common Elements, and other unit within the Condominium and other systems and property belonging to any of the Indemnified Parties, resulting from, arising out of or in any way connected with or occasioned by Unit Owner's Work. Unit Owner shall make full restitution to all Indemnified Parties for any damage or injury thereto. Unit Owner hereby indemnifies and holds each of the Indemnified Parties harmless (and will cause its general contractor and/or construction manager to indemnify and hold each of the Indemnified Parties harmless by executing the Release and Indemnity annexed hereto as Exhibit B) from and against any and all loss, cost, expense (including, without limitation, attorneys, fees and disbursements), damage or injury, whether direct, indirect or consequential, arising directly or indirectly from, or in any way connected with or occasioned by Unit Owner's Work and the acts of Unit Owner, Unit Owner's contractors and subcontractors, and its or their agents and employees, including, without limitation, (a) costs incurred in preparation, execution, or submission of any application for any Permit in connection with Unit Owner's Work made by Sponsor and the Board to any Governmental Authority; (b) the claims of any contractor, subcontractor, materialman, architect, or engineer on account of Unit Owner's Work; (c) any claims of any person for personal injury or property damage; (d) any delay in obtaining a Certificate of Occupancy (permanent or temporary) with respect to the Condominium or any portion thereof (or any amendment to, or extension of the same if theretofore issued) as a result of Unit Owner's Work or the failure to timely complete same and/or make all appropriate governmental filings in connection with the same; (e) any labor dispute or other difficulty arising from the employment of union labor represented by a local or locals other than the local or locals engaged in the performance of Sponsor's construction work in and to the Condominium; (f) the failure to obtain any required Permit; (g) the failure to comply with the terms and conditions of this Construction Agreement, the Condominium Documents or Legal Requirements; or (h) any personal injury, liability or damage to any personal property or to any part of the Condominium, its utilities, equipment or furnishings.

5.4 Unit Owner hereby releases and discharges Sponsor (and its constituent members, officers, directors, shareholders, partners, principals, employees), the Board, Construction Manager, Managing Agent and their respective successors and assigns from all actions, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims, and demands whatsoever, in law or equity, which against Sponsor (and its constituent members, officers, directors, shareholders, partners, principals, employees), the Board, Construction Manager and Managing Agent, Unit Owner ever had, now has or hereafter can, shall or may have for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of completion of Unit Owner's Work resulting from, arising out of or in any way connected with or occasioned by, directly or indirectly, Unit Owner's Work or the approval or disapproval of, or action or inaction in regard to, Unit Owner's Work on any part thereof.

6. Remedies

6.1 The Board, Sponsor and their architects, engineers or other professionals shall have the right to enter the Unit, both during the progress of and after the completion of Unit Owner's Work, from

time to time, for the purpose of inspecting Unit Owner's Work to ensure that Unit Owner's Work is being performed, and has been performed, in accordance with the Plans and Specifications and this Construction Agreement.

6.2 If Unit Owner fails to comply with any of the covenants herein contained, the Board and/or Sponsor shall have the right to cause Unit Owner's Work to be halted, including, without limitation the right to deny access to the Condominium to Unit Owner's contractors, workmen and suppliers, until Unit Owner complies with this Construction Agreement. During the period until Unit Owner is permitted hereunder to resume Unit Owner's Work, the Board and/or Sponsor shall have the right to perform any and all work in and to the Unit as shall be necessary in the Board and/or Sponsor's judgment, in order to: (a) repair any condition posing a threat of harm to persons or the Condominium; or (b) avoid any delay in obtaining a PCO (or any amendment to, or extension of, the same if theretofore issued), whether or not such work shall be in compliance with the Plans for Unit Owner's Work. The cost and expense of any such work performed by the Board and/or Sponsor shall be borne by such Unit Owner and shall be paid to either the Board and/or Sponsor (whichever party incurred the cost) within fifteen (15) days of written demand therefor, together with reasonably detailed supporting documentation.

6.3 Unit Owner hereby acknowledges and agrees in addition to any other rights and remedies the Board and/or Sponsor may have at law or in equity, the Board and/or Sponsor shall be entitled to a decree of specific performance, a restraining order, a preliminary injunction, a final injunction and any other equitable relief restraining or preventing Unit Owner from doing or continuing to do any act in violation of this Construction Agreement or requiring Unit Owner to perform its obligations hereunder. Without limiting the foregoing, any breach by Unit Owner of any of the provisions of this Construction Agreement shall constitute a breach under the relevant provisions of the declaration and bylaws and shall entitle the Board to exercise all of the rights and remedies therein provided. In addition, the Board shall also have the right to revoke its consent to the Unit Owner's Work, and/or to complete or remove all or any part of such Unit Owner's Work and restore the Unit to its condition prior to the commencement of the Unit Owner's Work at Unit Owner's sole cost and expense. The remedies provided for herein and in the bylaws shall not be exclusive, and the Board and Sponsor shall also be entitled to any other rights and remedies the Board and Sponsor may have at law or in equity. Notwithstanding the foregoing, except in the event of a condition posing immediate danger or harm to person or property, the Board and/or Sponsor shall not seek any relief set forth in the preceding two sentences (except in the case of an emergency) until it has first given Unit Owner ten (10) days prior written notice of the breach of this Construction Agreement.

6.4 As additional security for the faithful performance and observance by Unit Owner of the terms and conditions of this Construction Agreement, Unit Owner has deposited the sum of _____ (the "**Security Deposit**") with the Board. Unit Owner agrees that the Board may use, apply or retain the whole or any part of the Security Deposit and the interest earned thereon, if any, to the extent required for the payment of any sums due to the Board and/or Sponsor under this Construction Agreement as determined in the discretion of the Board. If the Security Deposit is diminished by any significant amount, then Unit Owner shall replenish it to the full amount within three (3) days after written demand. Unit Owner's failure to so replenish the Security Deposit shall be a material breach of this Construction Agreement and shall entitle the Board to stop Unit Owner's Work, and/or exercise any remedies it has hereunder. If Unit Owner shall comply with all of the terms and conditions of this Construction Agreement, the Security Deposit and interest or remaining balance thereof, if any, shall be returned to Unit Owner after completion of Unit Owner's Work. The Board's release of the Security Deposit shall not constitute acceptance of Unit Owner's Work by the Board or Sponsor or a waiver by the Board or Sponsor of any of their rights under this Construction Agreement.

Any sums due to the Board or Sponsor under this Construction Agreement and not recovered by application of the Security Deposit shall be deemed obligations chargeable and collectible as additional common charges due by Unit Owner to the Board pursuant to the Condominium Documents.

7. Miscellaneous

7.1 None of Sponsor, the Board, Construction Manager or the Managing Agent will be responsible for failure or inefficient performance of Condominium Services to the Unit resulting from Unit Owner's Work.

7.2 Unit Owner acknowledges that it has not relied upon any representations, warranties, architect's plans or statements of any nature whatsoever, whether written or oral, made by Sponsor, the Board, the Managing Agent, or otherwise, including, without limitation, any representations, warranties, architect's plans, statements or estimates relating to the cost, feasibility, safety or compliance with Legal Requirements of Unit Owner's Work, it being understood that Sponsor's or the Board's approval of the Plans is not an express or implied warranty as to any such matter.

7.3 Any notice, request, consent or other communication hereunder shall begin in writing and sent by a reputable overnight courier or certified mail, to Unit Owner at the address given at the beginning of this Construction Agreement and to Sponsor and Board at the respective address given at the beginning of this Construction Agreement, with a copy, in each case (so long as Sponsor has any Unsold Units and prior to the issuance of a permanent certificate of occupancy) to Goldfarb & Fleece LLP, 345 Park Avenue, New York, New York 10154, Attn: Neal A. Weinstein, Esq., or to such other address as either party may hereafter designate to the other in writing. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

7.4 If, at any time, Unit Owner shall require the consent or approval of Sponsor or the Board to any proposed action hereunder, Unit Owner shall make a written request therefor, in accordance with Section 7.3 hereof, requesting such consent or approval. In no event whatsoever may Unit Owner rely on any consents, approvals, communications, statements or notices given by any person (including, without limitation, the Managing Agent or the superintendent of the Condominium or any representative of either) who is not a member of Sponsor or the Board, or which are not in writing. Wherever in this Construction Agreement Sponsor's consent or approval is required, then (i) if Sponsor or the Board refuses such consent or approval, Unit Owner shall in no event be entitled to make any claim and (ii) Unit Owner hereby waives any claim for money damages based upon any claim or assertion by Unit Owner that Sponsor or the Board unreasonably withheld or unreasonably delayed its respective consent or approval.

7.5 Unit Owner acknowledges that until the Completion Date occurs, Unit Owner shall be require to obtain all consents and approvals required hereunder from Sponsor and the Board, and Unit Owner shall not take any action requiring consent and approval of both such parties unless and until both Sponsor and the Board grant their respective consent or approval in any instance hereunder.

7.6 This Construction Agreement may not be changed or terminated orally.

7.7 This Construction Agreement may not be assigned by Unit Owner except that it shall be required to be assigned to any new Unit owner in connection with a sale of the Unit subject to such Unit Owner's Work. The Unit Owner hall advise the person or persons to whom it transfer the Unit of

the Unit Owner's Work undertaken by the Unit Owner pursuant to this Construction Agreement, and shall provide copies of the Plans and this Construction Agreement to such purchaser, and shall cause the purchaser to execute and deliver to the Condominium Board an agreement in the form of Exhibit C hereto pursuant to which the purchaser shall assume all the obligations of the Unit Owner under the Condominium Agreement.

IN WITNESS WHEREOF, this Construction Agreement is executed and delivered as of the date set forth on the first page hereof.

SPONSOR:

Spruce 317 West 77th LLC

By: _____
Name:
Title: Authorized Signatory

78 RPM Owner LLC

By: _____
Name:
Title: Authorized Signatory

UNIT OWNER:

_____
Print Name:

_____
Print Name:

THE CONDOMINIUM BOARD OF THE 151 EAST 78TH STREET CONDOMINIUM ON BEHALF OF ALL UNIT OWNERS

By: _____
Name:
Title:

EXHIBIT "A"

DESCRIPTION OF UNIT OWNER'S WORK

EXHIBIT "B"

CONTRACTOR'S RELEASE AND INDEMNITY

Date:

Re: Unit in the 151 East 78th Street Condominium

Gentlemen:

The undersigned agrees that it will not make any claim against, or seek to recover from either Spruce 317 West 77th LLC, a New York limited liability company and 78 RPM Owner LLC, a Delaware limited liability company, both with an address at Spruce Capital Partners, 902 Broadway, New York, NY 10010 (collectively, **"Sponsor"**), The Condominium Board of the 151 East 78th Street Condominium (the "**Board**"), **[Sponsor's Construction Lender] [Sponsor's Construction Manager] [Sponsor's Architect] [the Managing Agent]**, each owner and/or occupant of one or more units in the Condominium and each and all of their respective agents, servants, employees, tenants, guests, licensees, invitees, officers, directors, shareholders and partners (collectively the "**Indemnitees**") for the cost or expense of any services, materials or other items supplied to or performed at the above referenced Unit as part of the Unit Owner's Work described in that certain construction agreement between Sponsor, the Board and _____ [Unit Owner] dated [_____], (the **"Construction Agreement"**) nor for any liability, loss or damages relating to such Unit Owner's Work unless and to the extent the loss or damage is due to the gross negligence or willful misconduct of the Indemnitees. The undersigned further agrees to defend, indemnify and hold harmless the Indemnitees against any and all liability, including legal costs and expenses on account of loss of life or injury to any person or damage to property, happening in or arising out of or in anyway relating to the performance of Unit Owner's Work (as such term is defined in the Construction Agreement) unless and to the extent such injury or loss of life or loss or damage to property is caused by the gross negligence of willful misconduct of the Indemnitees.

Sincerely,

[Contractor]

EXHIBIT 18

ZLDA / LIGHT AND AIR EASEMENTS

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NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument.The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.

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RECORDING AND ENDORSEMENT COVER PAGE **PAGE 1 OF 36**

Document ID: 2013070900318006 Document Date: 06-27-2013 Preparation Date: 07-19-2013
Document Type: SUNDRY MISCELLANEOUS
Document Page Count: 34

PRESENTER:
RIVERSIDE ABSTRACT LLC
HOLD FOR PICK-UP
3839 FLATLANDS AVE #208 - MRNY-11010
BROOKLYN, NY 11234
718-252-4200
PKOHAN@RSABSTRACT.COM

RETURN TO:
RIVERSIDE ABSTRACT LLC
HOLD FOR PICK-UP
3839 FLATLANDS AVE #208 - MRNY-11010
BROOKLYN, NY 11234
718-252-4200
PKOHAN@RSABSTRACT.COM

PROPERTY DATA

Borough	Block	Lot		Unit	Address
MANHATTAN	1413	24	Entire Lot		157 EAST 78TH STREET

Property Type: OTHER Easement Air Rights

Borough	Block	Lot		Unit	Address
MANHATTAN	1413	23	Entire Lot		153 EAST 78TH STREET

Property Type: DWELLING ONLY - 2 FAMILY

CROSS REFERENCE DATA

CRFN_____ *or* DocumentID_____ *or* _____ Year____ Reel____ Page____ *or* File Number_____

PARTIES

PARTY 1:
[redacted]
157 EAST 78TH STREET
NEW YORK, NY 10075

☒ Additional Parties Listed on Continuation Page

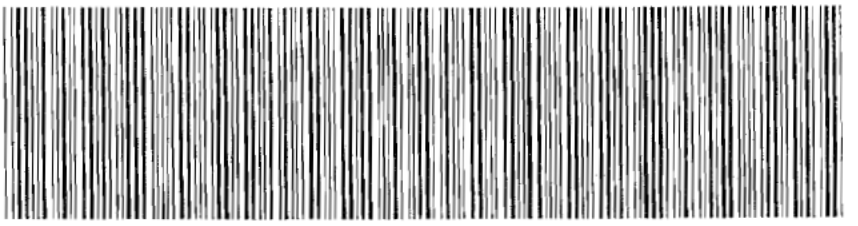
PARTY 2:
SPRUCE 317 WEST 77TH LLC
C/O SPRUCE CAPITAL PARTNERS LLC, , 902
BROADWAY, 18TH FLOOR
NEW YORK, NY 10010

FEES AND TAXES

Mortgage :		
Mortgage Amount:	$	0.00
Taxable Mortgage Amount:	$	0.00
Exemption:		
TAXES: County (Basic):	$	0.00
City (Additional):	$	0.00
Spec (Additional):	$	0.00
TASF:	$	0.00
MTA:	$	0.00
NYCTA:	$	0.00
Additional MRT:	$	0.00
TOTAL:	$	0.00
Recording Fee:	$	210.00
Affidavit Fee:	$	0.00

Filing Fee:	$	100.00
NYC Real Property Transfer Tax:	$	19,065.53
NYS Real Estate Transfer Tax:	$	2,906.00

NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER



2013070900318006001C1F74

RECORDING AND ENDORSEMENT COVER PAGE (CONTINUATION) **PAGE 2 OF 36**

Document ID: 2013070900318006 Document Date: 06-27-2013 Preparation Date: 07-19-2013
Document Type: SUNDRY MISCELLANEOUS

PARTIES

PARTY 2:
78 RPM OWNER LLC
C/O SPRUCE CAPITAL PARTNERS LLC, , 902
BROADWAY, 18TH FLOOR
NEW YORK, NY 10010

ZONING LOT DEVELOPMENT AGREEMENT

THIS ZONING LOT DEVELOPMENT AGREEMENT (this "**Agreement**"), made as of this 27 day of Jun, 2013, among [redacted], an individual, having an address at 157 East 78th Street, New York, New York ("**Owner**"), SPRUCE 317 WEST 77TH LLC, a New York limited liability company, having an address c/o Spruce Capital Partners LLC, 902 Broadway, 18th Floor, New York, New York 10010 ("**Spruce**"), and 78 RPM OWNER LLC, a Delaware limited liability company, having an address c/o Spruce Capital Partners LLC, 902 Broadway, 18th Floor, New York, New York 10010 ("**RPM**"; Spruce and RPM, collectively, "**Developer**").

RECITALS

A. Owner is the owner in fee of certain land, with the building(s) and improvements thereon, known as 157 East 78th Street, in the City, County and State of New York (Tax Lot 24, Block 1413 on the Tax Map of the City of New York, County of New York (the "**Tax Map**")), more particularly described in Schedule A annexed hereto (said land being herein called "**Owner's Land**", said buildings and improvements, together with any future replacements thereof, being herein called "**Owner's Building**", and said land and buildings and improvements, together with any future replacements thereof, being herein called "**Owner's Property**").

B. Developer is the owner in fee of certain land, known as 153 East 78th Street and 155 East 78th Street, in the City, County and State of New York (Tax Lot 23, Block 1413 on the Tax Map), more particularly described in Schedule B annexed hereto (said land being herein called "**Developer's Land**").

C. Developer intends to construct a new building or buildings upon all or a portion of Developer's Land and other properties that may be acquired by Developer (said new building or buildings, with any further replacements thereof or additions thereto, being herein called "**Developer's Building**"; Developer's Land and Developer's Building being herein collectively called "**Developer's Property**"; Owner's Land and Developer's Land being herein sometimes collectively referred to as the "**Parcels**", and each individually as a "**Parcel**").

D. It is planned that Developer's Building will contain more floor area (hereinafter, "**Floor Area**"), as that term is defined in the Resolution (as hereinafter defined), than is now available for use under the "floor area ratio" limitation contained in the Resolution, and that there are certain Floor Area Development Rights (as hereinafter defined), which are appurtenant to Owner's Land which are in excess of the Retained Development Rights (as hereinafter defined) and are available for transfer in accordance with certain provisions of the Resolution.

E. Accordingly, the parties hereto are simultaneously herewith executing and delivering a Declaration of Restrictions (herein called the "**Declaration**"), in accordance with certain provisions set forth in the definition of the term "zoning lot" as defined in Section 12-10 of the Resolution, a copy of which Declaration is annexed hereto as Schedule C and made a part

hereof, which seeks to effectuate the intentions of the parties to this Agreement by creating a single zoning lot comprising both Owner's Land and Developer's Land (herein called the "**Combined Zoning Lot**"), for purposes of making a portion of the excess Floor Area Development Rights attributable to Owner's Land available for utilization in connection with the construction of Developer's Building and Owner is willing to make such excess Floor Area Development Rights available to Developer for consideration heretofore paid by Developer.

Therefore, the parties hereto agree as follows:

ARTICLE I

CERTAIN DEFINITIONS; DECLARATION OF RESTRICTIONS

Section 1.1. As used herein:

(i) "**Access and Indemnity Agreement**" shall mean the access and indemnity agreement dated the date hereof between Owner, as Licensor, and Developer, as Licensee, to be recorded in the Office of the City Register, New York County.

(ii) "**Bonus Rights**" shall mean any bonus Floor Area Development Rights and other development rights attributed to a zoning lot which may be or become available for inclusion in a building constructed thereon through the provision of an amenity or public benefit, either on or off the zoning lot, in accordance with the applicable provisions of the Resolution.

(iii) "**Chimney Extension**" shall mean an extension of the currently working chimneys on Owner's Building to the legally required height relative to that of Developer's New Building, which extension shall include the flues and appurtenances thereto, including but not limited to, all necessary fans, motors and dampers, and shall be installed in connection with the initial construction of Developer's Building and which shall serve Owner's Building and which, commencing at the twelfth (12th) floor of Owner's Building, may also serve Developer's Building. The Chimney Extension is more particularly depicted in the drawings attached to this Agreement as Exhibit 3 and shall consist of an unenclosed flue or flues affixed to Developer's Building, finished in a color to be approved by the Landmarks Preservation Commission.

(iv) "**Chimney Relocation**" shall mean the relocation of the currently working chimneys on Owner's Building to a point at least ten (10) feet east of their current location and shall include all associated work necessary to do perform and complete such relocation, including, but not limited to, modification of existing equipment or installation of new equipment as necessary for the proper functioning of the relocated chimneys and the equipment to which the chimneys are connected to function properly.

(v) "**Floor area**," "**floor area ratio**," "**FAR**", "**zoning lot**," "**party(ies) in interest**," "**use**" and "**bulk**" shall have the meanings set forth in Section 12-10 of the Resolution.

(vi) "**Floor Area Development Rights**" shall mean the rights, as determined in accordance with the Resolution, which are appurtenant to a zoning lot, to develop such zoning lot by erecting thereon a structure or structures with a total floor area determined by multiplying

the area of the zoning lot by the maximum allowable floor area ratio for structures in the zoning district or districts in which such zoning lot is located and which may be authorized by the appropriate agency of the City of New York (the "**City**"), expressly excluding Upzoning Rights or Bonus Rights (each as hereinafter defined).

(vii) "**Outside Completion Date**" shall mean the Outside Completion Date as defined in the Access and Indemnity Agreement.

(viii) "**Rebuilding**" shall mean reconstruction, replacement, alteration, restoration, expansion, renovation, repair or rebuilding of Developer's Building or Owner's Building, as applicable (each, a "**Rebuilding**").

(ix) "**Resolution**" shall mean the Zoning Resolution of the City of New York, effective as of December 15, 1961, as amended from time to time, and any successor statute(s) thereto;

(x) "**Retained Development Rights**" shall mean all Floor Area Development Rights appurtenant to Owner's Land including, but not limited to, those incorporated in Owner's Building, all unused Floor Area Development Rights including, but not limited to, one hundred twenty (120) square feet in the C1-8X district, and all Bonus Rights and Upzoning Rights that are or may be appurtenant to Owner's Land as if Owner's Land were a separate zoning lot and not part of the Combined Zoning Lot, less the Transferred Development Rights.

(xi) "**Transferred Development Rights**" shall mean Three Thousand Six Hundred Thirty One and 53/100 (3,631.53) square feet of currently unused Floor Area Development Rights in the C1-8X(R9X) district appurtenant to Owner's Land at the time of this Agreement.

(xii) "**Unavoidable Delay**" shall mean any delays resulting from: (i) a strike of any labor union or a lockout not instituted by Developer or its contractors; (ii) acts of God or the elements (such as rain, tornado, hurricane, flood, snow, and other inclement weather); (iii) civil commotion, acts of war, terrorism or the public enemy; (iv) fire or other casualty or catastrophe; (v) accidents not caused by Developer or its contractors; (vi) delays caused by Owner or any agent, contractor, representative, employee, licensee or invitee of Owner; or (vii) any other cause beyond Developer's reasonable control.

(xiii) "**Upzoning Rights**" shall mean collectively, floor area (a) resulting from any upward revision by the City of the allowable floor area ratio of a zoning lot granting or permitting the creation of additional floor area on such zoning lot or (b) resulting from any amendment of the Resolution.

ARTICLE II

GRANT OF EASEMENTS AND DEVELOPMENT RIGHTS

Section 2.1. (a) Owner hereby transfers and conveys to Developer, its successors and assigns, for the benefit of Developer's Property, the **Transferred Development Rights** for use and incorporation into the Developer's Building.

(b) Owner hereby grants to Developer, for the benefit of Developer's Property, a perpetual easement for unrestricted light and air, and unobstructed view, over and above Owner's Property (the "**Light and Air Easement**"). The Light and Air Easement shall begin above the "Lower Limiting Plane" (defined below). The certain volume of space occupied by the Light and Air Easement shall be referred to herein as the "**Light and Air Easement Area**". Owner covenants and agrees that no buildings, improvements, structures, alterations or additions, including any Rooftop Structures, shall be constructed or allowed to exist on Owner's Property that shall encroach into the Light and Air Easement Area, and no Rebuilding, whether following casualty or otherwise, shall be made so as to encroach into the Light and Air Easement Area. The foregoing shall not be deemed (A) to prohibit or restrict the replacement or continued maintenance of any parapet, bulkhead, elevator shaft, water tower, antenna (or similar device), chimney, pipe, ladder, fire escape or other item of building mechanical equipment (collectively, "**Mechanical Equipment**") on the roof of Owner's Building below the Lower Limiting Plane and/or (B) to prohibit the construction of additions, improvements or replacements of Owner's Building below the Lower Limiting Plane. Owner shall execute and deliver to Developer at Developer's request all additional documents, instruments or certificates requested by the Department of Buildings of the City of New York (the "**Buildings Department**") to further evidence or memorialize the Light and Air Easement, including but not limited to the form set forth in Buildings Department Bulletin 2008-07. "**Lower Limiting Plane**" shall mean that certain limiting plane located above and coincident with the boundaries of the Owner's Land beginning at an elevation that is thirty (30) feet above the Existing Height. "**Existing Height**" shall mean ninety-five and thirty-four hundredths (95.34) feet above Manhattan Datum, as shown on the survey attached to this Agreement as Exhibit 1 (the "Survey").

(c) Owner hereby covenants and agrees that no structure or improvement on Owner's Land, including any new building, improvement, alteration or addition constructed or allowed to exist on Owner's Land, and no Rebuilding of Owner's Building whether following a casualty or otherwise, shall have a total floor area in excess of the Retained Development Rights. The Retained Development Rights may be incorporated into Owner's Building for any lawful purpose, subject only to the express limitations, terms, conditions and covenants of this Agreement.

(d) If any governmental authority or agency shall issue any note or notice of violation of any building code, fire code or other law, ordinance or regulation (each a "**Violation**") with respect to Owner's Building that, as evidenced by a written objection issued by the Buildings Department, prevents the issuance of a building permit or any other permits or approvals required by law to build Developer's Building or to maintain or rebuild any building on the Combined Zoning Lot other than Owner's Building, or prevents the issuance of a

permanent Certificate of Occupancy for Developer's Building (each an **"Owner's Violation"**), Owner shall cause such Owner's Violations to be dismissed, cured, removed of record, or otherwise eliminated as an obstacle to the issuance of the permits or Certificate of Occupancy (any of the foregoing, a **"Cure"**). If Owner fails to Cure an Owner's Violation within thirty (30) days after a notice from Developer, or, if such Owner's Violation cannot practicably be Cured within thirty (30) days, Owner fails to diligently prosecute such Cure to completion, Developer may take any reasonable actions within the Buildings Department that do not adversely affect Owner's Building to Cure the Owner's Violation (it being understood by the parties that an order, directive, fine or penalty relating to an Owner's Violation shall not be deemed to adversely impact Owner's Building), including but not limited to, paying any penalties or fines at Owner's expense. The owners of properties on the Combined Zoning Lot, other than Owner and Developer, are intended to be third-party beneficiaries of this Section 2.1(d).

(e) If any governmental authority or agency shall issue any Violation with respect to Developer's Building that, as evidenced by a written Objection issued by the Buildings Department, prevents the issuance of a building permit or any other permits or approvals required by law to rebuild Owner's Building or to build such other buildings on Owner's Land as allowed under this Agreement, or prevents the issuance of a permanent Certificate of Occupancy for Owner's Building or such other buildings (each a **"Developer's Violation"**), Developer shall cause such Developer's Violations to be Cured. If Developer fails to Cure a Developer's Violation within thirty (30) days after a notice from Owner, or, if such Developer's Violation cannot practicably be Cured within thirty (30) days, Developer fails to diligently prosecute such Cure to completion, Owner may take any reasonable actions to Cure the Developer's Violation or to enable its permit to be issued or Certificate of Occupancy to be issued, notwithstanding the Developer's Violation.

Section 2.2. Owner hereby consents to the creation of the Combined Zoning Lot and to the transfer and allocation to Developer's Land of the **Transferred Development Rights** and consents to Developer's incorporation into Developer's Building and Developer's utilization of such amount of **Transferred Development Rights** to develop Developer's Property, subject to the express terms, limitations, conditions and covenants of this Agreement. Owner shall retain all rights in and to the existing Retained Development Rights. Developer has made its own independent investigation as to the quantity and availability of the Transferred Development Rights, which has been certified to Developer and Owner by Developer's architect in the certificate attached hereto as Exhibit 4. Owner shall retain all other rights not expressly transferred and allocated hereunder with respect to Owner's Property including, but not limited to, the right to maintain Owner's Building in its present size and a Rebuilding of Owner's Building using all of the Retained Development Rights in accordance with this Agreement.

Section 2.3. Owner and Developer agree that, except as specifically set forth in this Agreement, this Agreement is not intended to and does not grant either party hereto a right of easement or access to, upon or over the Land of the other party hereto, or to perform construction on said other party's Land, except as may be otherwise herein specifically set forth. The parties further agree that, except as specifically set forth in this Agreement, no portion of any building or other improvement hereafter erected on Owner's Land or Developer's Land shall encroach upon the Land of the other party in any manner. If any such encroachment shall be

constructed in violation of this covenant, it shall be promptly removed by the party who erected same at such party's sole cost and expense, and if such party fails to commence or to conclude such removal, the other party shall have all legal and equitable remedies to effect same.

Section 2.4. All (i) Bonus Rights shall be based on the lot area of each party's Parcel (without giving effect to the Declaration or the Combined Zoning Lot), shall accrue solely to the party making an application for such Bonus Rights and shall be allocated to that party's property, and (ii) Upzoning Rights shall accrue and be allocated to Owner's Property and Developer's Property based on the lot area of each party's Parcel (without giving effect to the Declaration or the Combined Zoning Lot).

Section 2.5 The footprint of Developer's Building within Lot 23 cannot extend further than five (5) feet and five (5) inches north of the northern façade of the first floor of Owner's Building as indicated on Exhibit 4.

Section 2.6 (a) Owner shall effect the Chimney Relocation. Developer shall be responsible for all hard and soft costs to be incurred in connection with performing and completing the Chimney Relocation, including but not limited to, any required modifications or replacement of Owner's existing boilers or hot water heaters, including costs incurred by Owner's architect, mechanical engineer and mechanical contractor, plumber and other third parties, that may be necessary to complete the Chimney Relocation; (ii) Owner and Developer shall jointly prepare, or cause their respective architects and engineers to collaborate in the preparation of, plans and specifications for the Chimney Relocation; (iii) Owner shall prepare, or cause its architects or engineers to prepare, work permit applications for the Chimney Relocation for filing with the Buildings Department, the Landmarks Preservation Commission, and the Fire Department (or other agency or instrumentality of the City, State or Federal government with jurisdiction over the Chimney Relocation); (iv) Owner shall file and diligently prosecute to approval all such application(s) and will procure all approvals, permit(s), authorizations, certifications and certificates required for the Chimney Relocation; (v) Owner will construct the Chimney Relocation substantially in accordance with such permit(s); and (vi) Owner will secure all sign-offs required by the Buildings Department, Landmarks Preservation Commission, Fire Department (or other agency or instrumentality of the City, State or Federal government with jurisdiction over the Chimney Relocation) on the completed Chimney Relocation before December 31, 2013. Developer shall be responsible for all costs and expenses incurred in the construction of the Chimney Relocation pursuant to above clauses (i) through (vi). Notwithstanding anything in this Section 2.6(a) to the contrary, if Owner is unable, after all commercially reasonable efforts, to obtain all required approvals pursuant to perform or complete the Chimney Relocation, then Owner and Developer shall have no further obligations under this subsection 2.6(a), but subsections 2.6(b) through (f) shall apply and Owner and Developer shall perform their respective obligations thereunder.

(b) If Owner does not receive approvals from the Landmarks Preservation Commission or the Department of Buildings for the Chimney Relocation and Developer erects Developer's Building to a height above Existing Height, then Developer shall construct the Chimney Extension. After completion of the Chimney Extension, Developer shall maintain the Chimney Extension in its original location and shall keep the Chimney Extension in good

working order and condition, all at Developer's sole cost, liability and expense, for so long as Owner's Building shall be maintained on Owner's Property in a manner so as not to require the relocation or modification of the Chimney Extension; provided that Owner shall be responsible for the cost of repairing or replacing the Chimney Extension if same is damaged by Owner or its contractors or agents or by the improper use or failure to maintain any of Owner's systems or equipment attached to the Chimney Extension. Nothing in this paragraph or Agreement shall impose an obligation on Developer to maintain any of the chimneys, exhaust or other systems on Owner's Property or within Owner's Building that are connected to the Chimney Extension.

(c) Construction and installation of the Chimney Extension shall be in compliance with all applicable laws, ordinances, regulations and rules, including but not limited to those issued by the Department of Buildings and the Landmarks Preservation Commission, and Developer shall obtain all required approvals from the Department of Buildings and the Landmarks Preservation Commission for the Chimney Extension. Any change in the design or location of the Chimney Extension from the plan attached as Exhibit 3 shall be subject to Owner's prior written approval, which approval shall not be unreasonably withheld, delayed or conditioned.

(d) Owner hereby grants to Developer for the benefit of Developer's Property a perpetual easement to install and maintain the Chimney Extension over and above Owner's Property (the "**Chimney Easement**") as and to the extent necessary to maintain the Chimney Extension as shown and described on Exhibit 3.

(e) Owner hereby grants to Developer for the benefit of Developer's Property a perpetual easement to enter onto the roof of Owner's Property to construct, install, maintain, repair and replace the Chimney Extension. With respect to the initial construction and installation of the Chimney Extension, the rights of Developer under this Section 2.6(e) shall be exercised subject to and in accordance with the Access and Indemnity Agreement. After the Outside Completion Date, the rights of Developer under this Section 2.6(e) shall be exercised subject to and in accordance with Article III.

(f) Developer hereby grants to Owner, for the benefit of Owner's Property, a perpetual easement for the Chimney Extension to be affixed to Developer's Building along the area on the eastern façade thereof, as shown on Exhibit 3, and covenants and agrees to maintain Developer's Building as needed to support and maintain the Chimney Extension for as long as Developer's Building shall stand. Developer, at its sole cost and expense, shall perform maintenance of the Chimney Extension on a regular basis, but not less than once per year, and shall immediately repair any malfunction thereof as detected either through the regular maintenance or upon notice from Owner of a malfunction, which notice shall be in writing or, in the event of an emergency, in telephonic, email or personal communication.

ARTICLE III

CONSTRUCTION ON THE COMBINED ZONING LOT

Section 3.1. Neither Owner nor Developer shall (i) file an application with any governmental authority to construct, or (ii) construct or (iii) permit to exist a building or other structure on its Parcel which would adversely affect the rights of the other party to maintain that respective party's Floor Area Development Rights as allocated in accordance with this Agreement as of the date hereof, provided that nothing in this Section 3.1 shall obligate Owner to alter Owner's Building as it presently exists. Owner and Developer agree that neither of them shall build their respective buildings or any Rebuilding thereof in a manner that creates or increases the degree of a non-compliance on the Combined Zoning Lot.

Section 3.2. (a) Construction plans and specifications and any applications to the Buildings Department for any building on any single Parcel shall be separate and independent from those for any building on any other Parcel, and shall be so filed with the Buildings Department to obtain separate "new building" and/or "alteration" treatment and numbers. Owner shall not make any application to the Buildings Department or any other government authority for any construction, alteration, reconstruction or other similar work in any building or other structure on its Parcel which could result in any increase in the Floor Area of any such building or structure on Owner's Property above the Retained Development Rights.

(b) Notwithstanding anything to the contrary in Section 3.4(a), if and to the extent construction of the Chimney Extension shall require permits with regard to both Owner's Property and Developer's Property, Developer shall file applications for all portions of the Chimney Extension construction and installation, and Owner shall cooperate with the filing of such applications, including the execution of all applications, provided that the applications are consistent with Exhibit 3 and Section 2.6 above.

Section 3.3 (a) The obligations and rights of Developer and Owner with regard to the demolition and construction of Developer's Building prior to the Outside Completion Date shall be governed by the Access and Indemnity Agreement.

(b) In the event that Developer's Building shall be demolished, modified or altered at any time after the Outside Completion Date, then such demolition, modification or alteration shall be conducted (i) in a reasonably prompt, safe and efficient manner; (ii) taking such precautions as may be reasonably necessary or appropriate to prevent damage to Owner's Property or injury to persons. Developer shall promptly, at its own cost and expense, repair all damage done to Owner's Property and keep Owner's Property reasonably free and clear of debris and construction materials; and (iii) in compliance with all applicable laws, ordinances, regulations and rules, including, but not limited to, those regarding protection of adjacent properties and landmarks.

(c) During any Rebuilding on their respective Parcels after (i) with respect to Developer's Parcel, the Outside Completion Date and (ii) with respect to Owner's Parcel, the date hereof, the parties shall maintain (or shall cause to be maintained), and shall cause the other

party to be named as an additional insured party, as their interests may appear on, a comprehensive general liability, property damage, workers compensation and such other insurance as shall be commercially reasonable to carry with regard to the Rebuilding being undertaken in commercially reasonable amounts relative to the scope and risks of the work being performed and the landmark status of Owner's Building. Such insurance shall be either on an occurrence basis or on a claims basis, provided that if such insurance is on a claims basis it shall remain in effect for no less than two (2) years after the completion of any Rebuilding work. It is expressly understood that the maintenance of the insurance required under this Section by or on behalf of a party shall not limit such party's liability to the other for damages suffered by reason of any liens, orders, claims, charges, accidents or other matters resulting from any Construction.

Section 3.4. (a) Each party shall have the right at any time to make application in its own name, only with respect to its own Parcel, to any governmental authority for such licenses, permits, approvals, certificates, rulings, or amendments (including, without limitation, a building permit or permits and alteration permits and amendments of the Certificates of Occupancy) as shall be desired, necessary or required by such party (collectively, the "**Approvals**"), and to include in any such application the lots comprising the Combined Zoning Lot, the metes and bounds thereof, and the zoning calculations related thereto, as required by such application or otherwise required by the Buildings Department. If required or necessary as a condition to the transfer of, or the utilization by Developer of, the Transferred Development Rights or to expedite such transfer or utilization, the Developer may expressly state that the Transferred Development Rights are derived from the Owner's Property. Nothing contained in this Agreement, the Declaration or any other document or instrument executed or to be executed between Developer and Owner in connection with the transactions described in this Agreement or the Declaration shall be construed to require that Owner alter Owner's Building or the existing use thereof. Subject to other terms herein, each party agrees to cooperate with the other, at the requesting party's sole cost and expense, in connection with the filing and prosecution of applications for ministerial, non-discretionary Approvals by giving all necessary consents in connection with the filing and prosecution of applications for Approvals, if requested, and promptly to execute such documents and applications (including, without limitation, one or more Statements "A", and an Altered Building Application, all as promulgated by the Buildings Department from time to time) and to furnish such information within the possession of the requested party as may be reasonably requested by the requesting party for pursuing and obtaining any permits relating to Developer's construction or Rebuilding of Developer's Building, the transfer and the utilization of the Transferred Development Rights, or Rebuilding of Owner's Building.

(b) Neither Owner nor Developer shall at any time voluntarily appear in opposition to the other party in any action or hearing brought, sought or defended by the other party before any community board, the City Planning Commission or Department of City Planning of the City of New York, the Buildings Department, the Board of Standards and Appeals of the City of New York, or any other agency of the City or any state or federal agency, arising out of or in connection with (i) any Rebuilding after a Casualty, any zoning or variance applications relating to the other party's incorporation of the Transferred Development Rights or Retained Development Rights, as applicable, therein, (ii) the construction or Rebuilding of Developer's Building or Owner's Building as contemplated herein, or (iii) any other application

or proceeding with respect to any Approval or any pending applications before the Landmarks Preservation Commission. Notwithstanding the foregoing, either party may oppose any application or action which impairs the ability of the other party (i) to construct, maintain or alter its own building as would otherwise be permitted under this Agreement, (ii) to use the rights granted or reserved to the other party under the Declaration or this Agreement, or (iii) to maintain a Certificate of Occupancy for its building. Nothing in this subsection (b) shall obligate Owner or Developer to voluntarily support any action, hearing or application described in this subsection (b).

Section 3.5. After the Outside Completion Date, if a Rebuilding is commenced on Developer's Property or to Developer's Building and same damages Owner's Building or the utilities serving the Owner's Property, Owner shall give notice to Developer of any such damage (a "**Damage Notice**") within three (3) business days after the discovery thereof. The Damage Notice will contain a detailed description of the damage, including photographs. Promptly after receipt of the Damage Notice, Developer shall, if and as necessary, make appropriate claims with its insurer for the repair of the damage described in the Damage Notice attributable to the Rebuilding on Owner's Property, and Owner and Developer will mutually cooperate to establish a scope of work for the repair of such damage. Owner shall provide reasonable access to Owner's Property and otherwise cooperate with Developer and its insurance agent or adjuster in order to inspect and assess any such damage. Developer shall commence repair and restoration of such damage within sixty (60) days after the date of the Damage Notice. In the event Developer has (i) failed to commence the necessary repair work within such sixty (60) day period or (ii) has commenced the necessary repair work within such sixty (60) day period but has ceased to diligently continue to perform the necessary repair work for sixty (60) continuous business days (absent force majeure), then Owner may repair or remedy such damage. In such case, Developer shall reimburse Owner, or cause its insurer to reimburse Owner, for the actual, out-of-pocket, reasonable costs and expenses thereof, which shall in no event exceed an amount equal to the Settlement Amount plus the amount of the deductible applicable to the damage less all amounts previously incurred by Developer in repairing Owner's Building or in recovering insurance monies related to the damage described in the Damage Notice (an "**Owner Expense**"). Owner shall submit documentation evidencing any Owner Expense reasonably requested by Developer or Developer's insurer. Upon payment to Owner of Owner's Expense, Developer will be deemed released of all obligations with respect to the damage identified in the original Damage Notice. In no event shall Owner be responsible for the payment of any deductible to any insurer of Developer.

ARTICLE IV

RECONSTRUCTION

Section 4.1. In the event of any destruction or demolition of all or substantially all of either Owner's Building or Developer's Building, the following provisions of this Article IV shall apply.

Section 4.2. If all or substantially all of Owner's Building shall be destroyed or demolished, then, notwithstanding any other provision of this Agreement, Owner shall be

permitted to rebuild a building or structure on Owner's Land that fully utilizes the Retained Development Rights, subject to the restrictions set forth in this Agreement.

Section 4.3. If all or any portion of Developer's Building shall be destroyed or demolished, or if Developer desires to erect additions or replacement structures on portions of the Combined Zoning Lot which are not located on Owner's Land, then Developer shall be entitled to utilize for such purposes all or any portion of the aggregate of the Floor Area Development Rights which would then be available if Developer's Land were a separate zoning lot plus the Transferred Development Rights, subject to the restrictions set forth in this Agreement.

Section 4.4. Notwithstanding the foregoing provisions of this Article IV, if all or any portion of Owner's Building or Developer's Building shall be destroyed or demolished, and any applicable law, rule, regulation or ordinance hereafter limits or restricts the rights of the respective party provided in Sections 4.2 and 4.3 herein, any such Rebuilding shall be accomplished in compliance with such limitation or restriction. Specifically, if a validly enacted amendment of the Resolution has then reduced the Floor Area Development Rights ascribable to the portion of the Combined Zoning Lot in the current C1-8X(R9X) district, then the Transferred Development Rights and the portion of the Retained Development Rights in that district each shall be reduced by the same percentage as such amendment reduced such Floor Area Development Rights, and neither party shall have a right to claim any of the other party's Floor Area Development Rights to compensate for any reduction in their respective Transferred Development Rights or Retained Development Rights. With respect to a casualty affecting either Owner's Building or Developer's Building, but not the other building, neither Owner nor Developer shall be obligated to alter the unaffected building in order to permit the other party to restore the affected building to its current size or to the size permitted under this Section.

ARTICLE V

SEPARATE REAL ESTATE TAX STATUS

Section 5.1. Owner and Developer agree that for real property tax purposes Owner's Land and Developer's Land shall be, and shall continue to be treated as, separate and independent lots, plots and parcels, provided that the Transferred Development Rights and any other Upzoning Rights and Bonus Rights accruing to Developer and all other Floor Area Development Rights incorporated into Developer's Building shall be treated for real property tax purposes as Developer's property. Owner and Developer each agree to cooperate with the other and to take such action as shall be necessary to ensure that the appropriate taxing authority (i) treats each of Developer's Property and Owner's Property as separate and independent tax lots, and (ii) excludes the Transferred Development Rights and Upzoning Rights and Bonus Rights accruing to Developer from the calculation of taxes due with respect to Owner's Property.

Section 5.2. If, at any time, the taxing authorities shall classify Developer's Property and Owner's Property (including the Transferred Development Rights) as being located in a single tax lot for real property tax purposes, then such real property taxes shall be paid, prior to the date on which the same would become a lien upon Owner's Property, by Developer and

Owner in proportions to be agreed upon by Owner and Developer and in such manner as would (a) be consistent with the provisions of Section 5.1 hereof, and (b) take into account the assessment procedures used by the taxing authority and the allocation provisions, if any and to the extent not inconsistent with Section 5.1, of the applicable tax statutes. Owner and Developer agree to execute such documents as may be required in support of any apportionment of the taxes and tax liens between Developer's Property and Owner's Property.

Section 5.3. If either Owner or Developer (as used in this Section 5.3, the "**Defaulting Party**") shall fail to pay any real property taxes or other sums payable by the Defaulting Party before the date when such taxes or sums would become a lien against its Parcel and, accordingly, such non-payment would or could cause, or may have caused, a lien against the other party's Parcel (as used in this Section 5.3, the "**Non-Defaulting Party**"), or would or could cause the Non-Defaulting Party to lose its Parcel by reason of the non-payment of such taxes or sums, then, the Non-Defaulting Party may, but shall not be obligated to, pay such taxes or sums and any interest, penalties or late charges due in connection therewith (collectively, the "**Lien Payment**") on five (5) days' prior notice to the Defaulting Party and, in such event, the Defaulting Party shall repay to the Non-Defaulting Party, on demand, the amount of the Lien Payment, together with all interest thereon at the applicable rate of interest on delinquent real estate taxes as in effect from time to time, calculated from the date on which such Lien Payment shall have been made until repayment thereon to the Non-Defaulting Party and, until such repayment, the Lien Payment, together with such interest, shall be a lien on the Property of the Defaulting Party. Notwithstanding the provisions of the preceding sentence, any party may contest by appropriate proceedings diligently prosecuted any tax or charge imposed on its property and may defer payment of such tax or charge, if permitted by law, during the pendency of such proceedings, provided that such deferral of payment will not subject the Parcel of the Non-Defaulting Party to a lien.

ARTICLE VI

REPRESENTATIONS AND COVENANTS

Section 6.1. Owner will receive the consideration for the conveyances under this Agreement in compliance with Section 13 of the Lien Law.

ARTICLE VII

RETAINED OWNERSHIP

Section 7.1. The parties hereto acknowledge and agree that this Agreement and the Declaration herein referred to are intended solely to create the Combined Zoning Lot, to regulate the rights and obligations of the parties hereto and to impose the easements, rights and restrictions upon Owner's Land specifically set forth herein, and except as set forth herein, each party hereto retains full ownership and control over its land.

ARTICLE VIII

NATURE OF AGREEMENT

Section 8.1. The parties hereto acknowledge and agree that 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 equity, including, but not limited to, injunctive relief, provided that no party shall have the right to terminate this Agreement or the Declaration without the written consent of the other party. If any party incurs any legal fees or expenses arising from any other party's default in the performance of that party's obligations under this Agreement after written notice of such default and the failure of the notified party to cure such default (a) within ten (10) days after written notice with regard to any default that can be cured by the payment of a sum of money; and (b) within thirty (30) days of such notice with regard to all other defaults (provided if such default cannot practicably be cured within thirty (30) days, then provided the defaulting party shall commence its cure within thirty (30) days and diligently prosecutes such cure to completion, such thirty (30) day period shall be extended for such reasonable amount of time as shall be necessary to cure such default), such fees and expenses shall be payable to that party upon rendition of a bill or statement to the other party therefor.

Section 8.2. Notwithstanding anything to the contrary contained herein, the parties hereto shall look only to the other party's then estate in Owner's Property (or the proceeds thereof), or Developer's Property (or the proceeds thereof), as the case may be, for the satisfaction of their respective remedies for the collection of a judgment (or other judicial process) requiring the payment of money by the other party in the event of any default by the other party hereunder, and no other property or assets of the other party or its principals, disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of the first party's remedies hereunder.

ARTICLE IX

ADDITIONAL PARCELS

Section 9.1. The parties hereto and all present and future parties in interest to the Combined Zoning Lot are hereby deemed to have (i) consented to and waived objection to the enlargement of the Combined Zoning Lot covered by the Declaration to include Tax Lots 120 and 22, Block 1413 on the Tax Map of New York County (each, an "**Additional Parcel**"), and (ii) consented to or waived their right to execute, now or in the future, and subordinated their right to any amendment to the Declaration or the Combined Zoning Lot entered into to add such Additional Parcels. Developer shall have discretion as to the allocation and restriction of the use of the Floor Area Development Rights of Developer's Parcel and each such Additional Parcel among Developer's Parcel and such Additional Parcels, and as to the configuration or reconfiguration of Developer's Building in utilization of such Floor Area Development Rights, subject however to all the other terms and conditions of this Agreement including, but not limited to, Section 2.5.

Whenever requested by Developer, Owner shall, at Developer's sole cost and expense, execute, acknowledge and deliver, one or more amendments to the Declaration and this Agreement (collectively, "**Additional Parcel Amendments**"), and shall execute, acknowledge and deliver such other instruments as may be required, for the purposes of enlarging the Combined Zoning Lot covered by the Declaration to include the Additional Parcels. The rights and obligations of Owner regarding the enlarged Combined Zoning Lot shall be as if such additional parcel or parcels are part of Developer's Parcel. It is expressly agreed that Owner shall not gain development and other zoning rights by reason of the addition of such Additional Parcels.

Section 9.2. Whenever requested by Owner, Developer shall, at Owner's sole cost and expense, execute, acknowledge and deliver, one or more amendments to the Declaration and this Agreement (collectively, "**Owner Additional Parcel Amendments**"), and shall execute, acknowledge and deliver such other instruments as may be required, for the purposes of enlarging the Combined Zoning Lot covered by the Declaration to include one or more tax lots (the "**Owner's Additional Parcel(s)**"). The rights and obligations of Developer regarding the enlarged Combined Zoning Lot shall be as if such additional parcel or parcels are part of Owner's Parcel. It is expressly agreed that Developer shall not gain development and other zoning rights by reason of the addition of such Owner's Additional Parcel(s). The development of any building or Rebuilding on Owner's Parcel or any Owner's Additional Parcel(s) shall be subject, however, to all other terms and conditions of this Agreement.

ARTICLE X

ESTOPPEL CERTIFICATES

Section 10.1. Whenever requested by the other party upon at least ten (10) days' prior written notice, each party shall furnish to the other or to its designee a written statement, setting forth: whether this Agreement is in full force and effect; the extent to which this Agreement has been modified by instrument not of record; the extent to which the responding party has served any written notice of default under this Agreement, which default remains uncured; and that the statement may be relied upon by the requesting party or its designee.

ARTICLE XI

INTENTIONALLY OMITTED

ARTICLE XII

RESERVED

ARTICLE XIII

MISCELLANEOUS

Section 13.1. This Agreement may not be modified other than by an agreement in writing signed by the parties hereto. The Section headings or captions are inserted only as a

matter of convenience and are not to be given any effect whatsoever in construing any provision of this Agreement. Unless otherwise noted, all references in this Agreement to Exhibits or Schedules shall be to the Exhibits and Schedules hereto, all of which are incorporated in this Agreement by this reference. Except as stated in this Agreement, this Agreement contains all the promises, agreements, conditions, inducements and understandings between parties relative to the matters stated herein, and there are no oral promises, agreements, conditions, understandings, inducements, warranties or representations, expressed or implied, between the parties other than as set forth in this Agreement.

Section 13.2. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York applicable to agreements made and to be performed wholly within the State of New York, and the parties hereby agree to submit to the jurisdiction of the Courts of the State of New York in connection with any litigation instituted under this Agreement.

Section 13.3. No waiver by either party of any failure or refusal to comply with its obligations under this Agreement shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

Section 13.4. If any term or provision of this Agreement or the application thereof to any person or circumstances 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 held 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.

Section 13.5. This Agreement may be executed in any number of counterparts each of which when so executed and delivered shall be deemed to be an original, but all such counterparts shall constitute one and the same agreement.

Section 13.6. All of the grants, interests, covenants, agreements and conditions contained in this Agreement:

A. shall run with the lands, buildings and improvements affected;

B. shall, subject to the preceding provisions of this Agreement, inure to the benefit of and be binding upon each party to this Agreement and such party's successor and assigns (but are not intended to benefit any third party); and

C. shall, to the extent rights hereunder are assigned to the holder of any mortgages encumbering any of the properties affected by this Agreement or any interest therein, be enforceable by any such assignee after default under any such mortgage.

Section 13.7. No breach by any party to this Agreement of this Agreement or any agreement ancillary hereto shall have any effect on the treatment of the Combined Zoning Lot as one zoning lot for purposes of the Resolution, and the Combined Zoning Lot shall be

treated as one zoning lot unless and until such zoning lot is hereafter subdivided in accordance with the provisions of the Resolution.

Section 13.8. All notices and other communications hereunder shall be in writing, signed by the party giving the same or by its attorneys, and shall be deemed to have been duly given if: (i) personally delivered with proof of delivery thereof, or (ii) delivered to an overnight delivery service with receipt for delivery or (iii) transmitted by facsimile, provided that automatic confirmation of such facsimile transmission is received within one business day of sending, provided same generates a received and read delivery receipt. The time period in which a response to any such notice, election, demand or request must be given shall commence on the date of receipt thereof. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Any such notice, election, demand, request or response shall be addressed to the respective parties as follows (or to such other address or party as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address or addresses shall only be effective upon receipt):

If to Owner:

[redacted]
157 East 78th Street,
New York, New York 10075
Telecopy: [_____]
E-mail: [_____]

with a copy to:

Goldman Harris LLC
475 Park Avenue South, 28th Floor
New York, New York 10016
Attention: Caroline Harris, Esq.
Telecopy: [_____]
E-mail: charris@goldmanharris.com

If to Developer:

Spruce 317 West 77th LLC and 78 RPM Owner LLC
c/o Spruce Capital Partners LLC
902 Broadway, 18th Floor
New York, New York 10010
Attention: Joshua Crane
E-mail: jcrane@sprucecap.com

with a copy to:

Greenberg Traurig LLP
200 Park Avenue, 15th Floor
New York, NY 10166
Attention: Stephen L. Rabinowitz, Esq.
Telecopy: 212-801-6400
Email: rabinowitzs@gtlaw.com

Each notice shall be deemed to have been rendered or given (i) on the date of delivery, provided delivery is on or before 5:00 PM (New York time) or on the business day after the date of delivery if delivered after 5:00 PM (New York time) if delivered by hand or facsimile transmission or (ii) on the next business day, if sent by nationally recognized overnight courier. Either party may at any time change the address for notices to such party by giving a notice as aforesaid. A notice may be given by either party or such party's attorney.

Section 13.9. Subject to the rights, limitations and restrictions set forth in this Agreement, each party agrees to execute, acknowledge and deliver such further instruments, and take such other or further actions consistent with this Agreement as may be reasonably required to carry out and effectuate the intent and purpose of the Declaration or this Agreement, or to confirm or perfect any right to be created or transferred hereunder, all at the sole cost and expense of the party requesting such further assurance.

[Signatures follow on next page.]

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

[redacted], an individual

SPRUCE 317 WEST 77TH LLC,
a New York limited liability company

By: _____
Name: JOSHUA CRANE
Title: MEMBER

78 RPM OWNER LLC,
a Delaware limited liability company

By: _____
Name: JOSHUA CRANE
Title: MEMBER

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

On the 27th day of June in the year 2013 before me, the undersigned, personally appeared [redacted], 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

MICHAEL A. STOFFEL
Notary Public, State of New York
No. 01ST6277571
Qualified in New York County
Commission Expires March 11, 2017

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

On the 27th day of June in the year 2013 before me, the undersigned, personally appeared Joshua Crane, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

MICHAEL A. STOFFEL
Notary Public, State of New York
No. 01ST6277571
Qualified in New York County
Commission Expires March 11, 2017

SCHEDULE A

DESCRIPTION OF OWNER'S LAND

Block: 1413 Lot: 24

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point in the northerly line of 78th Street, distant 307 feet westerly from the northwesterly corner of 78th Street and Third Avenue;

THENCE RUNNING westerly along the northerly line of 78th Street, 18 feet;

THENCE northerly and parallel with Third Avenue, 102 feet 2 inches to the center line of the block;

THENCE easterly and parallel with 78th Street, 18 feet; and

THENCE southerly and parallel with Third Avenue and for part of the distance through a party wall, 102 feet and 2 inches to the point or place of BEGINNING.

SCHEDULE B

DESCRIPTION OF DEVELOPER'S LAND[1]

Block: 1413 Lot: 23

ALL that certain plot, piece or parcel of land situated, lying and being in the Borough of Manhattan, County, City and State of New York bounded and described as follows:

BEGINNING at a point on the northerly side of East 78th Street, distant seventy feet easterly from the corner formed by the intersection of the northerly side of East 78th Street and the easterly side of Lexington Avenue;

RUNNING THENCE northerly parallel with said easterly side of Lexington Avenue and part of the distance through a party wall, one hundred two feet two inches to the center line of the block;

THENCE easterly along the said center line of the block, twenty five feet;

THENCE southerly again parallel with the easterly side of Lexington Avenue and part of the distance through another party wall, one hundred two feet two inches to the northerly side of East 78th Street;

THENCE westerly along the said northerly side of East 78th Street, twenty five feet to the point or place of BEGINNING.

[1] To be modified to reflect any Additional Parcels added to Purchaser's Parcel pursuant to Section 7.03 of the Purchase and Sale Agreement.

SCHEDULE C

DECLARATION OF RESTRICTIONS

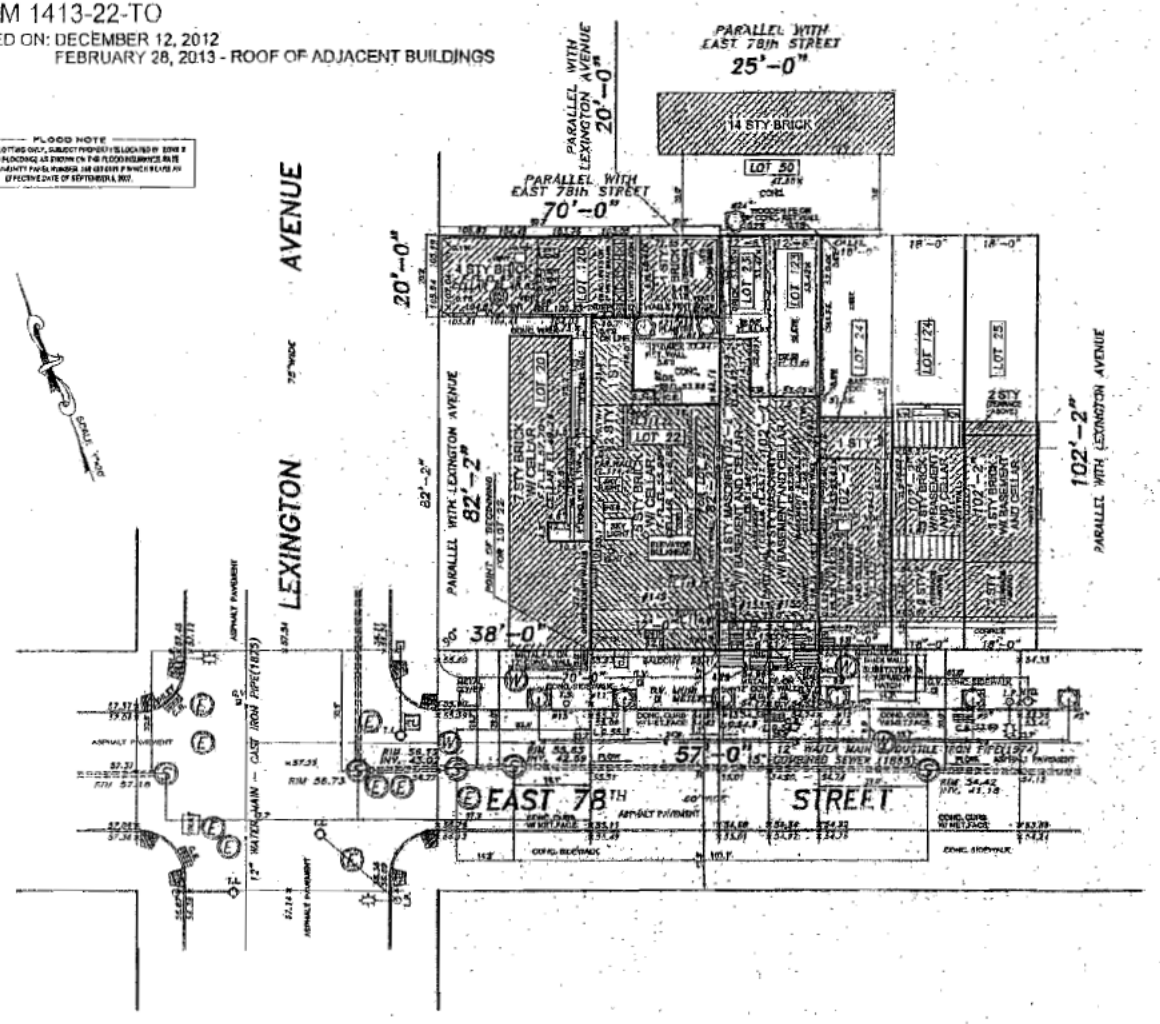
[Separately Recorded]

EXHIBIT 1

SURVEY

[Begins on following page]

JOB NO. M 1413-22-TO
SURVEYED ON: DECEMBER 12, 2012
FEBRUARY 28, 2013 - ROOF OF ADJACENT BUILDINGS



FLOOD NOTE

SYMBOLS AND ABBREVIATIONS

GENERAL NOTES

UNDERGROUND UTILITIES NOTES

LOT 22 AREA = 2629.33 sq.ft. = 0.0603 acre
LOT 23 AREA = 1277.08 sq.ft. = 0.0293 acre
LOT 123 AREA = 1277.08 sq.ft. = 0.0293 acre
TOTAL AREA = 5183.49 sq.ft. = 0.1189 acre

GRAPHIC SCALE
SCALE 1:20
0 10 20 30 40 50 100

SURVEYED TO: [redacted]
157 East 78th Street
New York, NY 10075

COUNTY: NEW YORK CITY: MANHATTAN
SECTION: BLOCK: 1413 LOT(S): 22, 23, 123
PROPERTY ADDRESS: 149-151, 153 & 155 EAST 78th STREET

TOPOGRAPHICAL SURVEY

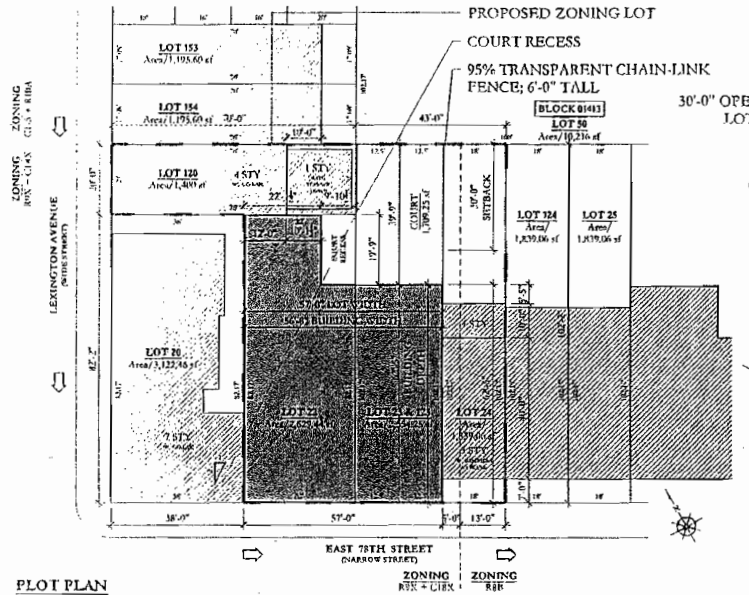
PREPARED BY
PERFECT POINT
LAND SURVEYING PC
phone: (718) 474-7700
fax: (718) 672-2699
info@perfectpointsurvey.com
www.perfectpointsurvey.com
MASTER NEW YORK
RICHARD TOM
050845
LICENSED LAND SURVEYOR
R. Tom
M.Y.S. L.S. 050845

EXHIBIT 2

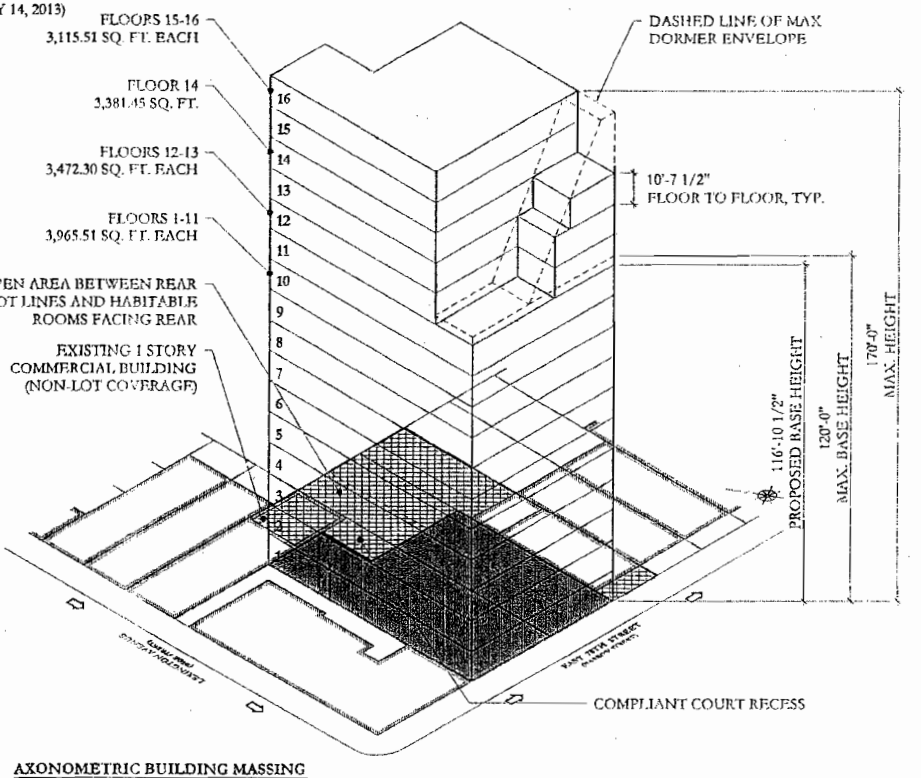
DIAGRAM OF THE FOOTPRINT OF OWNER'S BUILDING

AIR RIGHTS TRANSFER FROM LOTS #120 & #24

DIAGRAMS BASED ON:	MAX. FAR 9 + AIR RIGHTS (LOTS 120 & 24)	
TOTAL LOT AREA (LOTS 22, 23, & 123):	5,183.69	
TOTAL LOT AREA (LOT 120):	1,400.00	
TOTAL LOT AREA (LOT 24):	1,839.00	
R9X PORTION	510.85	(TRANSFERABLE)
R8B PORTION	1,328.21	(NON-TRANSFERABLE)
TOTAL NEW LOT AREA (LOTS 22, 23, 123 + 120, 24):	8,422.75	
LOT 120 AIR RIGHTS:	8,159.14	(PER ZFA CALCULATIONS DATED APRIL 25, 2013)
LOT 24 AIR RIGHTS:		
R9X PORTION	3,751.53	(PER ZFA CALCULATIONS DATED MAY 14, 2013)
R9X PORTION LESS 120 SQFT →	3,631.53	
R8B PORTION (NON-TRANSFERABLE)	2,985.84	
TOTAL AIR RIGHTS (LOTS 120 & 24):	11,790.67	
MAX LOT COVERAGE (70% OF NEW LOT AREA):	5,895.92	
LOT COVERAGE PROPOSED:	5,860.67	(COMPLIES)
MAX ALLOWABLE FLOOR AREA:	58,443.34	(46,652.67 + 11,790.67)
FLOOR AREA AS SHOWN (16 STORIES):	60,177.68	(BEFORE DEDUCTIONS)



PLOT PLAN



AXONOMETRIC BUILDING MASSING

PETER PENNOYER ARCHITECTS
432 Park Avenue South, 11th Floor, NYC 10016
Telephone 212 779 9765 Fax 212 779 3814

151 EAST 78TH STREET
NEW YORK, NY 10075
PRELIMINARY ZONING ANALYSIS

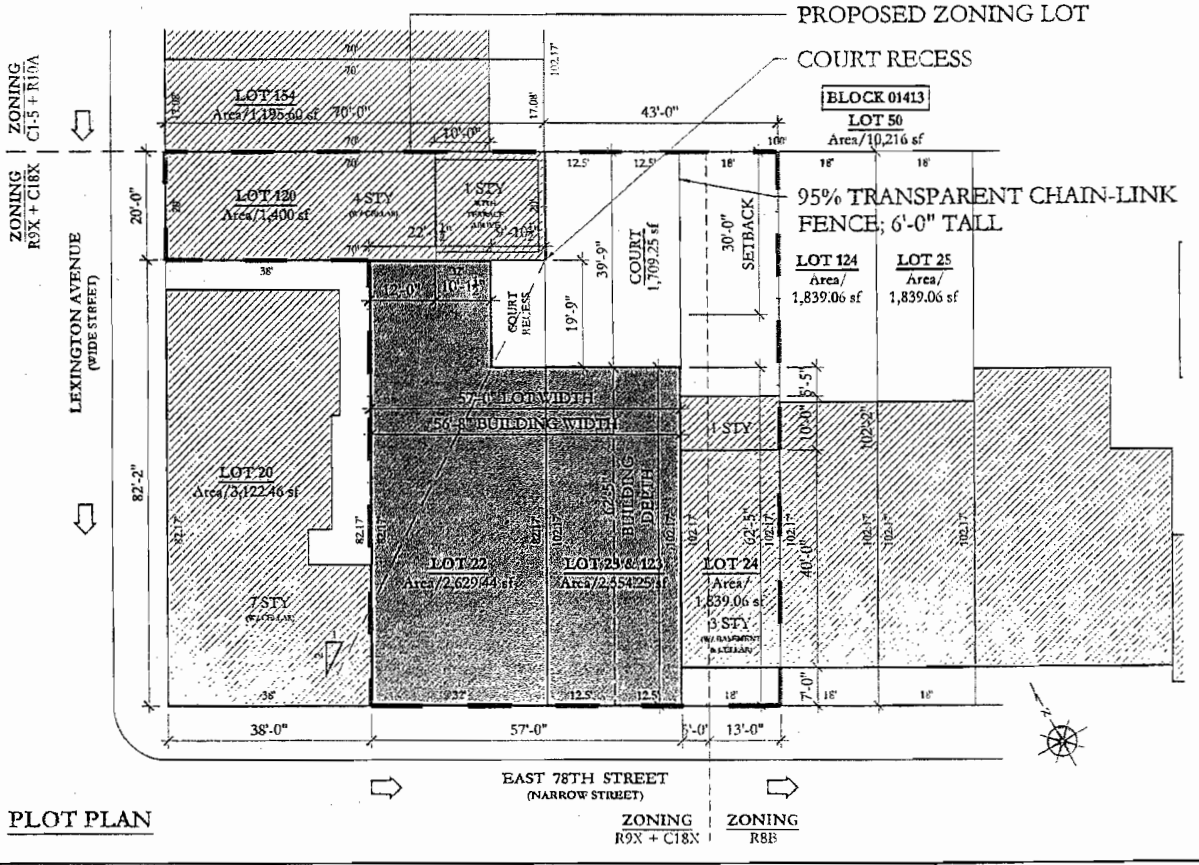
Issue Date: MAY 24, 2013
AIR RIGHTS TRANSFER
LOTS #120 & #24
Project No: 3599 Scale: 1/32"=1'-0"

EXHIBIT

PETER PENNOYER ARCHITECTS
432 Park Avenue South, 11th Floor, NYC 10016 Telephone: 212-779-9765 Fax: 212-779-3814

AIR RIGHTS TRANSFER FROM LOTS #120 & #24

DIAGRAMS BASED ON:	MAX. FAR 9 + AIR RIGHTS (LOTS 120 & 24)	
TOTAL LOT AREA (LOTS 22, 23, & 123):	5,183.69	
TOTAL LOT AREA (LOT 120):	1,400.00	
TOTAL LOT AREA (LOT 24):	1,839.06	
R9X PORTION	510.85	(TRANSFERABLE)
R8B PORTION	1,328.21	(NON-TRANSFERABLE)
TOTAL NEW LOT AREA (LOTS 22, 23, 123 + 120, 24):	8,422.75	
LOT 120 AIR RIGHTS:	8,159.14	(APPROX.)
LOT 24 AIR RIGHTS:		
R9X PORTION	3,751.53	
R9X PORTION LESS 120 SQFT →	3,631.53	
R8B PORTION (NON-TRANSFERBLE)	2,985.84	
TOTAL AIR RIGHTS (LOTS 120 & 24):	11,790.67	
MAX LOT COVERAGE (70% OF NEW LOT AREA):	5,895.92	
LOT COVERAGE PROPOSED:	5,860.67	(COMPLIES)
MAX ALLOWABLE FLOOR AREA:	58,443.34	(46,652.67 + 11,790.67)



PLOT PLAN

151 EAST 78TH STREET
NEW YORK, NY 10075
PRELIMINARY ZONING ANALYSIS

Issue Date: MAY 24, 2013

AIR RIGHTS TRANSFER
LOTS #120 & #24

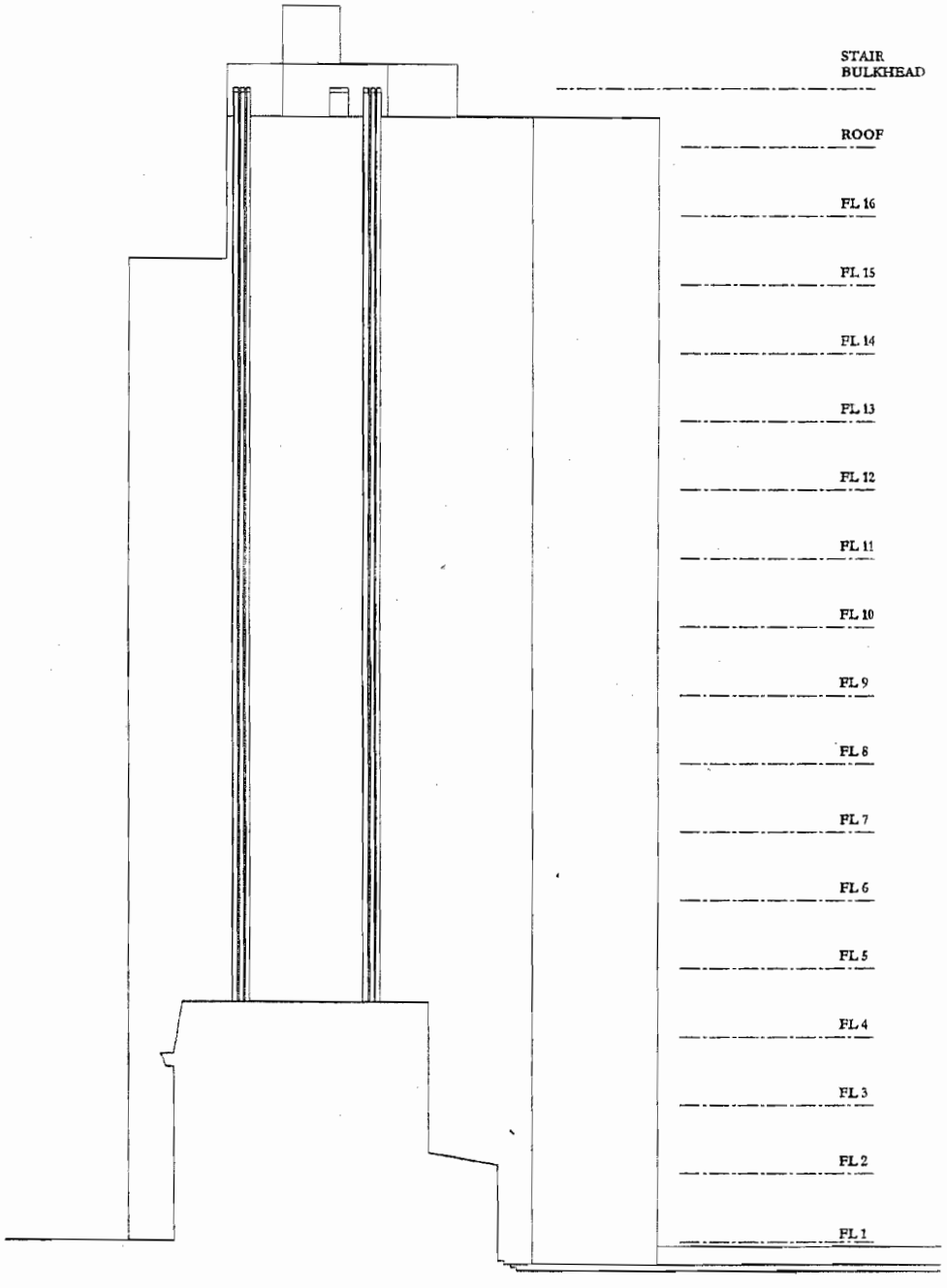
Project No: 3599 Scale: 1/32"=1'-0"

Z-007F.1

EXHIBIT 3

CHIMNEY EXTENSION PLAN

For illustrative purposes only. Actual to be designed, subject to approval of Owner.



PETER PENNOYER ARCHITECTS

151 EAST 78TH STREET
NEW YORK, NY 10075

JUNE 27, 2013

EAST ELEVATION

EXHIBIT

EXHIBIT 4

ARCHITECT'S CERTIFICATE

Telephone (212) 779-9765

Facsimile (212) 779-3814

PETER PENNOYER ARCHITECTS
432 Park Avenue South, 11th Floor, New York, New York 10016

Architect's Certificate

157 East 78th Street
Block 1413; Lot 24
New York, New York
June 7, 2013

The undersigned, an architect duly licensed in the State of New York and a principal of the firm Peter Pennoyer Architects, hereby certifies to [redacted] pursuant to my professional opinion and to the best of my knowledge, information and belief, in accordance with generally accepted standards of professional practice, that:

1. Our firm has been engaged by 78 RPM Owner LLC, the owner and/or contract vendee of 149, 153 and 155 East 78th Street, New York, New York (Block 1413, Lots 22, 23 and 123, respectively; the "Premises") to prepare the zoning calculations and diagrams as set forth on drawing 'Lot 24 Existing & Remaining ZFA Calculation', dated May 14, 2013, a copy of which is attached hereto (the "Zoning Calculations"), pursuant to the New York City Zoning Resolution (the "Zoning Resolution") in connection with the transfer of a portion of the unused developments rights from 157 East 78th Street, New York, New York (Block 1413, Lot 24; the "Development Rights Parcel") to the Premises to be used for the construction of a new building (the "New Building") on the Premises.

2. The Development Rights Parcel has been designated as an individual landmark by the New York City Landmarks Preservation Commission.

3. The Development Rights Parcel is located partially within a C1-8X zoning district (R9X residential equivalent district) and partially within a R8B zoning district. The C1-8X district permits residential use up to a base Floor Area Ratio (as that term is defined in the Zoning Resolution; "FAR") of 9 and commercial use up to a base Floor Area Ratio of (PPA did not prepare any calculations for commercial FAR). In addition, the Zoning Resolution allows certain increases ("bonuses") in the allowable FAR over the base FAR, provided that certain conditions are met.

4. The total lot area of the Development Rights Parcel equals 1,839.06 square feet. The lot area of the portion of the Development Rights Parcel lot located within the C1-8X district measures 5 feet x 102.17 feet, for a total lot area of 510.85 square feet within the C1-8X district.

5. According to the Zoning Resolution 9,910.49 square feet of Floor Area are appurtenant to the Development Rights Parcel, as a whole, including 4,597.65 square feet of Floor Area in the C1-8X portion of the lot and 5,312.84 square feet of Floor Area in the R8B district portion of the lot.

6. As set forth in the Zoning Calculations, the existing building located on the Development Rights Parcel contains 3,173.12 square feet of Floor Area, with 846.12 square feet located within the C1-8X zoning district portion and 2,327 square feet located within the R8B zoning district portion. This calculation takes into consideration 895 gross square feet in the C1-8X portion of the building minus 48.88 square feet with respect to the chimneys, which is a legitimate exclusion from zoning Floor Area.

7. Thus, in the C1-8X portion of the Development Rights Parcel, there exists 3,751.53 square feet of unused Floor Area.

8. The owner of the Development Rights Parcel is reserving 120 square feet of unused Floor Area appurtenant to the C1-8X portion of the Development Rights Parcel, including 100% of any bonus Floor Area and any Floor Area resulting from an upzoning. Therefore, the owner of the Development Rights Parcel is transferring a total of 3,631.53 square feet to the Premises for incorporation into the New Building.

9. The owner of the Development Rights Parcel is reserving 100% of the unused Floor Area, bonus Floor Area, and any Floor Area resulting from an upzoning appurtenant to the R8B district portion of the Development Rights Parcel.

10. The Zoning Calculations are in compliance with and conform to all applicable building, fire, safety, zoning, landmark and other codes, laws, ordinances and regulations applicable in the City of New York, including, without limitation, those contained in the New York City Zoning Resolution, the Construction Codes of the City of New York, and the New York State Multiple Dwelling Law, as applicable.

11. Building permits, the issuance of which will not require the exercise of discretion by the New York City Department of Buildings ("DOB") or any other agency, will be issued and will be sufficient to permit construction of the New Building as described in the Zoning Calculations, and the New Building will be eligible to receive temporary and permanent Certificates of Occupancy from DOB without the exercise of discretion of that or any other municipal agency.

PETER PENNOYER ARCHITECTS

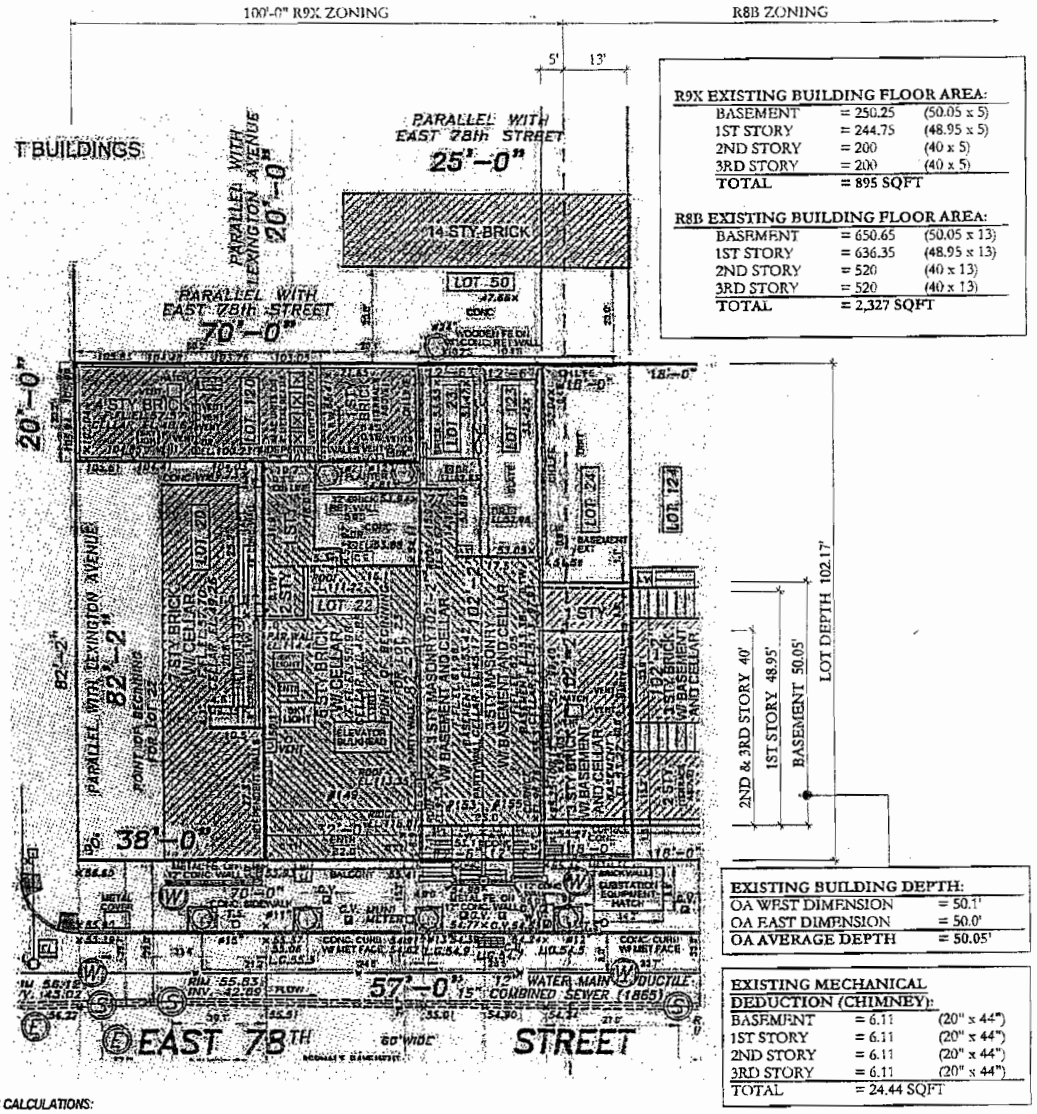
Name: PETER PENNOYER
Date: JUNE 7, 2013

[SEAL]



NOTES.

1. DIMENSIONS, AREAS, AND CALCULATIONS SHOWN BELOW ARE BASED ON TOPOGRAPHICAL SURVEY PREPARED BY PERFECT POINT LAND SURVEYING RT, SURVEYED ON DECEMBER 12, 2012 AND UPDATED FEBRUARY 28, 2013 (JOB NO. M 1413-22-TO).
2. ZONING INFORMATION BASED ON ZONING MAP 8C PUBLISHED BY THE NEW YORK CITY PLANNING COMMISSION.
3. ASSUMED SURVEY DIMENSION OF 102'-2" = 102.17'.
4. INFORMATION CONTAINED AND REFERENCED HEREIN IS DEEMED RELIABLE, BUT IS NOT GUARANTEED.
5. ASSUMED EXISTING CHIMNEY DIMENSION: 20" X 44".



R9X EXISTING BUILDING FLOOR AREA:		
BASEMENT	= 250.25	(50.05 x 5)
1ST STORY	= 244.75	(48.95 x 5)
2ND STORY	= 200	(40 x 5)
3RD STORY	= 200	(40 x 5)
TOTAL	= 895 SQFT	

R8B EXISTING BUILDING FLOOR AREA:		
BASEMENT	= 650.65	(50.05 x 13)
1ST STORY	= 636.35	(48.95 x 13)
2ND STORY	= 520	(40 x 13)
3RD STORY	= 520	(40 x 13)
TOTAL	= 2,327 SQFT	

EXISTING BUILDING DEPTH:	
OA WEST DIMENSION	= 50.1'
OA EAST DIMENSION	= 50.0'
OA AVERAGE DEPTH	= 50.05'

EXISTING MECHANICAL DEDUCTION (CHIMNEY):		
BASEMENT	= 6.11	(20" x 44")
1ST STORY	= 6.11	(20" x 44")
2ND STORY	= 6.11	(20" x 44")
3RD STORY	= 6.11	(20" x 44")
TOTAL	= 24.44 SQFT	

LOT 24 CALCULATIONS:

LOT AREA:	R9X PORTION	510.85	SQ. FT.	(5 X 102.17)	PORTION OF LOT WIDTH X LOT DEPTH
	R8B PORTION	1,328.21	SQ. FT.	(13 X 102.17)	PORTION OF LOT WIDTH X LOT DEPTH
	TOTAL AREA	1,839.06	SQ. FT.	(18 X 102.17)	LOT WIDTH X LOT DEPTH
ZONING FLOOR AREA:	R9X PORTION	4,597.65	SQ. FT.	(510.85 X 9)	PORTION OF LOT AREA X R9X ZONING FAR 9
	R8B PORTION	5,312.84	SQ. FT.	(1,328.21 X 4)	PORTION OF LOT AREA X R8B ZONING FAR 4
	TOTAL MAXIMUM ALLOWABLE FLOOR AREA	9,910.49	SQ. FT.	(4,597.65 + 5,312.84)	R9X PORTION OF LOT AREA + R8B PORTION OF LOT AREA
BUILDING FLOOR AREA:	R9X PORTION	895	SQ. FT.	(200 + 200 + 244.75 + 250.25)	3RD STY. + 2ND STY. + 1ST STY. + BASEMENT
		- 48.88	SQ.FT.	(24.44 + 24.44)	EXISTING CHIMNEY TOTAL AREA MECHANICAL DEDUCTION
		846.12	SQ.FT.		
	R8B PORTION	2,327	SQ. FT.	(520 + 520 + 636.35 + 650.65)	3RD STY. + 2ND STY. + 1ST STY. + BASEMENT
	TOTAL EXISTING BUILDING FLOOR AREA	3,173.12	SQ. FT.	(846.12 + 2,327)	R9X PORTION OF BUILDING + R8B PORTION OF BUILDING
DEVELOPMENT RIGHTS:	R9X PORTION	3,751.53	SQ. FT.	(4,597.65 - 846.12)	R9X PORTION OF ZFA - R9X PORTION OF BLDG. AREA
		- 120.00	SQ. FT.		
		→ 3,631.53	SQ. FT.		
	R8B PORTION	2,985.84	SQ. FT.	(5,312.84 - 2,327)	R8B PORTION OF ZFA - R8B PORTION OF BLDG. AREA

PETER PENNOYER ARCHITECTS
432 Park Avenue South, 11th Floor, NYC 10016
Telephone 212 779 9765 Fax 212 779 3814

151 EAST 78TH STREET
NEW YORK, NY 10075

Issue Date: MAY 14, 2013
LOT 24 EXISTING & REMAINING ZFA CALCULATION
Project No: 3599 Scale: N.T.S.

EXHIBIT

NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER

2013071901059005006C1135

RECORDING AND ENDORSEMENT COVER PAGE (CONTINUATION) PAGE 2 OF 10

Document ID: 2013071901059005 Document Date: 07-15-2013 Preparation Date: 07-19-2013
Document Type: EASEMENT

PARTIES

GRANTOR/SELLER:
ROBERT NEUMAN CREDIT SHELTER TRUST
C/O ROBERT HOBERMAN, TRUSTEE, 226 WEST 26TH STREET
NEW YORK, NY 10021

GRANTOR/SELLER:
ROBERT HOBERMAN, TRUSTEE
C/O ROBERT HOBERMAN, TRUSTEE, 226 WEST 26TH STREET
NEW YORK, NY 10021

PARTIES

GRANTEE/BUYER:
78 RPM OWNER LLC
C/O SPRUCE CAPITAL PARTNERS LLC, 902 BROADWAY, 18TH FLOOR
NEW YORK, NY 1001

LIGHT AND AIR EASEMENT AGREEMENT

EASEMENT AGREEMENT made this 15th day of July, 2013, between 1129 Lexington Avenue, LLC, a New York limited liability company, having an address c/o Paul Neuman [redacted] ("Lexington"), and [redacted] as Trustee of [redacted] having an address at 226 West 26th Street, New York, New York [redacted] Lexington and [redacted] hereinafter collectively referred to as the "Grantor," and Spruce 317 West 77TH LLC, a New York limited liability company, having an address c/o Spruce Capital Partners LLC, 902 Broadway, 18th Floor, New York, New York ("Spruce"), and 78 RPM Owner LLC, a Delaware limited liability company, having an address c/o Spruce Capital Partners LLC, 902 Broadway, 18th Floor, New York, New York ("RPM"), Spruce and RPM, as tenants in common, hereinafter referred to as the "Grantee".

WHEREAS, the Grantor is the fee owner of certain land located in the City and State of New York, Borough of Manhattan, designated as Block 1413 Lot 120 on the Tax Map of the City of New York, hereinafter referred to as Parcel A and more particularly described by a metes and bounds description set forth in Schedule A annexed hereto and by this reference made a part hereof;

WHEREAS, the Grantee is the fee owner of certain land located in the City and State of New York, Borough of Manhattan, designated as Block 1413 Lot 23 on the Tax Map of the City of New York, hereinafter referred to as Parcel B and more particularly described by a metes and bounds description set forth in Schedule B annexed hereto and by this reference made a part hereof;

WHEREAS, there will be constructed a 16-story building on Parcel B;

WHEREAS, Grantee has requested the New York City Department of Buildings (the "Department of Buildings") to act upon Application No. _____ to construct a new building for residential use on Parcel B; and

WHEREAS, the Department of Buildings may approve the Application upon the condition, *inter alia,* that Grantor create an easement for light and air for the benefit of the present and future owners of Parcel B in order to comply with the applicable provisions of Sections 27-732 and 27-746 of the 1968 Building Code or Sections BC 1203.4 and BC 1205.2 of the 2008 Building Code, as applicable.[1]

NOW, THEREFORE, good and valuable consideration having been paid, the Grantor for her/himself, her/his heirs, legal representatives, successors and assigns hereby makes the following grant to Grantee, her/his heirs, legal representatives, successors, and assigns and to any future owner of Parcel B:

1. The right to unrestricted light and air, and unobstructed view, over and above Parcel A as described herein (the "Light and Air Easement"), which easement shall begin at the Lower Limiting Plane (that certain volume of space occupied by the Light and Air Easement shall be referred to herein as the "Light and Air Easement Area"). Grantor

[1] This easement agreement may be entered into as a means of compliance with the 1968 or 2008 Building Codes by permitting such codes' light and air requirements to be satisfied on an adjacent tax lot. However, this agreement cannot be used to permit the required light and air to be satisfied on an adjacent zoning lot in lieu of compliance with the New York City Zoning Resolution or Section 30 of the Multiple Dwelling Law.

covenants and agrees that no buildings, improvements, structures, alterations or additions, including any Rooftop Structures shall be constructed or allowed to exist on Parcel A that shall encroach into the Light and Air Easement Area, and no Rebuilding, whether following a casualty or otherwise, shall be made so as to encroach into the Light and Air Easement Area. The foregoing shall not be deemed (A) to prohibit or restrict the replacement or continued maintenance of the roof of Owner's Building or any Rooftop Structures located thereon below the Lower Limiting Plane, and/or (B) to prohibit the construction of additions, improvements or replacements of Owner's Building or any Rooftop Structures below the Lower Limiting Plane. As used in this paragraph:

a. the "Lower Limiting Plane" shall mean (a) with respect to the area located above and coincident with the boundaries of the current four (4) story brick portion of the building on Parcel A ("Owner's Building"), that certain horizontal plane at an elevation of one hundred and seventeen and four hundredths (117.04) feet above Datum Level, said elevation being fifteen (15) feet above the Existing Height, and (b) with respect to the area located above and coincident with the boundaries of the current one (1) story brick portion of Owner's Building and extending to the eastern boundary of Parcel A, that certain horizontal plane located at an elevation of eighty-three and forty-one hundredths (83.41) feet;

b. "Rebuilding" shall mean any reconstruction, replacement, alteration, restoration, expansion, renovation, repair or rebuilding of Owner's Building; whether following a casualty or otherwise; and

c. "Rooftop Structures" shall mean any parapet, bulkhead, elevator shaft, water tower, antenna (or similar device), chimney, pipe, ladder, fire escape, or other item of building mechanical equipment located on the roof of Owner's Building, including any chimney(s), flue(s), and/or exhaust vents located on the roof of Owner's Building and used in conjunction with the eating and drinking establishment use located within Owner's Building.

2. This easement agreement may not be modified, amended or terminated without the prior written consent of the Department of Buildings;

3. The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns;

4. Failure to comply with the terms of this easement agreement may result in the revocation of a building permit or certificate of occupancy; and

5. This easement agreement shall be recorded at the city register's (county clerk' s) office against all affected parcels of land and the cross-reference number and title of the easement agreement shall be recorded on each temporary and permanent certificate of occupancy hereafter issued to buildings located on the affected parcels and in any deed for the conveyance thereof.

IN WITNESS WHEREOF, Parties have made and executed the foregoing easement agreement as of the date hereinabove written.

Grantor:

1129 LEXINGTON AVENUE, LLC,
a New York limited liability company

By: _____
Name: Paul Neuman
Title: Member

and:

ROBERT NEUMAN CREDIT SHELTER TRUST

By: [redacted]
Name: [redacted]
Title: Trustee

[Signatures continue on following page]

Grantee:

SPRUCE 317 WEST 77TH LLC,
a New York limited liability company

By: _____
Name: Joshua P. Crane
Title: Member

and:

78 RPM OWNER LLC,
a Delaware limited liability company

By: _____
Name: Joshua P. Crane
Title: Member

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

On the 15th day of July in the year 2013 before me, the undersigned, personally appeared Paul Neuman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

JOSHUA RINESMITH
Notary Public, State of New York
No. 02RI6187099
Qualified in New York County
Commission Expires ~~June 28, 2012~~ Aug. 16, 2016

STATE OF NEW YORK)
).ss.
COUNTY OF New York)

On the 15th day of July in the year 2013 before me, the undersigned, personally appeared [redacted], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

JOSHUA RINESMITH
Notary Public, State of New York
No. 02RI6187099
Qualified in New York County
Commission Expires ~~June 28, 2012~~ Aug. 16, 2016

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

On the ____ day of _____ in the year 2013 before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

On the 12th day of July in the year 2013 before me, the undersigned, personally appeared Joshua P. Crane, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

BETTADA K. SUMA
Notary Public, State of New York
No. 01SU5040996 Qualified in Queens County
Certificate filed in New York County
Commission expires March 27, 2015

SCHEDULE A

Block: 1413 Lot: 120

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Lexington Avenue, distant 82 feet 2 inches northerly from the northeasterly corner of 78th Street and Lexington Avenue;

RUNNING THENCE easterly on a line parallel with 78th Street, 70 feet;

THENCE northerly and on a line parallel with Lexington Avenue, 20 feet;

THENCE westerly again parallel with 78th Street, 70 feet to the easterly side of Lexington Avenue;

THENCE southerly along the easterly side of Lexington Avenue, 20 feet to the point or place of BEGINNING.

SCHEDULE B

Block: 1413 Lot: 23

ALL that certain plot, piece or parcel of land situated, lying and being in the Borough of Manhattan, County, City and State of New York bounded and described as follows:

BEGINNING at a point on the northerly side of East 78th Street, distant seventy feet easterly from the corner formed by the intersection of the northerly side of East 78th Street and the easterly side of Lexington Avenue;

RUNNING THENCE northerly parallel with said easterly side of Lexington Avenue and part of the distance through a party wall, one hundred two feet two inches to the center line of the block;

THENCE easterly along the said center line of the block, twenty five feet;

THENCE southerly again parallel with the easterly side of Lexington Avenue and part of the distance through another party wall, one hundred two feet two inches to the northerly side of East 78th Street;

THENCE westerly along the said northerly side of East 78th Street, twenty five feet to the point or place of BEGINNING.

NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument. The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.

2013070900318007001EDDC9

RECORDING AND ENDORSEMENT COVER PAGE **PAGE 1 OF 8**

Document ID: 2013070900318007 Document Date: 06-27-2013 Preparation Date: 07-19-2013
Document Type: EASEMENT
Document Page Count: 6

PRESENTER:
RIVERSIDE ABSTRACT LLC
HOLD FOR PICK-UP
3839 FLATLANDS AVE #208 - MRNY-11010
BROOKLYN, NY 11234
718-252-4200
PKOHAN@RSABSTRACT.COM

RETURN TO:
RIVERSIDE ABSTRACT LLC
HOLD FOR PICK-UP
3839 FLATLANDS AVE #208 - MRNY-11010
BROOKLYN, NY 11234
718-252-4200
PKOHAN@RSABSTRACT.COM

PROPERTY DATA

Borough	Block	Lot	Unit	Address
MANHATTAN	1413	24	Entire Lot	157 EAST 78TH STREET

Property Type: DWELLING ONLY - 2 FAMILY Easement

CROSS REFERENCE DATA

CRFN_____ *or* DocumentID_____ *or* _____Year_____ Reel____ Page_____ *or* File Number_____

PARTIES

GRANTOR/SELLER:
[redacted]
157 EAST 78TH STREET
NEW YORK, NY 10075

☒ Additional Parties Listed on Continuation Page

GRANTEE/BUYER:
SPRUCE 317 WEST 77TH LLC
902 BROADWAY, 18TH FLOOR
NEW YORK, NY 10010

FEES AND TAXES

Mortgage :		
Mortgage Amount:	$	0.00
Taxable Mortgage Amount:	$	0.00
Exemption:		
TAXES: County (Basic):	$	0.00
City (Additional):	$	0.00
Spec (Additional):	$	0.00
TASF:	$	0.00
MTA:	$	0.00
NYCTA:	$	0.00
Additional MRT:	$	0.00
TOTAL:	$	0.00
Recording Fee:	$	67.00
Affidavit Fee:	$	0.00

Filing Fee:	$	125.00
NYC Real Property Transfer Tax:	$	0.00
NYS Real Estate Transfer Tax:	$	0.00

NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER

2013070900318007001CDF49

RECORDING AND ENDORSEMENT COVER PAGE (CONTINUATION) **PAGE 2 OF 8**

Document ID: 2013070900318007 Document Date: 06-27-2013 Preparation Date: 07-19-2013
Document Type: EASEMENT

PARTIES

GRANTEE/BUYER:
78 RPM OWNER, LLC
902 BROADWAY, 18TH FLOOR
NEW YORK, NY 10010

LIGHT AND AIR EASEMENT AGREEMENT

EASEMENT AGREEMENT made this 21st day of June, 2013, between [redacted] hereinafter referred to as the "Grantor," having an address at 157 East 78th Street, New York, New York ("Lexington"), and Spruce 317 West 77TH LLC, a New York limited liability company, having an address c/o Spruce Capital Partners LLC, 902 Broadway, 18th Floor, New York, New York ("Spruce"), and 78 RPM Owner LLC, a Delaware limited liability company, having an address c/o Spruce Capital Partners LLC, 902 Broadway, 18th Floor, New York, New York ("RPM"), Spruce and RPM, as tenants in common, hereinafter referred to as the "Grantee".

WHEREAS, the Grantor is the fee owner of certain land located in the City and State of New York, Borough of Manhattan, designated as Block 1413 Lot 24 on the Tax Map of the City of New York, hereinafter referred to as Parcel A and more particularly described by a metes and bounds description set forth in Schedule A annexed hereto and by this reference made a part hereof;

WHEREAS, the Grantee is the fee owner of certain land located in the City and State of New York, Borough of Manhattan, designated as Block 1413 Lots 23 ~~and 128~~ on the Tax Map of the City of New York, hereinafter referred to as Parcel B and more particularly described by a metes and bounds description set forth in Schedule B annexed hereto and by this reference made a part hereof;

WHEREAS, there will be constructed a 16-story building on Parcel B;

WHEREAS, Grantee has requested the New York City Department of Buildings (the "Department of Buildings") to act upon Application No. _____ to construct a new building for residential use on Parcel B; and

WHEREAS, the Department of Buildings may approve the Application upon the condition, *inter alia*, that Grantor create an easement for light and air for the benefit of the present and future owners of Parcel B in order to comply with the applicable provisions of Sections 27-732 and 27-746 of the 1968 Building Code or Sections BC 1203.4 and BC 1205.2 of the 2008 Building Code, as applicable.[1]

NOW, THEREFORE, good and valuable consideration having been paid, the Grantor for her/himself, her/his heirs, legal representatives, successors and assigns hereby makes the following grant to Grantee, her/his heirs, legal representatives, successors, and assigns and to any future owner of Parcel B:

1. The right to unrestricted light and air, and unobstructed view, over and above Parcel A as described herein (the "Light and Air Easement"), which easement shall begin above the "Lower Limiting Plane" (defined below). The certain volume of space occupied by the Light and Air Easement shall be referred to herein as the "Light and Air Easement Area". Grantor covenants and agrees that no buildings, improvements, structures, alterations or additions, including any Rooftop Structures, shall be constructed or allowed to exist on Parcel A that shall encroach into the Light and Air Easement Area,

[1] This easement agreement may be entered into as a means of compliance with the 1968 or 2008 Building Codes by permitting such codes' light and air requirements to be satisfied on an adjacent tax lot. However, this agreement cannot be used to permit the required light and air to be satisfied on an adjacent zoning lot in lieu of compliance with the New York City Zoning Resolution or Section 30 of the Multiple Dwelling Law.

and no Rebuilding, whether following a casualty or otherwise, shall be made so as to encroach into the Light and Air Easement Area. The foregoing shall not be deemed (A) to prohibit or restrict the replacement or continued maintenance of any parapet, bulkhead, elevator shaft, water tower, antenna (or similar device), chimney, pipe, ladder, fire escape, or other item of building mechanical equipment on the roof of Owner's Building below the Lower Limiting Plane, and/or (B) to prohibit the construction of additions, improvements or replacements of Owner's Building below the Lower Limiting Plane. As used in this paragraph:

a. the "Lower Limiting Plane" shall mean that certain limiting plane located above and coincident with the boundaries of Parcel A beginning at an elevation that is thirty (30) feet above the Existing Height;
b. "Owner's Building" shall mean the buildings and improvement, together with any future replacements thereof, owned by Grantor and located on Parcel A;
c. "Existing Height" shall mean ninety-five and thirty-four hundredths (95.34) feet above Manhattan Datum;
d. "Rebuilding" shall mean reconstruction, replacement, alteration, restoration, expansion, renovation, repair or rebuilding of Owner's Building; and
e. "Rooftop Structures" shall mean and used in conjunction with the eating and drinking establishment use located within Owner's Building.

2. This easement agreement may not be modified, amended or terminated without the prior written consent of the Department of Buildings;

3. The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns;

4. Failure to comply with the terms of this easement agreement may result in the revocation of a building permit or certificate of occupancy; and

5. This easement agreement shall be recorded at the city register's (county clerk' s) office against all affected parcels of land and the cross-reference number and title of the easement agreement shall be recorded on each temporary and permanent certificate of occupancy hereafter issued to buildings located on the affected parcels and in any deed for the conveyance thereof.

IN WITNESS WHEREOF, Parties have made and executed the foregoing easement agreement as of the date hereinabove written.

Grantor:

[redacted] an individual

[redacted]

[Signatures continue on following page]

Grantee:

SPRUCE 317 WEST 77TH LLC,
a New York limited liability company

By: _____
Name: JOSHUA CRANE
Title: MEMBER

and:

78 RPM OWNER LLC,
a Delaware limited liability company

By: _____
Name: JOSHUA CRANE
Title: MEMBER

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

On the 27th day of June in the year 2013 before me, the undersigned, personally appeared [redacted], 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 on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

CHASE C. HATCHETT
Notary Public, State of New York
No. 01HA6277686
Qualified in New York County
Commission Expires March 11, 2017

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

On the 27th day of June in the year 2013 before me, the undersigned, personally appeared Joshua Crane, 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 on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

CHASE C. HATCHETT
Notary Public, State of New York
No. 01HA6277686
Qualified in New York County
Commission Expires March 11, 2017

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

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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EXHIBIT 19

USE AND OCCUPANCY AGREEMENT

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CAL/98

STANDARD FORM OF CONDOMINIUM APARTMENT LEASE

THE REAL ESTATE BOARD OF NEW YORK, INC.

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PREAMBLE: This Lease contains the agreements between You and Owner concerning the rights and obligations of each party. You and Owner have other rights and obligations which are set forth in government laws and regulations.

You should read this Lease carefully. If You have any questions, or if You do not understand any words or statements, get clarification. Once You and Owner sign this Lease, You and Owner will be presumed to have read it and understood it. You and Owner admit that all agreements between You and Owner have been written into this Lease except for obligations arising under the Condominium Documents (as defined in Article 4). You understand that any agreements made before or after this Lease was signed and not written into it will not be enforceable.

THIS LEASE is made as of _____ (month) _____ (day) _____ (year) between Owner, the Lessor, Spruce 317 West 77th Street LLC and 78 RPM Owner LLC whose address is c/o Spruce Capital Partners, 902 Broadway, NY, Ny 10010 and You, the Lessee, whose address is

1. APARTMENT AND USE

Owner agrees to lease to You Condominium Unit , (the "Apartment") on the floor in the condominium apartment building at , Borough of , City and State of New York, which is known as the Condominium (the "Condominium"). You shall use the Apartment for living purposes only. The Apartment may be occupied only by You and the following Permitted Occupants:

You acknowledge that: (i) this Lease may not commence until the Condominium has waived any first refusal rights that it may have with respect to this Lease; and (ii) no other person other than You and the Permitted Occupants may reside in the Apartment without the prior written consent of the Owner and the Condominium.

2. LENGTH OF LEASE

The term (that means the length) of this Lease will begin on and will end on . If You do not do everything You agree to do in this Lease, Owner may have the right to end this Lease before the ending date. If Owner does not do everything that Owner agrees to do in this Lease, You may have the right to end the Lease before the ending date. You acknowledge that the term of this Lease may be reduced as authorized by Article 6.

3. RENT

Your monthly rent for the Apartment is $. You must pay Owner the rent, in advance, on the first day of each month either to Owner at the above address or at another place that Owner may inform You of by written notice. You must pay the first month's rent to Owner when You sign this Lease if the Lease begins on the first day of the month. If the Lease begins after the first day of the month, You must pay when You sign this Lease: (I) the part of the rent from the beginning date of this Lease until the last day of the month, and (ii) the full rent for the next full calendar month.

4. CONDOMINIUM DOCUMENTS

This Lease shall be subject and subordinate to: (i) the Declaration of Condominium; (ii) the Rules and Regulations of the Condominium (which are sometimes called House Rules); and (iii) the By-Laws of the Condominium. (The Declaration, the Rules and Regulations and the By-Laws of the Condominium and all amendments thereto, including any amendments subsequent to the date hereof, are collectively called the "Condominium Documents".) In the event of any inconsistency between the provisions of this Lease and the Condominium Documents, the provisions of the Condominium Documents shall govern and be binding.

You and the Permitted Occupants of the Apartment shall faithfully observe and comply with the Condominium Documents, other than the provisions of the Condominium Documents required to be performed by Owner (which include the payment of common charges for the Apartment to the Condominium). You and the Permitted Occupants of the Apartment shall not undertake any action which, if performed by Owner, would constitute a violation of the Condominium Documents. You have reviewed the Condominium Documents or waived their examination.

5. SECURITY DEPOSIT

You are required to give Owner the sum of $____ when You sign this Lease as a security deposit, which is called in law a trust. Owner will deposit this security in bank at , New York. This security account shall not bear interest.

If You carry out all of your agreements in this Lease and if You move out of the Apartment and return it to Owner in the same condition it was in when You first occupied it, except for ordinary wear and tear or damage caused by fire or other casualty through no fault of your own, Owner will return to You the full amount of your security deposit within 60 days after this Lease ends. However, if You do not carry out all your agreements in this Lease, Owner may keep all or part of your security deposit which has not yet been paid to You necessary to pay Owner for any losses incurred, including missed payments.

If Owner sells the Apartment, Owner will turn over your security either to You or to the person buying the Apartment within 5 days after the sale. Owner will then notify You, by registered or certified mail, of the name and address of the person or company to whom the deposit has been turned over. In such case, Owner will have no further responsibility to You for the security deposit. The new owner will become responsible to You for the security deposit.

6. IF YOU ARE UNABLE TO MOVE IN

A situation could arise which might prevent Owner from letting You move into the Apartment on the beginning date set in this Lease. If this happens for reasons beyond Owner's reasonable control, including the failure to obtain a waiver of any first refusal right that the Condominium may have with respect to this Lease prior to the beginning date, Owner will not be responsible for your damages or expenses and this Lease will remain in effect. However, in such case, the Lease will start on the date when You can move in; the ending date of this Lease as specified in Article 2 will remain the same. You will not have to pay rent until the move-in date Owner gives You by written notice, or the date You move in, whichever is earlier. If Owner does not give You notice that the move-in date is within 30 days after the beginning date of the term of this Lease as stated in Article 2, this Lease shall be canceled and all prepaid rent and security deposit shall be promptly returned to You.

7. CAPTIONS

In any dispute arising under this Lease, in the event of a conflict between the text and a caption, the text controls.

8. WARRANTY OF HABITABILITY

A. All of the sections of this Lease are subject to the provisions of the Warranty of Habitability Law in the form it may have from time to time during this Lease. Nothing in this Lease can be interpreted to mean that You have given up any of your rights under that law. Under that law, Owner agrees that the Apartment is fit for human habitation and that there will be no conditions which will be detrimental to life, health or safety.

B. You will do nothing to interfere to make more difficult the Condominium's efforts to provide You and all other occupants of the Condominium with the required facilities and services. Any condition caused by your misconduct or the misconduct of anyone under your direction or control shall not be a breach by Owner.

9. CARE OF YOUR APARTMENT; END OF LEASE-MOVING OUT

A. You will take good care of the Apartment and will not permit or do any damage to it, except for damage which occurs through ordinary wear and tear. You will move out on or before the ending date of this Lease and leave the Apartment in good order and in the same condition as it was when You first occupied it, except for ordinary wear and tear and damage caused by fire or other casualty through no fault of your own.

B. When the Lease ends, You must remove all of your movable property. You must also remove at your own expense, any wall covering, bookcases, cabinets, mirrors, painted murals or any other installation or attachment You may have installed in the Apartment, even if it was done with Owner's consent. If the Condominium imposes any "move-out" deposits or fees, You shall pay any such deposit or fee when requested by the Condominium. You must restore and repair to its original condition those portions of the Apartment affected by those installations and removals. You have not moved out until all persons, furniture and other property of yours is also out of the Apartment. If your property remains in the Apartment after the Lease ends, Owner may either treat You as still in occupancy and charge You for use, or may consider that You have given up the Apartment and any property remaining in the Apartment. In this event, Owner may either discard the property or store it at your expense. You agree to pay Owner for all costs and expenses incurred in removing such property. The provisions of this article will continue to be in effect after the end of this Lease.

10. CHANGES AND ALTERATIONS TO APARTMENT

You cannot build in, add to, change or alter, the Apartment in any way, including wallpapering, painting, repainting, or other decorating, without first obtaining the prior written consent of Owner and, if required under the Condominium Documents, the Condominium. Without Owner's and/or the Condominium's prior written consent, You cannot install or use in the Apartment any of the following: dishwasher machines, clothes washing or drying machines, electric stoves, garbage disposal units, heating, ventilating or air conditioning units or any other electrical equipment which, in Owner's and/or the Condominium's opinion, will overload the existing wiring installation in the Condominium or interfere with the use of such electrical wiring facilities by other occupants of the Condominium. Also, You cannot place in the Apartment water-filled furniture.

11. YOUR DUTY TO OBEY AND COMPLY WITH LAWS, REGULATIONS AND RULES

A. GOVERNMENT LAWS AND ORDERS. You will obey and comply: (i) with all present and future city, state and federal laws and regulations which affect the Condominium or the Apartment, and (ii) with all orders and regulations of insurance rating organizations which affect the Apartment and the Condominium. You will not allow any windows in the Apartment to be cleaned from the outside unless the prior written consent of the Condominium is obtained.

B. CONDOMINIUM'S RULES AFFECTING YOU. You will obey all of the Condominium Documents other than the provisions of the Condominium Documents required to be performed by Owner.

C. YOUR RESPONSIBILITY. You are responsible for the behavior of yourself, the Permitted Occupants of the Apartment, your servants and people who are visiting You. You will reimburse Owner as additional rent upon demand for the cost of all losses, damages, fines and reasonable legal expenses incurred by Owner because You, the Permitted Occupants of the Apartment, servants or people visiting the Apartment, have not obeyed government laws and orders, the Condominium Documents or this Lease.

12. OBJECTIONABLE CONDUCT

You, the Permitted Occupants of the Apartment, servants or people visiting the Apartment will not engage in objectionable conduct at the Condominium. Objectionable conduct means behavior which makes or will make the Apartment or the Condominium less fit to live in for You or other occupants. It also means anything which interferes with the right of others to properly and peacefully enjoy their apartments, or causes conditions that are dangerous, hazardous, unsanitary and detrimental to other occupants of the Condominium. Objectionable conduct by You gives Owner the right to end this Lease.

13. SERVICES AND FACILITIES

A. REQUIRED SERVICES. The Condominium will provide cold and hot water and heat, as required by law, repairs to the Apartment, as required by the Condominium Documents, elevator service if the Condominium has elevator equipment, and the utilities, if any, included in the rent, as set forth in subparagraph B. You are not entitled to any rent reduction because of a stoppage or reduction of any of the above services unless it is provided by law.

B. The following utilities are included in the rent See Rider.

C. ELECTRICITY AND OTHER UTILITIES. If the Condominium provides electricity or gas for a separate, submetered charge, your obligations to the Condominium and/or Owner are described in a rider attached to this Lease. If electricity or gas is not included in the rent and is not charged separately by the Condominium and/or Owner, You must arrange for this service directly with the utility company. You must also pay directly for telephone service and cable television service if the cost of any such service is not included in the rent.

D. APPLIANCES. Appliances supplied by Owner in the Apartment are for your use. They are in good working order on the date hereof and will be maintained and repaired or replaced by Owner, but if repairs or replacement are made necessary because of your negligence or misuse, You will pay Owner for the cost of such repair or replacement as additional rent.

E. FACILITIES. If the Condominium permits Owner to use any storeroom, storage bin, laundry or any other facility located in the Condominium but outside of the Apartment, and provided such use is transferable to You by Owner pursuant to the Condominium Documents, the use of any such facility will be furnished to You free of charge and at your own risk. You will operate at your expense any coin operated appliances located in any such facility.

14. INABILITY TO PROVIDE SERVICES

Because of a strike, labor, trouble, national emergency, repairs, or any other cause beyond Owner's and the Condominium's reasonable control, Owner and the Condominium may not be able to provide or may be delayed in providing any services or in making any repairs to the Apartment and/or the Condominium. In any of these events, any rights You may have against Owner are only those rights which are allowed by laws in effect when the reduction in service occurs.

15. ENTRY TO APARTMENT

During reasonable hours and with reasonable notice, except in emergencies, Owner, Owner's representatives and agents or employees of the Condominium may enter the Apartment for the following reasons:

A. To erect, use and maintain pipes and conduits in and through the walls and ceilings of the Apartment; to inspect the Apartment; and to make any necessary repairs or changes Owner or the Condominium decide are necessary. Your rent will not be reduced because of any of this work, unless the common charges payable by Owner to the Condominium are reduced.

B. To show the Apartment to persons who may wish to become owners of the Apartment or may be interested in lending money to Owner.

C. For two months before the end of the Lease, to show the Apartment to persons who wish to lease it.

D. If, during the last month of the Lease, You have moved out and removed all or almost all of your property from the Apartment, Owner may enter to make changes, repairs or redacorations. Your rent will not be reduced for that month and this Lease will not be ended by Owner's entry.

E. If, at any time, You are not personally present to permit Owner, Owner's representatives or the agents and employees of the Condominium, to enter the Apartment and entry is necessary or allowed by law, under the Condominium Documents or this Lease, Owner, Owner's representatives or the agents and employees of the Condominium may nevertheless enter the Apartment. Owner, Owner's representatives or the agents and employees of the Condominium may enter by force in an emergency. Owner will not be responsible to You, unless during this entry, any authorized party is negligent or misuses your property.

16. ASSIGNING; SUBLETTING; ABANDONMENT

A. Assigning and Subletting. You cannot assign this Lease or sublet the Apartment. You acknowledge that Owner may refuse any request made by You to assign this Lease or to sublet the Apartment for any reason or no reason.

B. Abandonment. If You move out of the Apartment (abandonment) before the end of this Lease without the consent of Owner, this Lease will not be ended. You will remain responsible for each monthly payment of rent as it becomes due until the end of this Lease. In case of abandonment your responsibility for rent will end only if Owner chooses to end this Lease for default as provided in Article 17.

17. DEFAULT

A. You default under the Lease if You act in any of the following ways:

(i) You fail to carry out any agreement or provision of this Lease;
(ii) You, a Permitted Occupant of the Apartment, servants or people visiting the Apartment behave in an objectionable manner;
(iii) You, a Permitted Occupant of the Apartment, servants or people visiting the Apartment violate any of the Condominium Documents;
(iv) You do not take possession or move into the Apartment 15 days after the beginning of this Lease; or
(v) You and the Permitted Occupants of the Apartment move out permanently before this Lease ends.

If You do default in any one of these ways, other than a default in the agreement to pay rent, Owner may serve You with a written notice to stop or correct the specified default within 10 days. You must then either stop or correct the default within 10 days, or, if You need more than 10 days, You must begin to correct the default within 10 days and continue to do all that is necessary to correct the default as soon as possible.

B. If You do not stop or begin to correct a default within 10 days, Owner may give You a second written notice that this Lease will end 6 days after the date the second written notice is sent to You. At the end of the 6-day period, this Lease will end, You then must move out of the Apartment. Even though this Lease ends, You will remain liable to Owner for unpaid rent up to the end of this Lease, the value of your occupancy, if any, after the Leese ends, and damages caused to Owner after that time as stated in Article 18.

C. If You do not pay your rent when this Lease requires after a personal demand for rent has been made, or within 3 days after a statutory written demand for rent has been made, or if the Lease ends Owner may do the following: (i) enter the Apartment and retake possession of it if You have moved out; (ii) go to court and ask that You and all other occupants in the Apartment be compelled to move out.

Once this Lease has been ended, whether because of default or otherwise, You give up any right You might otherwise have to reinstate this Lease.

18. REMEDIES OF OWNER AND YOUR LIABILITY

If this Lease is ended by Owner because of your default, the following are the rights and obligations of You and Owner.

A. You must pay your rent until this Lease has ended. Thereafter, You must pay an equal amount for what the law calls "use and occupancy" until You actually move out.

B. Once You are out, Owner may re-rent the Apartment or any portion of it for a period of time which may end before or after the ending date of this Lease. Owner may re-rent to a new subtenant at a lesser rent or may charge a higher rent than the rent in this Lease.

C. Whether the Apartment is re-rented or not, You must pay to Owner as damages:

(i) the difference between the rent in this Lease and the amount, if any, of the rents collected in any latar lease of the Apartment for what would have been the remaining period of this Lease; and
(ii) Owner's expenses for the cost of putting the Apartment in good condition for re-rental; and
*** (iii) Owner's expenses for attorney's fees (*Delete if inapplicable*).

D. You shall pay all damages due in monthly installments on the rent day established in this Leasa. Any legal action brought to collect one or more monthly installments of damages shall not prejudice in any way Owner's right to collect the damages for a leter month by a similar action. If the rent collected by Owner from a subsequent subtenant of the Apartment is more than the unpaid rent and damages which You owe Owner, You cannot receive the difference. Owner's failure to re-rent to another subtenant will not release or change your liability for damages, unless the failure is due to Owner's deliberate inaction.

19. ADDITIONAL OWNER REMEDIES

If You do not do everything You have agreed to do, or if You do anything which shows that You intend not to do what You agreed to do, Owner has the right to ask a Court to make You carry out your agreement or to give the Owner such other relief as the Court can provide. This is in addition to the remedies in Article 17 and 18 of this Lease.

20. FEES AND EXPENSES

A. You must reimburse Owner for any of the following fees and expenses incurred by Owner:

(i) Making any repairs to the Apartment or the Condominium, including any appliances in the Apartment, which result from misuse or negligence by You, the Permitted Occupants of the Apartment, persons who visit the Apartment or work for You;
(ii) Correcting any violations of city, state or federal laws or orders and regulations of insurance rating organization concerning the Apartment or the Condominium which You, the Permitted Occupants of the Apartment, persons who visit the Apartment or work for You have caused;

(iii) Preparing the Apartment for the next tenant if You move out of the Apartment before the Lease ending date without Owner's prior written consent;

*** (iv) Any legal fees and disbursements for legal actions or proceedings brought by Owner against You because of a default by You for defending lawsuits brought against Owner because of the actions of You, the Permitted Occupants of the Apartment, persons who visit the Apartment or work for You (*Delete if inapplicable*);

(v) Removing all of your property after this Lease is ended;

(vi) Any miscellaneous charges payable to the Condominium for services You requested that are not required to be furnished You under this Lease for which You have failed to pay the Condominium and which Owner has paid;

(vii) All other fees and expenses incurred by Owner because of the failure to obey any other provisions and agreements of this Lease or the Condominium Documents by You, the Permitted Occupants of the Apartment, persons who visit the Apartment or work for You.

These fees and expenses shall be paid by You to Owner as additional rent within 30 days after You receive Owner's bill or statement. If this Lease has ended when these fees and expenses are incurred, You will still be liable to Owner for the same amount as damages.

B. Owner agrees that unless subparagraph (iv) of subparagraph 20 A has been stricken out of this Lease, You have the right to collect reasonable legal fees and expenses incurred in a successful defense by You of a lawsuit brought by Owner against You or brought by You against Owner to the extent provided by Real Property Law Section 234.

C. You shall pay the Condominium on demand for the cost of any miscellaneous charges payable to the Condominium for services You requested that are not required to be furnished You under this Lease.

21. PROPERTY LOSS, DAMAGES OR INCONVENIENCE

Unless caused by the negligence or misconduct of Owner, Owner's representatives or the agents and employees of the Condominium, none of these authorized parties are responsible to You for any of the following: (i) any loss of or damage to You or your property in the Apartment or the Condominium due to any accidental or intentional cause, even a theft or another crime committed in the Apartment or elsewhere in the Condominium; (ii) any loss of or damage to your property delivered to any agent or employee of the Condominium (i.e. doorman, superintendent, etc.); or (iii) any damage or inconvenience caused to You by actions, negligence or violations of lease or the Condominium Documents made by any other tenant or person in the Condominium except to the extent required by law.

Owner will not be liable for any temporary interference with light, ventilation, or view caused by construction by or on behalf of the Condominium. Owner will not be liable for any such interference on a permanent basis caused by construction on any parcel of land not owned by Owner or the Condominium. Owner will not be liable to You for such interference caused by the permanent closing, darkening or blocking up of windows, if such action is required by law. None of the foregoing events will cause a suspension or reduction of the rent or allow You to cancel the Lease.

22. FIRE OR CASUALTY

A. If the Apartment becomes unusable, in part or totally, because of fire, accident or other casualty, this Lease will continue unless ended by Owner under subparagraph C below or by You under subparagraph D below. However, the rent will be reduced immediately. This reduction will be based upon the square footage of the part of the Apartment which is unusable.

B. Owner and/or the Condominium will repair and restore the Apartment, unless Owner decides to take actions described in subparagraph C below.

C. After a fire, accident or other casualty in the Building, the Condominium may decide to tear down the Condominium building or to substantially rebuild it. In such case, Owner need not restore the Apartment but may end this Lease. Owner may do this even if the Apartment has not been damaged, by giving You written notice of this decision within 30 days after the date when the damage occurred. If the Apartment is unusable when Owner gives You such notice, this Lease will end 60 days from the last day of the calendar month in which You were given the notice.

D. If the Apartment is completely unusable because of fire, accident or other casualty and it is not repaired in 30 days, You may give Owner written notice that You end the Lease. If You give that notice, this Lease is considered ended on the day that the fire, accident or casualty occurred. Owner will promptly refund your security deposit and the pro-rata portion of rents paid for the month in which the casualty happened.

E. Unless prohibited by the applicable policies, to the extent that such insurance is collected, You and Owner release and waive all right of recovery against the other or anyone claiming through or under each by way of subrogation.

F. You acknowledge that if fire, accident, or other casualty causes damage to any of your personal property in the Apartment, including, but not limited to your furniture and clothes, neither the Owner nor the Condominium will be responsible to You for the repair or replacement of any such damaged personal property unless such damage was as a result of the Owner's or the Condominium's negligence.

23. PUBLIC TAKING

The entire Condominium or a part of it can be acquired (condemned) by any government or government agency for a public or quasi-public use or purpose. If this happens, this Lease shall end on the date the government or agency take title. You shall have no claim against Owner for any damage resulting; You also agree that by signing this Lease, You assign to Owner any claim against the government or government agency for the value of the unexpired portion of this Lease.

24. SUBORDINATION CERTIFICATE AND ACKNOWLEDGMENTS

All mortgages of the Apartment now in effect or made after this Lease is signed, and any lien created by the Condominium Documents come ahead of this Lease. In other words, this Lease is "subject and subordinate to" any lien created by the Condominium Documents and existing or future mortgages on the Apartment, including any renewals, consolidations, modifications and replacements of any such mortgage. If certain provisions of any such mortgage or the Condominium Documents come into effect, the holder of any such mortgage or the Condominium can end this Lease and such parties may commence legal action to evict You from the Apartment. If this happens, You acknowledge that You have no claim against Owner, the Condominium or such mortgage holder. If Owner requests, You will sign promptly an acknowledgment of the "subordination" in the form that Owner may requires.

You also agree to sign (if accurate) a written acknowledgment to any third party designated by Owner that this Lease is in effect, that Owner is performing Owner's obligations under this Lease and that You have no present claim against Owner.

25. YOUR RIGHT TO LIVE IN AND USE THE APARTMENT

Provided the Condominium waives any right of first refusal it may have with respect to this Lease, if You pay the rent and any required additional rent on time and You do everything You have agreed to do in this Lease, your tenancy cannot be cut off before the ending date, except as provided for in Articles 22, 23 and 24.

26. BILLS AND NOTICE

A. Notices to You. Any notice from Owner or Owner's agent or attorney will be considered properly given to You if it is: (i) in writing, (ii) signed by or in the name of Owner or Owner's agent, and (iii) addressed to You at the Apartment and delivered to You personally or sent by registered or certified mail to You at the Apartment. The date of service of any written notice by Owner to You under this agreement is the date of delivery or mailing of such notice.

B. Notices to Owner. If You wish to give a notice to Owner, You must write it and deliver it or send it by registered or certified mail to Owner at the address noted on page 1 of this Lease or to another address of which Owner or Agent has given You written notice.

27. GIVING UP RIGHT TO TRIAL BY JURY AND COUNTERCLAIM

A. Both You and Owner agree to give up the right to a trial by jury in a court action, proceeding or counterclaim on any matters concerning this Lease, the relationship of You and Owner as lessee and lessor or your use or occupancy of the Apartment. This agreement to give up the right to a jury trial does not include claims or personal injury or property damage.

B. If Owner begins any court action or proceeding against You which asks that You be compelled to move out, You cannot make a counterclaim unless You are claiming that Owner has not done what Owner is supposed to do about the condition of the Apartment or the Condominium.

28. NO WAIVER OF LEASE PROVISIONS

A. Even if Owner accepts your rent or fails once or more often to take action against You when You have not done what You have agreed to do in this Lease the failure of Owner to make action or Owner's acceptance of rent does not prevent Owner from taking action at a later date if You against do not do what You have agreed to do.

B. Only a written agreement between You and Owner can waive any violation of this Lease.

C. If You pay and Owner accepts an amount less than all the rent due, the amount received shall be considered to be in payment of all or part of the earliest rent due. It will not be considered an agreement by Owner to accept this lesser amount in full satisfaction of all of the rent due unless there is a written agreement between You and Owner.

D. Any agreement to end this Lease and also to end the rights and obligations of You and Owner must be in writing, signed by You and Owner or Owner's agent. Even if You give keys to the Apartment and they are accepted by either any employee or agent of the Condominium, Owner's representatives or Owner, this Lease is not ended.

E. This Lease, or any provision hereof, may not be modified, amended, extended, waived or abrogated without the prior written consent of the Condominium.

29. CONDITION OF THE APARTMENT

When You signed this Lease, You did not rely on anything said by Owner, Owner's representatives or the Condominium's employees, agents, or superintendent about the physical condition of the Apartment, the Condominium or the land on which is built. You did not rely on any promises as to what would be done, unless what was said or promised is written in this Lease and signed by both You and Owner. Before signing this Lease, You have inspected the Apartment and You accept it in its present condition "as is", except for any condition which You could not reasonably have seen during your inspection. You agree that Owner has not promised to do any work in the Apartment except as specified in a rider attached to this Lease.

30. DEFINITIONS

A. Owner: The term "Owner" means the person or organization receiving or entitled to receive rent from You for the Apartment at any particular time other than a rent collector or managing agent of Owner. "Owner" is the person or organization that owns legal title to the Apartment. It does not include a former Owner, even if the former Owner signed this Lease.

B. You. The term "You" means the person or persons signing this Lease as lessee and the successors and assigns of the signer. This Lease has established a lessor-lessee relationship between Owner and You.

31. SUCCESSOR INTERESTS

The agreements in this Lease shall be binding on Owner and You and on those who succeed to the interest of Owner or You by law, by approved assignment or by transfer.

32. INSURANCE

You may obtain liability insurance insuring You, the Permitted Occupants of the Apartment, your servants and people visiting the Apartment, and personal property insurance insuring your furniture and furnishings and other items of personal property located in the Apartment. You may not maintain any insurance with respect to any furniture or furnishings belonging to Owner that are located in the Apartment. You acknowledge that Owner may not be required to maintain any insurance with respect to the Apartment.

33. WAIVER OF CONDOMINIUM'S FIRST REFUSAL RIGHT *[DELETE IF INAPPLICABLE]*

You shall furnish to the Condominium or its managing agent, within 5 business days after the date of this Lease, such personal and financial references and additional information concerning You and the Permitted Occupants of the Apartment as may be requested in order to obtain the waiver of the Condominium's right of first refusal with respect to this Lease, including the submission of any application requested by the Condominium.

You acknowledge that this Lease will not commence and that You and the Permitted Occupants shall have no right to occupy the Apartment until the waiver of the Condominium's right of first refusal with respect to this Lease is obtained. If such waiver has not been obtained by the date specified in Article 2 as the beginning date of this Lease, You shall have no obligation to pay rent until such waiver has been obtained. All rent prepaid for the period You are unable to occupy the Apartment because of the failure to obtain such waiver shall be applied by Owner to subsequent rent payable hereunder. If such waiver is not obtained within 30 days after the date specified in Article 2 as the beginning date of this Lease, this Lease shall be canceled and all prepaid rent and security deposit shall be promptly returned to You.

34. FURNITURE *[DELETE IF INAPPLICABLE]*

The Apartment is being leased as fully furnished; a rider attached to this Lease lists all furniture and furnishings contained in the Apartment. You shall accept the furniture and furnishings contained in the Apartment "as is" on the commencement date of this Lease. Owner represents that all such furniture and furnishings are in good repair and in working order on the commencement date of this Lease except as may be noted in such rider.

You shall take good care of the furniture and furnishings in the Apartment during the pendency of this Lease and shall be liable for any damages caused by You to such furniture and furnishings. You shall not be responsible for any damages to such furniture and furnishings not caused by You or caused by ordinary wear and tear. You shall surrender such furniture and furnishings when this Lease terminates in the same condition as on the date this Lease commenced, subject to ordinary wear and tear. If any repairs are required to the furniture and furnishings in the Apartment when this Lease terminates, You shall pay Owner upon demand the cost of any required repairs.

You may not remove any furniture or furnishings from the Apartment or change the location of any such furniture or furnishings during the pendency of this Lease without Owner's prior written consent.

35. BROKER [*DELETE EITHER SUBPARAGRAPH A OR B*]

A. You represent to Owner that You have not dealt with any real estate broker(s) in connection with the leasing of the Apartment other than _____, [and that _____ is your real estate broker in connection with the leasing of the Apartment (Delete bracket if inapplicable)]. You will compensate such broker(s) in accordance with a separate agreement. You shall indemnify and hold Owner harmless from any and all loss incurred by Owner as a result of a breach of the foregoing representations.

B. You represent to Owner that you have not dealt with any real estate broker in connection with the leasing of the Apartment. You shall indemnify and hold Owner harmless from any and all loss incurred by Owner as a result of a breach of the foregoing representation.

36. YOUR OPTION TO RENEW [*DELETE IF INAPPLICABLE*]

A. You shall have the right to extend the term of this Lease for _____ year(s) commencing and ending on _____, (the "Extension Term") provided: (i) You give Owner notice (the "Extension Notice"), in the manner required under this Lease, of your election to extend the term of this Lease; (ii) the Election Notice must be given Owner at least _____ days prior to the ending date of this Lease stated in Article 2; and (iii) You may not be in default of any provisions of the Lease when the Extension Notice is given and on the commencement date of the Extension Term. If You fail to send the Extension Notice to Owner by the date specified herein, this Article 36 shall be of no further force and effect.

B. The monthly rent payable by You during the Extension Term shall be $_____.

C. All provisions of this Lease, except as modified by this Article 36, shall remain in full force and effect during the Extension Term.

37. LEAD PAINT DISCLOSURE [*DELETE IF THE CONDOMINIUM WAS ERECTED AFTER 1978*]

Simultaneously with the execution of this Lease, You and Owner shall sign and complete the disclosure of information on lead-based paint and/or lead-based paint hazards annexed as a rider attached to this Lease. You acknowledge receipt of the pamphlet, "Protect Your Family From Lead In Your Home" prepared by the United States Environmental Protection Administration.

38. PETS [*DELETE EITHER SUBPARAGRAPH A OR B*]

A. You may not keep any pets in the Apartment.

B. If authorized by the Condominium Documents, You may keep pets in the Apartment provided: (i) You obtain the prior written consent of Owner; and (ii) You comply with the Condominium Documents with respect to the keeping of pets in the Condominium.

39. KEYS

Owner shall retain keys to all locks of the Apartment. If You make any changes to any such lock, You must deliver keys to Owner, and to the Condominium or its managing agent. At the end of this Lease, You must deliver to Owner all keys to the Apartment. If You fail to return any keys, You shall pay Owner the cost of replacing any such keys.

40. WINDOW GUARDS

You shall complete and deliver to the Condominium, when requested, a notice with respect to the installation of window guards in the Apartment in the form required by the City of New York. You acknowledge that it is a violation of law to refuse, interfere with installation, or remove window guards where required.

41. OWNER'S DEFAULT TO CONDOMINIUM

If: (i) Owner defaults in the payment to the Condominium of common charges or other assessments payable to the Condominium with respect to the Apartment; (ii) the Condominium notifies You of such default; and (iii) the Condominium instructs You to pay the rent under this Lease to the Condominium, then You shall pay all future installments of rent payable under this Lease to the Condominium until such time as the Condominium advises that the Owner's default has been cured. Owner acknowledges that if You pay any installment of rent payable under this Lease to the Condominium as herein provided, You have satisfied your obligation to pay any such installment of rent to Owner. Nothing contained in this Article shall suspend your obligation to pay rent under this Lease.

42. BINDING EFFECT

It is expressly understood and agreed that this Lease shall not constitute an offer or create any rights in your favor, and shall in no way obligate or be binding upon Owner, and this Lease shall have no force or effect until this Lease is duly executed by You and Owner and a fully executed copy of this Lease is delivered to both You and Owner.

TO CONFIRM OUR AGREEMENTS, OWNER AND YOU RESPECTIVELY SIGN THIS LEASE AS OF THE DAY AND YEAR FIRST WRITTEN ON PAGE 1.

WITNESS:

_____ _____ (L.S.)
Owner's Signature

_____ _____ (L.S.
Tenant's Signature

_____ _____ (L.S.)
Tenant's Signature

GUARANTY

The undersigned Guarantor guarantees to Owner the strict performance of and observance by Lessee of all the agreements, provisions and rules in the attached Lease. Guarantor agrees to waive all notices when Lessee is not paying rent or not observing and complying with all of the provisions of the attached Lease. Guarantor agrees to be equally liable with Lessee so that Owner may sue Guarantor directly without first suing Lessee. The Guarantor further agrees that this guaranty shall remain in full effect even if the Lease is renewed changed or extended in any way and even if Owner has to make a claim against Guarantor. Owner and Guarantor agree to waive trial by jury in any such action, proceeding or counterclaim brought against the other on any matters concerning the attached Lease or the Guaranty.

Dated, _____

_____ _____Guarantor
Witness

_____Address

RIDER TO INTERIM LEASE
DATED _____ BETWEEN _____ ("PURCHASER/TENANT") AND _____ ("SELLER/LANDLORD").

Whereas, _____ (collectively, "Purchaser/Tenant") have entered into a certain option agreement (the "Contract") dated _____ to purchase Unit ____ at 151 East 78th Street condominium, located at 151 East 78th Street, New York, New York (the "Unit") from _____ ("Seller/Landlord").

Whereas, to accommodate Purchaser/Tenant, Seller/Landlord has agreed to permit Purchaser/Tenant to enter into this interim lease for the Unit (the "Interim Lease") and occupy the Unit pursuant thereto until the Closing of the Contract has been consummated.

Whereas, to induce Seller/Landlord to permit Purchaser/Tenant to enter into such Interim Lease, Purchaser hereby agrees as follows:

AGREEMENTS

1) In the event the terms of the printed form of the Interim Lease are in conflict with this Rider, the provisions of this Rider shall control. All terms capitalized and not defined herein shall have the meanings given to such terms in the Contract.

2) Notwithstanding the Term listed on page 1 of the printed form of this Interim Lease, this Interim Lease shall terminate on the sooner of: (i) the date of closing of title to the Unit; or (ii) the date Seller/Landlord and/or Purchaser/Tenant terminates the Contract, according to its terms or (iii) the date that Seller/Landlord and/or Purchaser/Tenant terminates this Interim Lease, according to its terms; or (iv) _____ (provided that Seller is ready to close on or prior to such date), and any prepaid rent to the date of closing shall be paid as cash to Purchaser/Tenant at the closing of the purchase. Upon the Closing of the Contract, this Interim Lease shall terminate and neither party shall have any further obligations to the other, except as expressly set forth herein.

3) Purchaser/Tenant agrees that since Purchaser/Tenant has elected to occupy the Unit prior to the closing of title hereto, Purchaser/Tenant shall assume the risk of loss to the Unit and property prior to Closing from fire or other cause not the fault of Seller/Landlord or Seller/Landlord's contractors, agents, employees or servants. In the event of any such loss to the Unit and Property, Purchaser/Tenant shall be obligated to complete the purchase in accordance with the Contract, without reduction in Purchase Price or claim against Seller/Landlord and without delay.

4) Purchaser/Tenant agrees that Purchaser/Tenant is subject to and shall comply with, at Purchaser/Tenant's sole cost and expense, all provisions, covenants and conditions of (i) the Declaration, By-Laws and governing documents of the Greenwich Lane condominium, and (ii) all other requirements set forth in the Plan and exhibits thereto, which Purchaser/Tenant hereby acknowledges it has heretofore received, along with all amendments thereto.

5) Seller/Landlord and Purchaser/Tenant agree that this Interim Lease shall in no way give Purchaser/Tenant any rights pursuant to the Rent Stabilization Law and the Code of the Rent Stabilization Association of the City of New York, Inc. (the "Rent Stabilization Code") or any other rent law, code, or regulation which may affect tenancies in the City, County and State of New York.

6) Purchaser/Tenant agrees, that notwithstanding any statutory rights Purchaser/Tenant may have, Purchaser/Tenant shall not have a right to assign or sublet said Unit pursuant to this Interim

Lease. Purchaser/Tenant further agrees, that any attempt by Purchaser/Tenant to sublet or assign rights or obligations pursuant to this Interim Lease will be void and will constitute a default both under the Interim Lease and under the Contract.

7) Purchaser/Tenant agrees that it shall be a default under this Interim Lease if Purchaser/Tenant fails to comply with all the obligations under the Contract between Seller/Landlord and Purchaser/Tenant. A default in the terms and conditions of this Interim Lease (in any material respect) by Purchaser/Tenant will also be a default under the terms of the Contract and will permit Seller/Landlord to cancel the Contract in accordance with its terms.

8) Purchaser/Tenant has inspected the Unit and has full knowledge of its condition. The taking of occupancy of the Unit shall be conclusive and final evidence that the Unit was in good and satisfactory condition at the time occupancy was taken by Purchaser/Tenant and that Seller/Landlord shall have no further responsibility with respect to the condition of the Unit and Purchaser/Tenant shall accept same in "as is" condition at the closing of title under the Contract.

9) Purchaser/Tenant shall supply Seller/Landlord with a Certificate of Insurance from an insurance company licensed to do business in New York indicating that Purchaser/Tenant's personal property which is moved into the Unit pursuant to this Interim Lease is fully insured and that the policy is currently in effect and all premiums are paid. Purchaser/Tenant shall look solely to said casualty insurance with respect to any damages to Purchaser/Tenant personal property or improvements to the Unit.

10) Purchaser/Tenant shall pay for all utilities (either directly or as invoiced by Seller/Landlord) all monthly charges for telephone cable and/or internet service, electricity, gas, and all other utilities used at the Unit. Purchaser/Tenant shall not hold Seller/Landlord responsible for any interruption in the use and service of such utilities.

11) Supplementing the provisions of the printed form of this Interim Lease, Purchaser/Tenant shall not make or perform, or permit the making or performance of, any alterations, installations, decorations, improvements, additions or other physical changes in or about the Unit (referred to collectively, as "Alterations" and individually as an "Alteration") without Seller/Landlord's prior consent in each instance.

12) If the Plan is abandoned, the Purchaser/Tenant, as tenant, shall vacate the Unit upon 15 days' prior written notice by Seller/Landlord. Purchaser/Tenant shall be required to vacate the Unit within 15 days after notice of cancellation of the Contract is sent to him

13) Purchaser/Tenant shall be solely responsible for and shall defend, reimburse, indemnify and hold Seller/Landlord harmless from and against all demands, claims, actions, causes of action, assessments, losses, damages, liabilities, investigations, or written notices, including costs and expenses of any kind, arising out of or in respect of this Interim Lease (other than Seller/Landlord's legal fees for preparation of the Interim Lease). There shall be no holding over by Purchaser/Tenant after expiration or earlier termination of the Term and the failure by Purchaser/Tenant to deliver possession of the Unit to Seller/Landlord shall be an unlawful holdover. During any period in which Purchaser/Tenant so holds over, at Seller/Landlord's option, the rental value of the Unit, calculated as monthly rental, payable from the date immediately following the date on which Purchaser/Tenant was to deliver the Unit through and including the last day of the calendar month in which Purchaser/Tenant so delivers the Unit, shall

be deemed to be equal to $1,500 per day[1] retained by Seller/Landlord at Purchaser/Tenant's expense (the "Hold Over Rate"), payable immediately preceding the expiration or earlier termination of the Term. Purchaser/Tenant agrees that said amount constitutes reasonable liquidated damages to Seller/Landlord and is not a penalty, and which shall be in addition to any other rights and remedies of Seller/Landlord under the Contract or at law. Purchaser/Tenant hereby authorizes the Escrow Agent to disburse said amounts to Seller/Landlord from the Downpayment being held in escrow under the Contract. Acceptance by Seller/Landlord of the Hold Over Rate and any Additional Rent during the period in which Purchaser/Tenant so holds over shall not cure or waive Purchaser/Tenant's default, nor prevent Seller/Landlord from exercising, before or after such acceptance, any of the remedies provided by this Interim Lease, the Contract or at law or in equity. Payment of the Hold Over Rate and other sums during any period in which Purchaser/Tenant holds over shall not excuse Purchaser/Tenant's obligation to vacate and surrender the Unit on the date, and in the manner and condition, required under this Interim Lease. Purchaser/Tenant shall not interpose any counterclaim in a summary proceeding or other action based on such holdover. Purchaser/Tenant shall remain liable for all costs and expenses incurred by Purchaser/Tenant's failure to voluntarily vacate the Unit on or before the expiration or earlier termination of this Interim Lease. Purchaser/Tenant shall hold Seller/Landlord harmless against any claims by prospective tenant or purchaser against Landlord for Seller/Landlord's failure to timely deliver possession of the Unit to such prospective purchaser by reason of Purchaser/Tenant's failure to voluntarily and timely vacate the Unit prior to the expiration or earlier termination of this Interim Lease. Purchaser/Tenant hereby waives any claim against, and hereby releases, Seller/Landlord, its respective principals, members, employees, officers, directors, partners, shareholders, fiduciaries, representatives, agents, servants, attorneys, affiliates, parents, subsidiaries, successors and assigns, and all persons, firms, corporations and organizations acting on their behalf (collectively "Releasees") in connection with this Interim Lease and the matters raised herein at any time prior to or after the Closing. This paragraph shall survive the Closing or the termination or earlier expiration of the Interim Lease.

IN WITNESS WHEREOF, the undersigned has executed this Interim Lease as of the __ day of____, ____

Purchaser/Tenant: **Seller/Landlord**

_____

By: _____
Name:
Title: Authorized Signatory

[1] Amount may vary in Seller/Landlord's discretion depending on size of Unit/length of lease.

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EXHIBIT 20

STORAGE BIN LICENSE AGREEMENT

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STORAGE BIN LICENSE AGREEMENT

AGREEMENT made the _____ day of _____, 201__ ("License Agreement") by and between Spruce 317 West 77th LLC, a New York limited liability company and 78 RPM Owner LLC, a Delaware limited liability company, both with an address at Spruce Capital Partners, 902 Broadway, New York, NY 10010 (collectively, "Sponsor"). and the Condominium Board of the 151 East 78th Street Condominium on behalf of all Unit Owners, having an address at 151 East 78th Street ("Condominium Board") (Sponsor and Condominium Board are sometimes collectively referred to as the "Licensor") and _____ having an address at 151 East 78th Street, Unit____, New York, New York 10075 ("Licensee").

WITNESSETH:

WHEREAS, the 151 East 78th Street Condominium (the "Condominium") is governed by a certain Declaration of Condominium dated _____, 201_, recorded in the New York County Office of the Register of the City of New York on _____, 20_ under CRFN #_____, as the same has been or may be amended from time to time (the "Declaration"), the By-laws annexed to the Declaration (the "By-laws") and the Rules and Regulations of the Condominium, as the same has been or may be amended from time to time (the "Rules and Regulations"; the "Declaration," the "By-laws" and the "Rules and Regulations" are, collectively, referred to as the "Condominium Documents"); and

WHEREAS, in a portion of the cellar of the Condominium there is an area of General Common Element in which storage bins (the "Storage Bins") have been installed for use by Unit Owners who purchase licenses therefore; and

WHEREAS, Licensee, owns or simultaneously herewith is acquiring Unit ___ in the Condominium; and

WHEREAS, Licensee desires the right to the exclusive use of Storage Bin #_____ (the "Storage Bin") for so long as Licensee owns a Unit in the Condominium.

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

1. License Term; No License Fee; Delay in Delivery. Licensor hereby grants to Licensee, it successors and assigns, a license for the exclusive use of the Storage Bin (the "License") and Licensee hereby accepts such License from Licensor for a term commencing on the date hereof (subject to the last sentence of this Section, the "Commencement Date"), and expiring upon a termination of this License in connection with Article 8 below (the "Expiration Date"). Licensee shall not be required to pay any monthly licensee fee to the Condominium Board ("License Fee").

2. Intentionally Omitted.

3. As-Is Condition; Care of Storage Bin; Repairs to Storage Bin. Licensee represents that it has made a thorough inspection of the Storage Bin and agrees to take same in its "as is" condition as of the date of this License Agreement. Licensee agrees to take good care of the Storage Bin and observe all applicable governmental rules and regulations and all rules and regulations of the Condominium. All repairs and replacements to the Storage Bin shall be performed by the Condominium Board and the cost thereof shall be a Common Expense, unless such repair or replacement is necessitated by the negligence, misuse, or abuse of a Licensee, then the entire cost and expense of such repair or replacement shall be borne by such Licensee.

4. Storage Bin Use; Restrictions. The Storage Bin may only be used for the storage of personal effects of a Licensee and in no event shall any food or perishable items or any flammable or explosive item or

any item which would impose a health or safety threat or create a nuisance be stored in the Storage Bin. In addition, from time to time, the Condominium Board may impose reasonable rules and regulations relating to the use of the Storage Bin, and Licensee agrees to promptly comply with all such rules and regulations. Licensee shall not (a) store any property in the storage bin area outside of the designated Storage Bin; or (b) allow any other person to use the Storage Bin except in accordance with the terms hereof. Licensee shall not make any alterations of any kind in or to the Storage Bin.

5. Access To Storage Bin. The Condominium Board or its agents shall have the right, but not the obligation, to open the Storage Bin in an emergency at any time, and, at other reasonable times upon prior notice to Licensee, to inspect and examine the Storage Bin and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary.

6. Assignment by Licensee. The License Agreement may be assigned by Licensee at any time, provided (i) the assignee is a Unit Owner at the Condominium, (ii) the assignee assumes the obligations hereunder in the form annexed hereto, (iii) notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements, as the same may be modified from time to time, and (iv) no outstanding monies are owed to the Condominium by the Licensee. Except for Sponsor, a Unit Owner may not license a storage bin without owning a Unit.

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

8. Events of Default. Licensee agrees that upon the occurrence of any one or more of the following events (referred to as "Events of Default"):

(i) if Licensee shall default in the observance or performance of any term, covenant or condition of this License Agreement on Licensee's part to be observed or performed and Licensee shall fail to remedy such default within thirty (30) days after notice by Licensor to Licensee of such default; or

(ii) if Licensee shall file a voluntary petition in bankruptcy or insolvency, or such proceeding shall be commenced against Licensee or Licensee shall be adjudicated a bankrupt or insolvent, or Licensee shall file or there shall be filed against Licensee any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, or

(iii) Licensee shall make an assignment for the benefit of creditors, or Licensee shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator for Licensee or of all or any part of Licensee's property,

then, upon the occurrence of any one or more such Events of Default, the Licensor, at any time thereafter, at the Licensor's option, may give to Licensee a five (5) days' notice of termination of this License Agreement and, in the event such notice is given, this License Agreement and the term thereof shall come to an end and expire upon the expiration of said five (5) days with the same effect as if the date of expiration of said five (5) days were the expiration date of the term, but Licensee shall remain liable for damages and all other sums payable pursuant to law or under this License Agreement.

Licensee agrees that if this License Agreement and the term shall expire and come to an end:

(a) the Condominium Board and its agents and servants may immediately, or at any time after such default or after the date upon which this License Agreement and the term shall expire and come to an end, re-enter the Storage Bin or any part thereof, without notice, either by summary proceedings or by any other applicable action or proceeding, or by force or otherwise (without being liable to indictment, prosecution or

damages therefor), and may repossess the Storage Bin and dispossess Licensee and any other persons from the Storage Bin and remove any and all of Licensee's and their property and effects from the Storage Bin; and

(b) the Condominium Board, at its option, may let or license the whole or any part or parts of the Storage Bin, from time to time, either in the name of the Condominium Board or otherwise, to such persons, for such term or terms, at such rental, rentals, fees or charges and upon such other conditions, as the Licensor, in its sole discretion, may determine; Licensee hereby waives the service of any notice of intention to re-enter or to institute legal proceedings to that end which may otherwise be required to be given under any present or future law; Licensee, on its own behalf and on behalf of all persons claiming through or under Licensee, including all creditors, do further hereby waive any and all rights which Licensee and all such persons might otherwise have under any present or future law to redeem the Storage Bin, or to re-enter or repossess the Storage Bin, or to restore the operation of this License, after

(1) Licensee shall have been dispossessed by a judgment or by warrant of any court or judge, or

(2) any re-entry by Licensor, or

(3) any expiration or termination of this license and term, whether such dispossess, re-entry, expiration or termination shall be by operation of law or pursuant to this license; the words "re-enter", "re-entry" and "re-entered" as used herein shall not be deemed to be restricted to their technical legal meanings; in the event of a breach or threatened breach by Licensee, or any persons claiming through or under Licensee, of any term, covenant or condition of this License Agreement on Licensee's part to be observed or performed, Licensor shall have the right to enjoin such breach and the right to invoke any other remedy allowed by law or in equity as if re-entry, summary proceedings and other special remedies were not provided in this License Agreement for such breach; the right to invoke the remedies hereinbefore set forth is cumulative and shall not preclude Licensor from invoking any other remedy allowed by law or in equity.

9. Notices: Except as otherwise expressly provided in this License Agreement, any statements, notices, demands, requests or other communications given or required to be given under this License Agreement shall be effective only if rendered or given in writing, sent by registered or certified mail (return receipt requested optional), addressed (i) to Licensee (a) at Licensee's address set forth in this License Agreement if mailed prior to Licensee taking possession of the Storage Bin, or (b) at the Condominium if mailed subsequent to Licensee taking possession of the Storage Bin, or (c) at any place where Licensee or any agent of Licensee may be found if mailed subsequent to Licensee vacating, deserting, abandoning or surrendering the Storage Bin, or (ii) to Licensor at Licensor's address set forth in this License, or (iii) addressed to such other address as either Licensor or Licensee may designate as its new address, as the case may be, for such purpose by notice given to the other party, as the case may be, in accordance with the provisions of this subparagraph. Any such bill, statement, notice, demand, request or other communication shall be deemed to have been rendered or given on the date when it shall have been mailed as provided in this subparagraph.

10. End of Term: Licensee agrees to vacate the Storage Bin upon the Expiration Date broom clean and in good order and condition, ordinary wear excepted, and to remove all of Licensee's personal property and all other property and effects of Licensee and all persons claiming through or under Licensee from the Storage Bin and to repair all damage to the Storage Bin and/or Condominium occasioned by such removal. Licensor shall have the right to retain any property and effects which shall remain in the Storage Bin after the expiration of the term, and any net proceeds from the sale thereof, without waiving any of Licensor's rights with respect to any default by Licensee under the foregoing provisions of this License. Licensee's obligation under this subparagraph shall survive the expiration of the term.

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

12. Indemnity and Insurance. Licensee shall indemnify and hold the Licensor and their respective officers, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family, servants, employees, agents, guests, tenants and invitees in connection with this License. Licensee agrees that Licensor shall incur no liability of any kind whatsoever to Licensee or to any person, firm or corporation claiming by, through or under Licensee in connection with this License Agreement, or the use by Licensee of all or any portions of the Storage Bin or of the Condominium and neither Licensor nor its agent shall not be liable for any loss of or damage or injury to any article or property left or stored in the Storage Bin, whether resulting from theft, vandalism, fire, explosion, falling plaster, steam, gas, electricity, or water emanating from the pipes, appliances or plumbing works of the Condominium or from any other cause whatsoever. Licensor shall not be liable for damage caused by any other person to the Storage Bin, or for any latent defect in the Storage Bin. Licensee shall be obligated at its sole cost and expense to obtain and maintain insurance covering the Storage Bin in amounts sufficient to cover the property located therein as specified in Article 5.4 of the By-laws.

13. Legal Fees. Licensee shall be obligated to reimburse the Licensor for any legal fees and disbursements incurred by the Licensor in defending the rights of the Licensor under this License Agreement or, if there is an Event of Default, enforcing Licensee's obligations hereunder.

14. Miscellaneous.

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

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

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

(d) 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 License 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.

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

(f) This License Agreement shall be governed by and construed under the laws of the State of New York. This License Agreement may be executed in one or more identical counterparts, each of which when taken together shall constitute one and the same original instrument. Signatures to this License Agreement transmitted by telecopy or e-mail of a .pdf file shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an executed original to this License Agreement with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this License Agreement,

it being expressly agreed that each party to this License Agreement shall be bound by its own telecopied or e-mailed signature and shall accept the telecopied or e-mailed signature of the otherThere shall not be a modification or waiver of this License Agreement unless the same shall be signed by the party against whom such modification or waiver is sought to be enforced.

(g) Licensee agrees not to record this License Agreement or any memorandum thereof.

(h) Any terms capitalized and not defined herein shall have the meanings given to such terms in the Condominium Documents.

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

Agreed to and Acknowledged by:

CONDOMINIUM:

151 EAST 78TH STREET CONDOMINIUM

By:_____
Name:
Title:

LICENSEE:

_____
(signature)

_____
(signature)

SPONSOR:

78 RPM OWNER LLC

By:_____
Name:
Title:

SPRUCE 317 WEST 77th LLC

By:_____
Name:
Title:

ASSIGNMENT AND ASSUMPTION OF STORAGE BIN LICENSE AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF STORAGE BIN LICENSE AGREEMENT made as of the _____ day of _____, 20__ by and between _____ (hereinafter referred to as the "Assignor"), having an address at _____, New York, New York _____, and _____ (hereinafter referred to as the "Assignee"), having an address at _____, New York, New York _____.

WITNESSETH:

WHEREAS, Assignor executed a certain Storage Bin License Agreement dated _____, ___ ("License Agreement") to have the exclusive right to use Storage Bin #_____ located in the cellar of 151 East 78th Street Condominium (the "Condominium"), located at _____, New York, NY in accordance with the terms of the Condominium Offering Plan dated _____, 20__ ("Plan") as amended to date; and

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

WHEREAS, the Assignee desires to assume all of the obligation and responsibilities of the Assignor in and to the License Agreement; and

WHEREAS, the parties hereto wish to set forth their agreements with respect to this Assignment.

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

1. ASSIGNMENT/ ASSUMPTION: Assignee hereby represents and warrants to Assignor and the Condominium that Assignor is now the owner, or is in contract to become the owner, of a Unit at the Condominium. The Assignor hereby assigns to the Assignee, from and after the date hereof, all of the Assignor's right, title and interest in and to the License Agreement, a copy of which is attached hereto and made a part hereof, for the purchase price of $_____. Assignee hereby assumes all of the obligations, promises, covenants and responsibilities of the Assignor in and to the License Agreement as if the Assignee had signed the License Agreement originally as "Licensee."

2. AUTHORIZATION AND DIRECTION: The Assignor and the Assignee hereby authorize and direct the Condominium to have the books and records of the Condominium reflect that Assignee has the exclusive right to use Storage Bin #_____.

3. EFFECTIVE DATE/ DEFINED TERMS: This Assignment shall not be deemed effective unless and until signed by each of the parties hereto. All terms not defined herein shall have the meanings ascribed them in the Plan.

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

APPROVED BY:

151 East 78th STREET CONDOMINIUM

By:_____
Name:
Title:

ASSIGNOR:

_____

ASSIGNEE:

_____