

**CONDOMINIUM OFFERING PLAN
FOR
SAN GIORGIO CONDOMINIUM
57 WEST 127TH STREET
NEW YORK, NEW YORK**

Purchase Price-Six (6) Condominium Units	\$ 5,225,000.00	(1)
Working Capital Fund	\$ 7,333.33	(2)
Reserve Fund	\$ 3,666.67	(3)

- (1) Asking prices are negotiable and may be changed. See **Part 1, "Changes in Prices of Units"**
- (2) The Working Capital Fund is made up of two (2) months' Common Charges for each Unit, initially contributed by Sponsor. Please see **Part 1, "Working Capital Fund"** regarding reimbursement to Sponsor.
- (3) Sponsor shall make a non-refundable contribution of one month's Common Charges to the Reserve Fund. Each Purchaser shall contribute one (1) months' Common Charges as a supplement to the Reserve Fund as a cost of closing. Please see **Part 1, "Reserve Fund"**

<u>SPONSOR</u> Harrest Capital S.r.l. Via Eleonora Duse 37 Rome, Italy 00127	<u>CONDOMINIUM</u> San Giorgio Condominium c/o SBLM Architects P.C. 545 West 45 th Street New York, New York 10036
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DATE OF ACCEPTANCE FOR FILING: OCTOBER 17, 2014

SEE PAGE 2 FOR SPECIAL RISKS TO PURCHASER

THIS PLAN IS THE ENTIRE OFFER TO SELL SIX (6) CONDOMINIUM UNITS. NEW YORK LAW REQUIRES A SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN ITS OFFERING PLAN AND TO FILE SUCH PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL CONDOMINIUM UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE COMMON INTEREST IS OWNED BY NON-OWNER OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR

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SPECIAL RISKS

The special risks summarized below are explained more fully in other Sections of this Plan. Prospective purchasers should read the entire Plan to understand such risks and other material aspects of this Offering. See the Section of the Plan entitled **Part I, "Definitions"** for the meanings of capitalized words used in this Section and not defined herein.

1. No Financing Contingency

A Purchaser's obligation to purchase a Condominium Unit will not be conditioned upon his obtaining financing. If the Purchaser fails to pay the balance of the Purchase Price of the Unit to Sponsor on the Closing Date as a result of being unable to obtain financing and has not cured such failure within thirty (30) days thereafter, **TIME BEING OF THE ESSENCE AGAINST PURCHASER**, Sponsor may cancel the Purchase Agreement and retain the Deposit together with any interest earned thereon as liquidated and agreed upon damages. Any payments received in excess of such sum will be refunded to Purchaser with interest within ten (10) days after cancellation.

Upon cancellation of the Purchase Agreement and payment of the Deposit to Sponsor, Purchaser and Sponsor will be relieved of all further liabilities and obligations to each other under the Purchase Agreement and the Plan. Thereupon, Sponsor will be entitled to sell the Unit to others as if the Purchase Agreement had never been executed by Purchaser without accounting to Purchaser for any portion of the proceeds of sale to another. See **Part 1, "Closing of Title to Units"** and **"Terms of Plan"**.

Sponsor makes no representation or guarantee that a Purchaser will be able to obtain financing or, if obtained, the terms or cost thereof. Underwriting standards of many lenders currently require that 50% or more of the residences are sold to purchasers for owner-occupancy as a condition to lender offering financing to purchasers of Units. A Purchaser may also have difficulty in selling his Unit if his prospective buyer is relying on financing and is unable to obtain or close a loan because the number of Units sold in the Building does not meet the proposed lender's underwriting standards. Sponsor makes no representations, assurances or guarantees that the percentage of Units that will be owner-occupied at any given time will meet the underwriting requirements of lenders. See the Sections of the Plan entitled **Part I, "Procedure to Purchase"**, **"Closing of Title to Units"** and **"Terms of Sale"** as well as the form of **Purchase Agreement** set forth as **Document No. 2 in Part II** of the Plan.

2. Purchaser's Delinquency Closing Costs.

If through no fault of Sponsor, a Purchaser fails to close on the date fixed by Sponsor for the closing of title to Purchaser's Unit as extended by any grace period available to Purchaser, and Purchaser has requested that Sponsor further extend the Closing Date, Sponsor may condition its agreement not to terminate the Purchase Agreement upon Purchaser paying, in addition to the closing costs described in the Plan: (a) a late fee equal to 12% per annum times the unpaid balance of the Purchase Price divided by 365 to determine the amount of daily late fee

charged to Purchaser, multiplied by the number of days of the delay beginning with the date originally scheduled for the Closing as extended by any grace period, up to and including the day immediately preceding the actual Closing Date, (b) the cost of the Unit's Common Charges and real estate taxes incurred by Sponsor during the period of the further extension and (c) an additional fee of \$250 to Sponsor's counsel for rescheduling the closing date. See **Part I, "Unit Closing Costs and Adjustments"**

3. Purchaser's Payment of Transfer and Mansion Taxes.

At the closing of title to each Unit, Purchaser will be required to pay New York City and New York State Real Property Transfer Taxes among his closing costs. Prospective purchasers are advised that both New York State and New York City have determined that when a purchaser pays either or both of these taxes which are customarily paid by a seller, such payment is deemed to be additional consideration received by the Seller, and such additional consideration must be included in computing the tax due, thereby increasing the amount of tax to be paid by the Purchaser. In addition, a Purchaser of a Unit with a Purchase Price determined to be \$1,000,000 or more will be required to pay an additional tax imposed by New York State equal to one percent (1%) of the Purchase Price of the Unit (the so-called "Mansion Tax").

4. Sponsor's Inability to Convey Title.

While Sponsor is required to convey title to each Unit and its Appurtenant Interest to Purchaser free and clear of all liens, encumbrances and title exceptions other than those described in the Plan and the Unit Deed, Sponsor may abandon the Plan after effectiveness but before Closing of any Units if Seller determines that a defect in title cannot be cured (i) without litigation or in Sponsor's reasonable judgment for an amount not less than the greater of one-half of one per cent (.5%) of the total offering amount, (ii) there is substantial damage or destruction of the Building by fire or other casualty which cannot be repaired for less than the greater of one-half (.5%) per cent of such total offering amount, or (iii) the taking by condemnation or eminent domain of a material portion of the Property reasonably valued at not less the greater of one-half of one per cent (.5%) of such total offering amount.

The calculation of the above amounts shall exclude (i) attorneys' fees and (ii) with respect to title defects, any defect which existed on the date of Presentation of the Plan or was a matter of public record as of such date.

5. Sponsor Control.

Sponsor shall control the Board of Managers of the Condominium until the **earlier** to occur of (i) the closing of title to more than fifty (50%) percent of the number of Units and the

aggregate Common Interest applicable to all of the Units in the Building or (ii) five (5) years after the First Unit Closing ("**Sponsor's Control Period**"). Thereafter, Sponsor will be entitled to appoint one (1) member to the Condominium Board of Managers for as long as Sponsor owns at least one (1) Unit.

In addition, as long as Sponsor continues to own at least either twenty-five percent (25%) of the Units or Common Interest therein during the first five (5) years following the Closing of the First Unit (whether or not it controls the Board of Managers of the Condominium during that time period), the Condominium Board will not without the Sponsor's written consent:

- (a) make any addition, alteration or improvement to the Common Elements or to any Unit, unless required by Applicable Law;
- (b) assess any Common Charges or Special Assessments for the creation or replacement of, or addition to, all or part of a reserve, contingency or surplus fund, in excess of the lesser of (i) ten percent (10%) of the Common Expenses for each fiscal year of operation or (ii) the maximum assessment permitted under Applicable Law for such period.
- (c) enter into any service or maintenance contract for work not covered in the Budget for the First Year of Condominium Operation;
- (d) borrow money on behalf of the Condominium; or
- (e) exercise a right of first refusal to purchase or lease a Unit.

Notwithstanding the foregoing, Sponsor may not exercise its veto over the expenses referred to above which (i) conform to the First Year Budget; (ii) are required to comply with Applicable Law, including the cure of Building violations, (iii) are necessary to perform any work order of the Condominium's insurer which is the responsibility of the Condominium to cure or (iv) any matter affecting the health or safety of the occupants of the Building. See **Part 1, "Control by Sponsor"** and **"Rights and Obligations of Condominium Board"**.

6. Suspension of Voting Rights for Condominium Units.

In the event the owner of a Unit has not paid his Common Charges or assessments and the Condominium perfects its lien for unpaid Common Charges against the Unit Owner pursuant to the Condominium's rights under its By-Laws, then until the lien has been discharged or bonded by the Unit Owner, he will not have the right to nominate or vote his Interest for the election of members to the Condominium Board.

7. No Security for Performance; Financial Responsibility of Sponsor.

Sponsor will not post a bond or other financial instrument to enable Sponsor to complete the construction of the Building, pay damages to any Unit Owner or remain current in Common Charges and real estate taxes for Units owned by Sponsor.

8. Future Assessed Valuations.

All estimates of New York City real estate taxes are made in good faith. It is not possible to estimate the future assessed valuation of the Property with any degree of certainty. Assessed valuation, when actually made by the City of New York, may be higher or lower than the assumptions made by Sponsor and Sponsor's expert. Thus, Sponsor's estimates should not be construed as warranties of future assessed valuation and, accordingly, the amount of real estate taxes assessed against the Units in the future. Furthermore, Sponsor will not be responsible for changes in the City's methods of valuation, increases in assessed valuation, tax rates or changes in the Administrative Code of the City of New York and its Rules and Regulations. In no event will Sponsor or its expert be liable to any Purchaser nor will any Purchaser have the right to rescind his Purchase Agreement as a result of increases in real estate taxes resulting from the establishment of the Condominium under the Plan. See **Part 1, Schedule A, "Footnotes to Purchase Prices and Related Information"** and **Part I, "Real Estate Taxes"**.

9. Restrictions on Sale and Leasing of Units.

Each Unit Owner who desires to sell or lease his Unit must give the Condominium Board prior written notice of his intention to do so, accompanied by delivery of a fully executed copy of the contract of sale or lease containing all of the material terms offered in good faith by the prospective purchaser or lessee. The Board will have the exclusive right for a period of fifteen (15) days after receipt of the notice of sale or lease to agree to purchase or lease the Unit on the same terms set forth in the contract of sale or lease, such right being more specifically set forth in Article 7 of the By-Laws of the Condominium. If the Board does not notify the Unit Owner of its election to purchase or lease the Unit within such time period, the Board shall be deemed to have waived its right to purchase or lease the Unit. Thereupon, the Owner will have one hundred twenty (120) days thereafter to consummate the sale or lease of his Unit in accordance with the terms submitted to the Board. If the sale or lease of the Unit has not been concluded within the one hundred twenty (120) day period, the Owner will again be required to offer the Unit for sale or lease to the Board in the same manner as provided above. The foregoing restrictions upon the sale or lease of Units will not apply to the conveyance or lease of a Unit (i) by an Owner by gift, will or intestacy; (ii) by Sponsor; or (iii) by or to a mortgagee in foreclosure or by deed in lieu of foreclosure. See **Part I, "Rights and Obligations of Unit Owners"**. See, however, the limitation on the Board exercising such right of first refusal in Sub-Section (e) in Risk Factor #5.

10. Occupancy of Units by Renters.

Sponsor intends to sell the Units to Purchasers for their or their family's personal occupancy. Sponsor reserves the right, however, to sell Units to investors who intend to rent and not to occupy their Units by themselves or their families. Sponsor may from time to time freely rent Units in accordance with Applicable Law without any obligation to pay to the Condominium any fee or assessment whatsoever, and otherwise without the consent of, or accounting to, the Board or any Unit Owner. Sponsor may also refrain from offering Units for sale.

As a result of the foregoing, some of the Units may be occupied by renters and not Owners who reside in the Building. The occupancy of Units by renters instead of Owners may limit or impair a Purchaser's ability to obtain financing or refinance existing loans depending on the number of then existing owner-occupied Units and the underwriting requirements of lenders at the time. See **Part I, "Risk Factor #2"** above. A Purchaser's ability to resell his Unit may similarly be limited or impaired if at such time lenders require a higher minimum requirement of owner-occupied Units existing in the Building at that time.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL THE UNIT TO OTHERS, THIS PLAN MAY RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE NOT OWNED BY OWNER-OCCUPANTS OR INVESTORS WHO ARE UNRELATED TO SPONSOR.

In the event Sponsor enters into an Interim Lease with a Purchaser, Purchaser will assume the risk of loss to the Unit, its contents and Purchaser's personal property from fire or other casualty commencing on the earlier of the date when Purchaser takes occupancy of the Unit or the closing of title to the Unit. Accordingly, Purchaser should plan to obtain casualty insurance to cover potential damage or loss due to fire or other casualty.

11. Passage of Control.

Sponsor only requires the sale of 15% of the Units to declare the Plan effective. Since there are only six (6) Units in the Building, the sale of one (1) Unit will satisfy that requirement. Because Sponsor has not limited the conditions under which it will rent Units instead of selling them, owner-occupants may never gain effective control of the Board of Managers. However, it remains the intent of Sponsor to sell the Units offered in this Plan.

Purchasers should be aware of the fact that lenders are less willing to make loans to purchasers of apartments in small buildings such as this.

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 may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

12. Prices.

The prices for the Units are set forth in **Part I, Schedule A “Offering Prices and Related Information”**. **THE PRICES HAVE BEEN SET BY SPONSOR ALONE AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR OTHER GOVERNMENTAL AGENCY.**

13. Certificate of Occupancy.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy (“FCO”) covering the entire building but with only a temporary certificate of occupancy (“TCO”), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings (“DOB”). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified in the TCO. No change in use or occupancy shall be made unless a new TCO certificate is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered with a TCO rather than a FCO. Sponsor anticipates that scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining an FCO covering the entire building within two (2) years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two (2) year period. **NOTWITHSTANDING THE FOREGOING,**

SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO (2) YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

Purchasers are advised to visit the DOB website to obtain a Factsheet on Certificates of Occupancy(http://nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf) for further recommendations when purchasing a unit in a building that does not have an FCO.

14. Warranties.

The Units offered for sale hereunder are not covered by the Housing Merchant Implied Warranty Law (GBL §777).

However, the first purchaser of each Unit shall receive from the Sponsor the limited warranty set forth in **Part I, "Sponsor's Obligations"**. Sponsor's liability hereunder is limited to one-half of one percent (.5%) of the sales price of the Unit and an aggregate liability to all Unit Owners of one-half of one percent (.5%) of the total offering amount of all Units. Sponsor's aggregate liability shall be reduced proportionally upon each re-sale of Units measured by the original sales price of the Unit. The limited warranty excludes liability for special, indirect, consequential or other similar damages which might be claimed by a Purchaser or the Condominium.

NOTWITHSTANDING THE FOREGOING, SPONSOR HAS THE ABSOLUTE DUTY TO CONSTRUCT THE PREMISES IN ACCORDANCE WITH APPLICABLE CODES, FILED PLANS AND SPECIFICATIONS SET FORTH IN THE PLAN.

Furthermore, any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such specific standard, a locally applicable building practice, shall be void as being contrary to public policy and shall be deemed to establish applicable building code standard, or locally accepted building practice as the warranty standard. Any exception, exclusion or standard which fails to ensure that a home is habitable by permitting conditions to exist which render the home unsafe shall be considered void.

Any claim made by the initial owner must be made within two (2) years from the earlier of Owner's occupancy of, or closing title to, the Unit.

15. Working Capital Fund.

In order to provide the Condominium with the Working Capital Fund, Sponsor will advance \$7,333.33 (two (2) months' Common Charges) to the Condominium Association. When a Condominium Unit Owner takes title to his Unit, he will contribute two (2) months' Common Charges to the Condominium at the rate then in effect to the Working Capital Fund, at which time the Condominium Association shall reimburse Sponsor's advance for that Unit. See **Part I, "Closing Adjustments"**. No portion of the Working Capital Fund may be used by Sponsor to reduce Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF SUCH FUNDS.

16. Reserve Fund.

The purpose of the Reserve Fund is to provide for capital expenditures needed in the future. Each Purchaser shall contribute one (1) months' Common Charges to the Reserve Fund. Sponsor shall make a non-refundable, one time contribution of \$3,666.67 towards the Fund. Any surplus from the Operating Budget shall be deposited into the Reserve Fund. Since the Building has undergone a material renovation, major capital expenditures are not anticipated during the first five (5) years of Condominium Operation. No portion of the Reserve Fund may be used by Sponsor to reduce Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF SUCH FUNDS.

17. Power of Attorney.

The Purchaser of a Unit shall be required to deliver to Sponsor on or prior to closing a fully executed and subscribed Power of Attorney in favor of the Condominium Board and Sponsor. See **Part II, Document No. 8, "Unit Power of Attorney"**. Closing shall not occur for that Unit until Purchaser delivers to Sponsor a fully executed power of attorney. Failure to timely close will subject Purchaser to default under the Purchase Agreement or the Delinquency Charges set forth in Risk Factor #3 above.

18. Square Footage of Units.

The square footage of each Unit is not based upon measurements from the interior surfaces of the interior walls and, accordingly, the actual area comprising the Unit is less than the square footage shown in **Part I, Schedule A "Offering Prices and Related Information"**.

19. License for Storage Bins.

At each Unit closing, the Purchaser shall receive an exclusive license ("License") from the Condominium to access and use a storage bin ("Bin") designated for such Unit and located in the cellar of the Building. See **Part II, Documents No 2 and 7, "Purchase Agreement" and "Floor Plans"**, respectively. The Bins are Limited Common Elements and the right to use the Bin may only be assigned and transferred in conjunction with the sale of the Unit with which it was acquired.

20. Nationality of Sponsor-Enforcement of Legal Remedies.

The Sponsor is a corporation organized and existing under the laws of the Republic of Italy. All of its principals are Italian citizens who reside in [REDACTED] Neither Sponsor nor its principals have any assets in the United States other than the Property.

Sponsor has qualified to transact business in the State of New York. Notwithstanding the fact that Sponsor is an Italian entity, any one making a claim against the Sponsor may do so in the State of New York by serving a complaint with the Secretary of State of the State of New York which has been authorized by Sponsor to accept service of process on Sponsor's behalf. Neither Sponsor nor any of its principals own assets in jurisdictions which prohibit the recognition and/or enforcement of a foreign unsatisfied judgment.

There are no bilateral or multilateral treaties between the United States and the Republic of Italy regarding the recognition and/or enforcement of judgments obtained in the United States against citizens of Italy residing in Italy or property of such citizens located in Italy.

A judgment rendered against Sponsor or its principals in the United States will be recognized and enforced in Italy if:

- (i) proper service of process has occurred in the jurisdiction in which the law suit has commenced; and
- (ii) there was proper subject matter and personal jurisdiction over the defendant or its property; and
- (iii) it is a final and binding judgment; and
- (iv) the judgment does not violate the public policy of Italy. Such issues include, but are not limited to, treble damages and punitive damages.

The Property has been purchased and renovated solely with equity provided by Sponsor's principals. Accordingly, the Property is debt free and represents a source of satisfaction for any judgment creditor.

The foregoing should not be considered to be legal advice to Purchasers regarding the enforcement of a United States judgment in Italy. Any Purchaser seeking such remedy should engage his own counsel.

Sponsor does not expect to borrow any funds to complete the renovation of the Property or place any mortgage or other encumbrance against the Property at any time.

Sponsor and its principals consider themselves financially secure and able to meet any financial responsibility relating to their obligations under the Plan.

INTRODUCTION

Sponsor presents this offering plan (the "**Plan**") for the conversion of the building known as 57 West 127th Street, New York, New York (the "**Building**") and the parcel of land on which it is situated ("**Land**") to Condominium Ownership. The Land and the Building are collectively referred to as the "**Property**". 57 West 127th Street is identified on New York County tax map as Block 1725, Lot 13. The Building is comprised of 6 stories and cellar, is 60 feet in height and, other than the foundation or a portion of the exterior walls, is newly constructed.

The condominium units offered for sale hereunder are individual residences; namely,

1. Condominium Unit #1, (the "Garden Residence"). The Garden Residence is comprised of the entire ground floor measuring approximately 986 square feet and contains two bedrooms, two full baths, kitchen, living room and laundry room. The ceiling height is approximately 8'-7" in its main rooms and 7'-6" in ancillary spaces. The occupant of the Residence will have the (1) exclusive use and access to the outdoor garden of approximately 588 square feet and (2) Bin #1 with which the Unit was acquired. The garden area and Bin are Limited Common Elements.
2. Condominium Unit #2, (the "First Floor Residence"): The First Floor Residence consists of the entire First floor measuring approximately 904 square feet, and contains two bedrooms, one full bath, one half bath, kitchen, living room and laundry alcove. The ceiling height is approximately 11' 8" in its main rooms and 10' 2" in ancillary spaces. The occupant of the Unit will have the exclusive use of Bin #2. The balcony and Bin are Limited Common Elements.
3. Condominium Unit #3, (the "Second Floor Residence"): The Second Floor Residence consists of the entire Second floor measuring approximately 1,060 square feet and contains two bedrooms, two full baths, kitchen, living room and laundry alcove. The ceiling height is approximately 10'-0" in its main rooms and 8' 6" in ancillary spaces. The Unit has a rear balcony of approximately 56 square feet. The occupant of the Unit will have the exclusive use of Bin #3. The balcony and Bin are Limited Common Elements.
4. Condominium Unit #4 (the "Third Floor Residence") : The Third Floor Residence consists of the entire Third floor measuring approximately 1,060 square feet and contains two bedrooms, two full baths, kitchen, living room and laundry alcove. The ceiling height is approximately 8' 4" in its main rooms and 7' 6" in ancillary spaces. The Unit has a rear balcony of approximately 56 square feet. The occupant of the Unit will have the exclusive use of Bin #4. The balcony and Bin are Limited Common Elements.
5. Condominium Unit #5 (the "Fourth Floor Residence"): The Fourth Floor Residence consists of the entire Fourth floor measuring approximately 1,060 square feet and contains two bedrooms, two full baths, kitchen, living room and laundry room. The ceiling height is approximately 8' 4" in its main rooms and 7' 6" in ancillary spaces. The Unit has a rear balcony of approximately 56 square feet. The occupant of the Unit will have the exclusive use of Bin #5. The balcony and Bin are Limited Common Elements.

6. Condominium Unit #6 (the "Fifth Floor Residence") : The Fifth Floor Residence consists of the entire Fifth floor measuring approximately 684 square feet and contains one bedroom, one full bath, kitchen, living room and laundry alcove. The ceiling height is approximately 8' 4" in its main rooms and 7' 6" in ancillary spaces. The Unit has two terraces, one located at the rear off the bedroom and one located at the front of the Unit off the living room which total 453 square feet. The occupant of the Unit will have the exclusive use of Bin #6. The balconies and Bin are Limited Common Elements.

See **Part I "Description of Property and Specifications"** and **Part II, Document No. 7, "Floor Plans"** for a description of the Residences.

Purchasers of Units under this Plan are referred to herein as the **"Unit Owners"**.

The expense of maintaining the structural components of the General Common Elements and Limited Common Elements shall be borne by the Condominium as a Common Expense unless a repair or replacement is necessitated by damage caused by the negligence of the Unit Owner. In such a case, the cost of repair or replacement shall be borne by such Unit Owner. Each Unit Owner is responsible for the maintenance and repair of the interior of his Unit.

Purpose of the Plan

The purpose of this Plan is to set forth all of the material terms of the offer by Sponsor to sell six (6) Condominium Units to prospective purchasers.

The Plan may be amended from time to time by the filing of an amendment with the Department of Law of the State of New York (the **"Department of Law"**). Amendments will be delivered to all Unit Owners and offerees either by personal delivery or certified mail. Amendments may substantially change the terms of the Plan.

The Plan is presented in two (2) parts which together constitute the entire Plan. Part I presents the material terms of Sponsor's offer. Part II contains, among other things, a description of the Property, the documents required under the Plan and the basis on which the Condominium is operated.

A prospective purchaser will be required to deposit \$100 to obtain a copy of the Plan, which amount will be deposited in the escrow account of Sponsors' counsel. If the prospective purchaser purchases a Unit, the deposit will be credited against the Purchase Price. If such prospective purchaser does not purchase a Unit, the deposit will be refunded to him if the copy of the Plan and amendments, if any, are returned to Sponsor within thirty (30) days after receipt in reasonably good condition.

The Condominium.

The owner of the Property is Harrest Capital S.r.l., a corporation organized under the laws of the Republic of Italy (the “**Declarant**”) which will submit the Property to the provisions of Article 9-B of the New York Real Property Law (“**Condominium Act**”), thereby establishing the “San Giorgio Condominium”. Declarant shall file with the Secretary of State of the State of New York documentation to authorize it to engage in business in the State of New York and to perform all of its obligations under the Plan.

Declarant will, at its own cost and expense, record an instrument (the “**Declaration**”) by which the Property will be submitted to the provisions of the Condominium Act. The Declaration, together with the By-Laws (which govern the operation of the Condominium) and the Floor Plans describing the Units will be recorded in the New York County Office of the City Register on or before the closing of title to the first Unit (“**First Unit Closing**”). The Condominium Declaration along with the Exhibits thereto, including the By-Laws, House Rules, designation of Tax Lots and Floor Plans of the Units and the Building may be found in **Part II, of the Plan Documents No. 4, 5 and 7.**

Sponsor.

The Sponsor under the Plan is Harrest Capital S.r.l.. Sponsor maintains offices at 545 West 45th Street, 4th Floor, New York, New York 10036 which is the office of SBLM Architects P.C., Sponsor’s architects under the Plan. The Property is the sole asset of Sponsor.

Sponsor acquired the Property on September 9, 2009. It had been a wholly vacant building at that time.

After recording the Declaration and at the time of the First Unit Closing, Sponsor will deposit its contribution to the Working Capital Fund and the Reserve Fund established under the Plan with the Condominium. See **Part I, (“Reserve and Working Capital Funds”).**

The Offer.

Sponsor herein offers six (6) Condominium Units for sale under the Plan. Except the foundation and for a portion of the exterior walls of the Building, the Building and the Units are newly constructed. The Units are vacant and there are no tenants or persons other than the Sponsor who have the right to occupy any of them. The initial prices for the Units and the estimated Common Charges for each Unit are set forth in **Part I, “Schedule-A Offering Prices and Related Information.”**

THE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

At closing, Sponsor shall record an easement permitting the Condominium and each affected Unit Owner to repair, maintain and replace any General Common Element or Limited Common Element affecting Building Systems which can be serviced only by access through the outdoor space, the roof or any of the Units in the Building. There is no parking appurtenant to the Property. The Building is more fully described in the “**Description of Property and Specifications**” which may be found as **Part II, Document No. 1** of the Plan. The Units are being offered and sold in their “as is” condition on the Closing Date, and Sponsor will not have any obligation to make any further Work to the Building or the Units except as expressly provided in the Plan.

Sponsor represents that it will endeavor in good faith to sell Units rather than rent them. However, Sponsor reserves the right to rent a portion of the Units if it deems it in its business interest to do so. If Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor sponsor shall be bound by Sponsor’s representations set forth in the Plan.

Basic Aspects of Condominium Ownership.

Ownership of a Unit is similar in many respects to ownership of a private home. Each Unit Owner owns fee title to his Unit and is entitled to the exclusive possession thereof. In addition, in a condominium each Unit Owner also owns, in common with every other Unit Owner, an undivided percentage interest in all parts of the Property other than the Units themselves (the “**Common Elements**”). The Common Elements consist of (a) the portions of the Common Elements that serve or are to be utilized by all of the Unit Owners (the “**General Common Elements**”) such as hallways, plumbing lines, etc; or (b) the portions of the Common Elements that serve one or more, but less than all, of the Unit Owners (the “**Limited Common Elements**”). Although the latter are reserved for the exclusive use of one, or less than all of the Unit Owners, the Limited Common Elements are part of the Common Elements in which all Unit Owners have an undivided interest because they are not part of the space within any Unit which is owned exclusively by a Unit Owner.

The undivided percentage of each Unit in the Common Elements (the “**Common Interest**”) has been determined upon the basis of each Unit’s floor space, location, uniqueness, overall dimensions, ease of entry and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to Section 339-(i) of the Condominium Act and counsel’s opinion regarding such determination is found in Part I of the Plan. The aggregate Common Interests of all Units equal one hundred percent (100%). Each Unit’s Common Interest is listed in **Part 1, “Schedule A, Purchase Prices and Related Information”** attached hereto.

The authority to manage the Condominium is vested in the Condominium Board of Managers. Except as expressly stated in the Plan, the members of the Condominium Board are elected by vote of the Unit Owners in accordance with their respective Common Interest. Each Unit Owner including Sponsor is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations of the Condominium and any other requirements lawfully imposed by the Condominium Board. See **Part I, “Rights and Obligations of Unit Owners”** and “**Rights and Obligations of Condominium Board/Summary of By-Laws.**” However, Sponsor has retained certain rights which will permit it take certain acts which other Unit Owners must otherwise

subject themselves or request waivers from. For example, Sponsor, for as long as it owns Units in the Condominium, will be entitled to sell its Units without first offering them for sale to the Condominium under the Condominium's 'right of first refusal', described in the Declaration and By Laws of the Condominium.

The Board of Managers of the Condominium will initially be composed of three (3) members, which will be elected by Sponsor. Upon the First Unit Closing, one of the members of the Board supporting the Sponsor shall resign. Thereupon, the purchaser of the First Unit will designate a member to the Board of Managers of the Condominium. Within three months after the second Unit Closing, the member of the Board designated by the Owner of the First Unit shall resign from the Board, and the Unit Owners shall vote to elect a Member to the Board of Managers for Owners other than Sponsor. Sponsor shall vote its Interest in favor of the nominee proposed by the Owners of the First and Second Unit. This procedure shall continue until Sponsor has relinquished control of the Board.

The Condominium Board will from time to time assess each Unit Owner including the Units owned by Sponsor charges ("**Common Charges**") to defray, among other things, the cost and expense of operating, maintaining and repairing the Building, including the General and Limited Common Elements ("**Common Expenses**") thereof, in proportion to each Unit Owner's Common Interest. Each Unit Owner will be solely responsible for the payment of all Common Charges assessed against him. See "**Rights and Obligations of Unit Owners**". An estimate of Common Charges that will be payable by each Unit Owner during the first year of Condominium operation of the Property is set forth in **Part I, Schedule B, "Projected Budget for the First Year of Condominium Operation"**.

Each Unit Owner who is entitled to use his Limited Common Elements as more particularly described in **Section C of Article 7 of the Declaration (See Part II, Document No. 4)**, will be responsible for the cost of repair and maintenance of the Limited Common Elements, excluding the cost of structural and repairs thereto unless such structural repairs are required because of the negligence of the Unit Owner.

Each Unit Owner may decorate the interior of his Unit in any manner he chooses subject to compliance with the Condominium's By-Laws and the Rules and Regulations and will be solely responsible for the cost and expense of maintaining, repairing and painting his Unit.

Each Unit Owner may freely mortgage his Unit as he sees fit with such lender and in such amount as he chooses, subject only to compliance with certain notice requirements contained in the Condominium's By-Laws. See **Part I, "Rights and Obligations of Unit Owners"** and **Part I, "Rights and Obligations of Condominium Board/Summary of By-Laws."** Each Unit is separate and is not subject to the mortgage lien on any other Unit.

Any Unit Owner may sell or lease his Unit to anyone without restriction or limitation, subject only to the right of first refusal in favor of the Condominium Board or a third party produced by such Board, to acquire or lease such Unit on the same price and terms offered to the prospective buyer or tenant. Units owned by Sponsor are not subject to such right of right of

first refusal. See **Part I, "Rights and Obligations of Unit Owners"** and **Part I, "Rights and Obligations of Condominium Board/Summary of By-Laws"**.

Sponsor will apply to the City of New York to obtain a separate tax lot for each Unit. Upon receipt, each Unit will be taxed as a separate tax lot for real estate tax and assessment purposes. Each Unit Owner will be solely responsible for the payment of all real estate taxes and assessments on his Unit.

An estimate of the real estate taxes and assessments that will be payable by each Unit Owner during the first year of condominium operation of the Property is listed in **Part I, "Real Estate Taxes"**. See the Section of the Plan entitled **Part I, "Income Tax Deductions to Unit Owners and Tax Status of the Condominium"** and the opinion of Edmund Schaffzin, counsel to Sponsor, for a discussion of additional tax aspects of Condominium Ownership. No Unit Owner will be liable for the payment of, and no Unit will be subject to, any lien arising out of the non-payment of real estate taxes or assessments levied against any other Unit.

The Condominium will secure property insurance for the structure of the Building and third party liability insurance for damage to persons and property occurring on or about the Property. It is the responsibility of each Unit Owner to repair and maintain his Unit and his Limited Common Elements, and obtain casualty insurance for his property and liability insurance for third party liability occurring in or to his Unit/Limited Common Element. See **Part I "Rights and Obligations of Unit Owners"** and **"Rights and Obligations of the Condominium Board/Summary of By-Laws"**.

The prices for the Units are found in **Part I, Schedule A, Document No. 1** and should be reviewed carefully by prospective purchasers.

The agreement to purchase a Unit is called a **"Purchase Agreement"**, the general form of which is set forth in **Part II as Document No. 2** of the Plan. The procedure to purchase is summarized in **Part I** of the Plan **"Procedure to Purchase"**.

The provisions of the Declaration of the Condominium (**Part II, Document No. 4**), which establish Condominium Operation of the Property, the By-Laws of the Condominium (**Part II, Document No. 5**), which govern the operation of the Condominium and the House Rules of the Condominium (the **"Rules"**), are partially summarized below. See **Part I, "Rights and Obligations of Unit Owners"** and **"Rights and Obligations of Condominium Board/Summary of By-Laws"**.

The form of deed (**"Deed"**) that Sponsor will issue to Purchasers of the Units and the form of residential power of attorney (**"Power of Attorney"**) that each Unit Owner will be required to execute and deliver to the Board pursuant to the terms of the By-Laws are set forth in **Part II** of the Plan as **Document No. 6 and 8**, respectively.

Sponsor's limited warranty regarding defects in design and construction are found in **Part I, "Rights and Obligations of Sponsor"**.

Counsel's opinion regarding compliance with §339-i (iv) of the Condominium Act is found in **Part I**.

The Certifications of Sponsor, Architect and Sponsor's Expert concerning the adequacy of the Condominium's Budget for the First Year of Condominium Operation are set forth in **Part II, Document No. 9**.

The Plan delivered to the Department of Law including all Schedules and Parts A and B of the Exhibits contains all material terms of the transaction. Copies of the Plan and Parts A and B of the Exhibits are available for inspection without charge to prospective Purchasers and their attorneys at the office of Sponsor, at C/O SBLM Architects, 545 West 45th Street, New York, NY 10036. Prospective purchasers may obtain a copy of the Offering Plan upon payment of a \$100 deposit which will either be credited against the Purchase Price in the event of a sale, or returned to such prospective purchaser if the Offering Plan is returned to Sponsor in reasonably good condition within thirty (30) days after receipt. Prospective purchasers may examine the Plan, Exhibits and all filings made therewith at the offices of the Department of Law, 120 Broadway, 23rd Floor, New York, New York 10271 and make copies thereof for a reasonable fee.

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 STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT.

DEFINITIONS

Definitions of certain terms used in **Part I** of the Plan are set forth below. See also the definitions of such terms as set forth in **Exhibit C** to the **Declaration in Part II** of the Plan.

"**Affiliate**" means any Person who is a Family Member or who controls, is controlled by, or is under common control with such Person or a Family Member of such Person. The terms "**control**", "**controlled**" or "**controlling**" shall mean direct or indirect ownership of more than fifty percent (50%) of the outstanding voting capital stock of a corporation or of more than fifty percent (50%) of the beneficial interest of any other entity.

"**Applicable Law**" means all applicable laws, statutes, treaties, rules, codes, ordinances, regulations of any Governmental Authority and, by which the Property, any Unit, any Unit Owner, the Sponsor and/or the Condominium Board is bound by or subject to, any judgments, decrees, injunctions, writs, orders, notices of violation or like action of any Governmental Authority, court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction including laws pertaining to health, safety or the environment) now or hereafter in effect.

"**Appurtenant Interest**" means, with respect to any Unit, the undivided interest of the Unit 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 Office of the Attorney General of the State of New York.

"**BCL**" means the Business Corporation Law of the State of New York, as amended from time to time.

"**Bin**" is the storage space located in the cellar of the Building designated for each Unit Owner.

"**Board of Managers**" or "**Condominium Board**" shall mean the duly elected persons who shall manage the affairs of the Condominium.

"**Budget**" shall mean the estimated amount of receipts and disbursements required for the operation of the Building.

"**Building**" means the building presently constructed and located on the Land and known as 57 West 127th Street, New York, New York.

"**Building Systems**" means utility and service systems and installations now or hereafter installed by or on behalf of the Condominium or its Board which service the Building and are not expressly included as part of a Unit pursuant to the terms of Article 6 of the Declaration,

including without limitation: the water supply system; the water return (sewer) system; the gas supply system; any exhaust systems; the fire or life safety system; any master television or cable system or intercom; and any other mechanical, plumbing or electrical systems, to the extent presently or in the future located in the Building.

"Casualty Loss" means damage or destruction resulting from a fire or other casualty.

"Claim" or **"Claims"** shall include any claims, counterclaims, suits, actions or proceedings and any other liabilities, losses, damages, penalties, charges, costs and expenses and attorneys' fees and expenses incurred in connection with any of the foregoing.

"Closing," "Closing of Title" and words of similar import are used synonymously and mean the settlement of the mutual obligations of Sponsor and a Purchaser under a Purchase Agreement, including the payment to Sponsor of the Purchase Price and the delivery to such Purchaser of the deed transferring full ownership (fee simple title) to the Unit on the terms set forth in the Purchase Agreement and the Plan.

"Closing Date" means the date scheduled for the closing of title to a Unit by Sponsor as same may be adjourned in accordance with the terms of the Purchase Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Charges" means the charges allocated and assessed against the Units by the Condominium Board payable by the Unit Owners in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), to meet the Property's Common Expenses. Common Charges include the amounts payable by all Unit Owners in connection with the operation, maintenance and performance of Work in the General and Limited Common Elements unless required to be performed by Sponsor or Unit Owner under the Plan.

"Common Elements" means, collectively, the General Common Elements and the Limited Common Elements and consists of all parts of the Property other than the Units.

"Common Expenses" means any and all costs and expenses paid or incurred generally by the Condominium pursuant to the Declaration and/or the By-Laws, including the House Rules, in connection with its operation and maintenance of the General Common Elements.

"Common Interest" means the undivided percentage interest of each Unit in the Common Elements.

"Condominium" means The 57 West 127^h Street Condominium to be established pursuant to the terms of the Declaration and to be governed pursuant to the terms of the By-Laws.

"Condominium Act" means Article 9-B of the Real Property Law of the State of New York, as amended from time to time.

"Condominium By-Laws" means the By-Laws of the Condominium in the form set forth as in **Part II, Document Number 5** of the Plan, including the House Rules as amended from time to time pursuant to the terms thereof.

"Condominium Documents" means, collectively, the Declaration, the By-Laws (including the House Rules) and the Floor Plans, all as may be amended from time to time.

"Declaration" means the declaration executed by Sponsor for the purpose of submitting the Property to the provisions of the Condominium Act and establishing a regime for Condominium Operation thereof and includes any duly adopted amendments thereto. The form of the Declaration may be found in **Part II, Document No. 4**.

"Department of Law" means the New York State Department of Law.

"Deposit" means the payment described in the Purchase Agreement in an amount equal to ten percent (10%) of the Purchase Price required to be paid by a Purchaser at the time of delivery of a Purchase Agreement to a Sponsor, or such lesser amount as Sponsor is willing to accept.

"Effective Date" means the date upon which the Plan is declared effective by Sponsors in accordance with the terms of the Plan.

"Equipment" shall mean all machinery, tools, apparatus, devices or implements comprising part of a Common Element or Unit (as applicable) now or hereafter existing including motors, pumps, water and electric meters servicing the Building, electric panels, circuit breakers, transformers, switches and related equipment forming part of the electrical system in the Building, television, antennae and related equipment forming television system (cable or wireless) sensors, valves, panels, outlets, wiring, Siamese connections, hoses, electricity risers, plumbing lines, conduits, ducts, shafts, pits, flues, drains, catch basins, leaders, incinerators, compactors, entrance ways, shrubbery, equipment used for cleaning halls, Common Area carpeting and all other equipment forming a part of a system of the building, to the extent located in the Building.

"Escrow Agent" means Edmund Schaffzin Esq., counsel to Sponsor.

"Facilities" means 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 Owners or necessary or convenient for the existence, maintenance or safety of the Property.

"Family Members" means and includes a spouse, child (by blood, marriage or adoption), parents (including step-parents or parents-in-law), grandchildren, siblings and grandparents.

"Filing Date" means the date on which a letter from the Department of Law advising that the Plan or any amendment to the Plan has been accepted for filing by the Department of Law.

"First Unit Closing" means the date upon which title to a Unit is first conveyed to a Purchaser pursuant to the terms of the Plan.

"First Year Budget" means the projection of receipts and expenses of the Property for the first 12 months following the projected date of the First Unit Closing contained in **Part I, "Schedule B: Projected Budget for First Year of Condominium Operation."**

"Floor Plans" means the floor plans of the Units and Apartments prepared and certified by SBLM Architects P.C. which are to be filed in the Register's Office of New York County simultaneously with the recording of the Declaration, together with any supplemental Floor Plans thereto. A copy of the Floor Plans may be found in **Part II, Document Number 7.**

"General Common Elements" means those portions of the Land and the Building (other than the Units and the Limited Common Elements) 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 Section B of Article 7 of the Declaration.

"Governmental Authority" means any federal, state, county, municipal, foreign, international, regional or other governmental authority, agency, board, body, instrumentality or court having jurisdiction.

"House Rules" shall mean the rules of the Condominium, adopted by the Condominium Board, as amended, modified, deleted or added to from time to time, provided that they are not in conflict with the terms of the Condominium Act, the Declaration or By Laws of the Condominium as amended, modified, deleted or added to from time to time.

"Institutional Lender" means (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust which provides financing to persons for the purchase of Units.

"Institutional Mortgage" means any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is an Institutional Lender, or a lender to any person for the purpose of his acquiring a Unit.

"Land" means all that certain tract, plot, piece and parcel of land situated, lying and being in the City, County and State of New York, as more particularly described in Exhibit A of the Declaration.

"Limited Common Elements" means those portions of the Building (other than the Units and General Common Elements) that are to be used by the Owners of one or more, but less than all, of the Units to the exclusion of all other Unit Owners as more particularly described in Section C of Article of the Declaration.

"Majority of Unit Owners" means those Unit Owners having more than fifty percent (50%) of the total authorized votes of all Unit Owners (determined in accordance with the terms

of Section 4.8 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" means the Person who may be engaged from time-to-time by the Condominium Board to perform the duties of managing the Building.

"Offering Plan" shall mean this document, including its Exhibits, as the same may be amended from time to time filed with the New York State Department of Law which describes the Condominium property and pursuant to which individual Units are offered for sale to the general public.

"Owner" shall mean the owner of a Unit.

"Owner Occupied" means occupied by a Unit Owner or a Family Member of a Unit Owner.

"Permitted Encumbrances" means those title encumbrances subject to which a Purchaser under the Plan agrees to take title to a Unit as more particularly itemized in **Part I, "Closing of Title to Units and Terms of Sale"**.

"Permitted Mortgage" means any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in Article 8 of the By-Laws of the Condominium.

"Permitted Mortgagee" means any holder of a Permitted Mortgage at the time in question.

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

"Plan" means this offering plan to convert the Property to Condominium Operation to be filed with the Department of Law of the State of New York pursuant to Section 352-eeee of the GBL as amended from time to time.

"Power of Attorney" means the document executed by the Unit Owners which (i) appoints the Condominium Board as agent to acquire by virtue of a right of first refusal and on behalf of all Unit Owners, any Unit which a Unit Owner has agreed to sell to a third party, or abandon, together with the Appurtenant Interest thereto, (ii) appoints the Sponsor as attorney in fact to amend the Declaration, By-Laws, Rules and Regulations of the Condominium or any other required ancillary document limited to the circumstances set forth by Applicable Law, the Offering Plan and permitted actions taken by the Sponsor or the Condominium Board and (iii) authorizes the Board to retain certiorari counsel to protest tax assessments on the Units.

"Presentation Date," "Date of Presentation," "presentation," "presented" and related words means the date of personal delivery or (if mailed) the fifth day after mailing (whichever is

the last to occur) of this Plan or any amendment to the Plan, as the context may require, to those Persons required to receive same pursuant to the GBL and the regulations of the Department of Law promulgated thereunder.

"Project" means the land and improvements located at 57 West 127th Street, New York, New York to be submitted to Condominium Operation and offered for sale under the Plan.

"Purchase Agreement" means the purchase agreement between a Sponsor and a Purchaser of a Unit under the Plan in the form set forth as **Document Number 2 in Part II** of the Plan.

"Purchaser" means a Person or Persons buying a Unit or Apartment under a fully-executed Purchase Agreement, whether for personal occupancy or use of Purchaser or a Family Member or for rental or investment purposes.

"Property" means the Land, the Building, all other 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.

"Register's Office" means the New York County Office of the Register of the City of New York.

"Residence" means an individual dwelling unit in the Building.

"Restorations" means the repair and restoration and other Work performed to the Property after a Casualty Loss or a Taking.

"Special Assessments" means the charges allocated and assessed against the Units authorized by the Condominium Board and payable by 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 paragraph C of Section 6.1 of the By-Laws

"Sponsor" means Harrest Capital S.r.l., having an address at c/o SBLM Architects P.C., 545 West 45th Street, New York, New York 10036.

"Sponsor's Counsel" means the law firm of Scarola Malone & Zubatov LLP, with offices at 1700 Broadway, Suite 4100, New York, New York 10019. Mr. Schaffzin, who prepared the Plan, is 'of counsel' to the firm.

"Structural" when applied to any work performed in or to a Unit or the Property means and refers to any work affecting the foundations, columns, girders, beams, supports, concrete slabs and other such structural members of the Building, those portions of the exterior walls of the Building lying beyond the interior face of the brickwork and all Building Systems, including without limitation, the mechanical, electrical, water supply and return (sewer) and gas supply.

“Taking” means a taking of all or a part of the Property in condemnation or eminent domain.

“Unit” or **“Condominium Unit”** means any Unit in the Condominium designated as such in the Declaration.

“Unsold Unit” or **“Unsold Units”** means any Unit(s) owned at the time in question by Sponsor or an Affiliate of Sponsor. Any Unsold Unit shall retain its status and character as an Unsold Unit until: (i) it is no longer owned by Sponsor; (ii) it is occupied by a Unit Owner or a Family Member of a Unit Owner; or (iii) it is conveyed or transferred to a bona fide purchaser for personal occupancy (by purchaser or a Family Member of purchaser).

All other capitalized terms used in **Part I** of the Plan which are not separately defined shall have the meaning ascribed thereto in **Part II, Schedule C** of the **Declaration**.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property

The address of the Property is 57 West 127th Street, New York, New York 10027. It is located as Block 1725, Lot 13 on the Tax Map of the City of New York. The lot on which the Property is situated is rectangular in shape and has an area of approximately 1072 square feet. It is located on the northerly side of West 127th Street distant 288 feet 7 ½ inches easterly from the corner formed by the intersection of the easterly side of Lenox Avenue and the northerly side of West 127th Street and 99 feet, 11 inches to the center line of the block between 127th and 128th Streets. The Property has 17 feet and 9 inches of frontage on West 127th Street.

The Property is zoned R 7-2. The use of the Property conforms to zoning regulations. The Building is being built and developed pursuant to the Quality Housing Program. Quality Housing regulations are defined in Chapter 8 of the Zoning Resolution of the City of New York. The Building is built to its maximum permissible floor area.

The Building when substantially completed will conform to the description set forth in the Section entitled “**Sponsor’s Statement of Property Specifications**” in **Part II, Document No. 1** of the Plan. All work will be done in accordance with applicable zoning laws and building codes. The Building plans have been filed with and approved by the Buildings Department of the City of New York and copies are available for inspection at the office of the Sponsor’s architects, SBLM Architects P.C., 545 West 45th Street New York, New York. The Building is neither been designated as a Landmark Building nor located in a Landmark historic district.

Following completion of construction, the Building will be classified as Class 1-C 2 hour protected non-combustible construction. The 1968 New York City Building Code defines Class 1-C construction as “buildings and space in which bearing walls and other major structural elements are generally of two (2) hour fire resistive rating”. Non-bearing walls and interior partitions are not required to meet these criteria. The Building will be fully sprinklered. Construction was completed in August, 2014.

The Residences

There are six (6) Condominium Units. Each Unit will be separately metered for electricity with standard residential wiring with circuit breakers. Heat and hot water for each Unit will be provided by independent boilers located in each Residence. Each Residence will contain a separate HVAC system. Water and sewage service will be provided by the City of New York and shall be a Common Expense. There is one meter measuring combined water consumption of all of the Units. Water and sewer charges will be paid by the Condominium as a Common Expense.

Condominium Units

Sponsor will own all of the Units which are offered for sale hereunder and are individual residences. Potential purchasers are directed to **Part II, Document No. 7, “Floor Plans”** describing the following:

1. Condominium Unit #1, (the "Garden Residence"): The Garden Residence is comprised of the entire ground floor measuring approximately 964 square feet and contains two bedrooms, two full baths, kitchen, living room and laundry room. The ceiling height is approximately 8'-7" in its main rooms and 7' 6" in ancillary space. The occupant of the Residence will have the exclusive use and access to the outdoor garden of approximately 588 square feet. The occupant of the Unit will also have the exclusive use of Bin #1. The garden and Bin are Limited Common Elements.

2. Condominium Unit #2, ("First Floor Residence"): The First Floor Residence consists of the entire first floor measuring approximately 904 square feet, and contains two bedrooms, one full bath, one half bath, kitchen, living room and laundry alcove. The ceiling height is approximately 11'-8" in the main rooms and 10'-0" in ancillary spaces. The occupant of the Unit will have the exclusive use of Bin #2. The balcony and Bin are Limited Common Elements.

3. Condominium Unit #3, (the "Second Floor Residence"): The Second Floor Residence consists of the entire second floor measuring approximately 1,060 square feet and contains two bedrooms, two full baths, kitchen, living room and laundry alcove. The ceiling height is approximately 10'-0" in its main rooms and 8'-6" in ancillary space. The Unit has a rear balcony of approximately 56 square feet and the exclusive use of Bin #3. The balcony and Bin are Limited Common Elements

4. Condominium Unit #4 (the "Third Floor Residence"): The Third Floor Residence consists of the entire third floor measuring approximately 1,060 square feet and contains two bedrooms, two full baths, kitchen, living room and laundry alcove. The ceiling height is approximately 8'-4" in the main rooms and 7'-6" in ancillary spaces. The Unit has a rear balcony of approximately 56 square feet and the exclusive use of Bin #4. The balcony and Bin are Limited Common Elements

5. Condominium Unit #5 (the "Fourth Floor Residence"): The Fourth Floor Residence consists of the entire fourth floor measuring approximately 1,060 square feet and contains two bedrooms, two full baths, kitchen, living room and laundry room. The ceiling height is approximately 8'-4" in the main rooms and 7'-6" in ancillary space. The Unit has a rear balcony of approximately 56 square feet and the exclusive use of Bin #5. The balcony and Bin are Limited Common Elements.

6. Condominium Unit #6 (the "Fifth Floor Residence"): The Fifth Floor Residence consists of the entire fifth floor measuring approximately 684 square feet and contains one bedroom, one full bath, kitchen, living room and laundry alcove. The ceiling height is approximately 8'-4" in the main rooms and 7'-4" in ancillary space. The Unit has two terraces, one located at the rear off the bedroom and one located at the front of the property off the living room. The terraces total approximately 453 square feet. The occupant has the exclusive use of Bin #6. The terraces and Bin are Limited Common Elements.

The Building is located on Block 1725, Lot 13 on the tax map of the Real Property Assessment Department of the City of New York. The Building is classified 2A construction, non-combustible with a one hour fire rating. The Building is fully sprinklered.

The Building is newly constructed by the Sponsor. When the Plan is filed with the Department of Law, it will be known as The San Giorgio Condominium as described in the **Floor Plans** to be filed simultaneously with the Declaration.

Residence Features:

Each Residence has a Frigidaire Front Load washer model #FAFW3801LW and Frigidaire Front Load gas dryer model #FAQW3801LW and connections for the installation thereof. Each Residence will also be delivered with a refrigerator, dishwasher, cook top, convection oven, microwave oven, as noted in the schedule herein.

Each Residence will have new hardwood floors in living rooms and bedrooms. The hardwood floors shall be Bamboo Flooring.

Each Residence has smoke/carbon monoxide detectors hardwired along with battery back-up and is cable and internet ready.

All bathrooms and kitchens are finished with marble, slate, and porcelain. All of the bathrooms are fitted with new Toto or comparable fixtures and polished chrome fittings.

Walls and ceilings including the walls and ceiling of the cellar and common element hall stairway are newly constructed and painted.

All bathrooms and kitchens are furnished with granite countertops, custom made cabinets and appliances as noted in the following schedule:

Item	Manufacturer	Model # (or equivalent)
Walls	Sheetrock, painted B. Moore, dove white semi-gloss. One base coat and two finish coats. Low VOC.	
Floors Bathroom	Bamboo wood floors over 5/8" plywood and acoustic underlay in living area and kitchen. Stone in bathroom and laundry area.	
Kitchen Faucet	Gessi	#13193
Kitchen Sink	BREDSKAR stainless steel sink.	Model # 0016041
Oven Range	Nudit stainless steel oven. Nudit glass ceramic cooktop	Model 90142340 Model 10182617

Microwave Oven	Nudit with extractor	Model 10222562
Refrigerator/Freezer Garden through 4	Viking36 Refrigerator/Freezer	
Refrigerator/Freezer 5 th Floor	Fisher-Daykel	Model RF 135 Borux 4
Dishwasher	Renling integrated-black	Model 30254873
Countertop	Caeser Stone	Jet Black
Kitchen Cabinets	Custom	Wood
Toilet	Doravit Vero/Gessi	Model 211609
Bathtub	Kohler	1525 60x32 enameled cast iron
Tub & shower faucet	Gessi	
Shower Head & mixer	Gessi	
Tub Faucet	Gessi	
Lavatory	Gessi	
Lavatory Faucet	Gessi	
Lavatory countertop	Granite	
Walls	Stone	
Floors	Stone	
Shower (2 nd bathroom)	Gessi	

All Bathrooms will have finishes equal or better to the above, as certified by SBLM Architects P.C.

A more complete description of the Units may be found in **Part II, Document No.1, "Description of Property and Specifications"** and **Document No. 7 "Floor Plans"**.

Common Elements

Each Unit Owner shall have the right to use a storage unit in the cellar which shall be a Limited Common Element.

Allocation of Common Interest

The Common Interest of the Condominium is the result of allocating the percentage interest to each Owner of a Unit. The percentage interest determines the amount of Common Charges a Unit Owner is responsible to pay to the Condominium and the amount of proceeds a Unit Owner would receive if the Property were sold or taken by condemnation or eminent domain. See **Part I, "Schedule A-Purchase Prices and Related Information"** for the amount of Common Interest ascribed to each Unit. The allocation has been made by Sponsor pursuant to the New York Condominium Act (Real Property Law Section 339-i and is based on floor space, location of space, limitations on use, availability of Common Elements for exclusive use and relative value to other space in the Building. An opinion of counsel is found in **Part I, "Compliance with Real Property Law Section 339-(i)"**.

LOCATION AND AREA INFORMATION

57 East 127th Street is located on 127th Street between Lenox and Fifth Avenues in Manhattan. The Property is near Marcus Garvey Park. The Property is zoned R7-2 described in the Zoning Resolution of the City of New York. This zoning permits residential use as of right. The surrounding neighborhood is a mixed use district including residential, commercial, medical and retail establishments. The Building is not a Landmark building nor is it located in a Landmarks District.

Transportation

The Property is situated close to major public transportation. Bus service is located on Fifth Avenue and West 128th Street and Madison Avenue and 127th Street is available. The nearest subway stations are located at East 125th Street which offers service for the 4, 5 and 6 trains. Exits and entrances to the FDR Drive, the Robert F Kennedy Bridge and the New England Thruway are easily accessible by automobile.

Schools

The Property is located within the New York City Geographic District. The nearest elementary school P.S. 30.

Hospitals

Neighborhood hospitals include Harlem Hospital Center which is located at 506 Lenox Avenue between West 137th and 138th Streets. In addition, Mt. Sinai Medical Center is located East 98th Street to East 102nd Street. There are houses of worship of most major denominations in the vicinity of the Property.

Amenities

A large variety of retail shops and services including boutiques, gift shops, specialty food and gourmet supermarkets as well as a diverse selection of fine cuisine are all within walking distance of the Property. Major chains such as Costco and Target are located at East 117th Street.

Municipal Services:

Community Board: 11

City Council District: 10

Police Precinct: 25

Fire Department: FDNY, 415 West 125th Street between Amsterdam and Morningside Avenues.

New York Sanitation Department:

The City of New York provides police, fire, water, sanitation, and road maintenance services. In addition, the City of New York provides snow removal service. Sidewalk snow

removal will be provided by the Condominium and is included in the budget, See **Part I, "Budget for First Year of Condominium Operation-Schedule B"**.

Mailing Address:

The mailing address of the Property is 57 West 127th Street, New York, New York 10027.

SCHEDULE A

CONDOMINIUM UNIT PURCHASE PRICES AND RELATED INFORMATION

December 1, 2014 – November 30, 2015

Condo Unit #	Description	Unit SF*	Terraces & Balconies Storage SF*	Outdoor SF*	Offering Price	% of Common Interest	Estimated Common Charges		Estimated Real Estate Tax		Projected Monthly Carrying Charges
							Annual	Monthly	Annual	Monthly	
1	Garden 2 Bedrooms 2 Bathrooms Ground Floor and Garden	986		588	\$990,000.00	18.948%	\$8,337.12	\$694.76	\$18,213.92	\$1,515.83	\$2,210.59
2	2 Bedrooms 1 and ½ Bathrooms, entire 1 st floor	904			910,000.00	17.412%	\$7,661.28	\$638.44	\$16,738.69	\$1,394.89	\$2,033.33
3	2 Bedrooms 2 Bathrooms, entire 2 nd floor w/rear balcony	1,060	56		913,000.00	17.478%	\$7,690.32	\$640.86	\$16,800.86	\$1,400.07	\$2,040.93
4	2 Bedrooms, 2 Bathrooms entire 3 rd floor w/rear balcony	1,060	56		902,000.00	17.263%	\$7,595.72	\$632.98	\$16,594.19	\$1,382.85	\$2,015.83
5	2 Bedrooms 2 Bathrooms entire 4 th floor w/rear balcony	1,060	56		850,000.00	16.267%	\$7,157.48	\$596.46	\$15,637.13	\$1,303.09	\$1,899.55
6	1 Bedroom 1 Bathroom entire 5 th floor w/ 2 Terraces	684	453		660,000.00	12.632%	\$5,558.08	\$463.17	\$12,142.61	\$1,011.88	\$1,475.05
		5,754	621	588	\$5,225,000.00	100%	\$44,000.00	\$3,666.67	\$96,122.00	\$8,010.17	\$11,676.84

*Approximation within reasonable tolerances

FOOTNOTES TO SCHEDULE A

(1) Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions and layout of a typical Unit. See **Part II, Document No. 7, "Floor Plans"**. Each Unit should be inspected prior to closing to determine its useable dimensions, layout and physical condition.

(2) The number of rooms in each Unit as set forth in Schedule A has been computed by Sponsor in accordance with the guidelines established by the Real Estate Board of New York, Inc. The number of rooms set forth in Schedules A will be different from the registration information presently on file, if any, with any governmental or regulatory authority because the Building has been materially renovated by Sponsor. The temporary or permanent certificate of occupancy to be obtained by Sponsor will accurately reflect the then current conditions.

(3) Square footages are calculated from dimensions of the Unit only and are approximate. Each Unit consists of an area measured horizontally from the outside of the exterior walls to the outside of the partitions separating the Unit from the corridors, stairs or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls (columns, mechanical pipes, shafts, chases, chaseways, conduits, and mechanical rooms within a Unit are not deducted from the square footage of each Unit). Therefore, the square foot areas described in Schedule A exceeds the usable floor area of each Unit. Vertically each Unit consists of the area measured from the top of the floor (located under the finished flooring and sub-floor materials) to the underside of the ceiling. Therefore, the square foot areas described in Schedule A exceeds the usable floor area of each Unit. Any Common Elements located within or appurtenant to any Unit shall not be considered to be part of the Unit. Terraces, balconies and storage space in the cellar are as described in Schedule A are Limited Common Elements.

(4) The Common Interest of each Unit has been determined pursuant to Section 339-i (1)(iv) of the Condominium Act. The Common Interests are based primarily upon a comparison of the respective floor areas of the Units, subject to the location and factors of relative value to other space in the Condominium. These factors include the uniqueness of the Unit, the inclusion of Limited Common Elements therein and the overall dimensions of the particular Unit. The aggregate Common Interest of all Units equals one hundred percent (100%).

(5) Sponsor reserves the right to negotiate prices on individual sales. Accordingly, Sponsor may enter into a Purchase Agreement with a Purchaser to sell a particular Unit at a price lower than that set forth in Schedules A without filing an amendment beforehand. The Purchase Prices set forth in Schedules A may be decreased or increased only by a duly filed amendment to the Plan when the change in price is (a) an across-the-board change affecting Units; (b) a price change that is to be advertised; or (c) a price increase for an individual Purchaser. See **Part I, "Changes in Prices and Units"**.

(6) At the First Unit Closing, Sponsor will advance the sum of \$7,333.33 equal to two (2) months' Common Charges to the Condominium Association to establish a Reserve Fund. When a Purchaser takes title to his Unit, he will contribute two (2) months' Common Charges to the Condominium Association at the rate then in effect to the Reserve Fund, at which time the Condominium Association shall reimburse Sponsor's advance for that Unit. Sponsor will also contribute to the Condominium Association the sum of \$3,666.67, a sum equal to one month's

Common Charges, to establish a Reserve Fund. When a Purchaser takes title to his Unit, he will contribute one (1) months' Common Charges at the rate then in effect to the Reserve Fund as a supplement thereto. The apportionment of certain charges relating to the Unit at the time of the closing of title will be reflected as adjustments to the Purchase Price. See **Part I, "Closing Costs and Adjustments"** for other expenses which must be borne by Purchasers such as legal fees, title insurance premiums, transfer taxes, and recording charges.

If Purchaser obtains a mortgage loan, Purchaser will also be responsible for the payment of additional closing costs and the debt service payments relating to such loan.

(7) These estimates were based upon **Part I, "Schedule B: Projected Budget for the First Year of Condominium Operation"** which was prepared for the fiscal year December 1, 2014 through November 30, 2015. This period is used only for purposes of projection and illustration. Sponsor estimates that the First Unit Closing will occur during the first quarter of 2015. The estimated Common Charges are based upon the estimates of income and expenses set forth in Schedule B. The actual amounts of income and expenses may differ from the estimates thereof and may change in subsequent years. Because of the possibility of unforeseeable changes in the economy or increase or decrease in the amount of income and/or expenses of operation, the projections are not intended to be taken as guarantees or warranties of any kind whatsoever or as any assurance that the actual expenses or income of the Condominium for any period of operation may not vary from the amounts shown. In fact, it may be expected, based on current trends, that the operating expenses, including fuel costs, utilities, maintenance and repairs, labor and other related expenses will increase in the future.

If the actual date of commencement of condominium operation is delayed by more than six (6) months from the commencement of the projected first year of condominium operation, Sponsor will amend the Plan to include a revised budget disclosing then current projections. In the event such amended projections exceed the original projections by twenty-five percent (25%) or more, Sponsor will offer each purchaser the right to rescind his Purchase Agreement for a period of thirty (30) days after the date of the Presentation of the amendment setting forth the right to rescind. If the actual date of commencement of condominium operation is delayed by twelve (12) months or more, Sponsor will offer Purchasers the right to rescind their Purchase Agreements.

In addition to the foregoing, each Unit will be responsible for paying: (i) the cost of electricity and gas which will be separately metered for each Unit (See **Schedule B-1 "Unit Energy Costs"**); The Budget item for electricity is solely for the Building's Common Elements. (ii) mortgage or loan payments under any loan or loans obtained by Purchaser to finance the acquisition of his Unit; (iii) the cost of interior repairs to, and the maintenance, painting and decoration of, his Unit (including, without limitation, the equipment and appliances contained therein after their Warranty Period) and (iv) the cost of any insurance covering (a) furniture, equipment and other personal property and (b) liability to others for personal or property damage as a result of occurrences in his Unit.

(8) After each Unit is assessed, it will be taxed as a separate tax lot for real estate tax purposes. A Unit Owner will not be responsible for the payment of, nor will his Unit be subjected to, any lien arising from the non-payment of taxes on Units owned by other Unit Owners.

Under present law a cash basis Unit Owner will, for federal, State and New York City income tax purposes, be entitled to a deduction for real estate taxes paid in the taxable year in which they are paid.

The Department of Finance of the City of New York makes annual tax assessments on real property located in its jurisdiction on a fiscal year basis for the period July 1st-June 30th. Taxable status date is January 5th of each year with assessments being published on January 15th. The tax due on a quarterly or semi-annual period of each year is determined by the assessment made by the Department of Finance. See **Part I, "Income Tax Deductions to Unit Owners and Tax Status of Condominium"**.

The Property has been partially re-assessed due to the valuation of improvements made to the Building, but it is anticipated that based on completion of the Building, further re-assessments will occur. This Building will be considered a Class II property. Class II properties include houses contain 6-10 residences that are located on more than 50% of the gross square footage of the property. Currently, a Class II building is assessed at 45% of its "assumed" market value. Annual equalization increase may not exceed 8% per annum and no greater than 30% in any 5 year period. Improvements to the property such as this are added to the prior assessment at 45% of "assumed" value.

Assessments are generally based on one of three methods: sales, comparable cost or income. However, the tax assessment of property built as or converted to condominium and/or cooperative ownership is governed by § 581 of the Real Property Law. This law requires the tax assessor to disregard the form of ownership in valuing the property and to treat the building for valuation purposes as if it were a similar rental building. Thus, the Department of Finance of the City of New York is prohibited from using the sales prices of individual condominium units or cooperative apartments offered under the Plan or the sales prices of comparable condominium units or cooperative apartments in determining assessed valuation. The estimated taxes payable as set forth in Schedule A reflect the anticipated amount of taxes to be paid by Unit for such tax year.

The Department of Finance analyses trends in the market place to assist it in determining assessments. In addition, the Real Property and Expense Filings required to be submitted annually by owners of multiple dwelling provides a significant amount of information regarding the contemporary status of the market.

The opinion of Edmund Schaffzin, counsel to the Sponsor, estimating real estate taxes may be found after **Part I, "Real Estate Taxes"**.

The owner of a Unit may be eligible for real estate tax reductions under the New York City Coop and Condo Property Tax Abatement and STAR Exemption Programs. See **Part I, "Real Estate Taxes"**.

SAN GIORGIO CONDOMINIUM

SCHEDULE B- BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

December 1, 2014-November 30, 2015

Projected Income

Common Charges	\$ 44,000.00
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Estimated Expenses

1.	Labor-Porter Services	
	9hrs/week for 55 weeks	
	(495 hrs. X \$.50/hr.)-\$4,208.00	
	Disab. and WC Ins.)- \$1,600.00	\$5,907.50
2.	Fuel	-0-
3.	Electric	4,615.36
4.	Water and Sewer	4,777.14
5.	Repairs, Maintenance and Supplies	1,200.00
6.	Service Contract	
	Initial installation charge	\$575.00
	Alarm monitoring	1,020.00
	Semi-annual test and inspection	1,020.00
	Annual RPZ inspection	<u>435.00</u>
		3,050.00
	Exterminator	1,567.80
	Video Intercom maintenance	2,480.00
7.	Insurance	6,918.46
8.	Legal and Audit Fees	3,900.00
9.	Management Fee	7,200.00
10.	Contingency	<u>2,383.74</u>
	TOTAL	\$44,000.00

FOOTNOTES TO SCHEDULE B

1. Common Charges-Budget - (\$44,000.00)

The estimate of the Operation will be the twelve (12) month period from December 1, 2014 to November 30, 2015. The actual first year of operation may be earlier or later than that period. If the First Unit Closing is scheduled to close more than six (6) months after December 1, 2014, (the projected start date), the Plan will be amended to include a revised budget. Similarly, Sponsor represents that if, at a future date prior to the First Unit Closing, the Plan will be amended to include a revised budget and such budget exceeds the budget which it is superseding by 25% or more, each Purchaser shall have the right during the thirty (30) days period after receipt of written notice to all Purchasers to rescind his Purchase Agreement, and if not otherwise in default, receive the return of his Deposit. Similarly, if the First Unit Closing is delayed for more than twelve (12) months from the projected start date of December 1, 2014 each Purchaser shall have the same right to rescind even if the budget has not increased by 25% or more.

Receipts by the Condominium do not include any interest income earned by the Condominium from investing the funds in the Reserve Fund or Working Capital Fund because the amount of interest earned cannot be determined in advance and, based on current rates of interest, the amount will be inconsequential.

All or part of the Reserve Fund or Working Capital Fund may be expended during the first or subsequent years of operation, but may not be used to reduce Common Charges.

1. Labor. Labor estimates are provided by Misra Group LLC, the Managing Agent of the Property which are comparable to rates for part-time porter services for buildings of this size managed by the Managing Agent and are based on 55 weeks/year (porter and substitute during vacation). The budgeted amount includes premiums for Workers Compensation and New York State Disability.

The principal duties of the porter are to sort and recycle trash for collection, mop hallway floors and stairs dust rails, door frames and lighting fixtures, as needed, maintain and clean basement, notify Managing Agent for supplies, spot clean entrance door glass, wipe down hallway walls and mailboxes, replace hallway light bulbs, inspect hallway smoke alarms, hose down sidewalk, trash cans and trash area, remove snow, salt sidewalk, as needed) give exterminator access to apartments.

2. Electricity and Gas. Electricity is for common areas only. Each Unit will be separately metered and billed by Consolidated Edison for individual use. The estimated use charge is 19,266 @\$.143/KWH plus demand charges of \$31.35 X 4 KWH/month X 12=\$4,615.36 per year, tax included.

The assumed usage and Consolidated Edison rates for classification #1 and the estimated costs of electrical service to all Unit Owners are described in **Schedule B-1** which follows these footnotes. It is not possible to predict how closely the budgeted amount will reflect the actual expenses for electricity and gas to be incurred during the first year of condominium operation, in part, because such expenses will vary with the level of consumption and the applicable gas and electric rates. Historically, electric rates have been steadily increasing and the cost of gas is likely

to increase, although it is not possible to forecast with certainty the amount or timing of such increases. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity during the first year of Condominium Operation.

3. Heating. The heating system for the common area is electric cabinet heaters. See **Schedule B-1** for an estimate of the cost of electricity and gas for each Unit.

4. Water and Sewer. The estimated cost of water and sewer is based on a combined charge of \$10.20 per 100 cu. ft. and usage of 80 gallons per day per person. The estimate assumes 2 people per apartment. The cost assumes normal usage for cooking, bathing and bathroom use as set forth letter of Athwal Engineering, P.C. dated May 27, 2014.

5. Repairs, Maintenance and Supplies. The estimate is based on the fact that expenses relate solely to the Common Elements and the Building is newly constructed. Major work, if any, will be the responsibility of the Sponsor under its Limited Warranty. Repair and maintenance relating to individual Units are the responsibility of each Unit Owner.

6. Service Contracts. The budgeted amount is sufficient to pay for Sprinkler alarm service. Annual Sprinkler Test and Report, exterminator service and video intercom maintenance.

The annual cost of sprinkler alarm services (\$2,415.00) is based on a quotation DGA Security Systems, 429 West 53rd Street, New York, New York. The cost of the annual RPZ inspection (\$435.00) is based on a quotation from Orlando Mechanical Corp., 3601 20th Avenue, Astoria, New York.

Extermination services are provided by BHB Pest Elimination, 150 West 28th Street, New York, New York and is based on its quotation of \$1,567.80, tax included. The services are provided and billed monthly.

Maintenance of the video intercom system is provided by Advance Security & Intercoms, Inc., 811 McLean Avenue, Yonkers, New York on a time and material basis. The cost is estimated by the Managing Agent and reflects its experience with similar systems and initial warranty coverage.

Sponsor reserves the right to enter into additional or other service, maintenance, employment, concessionaire and other agreements which will be binding on the Condominium. Sponsor shall not, however, enter into any such contracts that will materially increase the First Year's projected Common Charges or that will be binding on the Condominium for a period greater than one (1) year from the start of condominium operation unless disclosed in an Amendment to the Plan.

7. Insurance. Based on a proposal from Ashkar Corporation, 146 West 29th street, New York, New York with regard to the following coverage:

Building-Special Form (Replacement Cost Agreed Amount) \$2,500 deductible	\$4,122,790
Business Income (Actual Loss Sustained)	included
General Aggregate	\$4,000,000

Each Occurrence	\$2,000,000
Sewer and Drain Backup-\$2,500 deductible	\$ 50,000
Equipment Breakdown	included
Directors and Officers Liability	\$1,000,000

The coverage limit is based upon an agreed value replacement cost for the Building (the estimated cost to rebuild exclusive of the cost of land, excavating and re-building the foundation). This clause has the effect of waiving any coinsurance the insured might otherwise require. In order to safeguard investment of its Unit Owners in the event of a substantial or total destruction of the Building, the Condominium Board should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage is sufficient. Additionally, the estimated premiums are subject to change based upon rate changes, market conditions, experience and reinsurance costs at the time the coverage is actually bound.

The fire, casualty and general liability insurance will provide that each owner is an additional insured party, there will be no cancellation of coverage without prior notice to the Board of Managers, there will be a waiver of subrogation, there will be a waiver of invalidity because of the acts of the insured and Unit owners and there will be a waiver of pro-rata reduction if Unit owners obtain additional coverage.

In recent years, premiums for insurance (especially fire liability) have increased substantially. It is not possible to predict whether premiums will escalate in the future or will level off. Although the projection is believed to be reasonable, no budgeted item is warranted. At the First Unit Closing, Sponsor will deliver (at the Condominium's expense) a fire and liability binder or policy providing insurance coverage in accordance with the foregoing schedule.

This coverage does not include claims for personal injury or property damage resulting from occurrences in Units, nor does it include coverage of the furniture or personal property of Unit Owners. Therefore, each Unit Owner should consider obtaining additional insurance at his own cost covering, among other items, (i) fire or casualty losses to the contents of his Unit and any replacements, additions, upgraded fixtures and improvements therein; (ii) damage to other personal property and (iii) liability for personal injury as a result of occurrences in the individual Units. Unit Owners obtaining mortgages or financing for the purchase of a Unit may be required to obtain such insurance coverage.

9. **Managing Agent.** Based on a proposal from the Misra Group LLC to manage the Building. The contract is for one (1) year which is, however, terminable by the Condominium on thirty (30) days' prior written notice. The Managing Agent may terminate the contract on ninety (90) days' prior written notice.

10. **Professional Fees.** Based on proposal from Perry & Joseph, LLC, 55 West 39th Street, New York, New York for accounting services including the preparation of unaudited financial statements and tax returns for the Condominium. \$500 per annum is budgeted for legal

representation in general condominium matters by counsel to be selected by the Condominium Board.

11. **Contingency.** A contingency is included to pay for possible expenses not included in the projected budget or unanticipated increases in one or more expense categories. There can be no assurance that the budget will be sufficient to cover extraordinary expense or the need to provide capital for improvements to the Common Elements. In the event additional funds are required, it may be necessary to increase Common Charges. The budget and any item contained in the budget may be modified from time to time prior to the commencement of, or during, condominium operation to add or delete budgeted items or to increase or decrease one or more budgeted items.

This budget does not include a reserve for capital replacements or repairs. See **Part I, "Working Capital Fund; Closing Adjustments with Condominium Board; Reserve Fund"** for a discussion of reserves which may be used for capital replacements.

IN THE OPINION OF SPONSOR, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET ESTIMATED COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION COMMENCING JULY 1, 2014. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR OTHER INCOME AND EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY WILL BE AS SET FORTH IN SAID SCHEDULE, SINCE THE ANNUAL COMMON CHARGE AND OTHER ITEMS OF INCOME AND EXPENSES MAY VARY FROM THOSE SHOWN IN THE SCHEDULE.

SCHEDULE B-1

BUDGET FOR INDIVIDUAL ENERGY COSTS

The monthly cost, usage, and Consolidated Edison rates for electricity and gas for each condominium Unit estimated by Athwal Engineering, P.C. is as follows::

		<u>KW HRS.</u>	<u>RATE</u>	<u>ELECTRICITY</u>	<u>GAS</u>	<u>TOTAL</u>
1.	Unit #1	1151.4	\$.33/KHR.	\$368.08	\$118.33	\$486.41
2.	Units #2-5	1151.4	\$.33/KHR	\$368.08	\$118.33	\$486.41
3.	Unit #6	891.3	\$.33/KHR	\$290.27	\$118.33	\$408.60

THE FOREGOING INCLUDES AN INFLATION FACTOR OF 10% FOR THE PERIOD DISCLOSED IN THE BUDGET FOR THE FIRST YEAR OF CONDOMINIUM OPERATION.



SCAROLA MALONE & ZUBATOV LLP

339-i OPINION

October 10, 2014

Harrest Capital S.r.l.
Via Eleonora Duse
00197 Roma, Italia
Attn: Avv. Ferruccio M. Sbarbaro
President

Dear Mr. Sbarbaro,

I have been retained to prepare this opinion concerning compliance with Section 339-i of the New York Condominium Act.

I am a practicing attorney and primarily have conducted a real estate practice for more than 30 years. My experience derives from representing real estate developers, purchasers of office and residential buildings and sponsors of coop and condominium properties in the City of New York.

After a review of the Offering Plan to Convert 57 West 127th Street, New York, New York to Condominium Operation which I have prepared and based on the information received from you and your other professionals, I am of the opinion that the allocation of percentage of Common Interest for each Condominium Unit under the Plan complies with the requirements of Section 339-i (1) (iv) of the Condominium Act, which considers each Unit's floor space, location, uniqueness, overall dimensions, access and similar favorable and unfavorable factors of relative value to the other Units in the Condominium.

I hereby consent to the inclusion of this letter in the Offering Plan.

Sincerely yours,


Edmund A. Schaffzin

CHANGES IN PRICES AND UNITS

Changes in Price and Terms of Sale

The offering prices set forth in Schedule A may be changed by filed amendment to the Plan if the change in price is an across the board increase or decrease or is to be advertised, or is a price increase for an individual Purchaser. Prices and specified terms of sale are negotiable and the Sponsor may enter into an agreement with an individual Purchaser to sell one or more Units at prices lower than those set forth in Schedule A without the requirement of filing an amendment.

Subject to the conditions set forth herein, Sponsor reserves the right, from time to time, before and after the recording of the Declaration, without prior notice or prior amendment to the Plan and without the consent or approval of the Condominium Board, any Unit Owner, or any mortgagee or any other party, to change the Purchase Price, the manner of payment and any other term of sale of any Unit as permitted by the terms of this Plan. Unless an affected Purchaser consents, no material change will be made in Unit size, layout, quality of material or percentage of Common Interest if a Purchase Agreement has been executed and delivered to Sponsor for that Unit. Unless the change in Purchase Price(s) were to constitute a prohibited discriminatory inducement, Sponsor may enter into a Purchase Agreement with an individual Purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment to the Plan.

Changes of Size, Layout and Number of Units.

No change will be made in the size or number of Units and/or their respective percentages of Common Interest, and no material change will be made in the size or quality of Common and Limited Common Elements except by amendment to the Plan and, when applicable, to the Declaration.

If a Purchase Agreement has been signed, Sponsor may not change the size of such Unit or its Common Interest without the written consent of Purchaser. Further, Sponsor will not cause any material change to be made in the size, material or quality of the Common Elements unless Sponsor first obtains the consent of all Purchasers. Notwithstanding the above, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Units it owns and are not in contract (b) the size or number of Units by subdividing one or more Units into two or more separate Units, by combining two or more separate Units into one or more Units, by altering the boundary walls of any Unit, or otherwise, including, without limitation, the use of any portion of the Common Elements adjacent to such Units to the extent that such is not required to be maintained as Common Elements pursuant to the terms of the Declaration and the By-Laws. Such right may be exercised by Sponsor from time to time, both before and after the recording of the Declaration, without the consent or approval of, the Condominium Board, any Unit Owner, any mortgagee or any other party. Sponsor will obtain the approval of all governmental authorities having jurisdiction under Applicable Law as required.

A Purchaser will not be excused from purchasing his Unit because of minor variations between the Floor Plans and the Unit and Purchaser will not have any claim against Sponsor as a result of such minor deviation.

If Sponsor changes the size or number of Units, Sponsor will increase or decrease the Common Interests appurtenant to such Units proportionally. The aggregate amount of the Common Interests of all the Units, however, will always remain at 100%. As a result of any reapportionment of the Common Interests appurtenant to Units, the amount of Common Charges and the real estate taxes and assessments payable by the owners of the Units affected thereby will be increased or decreased proportionately, but the amount of the Common Charges and the real estate taxes and assessments payable by the then Owners of Units unaffected thereby will not change.

The Plan will be amended to reflect any change in the size or number of Units and their respective Common Interests or the size or quality of the Common Elements; however, the layout and number of rooms in Units owned by Sponsor may be changed without prior notice or amendment of the Plan.

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, or otherwise, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and such amendment is duly recorded. As more particularly provided in the Declaration, Sponsor has retained the right to amend the Declaration without the consent of the Condominium Board, the other Unit Owners or any mortgagee, or require their signature to such amendment, to effectuate such change to Units, provided the space devoted to Common Elements is not decreased. No change in a Unit's Common Interest will be made, however, without the prior written consent of the Owner of such Unit having been first obtained.

To the extent permitted by Applicable Law, if the size or configuration of a Unit is changed in compliance with the Plan and the Condominium Documents and, in connection therewith, a wall, space or other area forming a part of the Common Elements servicing and benefitting a Unit is razed or incorporated in the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the Owner of such Unit and the Unit's Common Interest will be unchanged.

FINANCIAL STATEMENTS

Sponsor purchased the Property on September 9, 2009. The Building was vacant and had not been occupied for several years. Therefore, there is no reliable data from which to prepare *pro forma* operating expenses based on prior use.

INTERIM LEASES

There are no tenants in the Building and no Person other than Sponsor has the right, statutory or otherwise, to reside therein.

Sponsor reserves the right to lease Units to Purchasers and non-Purchasers at any time, both before and after the First Unit Closing. A tenant to whom Sponsor has leased a Unit will not be entitled to any rent protection laws and his right to remain in possession will be limited to his rights under his Lease.

Any Purchaser of a Unit then occupied by a tenant to whom Sponsor has rented will be required to take the Unit subject to the lease or tenancy.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE COMMON INTEREST IS OWNED BY NON-OWNER OCCUPANTS, OR INVESTORS UNRELATED TO SPONSOR.

The term of each such Interim Lease shall expire on the earliest to occur of (i) the date of closing of title to the Unit covered by such Interim Lease, (ii) the date fixed in the Interim Lease for the expiration of its term, (iii) the date upon which the Interim Lease is terminated at the option of Sponsor by reason of a default thereunder by Purchaser or a casualty or condemnation affecting the Unit or (iv) the date upon which the Interim Lease is terminated by Purchaser or Sponsor as provided below.

An uncured default in the Purchase Agreement will constitute a default by Purchaser under the Interim Lease and will permit Sponsor to cancel the Purchase Agreement in accordance with its terms. Purchaser will be required to vacate his Unit within thirty (30) days after notice that Sponsor's intent to cancel the Purchase Agreement is sent. Before Sponsor may declare a default under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the tenant unless the tenant has vacated the Unit.

In the event Purchaser shall exercise any right to terminate or rescind the Purchase Agreement or Interim Lease, such termination or rescission will be contingent upon his delivering vacant possession of his Unit in good condition and broom clean within thirty (30) days after he has elected to terminate or rescind. The Purchaser is liable for rent, accrued during the period he occupied the Unit and if he holds over, he will be responsible for any use and occupancy charge then due and payable under his Interim Lease. Nothing shall relieve any Purchaser of liability for damage to his Unit or of any other liability under the Purchase Agreement or Interim Lease.

In no event will any portion of the rent or use and occupancy charge paid under an Interim Lease be credited towards the Purchase Price of the Unit.

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 Purchaser, tenant or occupant.

In the event the Plan is abandoned by Sponsor, a Unit occupied pursuant to an Interim Lease will not be subject to or protected by the provisions of any Applicable Rent Laws that may be in effect. Once a Purchase Agreement is accepted for a vacant Unit and for as long as such Purchase Agreement is in effect, the Unit may only be leased to the Purchaser pursuant to an "Interim Lease" on the terms set forth in this Section.

An Interim Lease shall be prepared on a standard form of lease that will be available for inspection at the office of Sponsor and shall contain the default provisions (including failure of the tenant/Purchaser to comply with his obligations under his Purchase Agreement) described below) in effect at the time of such abandonment. Additionally, a Purchaser under an Interim Lease may, if the Plan is abandoned, cancel such Lease in writing and must then vacate the Premises upon ninety (90) days' written notice to Sponsor sent to the address set forth on the cover page of this Plan.

Section 339-KK of the New York Real Property Law provides that if Common Charges, assessments or late fees due from any Unit Owner have not been paid in full within sixty (60) days after the expiration of any grace period, the Condominium Board shall give written notice to the person occupying the Unit and its Owner that until all payments for Common Charges, assessments or late fees are made current, all rental payments made by tenant must be made payable to the Condominium at the address listed on the notice. When payment 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 (3) business days to the rental tenant or a designated agent. An Owner who disputes the Condominium's claim to rental payments pursuant to this Section shall be entitled to present facts supporting his position at the next scheduled meeting of the Condominium Board, which must be held within thirty (30) days of the date that the Board receives notice that such Owner seeks to dispute the Condominium's claim. Section 339-KK does not limit any rights of Unit Owners or of the Condominium Board existing under any other law or agreement.

In the event the Condominium Board notifies a rental tenant to pay his rent to the Condominium because of the Owner's failure to pay his Common Charges, assessments or other amounts due, the rental tenant shall be relieved from his obligation to pay rent to the Owner (to the extent of Owner's arrears) and such payment shall be an absolute defense in any non-payment proceeding commenced by the Owner against his tenant for rent.

In the event Sponsor enters into an Interim Lease with a Purchaser as tenant, Purchaser will assume the risk of loss to the Unit, its contents and Purchaser's personal property from fire or other casualty commencing on the date when Purchaser takes possession of the Unit. Accordingly, Purchaser should plan to obtain casualty insurance in amounts sufficient to cover damage or loss due to fire or other casualty.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE COMMON INTEREST IS OWNED BY NON-OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR.

PROCEDURE TO PURCHASE

A Person desiring to purchase a Unit will be required to execute four (4) copies of a Purchase Agreement in the form set forth as **Document No. 2** in **Part II** of this Plan. The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and, before being executed, should be read carefully by the prospective Purchaser and his legal or financial representative.

Unless a Purchaser has been afforded at least three (3) business days in which to review the Plan and all filed amendments prior to executing a Purchase Agreement, such Purchaser shall have seven (7) days after delivery of an executed Purchase Agreement together with the required Deposit to rescind the Purchase Agreement and have the full Deposit refunded promptly. Such Purchaser must either personally deliver a written notice of rescission to Sponsor within the seven (7) day period or mail the notice of rescission to Sponsor and have the mailing post-marked within the seven (7) day period.

Delivery of Purchase Agreement.

A prospective Purchaser desiring to purchase a Unit should deliver to Sponsor or its counsel, Scarola Malone & Zubatov LLP, 1700 Broadway, Suite 4100, New York, New York 10019; Attn: Edmund Schaffzin, Esq., four (4) copies of the executed Purchase Agreement and his personal check drawn on a New York City Clearing House Association member bank, in an amount equal to ten percent (10%) of the Purchase Price (the "Deposit"). The check is to be made payable to the order of "Edmund Schaffzin, Attorney Escrow Account" or "Edmund Schaffzin as Attorney".

Acceptance of Purchase Agreement.

Sponsor shall either accept the Purchase Agreement by returning fully executed counterparts of the Purchase Agreement to the Purchaser or reject the Purchase Agreement and refund the full Deposit previously tendered within ten (10) days after receipt of the signed Purchase Agreements and Deposit (the "Purchase Documents"). If Sponsor neither accepts nor rejects the Purchase Documents within said ten (10) day period, the Purchase Agreement shall be deemed canceled and the prospective Purchaser shall receive a full refund of the Deposit within three (3) business days thereafter. Upon such refund being made, neither party will have any further rights, obligations or liabilities hereunder with respect to the other or any other party connected with the Plan. Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan. Sponsor has the right, without incurring any liability, to reject any Purchase Documents without cause or explanation as long as such rejection is not based upon race, creed, color, national origin, ancestry, sex or other ground prohibited by Applicable Law.

After this Plan has been declared effective, Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (within the City of New York) for the transfer of title to his Unit. At the closing of title, such Purchaser shall pay the balance of the Purchase Price by his unendorsed, certified personal check or by official cashier's check, in either event drawn on a New York City Clearing House Association member bank or fed funds wire transfer. Sponsor expects that the First Unit Closing shall occur during the first three (3) months of operation of the Condominium. If such date is delayed more than twelve (12) months from the date the Purchase Agreement is executed, Sponsor will offer Purchaser the right to rescind his Agreement.

If a Purchaser defaults (i) in paying the balance of the Purchase Price on the date scheduled by Sponsor for the closing of title to Purchaser's Unit, (ii) in performing some other

material obligation under the Purchase Agreement, or (iii) on his Interim Lease, Sponsor's sole remedy shall be to cancel the Purchase Agreement by sending written notice to such Purchaser and, if Purchaser shall fail to cure the default within thirty (30) days after such notice is given, to retain, as and for liquidated and agreed upon damages, the Deposit and any interest earned thereon. Any payments received by Sponsor in excess of the above, together with interest earned on such excess payment, if any, shall be refunded to Purchaser with reasonable promptness after cancellation. **THE CURE OF SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD IS OF THE ESSENCE OF THIS AGREEMENT. THIS MEANS THAT, UPON PURCHASER'S FAILURE TO CURE HIS DEFAULT WITHIN SUCH PERIOD, THE PURCHASE AGREEMENT SHALL BE DEEMED CANCELLED AND SPONSOR MAY RETAIN THE DEPOSIT AND INTEREST THEREON AS DAMAGES.** If a Purchaser is or becomes a tenant in the Building pursuant to an Interim Lease and fails to pay rent or otherwise comply with his lease or tenancy obligations or vacates or abandons his Unit, then Sponsor may cancel his Purchase Agreement as set forth above, whether or not such Purchaser is evicted from the Building by reason thereof and retain the Deposit.

A Deposit will be deemed to have been unconditionally tendered when it has been delivered to Sponsor or the Escrow Agent together with the Purchase Documents in the form agreed to by Sponsor and signed by Purchaser without any request for a change in such form or the terms of the Purchase Agreement. Each Deposit will be placed, within five (5) business days after the date on which such Deposit has been unconditionally tendered, in a special escrow account of Escrow Agent. Mr. Schaffzin is the sole signatory on his escrow account. He is an attorney admitted to the practice of law in the State of New York. Mr. Schaffzin's address is Scarola Malone & Zubatov LLP, 1700 Broadway, Suite 4100, New York, New York 10019 and his telephone number is (212) 757-0007. The Escrow Agent submits to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Escrow Agreement or otherwise concerning the maintenance of or release of the Deposit from the Escrow Account. The Escrow Agent is not a Sponsor, Selling Agent, Managing Agent (as described in the Plan) or have any beneficial interest in any of them. The Escrow Agent shall maintain the Escrow Account under his direct supervision and control.

A fiduciary relationship exists between the Escrow Agent and Purchase. Escrow Agent acknowledges his fiduciary and statutory obligations pursuant to GBL Section 352-e(2-b) and Section 352-h.

The Escrow Account is located at JP Morgan Chase Bank N.A., 530 Fifth Avenue, New York, New York (the "Bank"). The account number is [REDACTED]. The Bank is covered by Federal Deposit Insurance to a maximum of \$250,000 in the aggregate with respect to all funds deposited by any Person in one or more deposit accounts at the same bank (including, without limitation, amounts deposited directly by such Person and the Deposit held in escrow for such Person by the Escrow Agent). Sponsor shall bear any administrative cost for the maintenance of the account. The account is not an IOLA account established pursuant to Judiciary Law Section 497

If a Purchaser should make a Deposit in excess of \$250,000 for the purchase of a Unit, or if the amount of Purchaser's deposits at the Bank exceeds \$250,000 in the aggregate, the excess over \$250,000 will not be federally insured. No representation or guaranty is made by the Escrow Agent or Sponsor that will insure any depositor's funds, if and when called upon to do so. The Escrow Account will be interest bearing. Any interest earned on the Deposit shall be delivered to Purchaser at the closing of title to his Unit or other termination of the Purchase Agreement unless Purchaser has defaulted thereunder beyond any applicable grace period, in which event Sponsor shall be entitled to retain the Deposit and interest thereon. The interest rate to be earned on the

Deposit will be the rate paid from time to time by the Bank for the same type of account as the Escrow Account, which was .10% per annum as of April 1, 2014. Interest will begin to accrue when the check for a Deposit is collected and cleared by the Bank. Each Purchaser must provide his social security or its federal taxpayer identification number on the Purchase Agreement. If there is more than one Purchaser, the social security or federal taxpayer identification number of each Purchaser who will be receiving any interest earned on the Deposit must be included on the Purchase Agreement. A Purchaser's failure to provide this information with the Purchase Agreement will be deemed a waiver of such Purchaser's right to receive interest on such Deposit.

Within five (5) business days after the Purchase Agreement has been tendered to the Escrow Agent, Escrow Agent shall place the Deposit into the Escrow Account. Sponsor, Purchaser and the Escrow Agent shall also execute the Escrow Agreement.

Within ten (10) business days after unconditional tender and delivery by a Purchaser of his executed Purchase Agreement and a check for the Deposit thereunder to Sponsor or its counsel and Sponsor's execution of the Purchase Agreement, the Escrow Agent will notify Purchaser and Sponsor that such funds have been deposited into the Escrow Account and will provide the account number and the initial interest rate. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after unconditional tender and delivery to Sponsor of such Deposit, then the Purchaser may cancel his Purchase Agreement as long as such right to rescind is exercised within ninety (90) days after such Purchaser's unconditional tender and delivery of the Deposit to Sponsor. Complaints concerning the Escrow Agent's failure to honor such cancellation requests maybe referred to the New York State Department of Law, 120 Broadway, 23rd Floor, New York, New York 10271. A Purchaser shall not, however, be entitled to rescind his Purchase Agreement and receive a refund of his Deposit where proof satisfactory to the Attorney General is submitted establishing that such Deposit was timely deposited and notice as provided above was timely mailed to such Purchaser in compliance with the Attorney General's Regulations. Additionally, Purchaser understands that receipt and deposit of the Deposit in the Escrow Account by the Escrow Agent will not be deemed acceptance of this Agreement by Sponsor, which acceptance can only occur through Sponsor's execution and delivery of the Purchase Agreement to Purchaser.

The Escrow Agent will hold a Purchaser's Deposit in escrow until: (a) directed in one or more writings signed by each of Sponsor and Purchaser; (b) pursuant to the terms and conditions set forth in the Purchase Agreement upon closing of title to the Unit (c) a final judgment or order of a court of competent jurisdiction determines the party to whom the Deposit should be released; (d) such Deposit is paid by the Escrow Agent into a court of competent jurisdiction; or (e) such Deposit is paid to Sponsor or Purchaser as provided below.

UNDER NO CIRCUMSTANCES SHALL SPONSOR APPLY FOR RELEASE OF THE ESCROWED FUNDS OF A DEFAULTING PURCHASER UNTIL AFTER CONSUMMATION OF THE PLAN AS EVIDENCED BY THE ACCEPTANCE OF A POST-CLOSING AMENDMENT BY THE NEW YORK STATE DEPARTMENT OF LAW.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (e) above and the Escrow Agent receives a request by either party to release the Deposit, the Escrow Agent must give both Purchaser and Sponsor prior written notice of not less than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received a 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 of the release. In the event the Escrow Agent receives a written notice from either party

objecting to the release of the Deposit within such period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (e) will not object to the release of the Deposit to any Purchaser, provided such Purchaser has not defaulted and has timely and validly rescinded his Purchase Agreement in accordance with an offer of rescission made by Sponsor under the procedure contained in the Plan or an amendment to the Plan.

The Escrow Agent shall maintain all records concerning the Escrow Account for seven (7) years after release of the Deposit. The Escrow Agent shall make available to the Attorney General, upon request, all books and records of the Escrow Agent relating to funds deposited and disbursed.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine whether the Escrow Agent has complied with all applicable statutes and regulations.

Included as **Document No. 3** in **Part II** of the Plan is a copy of the escrow agreement between Sponsor and Escrow Agent (the “**Escrow Agreement**”) which is subject to the terms of the Attorney General's Regulations. In the event of any conflict between the Escrow Agreement and either any other provision of the Plan or the Purchase Agreement, the terms of the Plan shall control. The Escrow Agent will maintain all records concerning the Escrow Account for seven (7) years after the closing of such account.

The Escrow Agent may from time to time, upon notice to Sponsor and all Purchasers, change the depository in which the Deposits are held to another lending institution in New York City. In addition, the Plan will be amended to disclose any such change.

Any provision in the Purchase or Escrow Agreement by which a Purchaser purports to waive or indemnify the Escrow Agent regarding his holding the Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL Sections 352-e (2-b) and 352-h shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan or any amendment thereto.

Risk of Loss or Damage to Units Prior to Closing

The risk of loss or damage to the Unit prior to closing is assumed by Sponsor. Sponsor will notify Purchaser whether Sponsor will or will not elect to repair or restore the Unit within forty-five (45) days after the occurrence. If Sponsor or (in the event the Declaration has been filed) the Condominium Board elects not to repair the damage, the Purchase Agreement will be cancelled and be of no further force or effect and the Purchaser will receive the return of his Deposit within five (5) business days after Sponsor's notice. If Sponsor (or the Unit Owners, if the Declaration has been filed) elects to repair or replace the loss or damage so as to restore the Unit substantially to its condition immediately preceding such loss or damage, the Purchase Agreement shall continue in full force and effect, in which event Purchaser shall not have the right to reject title to the Unit as a result of loss or damage. Notwithstanding the foregoing an Interim Lessee assumes the risk of loss or damage above the amount of insurance proceeds received.

Nothing contained in the Plan, the Purchase Agreement or any modifications thereto shall be deemed to constitute a waiver of Purchaser's rights or an abrogation of Sponsor's obligations under Article 23-A of the GBL.

Power of Attorney

A Purchaser of a Unit shall be required to deliver to Sponsor at or prior to closing a fully executed and subscribed Residential Power of Attorney in favor of the Condominium Board and Sponsor. See **Part II, Document No. 8 "Unit Power of Attorney"**. Closing shall not occur without Purchaser first delivering to Sponsor a fully executed power of attorney. Failure to timely close will subject Purchaser to default under the Purchase Agreement or the Delinquency Charges set forth in **Part I, "Risk Factor 3"**.

ASSIGNMENT OF PURCHASE AGREEMENTS

A fully executed Purchase Agreement may not be assigned or transferred by Purchaser without obtaining the express prior written consent of Sponsor. The Plan will not be declared effective based on Purchase Agreements which have been assigned or transferred except as set forth in **Part I, "Effective Date"**. Notwithstanding a consent to an assignment of the Purchase Agreement agreed to by Sponsor, Purchaser shall not be released from liability under his Purchase Agreement should his assignee default.

EFFECTIVE DATE

Sponsor's offer to sell the Units under the Plan is contingent upon the Plan being declared effective and upon Sponsor's compliance with the relevant conditions and time periods described in the Plan. The following provisions will determine whether, when and how the Plan will be declared effective:

1. The Plan may be declared effective by (i) an amendment to the Plan or (ii) by serving notice on each Purchaser that the Plan is declared effective and submitting an amendment to the Department of Law within five (5) days thereafter, confirming that the Plan was declared effective on a specified date. The First Unit Closing shall not occur until the amendment declaring the Plan effective is filed by the Department of Law.

2. The Plan may not be declared effective until written Purchase Agreements have been executed and delivered for at least fifteen percent (15%) of all Units offered under the Plan or at least one (1) Unit comprising at least fifteen per cent (15%) of all of the Units offered hereunder by *bona fide* Purchasers, including investors.

The Plan will not be declared effective based on Purchase Agreements:

- (A) signed by Purchasers who have been granted a right of rescission which has not yet expired or been waived; or
 - (B) assigned or transferred (with Sponsor's express written consent), unless (i) Purchaser has signed the Purchase Agreement and paid the full Deposit to Sponsor, and (ii) the assignee shall provide a notarized affidavit stating that the assignee was not procured by Sponsor and that the assignee intends that he or a specified member of his immediate family will personally occupy the Unit; or
 - (C) if Purchaser was not afforded the seven (7) day period to rescind the Purchase Agreement or the three (3) business day period to review the Plan and all filed amendments in accordance with the provisions of the Plan; See **Part I, "Procedure to Purchase"**; or
 - (D) with any Purchaser who is Sponsor or the Managing Agent, or who is a principal of Sponsor or Managing Agent, or is related to Sponsor or Managing Agent or to any principal of Sponsor or Managing Agent, by blood, marriage or adoption, or as a business associate, an employee, a shareholder, a member or a limited partner, except that such a Purchase other than Sponsor, or a principal of Sponsor may be included to the extent permissible under the applicable Regulations promulgated by the Department of Law.
3. When Purchase Agreements been executed and accepted for the sale to Purchasers of at least four (4) of the Units offered under the Plan, Sponsor must declare the Plan effective.
4. Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever, provided the Plan has neither been declared effective nor is required to be declared effective.

After the Plan is declared effective or required to be declared effective, but before the First Unit Closing, the Plan may not be abandoned except if there shall occur: (a) the existence of one or more defects in title or violations that cannot reasonably be cured without litigation or

cannot be cured for not less than one half of one per cent (.5%) of the total offering amount of all of the Units, or if such defect relates to a Common Element of the Property which cannot be reasonably cured without litigation or for not less than one half of one per cent (.5%) of the aggregate purchase price of all of the Units in question or (b) any substantial damage to or destruction of the Building by fire or other casualty and the cost of repair or replacement exceeds one half of one per cent (.5%) of the total offering amount of all of the Units, or (c) the taking of any material portion of the Property by condemnation or eminent domain valued at not less than one half of one per cent (.5%) of the total offering amount of all of the Units. The basis for abandonment after this Plan is declared effective shall not include any title defect, violation or determination of any authority or regulatory association that has existed on the date of Presentation of this Plan and either is known to Sponsor or is a matter of public record. Sponsor will not, however, be obligated to cure any defect in title (including, without limitation, liens and violations of record) that are to be cured by, or that result from the acts and omissions of, any Purchaser occupying a portion of the Premises under an Interim Lease.

Each Purchaser in good standing who refuses to waive any of the aforesaid title defects shall have the right for thirty (30) days after being notified thereof to rescind his Purchase Agreement and receive the return of his Deposit with any interest earned thereon, provided that, if he were a tenant in occupancy on the date the Attorney General accepted the Plan for filing, such rescission shall be conditioned upon the cancellation of any Interim Lease and the surrender of possession of his Unit to Sponsor within ninety (90) days after such rescission.

5. Subsequent to the First Unit Closing, this Plan may not be abandoned unless at least eighty (80%) percent of the Unit Owners vote to terminate the Condominium. Sponsor will not vote its aggregate Common Interest appurtenant to its Units for such termination unless at least eighty (80%) percent of the Unit Owners other than Sponsor elect to terminate, in which event Sponsor may choose to vote its Common Interest either in favor of or against termination of the Condominium as it sees fit. See Article 15 of the **Declaration of Condominium, "Termination of Condominium"** contained in **Part II, Document No.4** of this Plan.

6. All Purchasers and occupants of Units will be notified in writing if this Plan is withdrawn or abandoned. Within fifteen (15) days thereafter, all Deposits paid to Sponsor pursuant to Purchase Agreements then in effect (together with any interest earned thereon) will be returned to Purchasers in good standing. Sponsor will retain, however, as liquidated damages, the Deposit (together with any interest earned thereon, but not to exceed ten percent (10%) of the Purchase Price) of any Purchaser who is then in default under his Purchase Agreement beyond any applicable grace period or whose Purchase Agreement had been canceled previously as a result of such Purchaser's default. Upon the return or retention of the Deposit and any such interest, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers under this Plan or under their respective Purchase Agreements.

7. After this Plan has been declared effective, Sponsor will, from time to time, fix one or more dates for closing title to Units for which Purchase Agreements are in effect. The First Unit Closing will be held no sooner than thirty (30) days after the date upon which notice is given that the Plan is declared effective but no later than one hundred eighty (180) days after the Plan is declared effective, unless adjourned by Sponsor. The closing of title to each Unit will take place in accordance with the terms of the Purchase Agreement. See **Part I, "Procedure to Purchase"** for a more complete discussion of the events that will occur at each such closing of title or transfer.

8. The Purchaser of a Unit shall be required to deliver to Sponsor on or prior to closing a fully executed and subscribed Power of Attorney in favor of the Condominium Board and Sponsor. See **Part I, "Procedure to Purchase"**. Failure to deliver same after demand shall constitute a default under the Purchase Agreement. Failure to timely close will subject Purchaser to default under the Purchase Agreement or the Delinquency Charges set forth in **Part I, "Risk Factor" #3**".

CLOSING OF TITLE TO UNITS

Prerequisites to Closing of Title

The closing of title to each Unit shall take place only concurrently with or after all of the following events have occurred:

- (1) When the Plan has been declared effective by Sponsor, an amendment to the Plan stating that it has been declared effective will be submitted to and filed by the Department of Law.
- (2) The recording and filing in the Register's Office of the Declaration, By-Laws and Floor Plans and such other documents as may be required in accordance with the Condominium Act or other Applicable Law in connection with the submission of the Property to Condominium Operation pursuant to the Condominium Act;
- (3) At the request of the Purchaser of such Unit, the issuance of a title insurance binder insuring fee title to such Unit in Purchaser subject only to the Permitted Encumbrances and any other title matters which Purchaser or his lender consent to take title subject to, which binder will also insure that a valid condominium has been created pursuant to the terms of the Condominium Act. See **Part I, "Unit Closing Costs and Adjustments"** for an estimate of the cost to Purchaser to obtain such title insurance;
- (4) Delivery by Sponsor of a duly executed bargain and sale deed with covenants against grantor's acts conveying title to such Unit to Purchaser (**Part II, "Unit Deed"** and delivery of the Residential Power of Attorney from Purchaser to Sponsor or the title company in proper form for recording. A copy of the form of such deed and power of attorney may be found in **Part II, Documents Nos. 6 and 8**;
- (5) Execution and delivery of a License Agreement for designated storage space in the cellar of the Building.
- (6) The execution and delivery of all transfer tax returns and other documents necessary for Sponsor to convey title to the Unit to Purchaser.

State of Title

Title to each Unit and its Appurtenant Interest in the Common Elements will be conveyed at closing free and clear of all liens, encumbrances and title exceptions other than those described in the Plan, the proposed Unit Deed and the title exceptions described herein and other matters set forth below (collectively the "**Permitted Encumbrances**"):

1. Any state of facts which an accurate survey and inspection made on the date of closing of title to such Unit would show; provided such state of facts (except as set forth below) is not otherwise disclosed in this Plan and does not prohibit the existence and use of the Unit;
2. Zoning regulations, ordinances, building restrictions and regulations;
3. Consents by Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets which the Property may abut;

4. Encroachments of the Building, walls, stoops, steps, balconies, ornamental columns, windows, door caps, keystones, ledges, pilasters, coping, trim and cornices, and any other part thereof, if any, upon any street or highway or upon any adjoining property and similar encroachments upon the Property;

5. Sewer, water, electric, plumbing, heating, gas, telephone and other utility easements and consents, if any, then or thereafter recorded, including the right to maintain and operate lines, wires, cables, amplifiers, transformers, pipes, conduits, poles, meters and distribution boxes in, over, under and upon the Property and the Building;

6. The lien of any mortgage, lien or other encumbrance granted, created, or obtained by Sponsor; provided that such mortgage, lien or other encumbrance is removed at or prior to the closing of title to the Unit affected thereby; or holder of the lien consents to the formation of the Condominium and acknowledges that its lien will be limited to Unsold Units and subordinates the lien to the Declaration.

7. Easements for ingress and egress for construction, installation, operation and maintenance of municipal service facilities and utilities;

8. Agreements, covenants, restrictions and easements of record;

9. Any other covenants, restrictions, easements, or any other encumbrance (other than for the payment of money), provided that they do not prohibit the existence and use of the Unit;

10. Rights, if any, to maintain vaults and chutes under the sidewalk;

11. The lien of any Common Charges, real estate taxes, water frontage and/or meter charges, sewer rents, vault charges and assessments, provided that the apportionment of such items is made as provided in this Plan;

12. Service, labor and maintenance agreements contemplated under this Plan;

13. Any Interim Lease with Purchaser for such Unit and any other leases, tenancies and occupancies for such Unit by the Purchase Agreement;

14. Any lien, judgment, encumbrance or *lis pendens* either (i) for which the instrument required to remove said encumbrance of record is delivered at or prior to the date of closing of title to the Unit to the proper party or to Purchaser's title insurance company together with the required recording or filing fee or (ii) as to which Purchaser's title insurance company will insure that the lien, judgment, encumbrance or *lis pendens* will not be collected out of or enforced against the Unit;

15. The lien of any assessment or assessments which are or may become payable in annual installments of which any installment is then a charge or a lien, provided that apportionment thereof is made as provided in the Plan;

16. Party wall agreements, if any;

17. Judgments, bankruptcies or other returns against other persons having names the same as or similar to that of Sponsor or any of its principals, provided Sponsor or any its

principals deliver to Purchaser and Purchaser's title insurance company an affidavit showing that such judgments, bankruptcies or other returns are not against Sponsor or any of its principals;

18. Uniform Commercial Code Financing Statements or conditional bills of sale provided that Sponsor executes and delivers to the Condominium an affidavit setting forth that the property covered thereby is no longer in the Unit or is fully paid for, or (iii) a tenant in the Building is the debtor thereunder;

19. The printed exceptions set forth in the Certificate of Title No. 13-7406-31558-NYM of Fidelity National Insurance Company or any title policy issued by a title company that is authorized to do business in the State of New York and that is a member of the Title Insurance Rate Service Association; and

All personal property owned by Sponsor located within the Unit on the date on which the Purchase Agreement is executed by Purchaser, or is located within the Common Elements on the date the Declaration is filed, shall be included in the conveyance, but no value will be attributed to such personal property.

TERMS OF SALE

The following is a summary of certain material provisions of the Purchase Agreement. However, it is not intended to be a complete statement of these or other important provisions of the Agreement. For a complete statement of these provisions, please refer to the form of Purchase Agreement set forth as **Document No. 2** in **Part II** of this Plan.

1. Incorporation by Reference.

The Plan including, without limitation, the Declaration, By-Laws and Floor Plans applicable thereto found in Part II of the Plan as well as all filed amendments to the Plan (including, but not limited to, amendments involving any changes, modifications or updating of estimated Common Charges and real estate taxes to be paid by Purchaser whether or not described in the Section of the Plan entitled "**Schedule B: Projected Budget for the First Year of Condominium Operation**") is incorporated into each Purchase Agreement by reference. Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan. The execution and submission of a Purchase Agreement constitutes Purchaser's acceptance of the Plan and his agreement to be bound by its terms, as such may be amended. Any such amendment to the Plan shall neither excuse Purchaser from performing his obligations thereunder nor entitle Purchaser to any offset or credit against the Purchase Price. An amendment may be made by Sponsor without Purchaser's consent or approval subject to Purchaser's right to rescind in the event that an amendment to the Plan or the Condominium Documents shall adversely affect in any material respect Purchaser's rights, obligations or liabilities under his Purchase Agreement or under the Plan

Nothing contained in the Plan, the Purchase Agreement or any modifications thereto shall be deemed to constitute a waiver of Purchaser's rights or an abrogation of Sponsor's obligations under Article 23-A of the GBL.

2. Payment of Purchase Price.

Each Purchaser shall deliver his check made payable to the order of "**Edmund Schaffzin-Attorney Escrow Account**" or "**Edmund Schaffzin as Attorney**" in the amount of the Deposit, subject to collection, simultaneously with the execution and delivery of four (4) copies of the Purchase Agreement. The balance of the Purchase Price will be paid to Sponsor at the closing.

Except for the Deposit, any payments to be made by Purchaser under the Purchase Agreement (including without limitation the payment of the balance of the Purchase Price), whether to, on behalf of, or at the request of Sponsor, must be made by unendorsed certified or bank check, drawn in either case on a member bank of the New York Clearing House Association and made payable to the order of Sponsor; or wire transfer, if requested by Sponsor, provided that such request is made no later than forty-eight (48) hours prior to the Closing. Purchaser will pay the balance of the Purchase Price to such payees as Sponsor shall direct.

If any check for any payment to be made by Purchaser under the Purchase Agreement (including without limitation the Deposit) shall be dishonored for any reason whatsoever, it shall be deemed a material default by Purchaser under the Purchase Agreement and Sponsor may, in that event, cancel the Purchase Agreement and, notwithstanding such cancellation, be entitled to recover the amount of such check. Notwithstanding the foregoing, if the check for the Deposit is dishonored, Sponsor shall notify Purchaser in writing of such dishonor and Purchaser will have

three (3) business days from receipt of such notice to replace the check with a bank or certified check in the amount of the Deposit.

3. Financing.

As more fully described in Paragraph 5 of the Purchase Agreement, a Purchaser's obligations to purchase his Unit under his Purchase Agreement will not be contingent upon Purchaser obtaining financing. Purchaser's failure to obtain financing will not relieve Purchaser from his obligations under the Purchase Agreement.

Sponsor cannot, and does not represent, assure or guarantee that any Purchaser will be able to obtain financing or, if obtained, on terms acceptable to Purchaser. Many lenders currently require a specified minimum percentage of residences in a condominium to be sold to Purchasers for owner-occupancy as a condition to granting the loan. Sponsor cannot and does not, represent, assure or guarantee the percentage of Units that will be owner-occupied at any given time or that such percentage will meet the requirements of lenders at any time. See **Part I, "Special Risks"** and **"Closing of Title to Units"**.

4. Trust Funds.

Sponsor shall comply with the escrow and trust fund requirements of Sections 352-e(2)-b and 352-h of the GBL and the Attorney General's Regulations promulgated pursuant thereto, which are more fully discussed under **Part I, "Procedure to Purchase"** above. All funds paid by Purchasers shall be administered in accordance with such provisions.

5. Events of Default.

If a Purchaser defaults (i) in paying the balance of the Purchase Price on the date scheduled by Sponsor for closing title to Purchaser's Unit, (ii) in performing some other material obligation under the Purchase Agreement, or (iii) under his Interim Lease, Sponsor's sole remedy under the Purchase Agreement is to cancel the Agreement by sending written notice to such Purchaser and, if such Purchaser shall fail to cure such default within thirty (30) days after such notice is given, to retain the Deposit and any interest earned thereon as liquidated and agreed upon damages. Any payments received by Sponsor in excess of the above, together with interest earned on such excess payment, if any, shall be refunded to Purchaser within ten (10) days after cancellation.

THE CURE OF SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD IS OF THE ESSENCE OF THIS AGREEMENT. THIS MEANS THAT UPON PURCHASER'S FAILURE TO CURE HIS DEFAULT WITHIN SUCH PERIOD, THE PURCHASE AGREEMENT SHALL BE DEEMED CANCELLED AND SPONSOR MAY RETAIN THE DEPOSIT AND INTEREST THEREON AS LIQUIDATED DAMAGES.

If a Purchaser is or becomes a tenant or occupant of the Building pursuant to an Interim Lease and fails to pay rent or otherwise comply with his lease or tenancy obligations or vacates or abandons his Unit, then Sponsor may cancel his Purchase Agreement, whether or not such Purchaser is evicted from the Building by reason thereof.

If such Purchase Agreement is cancelled, both Sponsor and Purchaser shall be otherwise relieved of all further obligations and liabilities thereunder and under this Plan and Sponsor shall

be free to sell the Unit to another as though such Purchase Agreement with Purchaser had never been entered into and without accounting to Purchaser for the proceeds received on such sale.

6. Units Sold "As Is"; Fixtures and Appliances.

Except as otherwise provided in this Plan, the Units are being sold in the condition in which they exist at the time of signing the Purchase Agreement, subject to ordinary use, wear and tear and natural deterioration; and subject further, to Sponsor's obligation to maintain the Building until the First Unit Closing to the extent indicated in **Part II, Document No.1, "Description of Property and Specifications"**. Except as undertaken by Sponsor under the Plan, Sponsor will not be obligated to make repairs, replacements, modifications or changes in or to any Unit or any appliances, equipment or fixtures unless expressly agreed to in writing by the parties or under the Plan.

At closing, each Unit will contain only those appliances, counter tops, cabinets, sinks, vanities, hardware and other fixtures and equipment that are owned by Sponsor and described in the **Part II, Document No.1**. Sponsor will assign to Purchaser any unexpired warranties Sponsor has received from the manufacturer of appliances or systems installed in the Unit. Each Unit will be sold unfurnished and there will be no modifications or "extras" unless agreed to in writing by the parties. Each Purchaser is advised to inspect the Unit in which he is interested and determine what appliances and fixtures are contained in the Unit and their condition and the general condition of the Unit.

7. Access to Units.

Each Purchaser of a Unit shall be given reasonable access to the Unit prior to the Closing for the limited purpose of inspection and taking measurements. A Purchaser, or his agents, contractors or representatives permitted such access, shall release Sponsor from any and all liability, loss, cost, expense or damage, foreseen or unforeseen, including, without limitation, reasonable attorneys' fees and expenses resulting from such injuries or damages unless such injury or damages result from the negligence of Sponsor or any of its respective agents, employees, contractors or representatives. In addition, any Purchaser of a Unit shall indemnify and hold Sponsor and its respective agents, employees, contractors and representatives harmless from and against any and all liability, loss, cost, expense or damage, foreseen or unforeseen, resulting from such access, including without limitation reasonable attorneys' fees and expenses.

8. Closing of Title to Units.

Closing of title to each Unit will be held at the offices of the Sponsor's counsel in New York City on such day as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. Such notice shall occur only upon the filing of an effectiveness amendment with the Department of Law. Such notice shall state the place and time where and when the balance of the Purchase Price is to be paid and shall state when Common Charges will be due and payable. No closing of a Unit shall occur until Sponsor has received from the New York City Department of Buildings a temporary or permanent certificate of occupancy. The Unit and its Appurtenant Interests shall be sold free and clear of all liens.

Sponsor has the right to postpone the Closing Date and to fix a new date for closing. In such event, Sponsor shall give Purchaser not less than ten (10) business days' prior notice of the new date and time of closing.

The foregoing shall not affect Sponsor's right to abandon or withdraw the Plan. If the Plan is properly abandoned or withdrawn, the Purchase Agreement will be deemed cancelled and all monies paid by Purchaser thereunder, together with interest earned thereon, shall be disbursed to Purchaser as discussed in the subsection entitled **Part I, "Trust Funds,"** above. After the funds are so disbursed, neither Purchaser nor Sponsor shall have any claims against each other in connection with the Purchase Agreement or this Plan, and each shall be released and discharged from all obligations and liabilities under the Purchase Agreement and this Plan resulting from its abandonment or withdrawal.

9. Delivery of Deed.

Upon delivery by Purchaser to Sponsor of (i) the balance of the Purchase Price, (ii) a Unit Owner Power of Attorney in favor of the Sponsor or the Condominium Board with respect to the Unit being sold and (iii) executed and acknowledged transfer tax returns in the form required to be filed with the City and State of New York, (a) Sponsor will execute, acknowledge and deliver to Purchaser a bargain and sale deed ("**Deed**") with covenants against grantor's acts, conveying fee simple title to each Unit subject only to the Permitted Encumbrances and such other title conditions as consented to by Purchaser, if any, and (b) the execution and delivery of all transfer documents including transfer tax returns. The Deed and Unit Owner's Power of Attorney will each be substantially in the form set forth as **Document No. 6 and 8**, respectively, in **Part II** of this Plan.

The acceptance of the deed with respect to the sale of a Unit shall constitute full performance by Sponsor under the Plan except for such obligations which by their terms survive closing as described under the Plan, the Purchase Agreement, the rules and regulations of the Attorney General, Sponsor's warranty hereunder and GBL § 352-e. The Purchaser of a Unit shall inspect the Unit prior to closing and deliver an inspection statement to Sponsor. Failure to deliver an inspection statement shall be deemed acceptance of the Unit in its then "as-is" condition

10. Risk of Loss or Damage to Units Prior to Closing

Purchaser shall assume the risk of loss and the obligation to repair any damage to the Unit, if while a tenant under an Interim Lease and before such closing the Unit is damaged by casualty or otherwise unless the cause thereof originated outside the Unit and did not result from the acts or omissions of Purchaser, his invitees or workmen. Except as set forth in the preceding sentence, all other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor or (in the event the Declaration has been filed) the Unit Owners do not elect to repair the damage (except for damage that Purchaser is obligated to repair as provided above), the Purchase Agreement will be cancelled and be of no further force or effect. Thereafter, the Deposit, together with interest earned thereon, shall be disbursed in accordance with the terms of the sub-section entitled "**Trust Funds**". If Sponsor (or the Unit Owners, if the Declaration has been filed) elect to repair or replace the loss or damage so as to restore the Unit substantially to its condition immediately preceding such loss or damage and can reasonably assure Purchaser that such work will be completed within six (6) months from the date of the casualty, the Purchase Agreement shall continue in full force and effect; in which event Purchaser shall not have the right to cancel the Purchase Agreement.

11. Broker

In the event Purchaser's broker is the sole Broker in the sale of the Unit, Sponsor will pay the sales commission to the Broker only if the Broker has entered into an agreement with Sponsor regarding the terms of sale and Purchaser has represented to Sponsor that Purchaser has not dealt with any broker other than such Broker in connection with purchasing his Unit and will indemnify Sponsor against the claims of any other broker.

12. No Lien

Neither the Purchase Agreement nor the Deposit made thereunder shall constitute a lien against the Property or the Unit.

13. Agreement May Not Be Assigned

The Purchase Agreement may not be assigned or transferred by Purchaser without his first obtaining the express prior written consent of Sponsor. The Plan will not be declared effective based on Purchase Agreements which has been assigned or transferred, except as permitted in **Part I, "Effective Date"**. Notwithstanding any consent to an assignment of the Purchase Agreement agreed to by Sponsor, the Purchaser shall not be released from liability under his Purchase Agreement by reason of such assignment should his assignee default. Sponsor's consent, if given, will not be deemed to be consent to any further assignment of the Purchase Agreement.

UNIT CLOSING COSTS AND ADJUSTMENTS

The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Unit are set forth below.

SPONSOR MAKES NO REPRESENTATION OR WARRANTY AS TO THE ACTUAL CLOSING COSTS. THE COSTS BELOW ARE ONLY ESTIMATES AND ARE SUBJECT TO CHANGE.

Unit Closing Costs

At the closing of title to each Unit, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the day of closing, (i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal year for which assessed, including water charges and sewer rents, if separately assessed; (ii) Common Charges for the month in which title closes; and (iii) rent and other charges, if any, if there shall be an Interim Lease for such Unit. If the Unit has not been separately assessed for the then current fiscal tax year at the time of closing title, the apportionment of real estate taxes shall be based on the Unit's proportionate share (the percentage applicable to its Common Interest) of the then current real estate taxes assessed against the Property. Installments for tax assessments due after delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title.

In the event Units have not been separately assessed prior to the First Unit Closing, Sponsor may place in escrow in the name of the Condominium an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six (6) month period subsequent to the Unit closing. The Condominium will pay taxes on the Units when due and the owners of the Unit will reimburse Sponsor for any tax paid on their behalf. The amount of the escrow will be disclosed in the first post-closing Amendment to the Plan.

At the time of title closing, each Purchaser of a Unit will pay certain closing costs in addition to any legal fees of Purchaser's counsel and the amount of any net credit in favor of Sponsor resulting from the closing apportionments described above. Such closing costs will include, but may not be limited to the following, the amounts of which are subject to change without prior notice or amendment. The amount of Sponsor's counsel fees and expenses set forth in sub-section 8 below may only be changed by filed amendment.

1. If Purchaser elects to obtain fee title insurance, he will pay a premium therefor which will vary depending upon the amount of insurance requested. The premium for fee title insurance, if ordered from Fidelity National Title Insurance Company, 485 Lexington Avenue, New York, New York 10017, telephone: (212) 481-5858, will be in accordance with the schedule of rates set by the New York Board of Underwriters and filed with the New York State Insurance Department. At the present time, the rates are as follows:

Fee insurance for property is \$281.00 for the first \$35,000 of such insurance plus \$4.67 for each \$1,000 of insurance above \$35,001 up to \$50,000; plus \$3.80 for each \$1,000 of insurance from \$50,001 to \$100,000; plus \$3.05 for each \$1,000 of insurance above \$100,001 up to \$500,000; plus \$2.79 for each \$1,000 of insurance above \$500,001 up to \$1,000,000, plus \$2.56 for each \$1,000.00 of additional insurance from \$1,000,001 to \$5,000,000. Similarly, if Purchaser is required to provide mortgage insurance for his lender, his cost will be \$134 for the first \$100,000 of insurance and up to \$791 for each \$100,000 of insurance over \$1,000,000. The

foregoing reflects the 70% discount of the mortgage insurance fee when both fee and mortgage insurance are purchased simultaneously. Each Purchaser is entitled to select title insurance from any title insurance company licensed to issue fee title and mortgage insurance in the State of New York other than from Fidelity National Title Insurance Company. Sponsor makes no representation or warranty as to the cost, terms or availability of such other title insurance at the time of closing for a Unit.

2. Each Purchaser will, in all events, pay a fee for recording the Deed to the Unit and the Unit Owner's Power of Attorney of \$42.00 for each instrument plus \$5.00 per page, together with a service charge to the title company for such recording of approximately \$75.00 per instrument;

3. If Purchaser obtains a mortgage loan, Purchaser will pay mortgage recording tax in the amount provided by Applicable Law (at present, the 2.05 % of the principal amount of the mortgage for mortgages of less than \$500,000.00 and 2.130% for mortgages of \$500,000.00 or more) and a fee and service charge to the title company for recording the mortgage at the same rates given above for recording the Deed and Unit Owner's Power of Attorney. Purchaser will also pay to Sponsor a sum equal to the partial mortgage tax credit, if any, to which Purchaser is entitled under Section 339-ee(2) of the New York Condominium Act. Such payment is offset against Purchaser's Mortgage Recording Tax on a dollar for dollar basis. Purchaser may be entitled to a credit of .25% of the mortgage recording tax from his lender.

4. Each Purchaser will be required to pay New York City Real Property Transfer Tax (the current rate for residences sold for less than \$500,000 is 1% of the amount of the Purchase Price and for residences sold for \$500,000 or more is 1.425% of the amount of the Purchase Price) as well as the New York State Real Estate Transfer Tax (the rate of which is, at present, \$2.00 per each \$500.00 of the Purchase Price).

New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax are customarily borne by Seller; but under the Plan they are required to be paid by Purchaser. Both New York City and New York State require that any expense customarily paid by Seller which is passed onto Purchaser is added to the Purchase Price for the calculation of transfer tax only. Thus, a Purchaser will pay slightly higher transfer taxes than would be paid by Sponsor if it were required to pay the taxes.

5. Each Purchaser acquiring a residence with a purchase price of \$1,000,000 or more will be liable to pay an additional New York State tax equal to one percent (1%) of the Purchase Price of the Unit (the so-called "Mansion Tax").

6. If Purchaser obtains a mortgage loan, then Purchaser will be responsible for paying all closing costs and expenses in connection therewith in amounts determined by the lender. Generally, such costs include but are not necessarily limited to: a fee charged by the lender's attorney; an application fee, an appraisal fee; an inspection fee; a fee for recording the mortgage; and, perhaps, an origination fee, or "points" as any other charges which may be imposed on Purchaser by his lender. Sponsor makes no representation or warranty as to such closing costs and expenses or as to the availability of such financing;

7. If Purchaser has dealt with any broker in connection with the purchase of his Unit other than a broker engaged in writing by Sponsor, then Purchaser may be required to pay the commission to such broker unless Sponsor expressly agrees otherwise in writing;

8. Each Purchaser shall pay a closing fee of \$1,500.00 to Sponsor's counsel. If, however, Purchaser does not close on the date designated for the transfer of title to the Unit (unless closing is adjourned by Sponsor), Purchaser shall pay to Sponsor's counsel an additional closing fee of \$250.00 to Sponsor's counsel; further, if Purchaser assigns the Purchase Agreement (which assignment cannot be made without Sponsor's prior written consent), or if the closing takes place out of the office of Sponsor's attorney, then an additional closing fee of \$250.00 will be charged for each such event.

9. Each Purchaser of a Unit shall contribute an amount equal to two (2) months' then current Common Charges to the Working Capital Fund, and one (1) month's then current Common Charges to the Reserve Fund. Neither the Working Capital nor Reserve Funds may be used by the Condominium to defray operating expenses.

As stated above, Purchaser may use any title company licensed by the Insurance Department of the State of New York as Purchaser's title insurer without incurring any additional cost from Sponsor or its counsel.

Mortgage Tax Credit

In the event a mortgage recording tax credit becomes available to Sponsor, Purchaser will cooperate with his lender to take an assignment of Sponsor's mortgage, thereby enabling Sponsor to receive a mortgage recording tax credit available under those circumstances. Accordingly, at closing, a Purchaser who elects mortgage financing will be charged and shall pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed, except that the credit portion of the tax will be paid to Sponsor as reimbursement for mortgage recording tax previously paid by Sponsor.

A Purchaser should be aware that recording charges, fees and taxes above are based on rates in effect at the date of presentation of the Plan and are subject to change without notice. Premiums for title insurance will vary depending upon the Purchase Price and the amount of any mortgage loan. No representations are made as to the amounts of any charges, fees and taxes at the time of closing or as to the availability, cost or terms of financing.

An Example of the Estimated Costs, Fees and Charges to be Paid by a Purchaser of a Unit.

The estimated closing costs and expenses to be incurred by a Purchaser for a Unit are:

(Purchase Price-\$1, 000,000; Mortgage -\$600,000) is as follows:

1. Fee Title Insurance	\$4,508.00	
Mortgage Title	732.00	
Total Title Insurance		\$5,240.00
2. Departmental Searches and Endorsements		300.00
3. Recording-(Deed, Mortgage, Unit Power of Attorney		550.00
4. Mansion Tax		10,000.00

5.	Mortgage Recording Tax (\$600,000 X 2.80% less \$30.	16,770.00
6.	New York City Transfer Tax (\$1,000,000 X 1.425%)	14,250.00
	New York State Transfer Tax (\$1,000,000 X .4%	4,000.00
	<u>New Purchase Price for Transfer Tax Purposes</u>	
	New York City Transfer Tax (\$1,018,250 X 1.425%)	14,510.62
	New York State Transfer Tax (\$1,018,250 X .4%)	<u>4,073.00</u>
	Transfer Tax	18,583.62
7.	Sponsor's Counsel Fee	1,500.00
8.	Working Capital Fund	7,333.33
9.	Reserve Fund	<u>3,666.67</u>
	Total	\$ 63,943.62

SPONSOR'S RIGHTS AND OBLIGATIONS

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

Sponsor will bear all costs and expenses to be incurred in connection with the creation of the Condominium and the preparation, filing and distribution of the Plan. In addition, Sponsor will pay all the selling expenses and brokerage commissions of any broker engaged or agreed to be paid by Sponsor.

If, at the time of closing of an individual Unit, there are violations of record (except violations that result from the acts or omissions of Purchasers in their individual Units) or title defects (other than Permitted Encumbrances, if any) affecting the Property at the time of the First Unit Closing, then except as otherwise provided in the Plan, Sponsor will at its sole cost and expense cause the violations or defects to be cured and removed of record; (See **Part I, "Effective Date"** and **"Closing of Title to Units"**); provided, however, Sponsor may abandon the Plan if the aggregate cost of the removal of defects of title is equal to or exceeds the greater of one half of one per cent (.5%) of the total offering price of each Unit offered for sale under the Plan. The existence of any violations or defects will not constitute an objection to title or excuse any Purchaser from completing payment of the balance due under his Purchase Agreement (without provision for escrow), provided that Sponsor either furnishes adequate proof that such violation or defect has been cured or remedied or deposits with its counsel a sum deemed adequate by the Architect to secure Sponsor's obligation to cure and remedy such violation or defect subsequent to the First Unit Closing. Sponsor shall procure fire insurance coverage, on behalf of the Condominium at the Condominium's expense to be effective at the First Unit Closing pursuant to an agreed amount replacement value policy sufficient to avoid co-insurance as set forth in **Part I, "Footnotes to Schedule B"**.

Immediately following the First Unit Closing, Sponsor will assign to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume, all assignable service and maintenance contracts, warranties and agreements relating to the Property. The Condominium will indemnify Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the First Unit Closing occurs.

Units.

Title to each Unit will remain in Sponsor until the Unit is sold and a deed or appropriate transfer documents is delivered to the Purchaser. From and after the First Unit Closing, Sponsor will be obligated to pay Common Charges, special assessments and real estate taxes for any Units it then owns and to perform other duties as a Unit Owner with respect to such Units for as long as same are owned by Sponsor.

Sponsor represents that it has the financial resources to meet its obligations with respect to Units. The source of funding will come from the cash and securities of Sponsor, the sale of Units, rental received from the lease of Units, rental received from other rental property or the sale or

mortgage of other property owned by Sponsor or its principals. Sponsor has sufficient funds from its own resources to complete the construction of the Building..

Sponsor is obligated to repair any damage from a casualty or other cause which occurs prior to a closing of a Purchaser's Unit unless caused by the Purchaser or such occurs after Purchaser has taken possession of the Unit under an Interim Lease.

General Obligations

Sponsor represents that until the First Unit Closing, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the Presentation Date of the Plan, subject to strikes, lockouts, labor difficulties, acts of God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which Sponsor is reasonably unable to exercise control.

Sponsor will diligently complete construction of the Condominium substantially in accordance with the plans and specifications filed with the New York City Department of Buildings, subject to Sponsor's right to amend same in the ordinary course of the construction; provided that Sponsor may not:

- (a) substitute equipment or materials of lesser quality or design; or
- (b) change the size, location of Units, other improvements, or Common or Limited Common Elements, if such will affect the percentage of Common Elements or adversely affect the value of any Unit which has closed or for which a Purchase Agreement has been executed unless all affected Unit Owners and contract vendees consent in writing to such change.

Sponsor will deliver to the Condominium Board a copy of the "as-built" plans filed with the recording of the Declaration and a full set of building plans with "field changes" noted. Sponsor shall pay for all authorized and proper Work involved in the construction, establishment and sale of the Units which Sponsor is obligated to complete under the Plan and will cause any mechanics' liens to be promptly discharged or bonded within thirty (30) days of notice thereof.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified in the TCO. No change in use or occupancy shall be made unless a new TCO certificate is issued.

All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered with a TCO rather than a FCO. Sponsor anticipates that scenario may occur under this Plan. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining an FCO covering the entire building within two (2) years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two (2) year period. **NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE ITS BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO (2) YEAR PERIOD WHILE KEEPING THE TCO CURRENT.** Unit owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

Purchasers are advised to visit the DOB website to obtain a Factsheet on Certificates of Occupancy(http://nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf)for further recommendations when purchasing a unit in a building that does not have an FCO.

Sponsor shall maintain in escrow with its counsel an amount sufficient, in an opinion certified to by the Architect, to complete the work necessary to obtain a permanent certificate of occupancy.

In the event of the dissolution or liquidation of Sponsor or the transfer of twenty (20%) per cent of the Unsold Units by Sponsor in connection with a liquidation, dissolution or reorganization, the principals of Sponsor will provide a financially responsible entity or individuals who will assume the obligations of Sponsor under the Plan and Applicable Law with respect to the Property.

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

The foregoing sets forth the entire extent of the obligations of Sponsor and no other obligations will be implied, except that nothing contained herein will be deemed to limit the rights of a Purchaser under his Purchase Agreement. Sponsor will defend any suits or proceedings arising out of the Sponsor's acts or omissions and indemnify the Condominium Board and the Unit Owner from same. Except as otherwise set forth in this Plan, Sponsor makes no representations or warranties other than as set forth in the Plan. Sponsor will not be liable for any Claims or obligated to defend any suits with respect to any Unit arising out of any occurrence taking place on or after the date of the closing, except suits or claims arising out of the acts of Sponsor or its principals or the representations made by Sponsor in this Plan.

Obligations of Sponsor hereunder with respect to the Condominium and the Common Elements will be enforceable only by the Condominium Board on behalf of all Unit Owners. In no event will any obligations of Sponsor under this Section be enforceable by individual Unit Owners unless the Condominium Board fails to take reasonable action to enforce such obligations within ninety (90) days following receipt of written notice of such Claim by any Unit Owner to the Condominium Board.

Sponsor has not furnished any bond or other security for the performance of its obligations under the Plan. However, Sponsor has purchased and renovated the Building with its own funds and considers the amount necessary to obtain an FCO for the building within its means. Sponsor shall disclose in the first post closing Amendment to the Plan the source and amount of any security it may post to securitize its undertaking and its Architect's Certification thereto.

Sponsor warrants that the quality of workmanship and materials used to construct the Building, including the Units and Common Elements, will meet or exceed any relevant specific standards required by applicable building codes, or in the absence of such codes, will exceed the standards of locally acceptable practices for newly constructed buildings located in the vicinity of the Property. Any condition which does not meet such standards shall be deemed to be a "Defect" which Sponsor is required to cure under the Plan. Sponsor will correct any Defect in materials or workmanship applicable to the Units or the Common Elements or a Defect in design which renders a portion of the Building (including the Common Elements, Units, and/or Equipment) unsafe or inoperable up to Sponsor's limitation of liability set forth in the Plan.

Sponsor does not warrant the materials and workmanship of each Unit, Common Element or Appurtenant Limited Common Elements as provided in the Housing Merchant Implied Warranty Law because said Law does not apply to this Offering in that the Building is in excess of five (5) stories. Notwithstanding the foregoing limitations or disclaimers, Sponsor remains obligated to construct the Building and perform the Work in accordance with applicable codes and filed plans and specifications. The foregoing limitation will not be applicable to liability arising from a violation by Sponsor of Article 23-A of the GBL. Any conflict between the disclaimers and Sponsor's obligation to construct the Building in accordance with applicable codes, plans and specifications will be resolved in favor of the latter.

Prior to taking possession of the Unit under an Interim Lease or acquiring title to the Unit, Sponsor and Purchaser, or Interim Lessee, will inspect the Unit to identify any defects or flaws which are apparent including, without limitation, (i) chips, dents, cracks, scratches which may have occurred during Sponsor's finishing of the Unit or (ii) unfinished work. The purpose of this final inspection is to establish any defects of a visible, obvious or patent nature, or any unfinished work which may have occurred during the final stages of finishing the Unit. Purchaser shall deliver a list of such items ("Punch List") to Sponsor within three (3) days prior to taking possession of or purchasing the Unit. Such list will be signed by Sponsor and Purchaser (or Interim Lessee).

Sponsor's liability to Purchaser or Interim Lessee with respect to open and visible defects, shall be limited to those items on the list. However, the absence of a Defect on the list shall not relieve Sponsor of its responsibilities to fix construction defects of a latent or hidden kind or nature which would not be reasonably expected to be seen during the final inspection for any damage incurred in the Unit or Common Elements resulting from Sponsor's failure to meet or exceed applicable building codes. Sponsor shall make reasonable efforts to complete the construction with a minimum of interference with the Unit Owner's use of his Unit.

Sponsor is not responsible for any defects in work or materials, or design services of a third party ordered directly by Purchaser from any third party, or from any incidental or consequential damages resulting from such work or materials.

The following are expressly excluded from coverage hereunder.

(a) Loss or damage caused by defective design, materials or workmanship performed by Persons other than Sponsor, its agents or sub-contractors.

(b) Patent defects which Purchaser included or failed to be included on his Punch List.

(c) Damage caused or made worse by the negligence, improper maintenance or operation of Purchaser or any Person other than Sponsor, its agents or subcontractors

(d) Failure by Purchaser or any person other than Sponsor, its agents or subcontractors to comply with warranty requirements of manufacturers or suppliers of appliances or equipment.

(e) Failure by Purchaser to give Sponsor timely notice of any latent defect or for which Unit Owner has not taken reasonable action to mitigate.

(f) Changes, alterations or additions made by any Person other than Sponsor, its agents or subcontractors closing or occupancy under an Interim Lease (except for work done by Sponsor on Punch List items).

(g) Loss or damage caused by or resulting from accidents, fire, smoke, Acts of God and the elements or other matters not reasonably foreseeable and are not within the reasonable control of Sponsor.

(h) Loss resulting from water damage unless due to the materials or workmanship of Sponsor, its agents or subcontractors.

(i) Normal wear and tear and normal deterioration. This includes damage due to normal shifting or settling of the Building or defects of an insubstantial nature, including, but not limited to, partial or total death of landscaping improvements, nail pops, riding of sheet rock walls, lumber shrinkage, door sticking due to weather, door warpage, bath tile grouting, slight separation of joints or kitchen tile or wood flooring, floor levels, ceiling imperfections, painting defects, alignment of bathroom finishes and air infiltration from windows, paint touch-ups or chips, mars, breaks or defects in electric fixtures, interior painted surfaces, sinks, tubs, bowls,

shower doors, kitchen cabinets, counter tops, vanity tops and bases, medicine cabinets, doors, mirrors and hardware except as agreed in the Punch List.

- (j) Bodily injury or loss or damage to personal property.
- (k) Loss or damage if the Unit is being used for non-residential purposes.
- (l) Costs of shelter, transportation, food, moving storage or incidental expenses relating to relocation during repair and
- (m) Consequential damages, except when required by law.

In the event a Claim relating to a Defect is made by a Unit Owner or the Condominium Board, Sponsor will repair, replace, or pay for the repair and replacement of, the defective item within a reasonable period of time after Sponsor's inspection or testing confirms the Defect and Sponsor's responsibility to cure same. Sponsor shall solely determine whether to repair or replace the defective item.

Sponsor's total and maximum liability for deficiencies to the Building and each Unit shall not exceed the sum of one half of one percent (.5%) of the purchase price of each Unit and one half of one percent (.5%) of the purchase price of all Units in the Building for all Claims relating to the Building, including all of the Units and Common Elements. The foregoing limitation will not be applicable to liability arising from a violation by Sponsor of Article 23-A of the GBL.

The repair or replacement, or payment for the repair or replacement, of a Structural Defect is limited to (1) restoring the load-bearing function to the load-bearing portions affected by the Defect and (2) repairing or replacing those items of the Unit damaged by the structural defect.

Upon completion of the repair or replacement of the item or condition, Sponsor shall be released from further liability with regard to the Defect. Owner or the Condominium Board shall execute and deliver a signed release in favor of Sponsor.

Each Unit Owner shall grant Sponsor access to his Unit in order to permit Sponsor to complete construction of the Units and Common Elements and perform repairs and replacement.

Sponsor has purchased and renovated the Property solely with equity provided by the company's principals. Accordingly, the Property is debt free. Sponsor and its principals consider themselves financially secure and able to meet all of their financial obligations under the Plan.

Sponsor represents that: it is not now, nor shall it be at any time an individual, corporation, partnership, joint venture, trustee of a trust, limited liability company, unincorporated organization, real estate investment trust or any other form of entity (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulations, executive orders and lists published by the Office of Foreign Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by the OFAC with respect to

Persons who have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC or otherwise; and neither Sponsor nor any person who owns an interest in Sponsor is now nor shall be at any time a Person with whom a U.S. Person, including a “financial institution” as defined in 31 U.S.C. 5312 (a) (z), as periodically amended, is prohibited from transacting business of the type contemplated by this Plan, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC or otherwise.

Sponsor represents that it or it has taken, and shall continue to take such measures as are required by applicable law to assure that the funds used for the construction of the Building, development of the Property and all matters in connection with the Property are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated. Sponsor shall be and remain in compliance with any and all applicable provisions of the USA Patriot act OF 2001, Pub. L No.107.56, the Bank Secrecy Act of 1970, as amended, 31 USC 5311 et Seq., the Trading with the Enemy Act, 50 USC App. Section 1 et seq., the International Emergency Economic Powers Act, 50 USC App. Section 1901 et Seq. and the sanctions promulgated pursuant thereto by the OFAC, as well as laws relating to the prevention and detection of money laundering in 18 USC Sections 1956 and 1957. The provisions shall survive the closing of title

SPONSOR CONTROL PERIOD

The Units offered under the Plan are owned by Sponsor. After recording the Declaration and By Laws, Sponsor shall initially appoint three (3) members to the Board of Managers. The three (3) members shall be Ferruccio Sbarbaro, Maurizio Principato and Eleonora Sbarbaro. All of the Members of the Board are principals of Sponsor.

Sponsor will provide any funds required to defray expenses which (i) conform to the First Year Operating Budget for the Condominium; or (ii) are required to comply with Applicable Law, including to cure any Building violations; (iii) are necessary to remedy any work order by an insurer which is the responsibility of the Sponsor to remedy or (iv) any matter which may affect the health and/or safety of the occupants of the Building. See **Part I, "Rights and Obligations of Condominium Board"**.

Sponsor shall control the Board of Managers until the **earlier** to occur of (i) the closing of title to more than fifty percent (50%) of the number of Units and the aggregate Common Interest applicable thereto or (ii) five (5) years after the First Unit Closing ("**Sponsor's Control Period**"). See "**Summary of By-Laws**". At such time and upon such occasion, Sponsor shall relinquish majority representation on the Board by resignation of sufficient number of its designated members of the Board, with the result that a majority of the members of the Board are non-Sponsor owners of Units.

Sponsor shall disclose that a meeting of the Condominium Owners shall be held within thirty (30) days of the expiration of the Control Period.

Thereafter, Sponsor will be entitled to appoint one (1) member to the Condominium Board of Managers for as long as Sponsor owns at least one (1) Unit.

Notwithstanding the foregoing, and as long as Sponsor continues to own at least either twenty-five percent (25%) of the Units or Common Interest applicable thereto during the first five (5) years following the Closing of the First Unit (whether or not it controls the Board of Managers of the Condominium during that time period), the Condominium Board will not without the Sponsor's written consent:

- (a) make any addition, alteration or improvement to the Common or Limited Common Elements or to any Unit, unless required by Applicable Law;
- (b) assess any Common Charges or Special Assessments for the creation or replacement of, or addition to, all or part of a reserve, contingency or surplus fund, in excess of the lesser of (i) ten percent (10%) in the aggregate of the Common Expenses for each fiscal year of operation or (ii) the maximum assessment permitted under Applicable Law;

- (c) enter into any service or maintenance contract for work not covered in the budget for the First Year of Condominium Operation;
- (d) borrow money on behalf of the Condominium; or
- (e) exercise a right of first refusal to purchase or lease a Unit.

However, Sponsor may not exercise its veto over the expenses referred to above which (i) conform to the First Year Budget; (ii) are required to comply with Applicable Law, including the curing of any Building violations; (iii) are necessary to remedy any work order of the Condominium's insurer which is the responsibility of the Condominium to remedy or (iv) any matter which may affect the health and /or safety of the occupants of the Building. See **Part 1, "Control by Sponsor"** and **"Rights and Obligations of Condominium Board"**.

RIGHTS AND OBLIGATIONS OF CONDOMINIUM BOARD

SUMMARY OF BY-LAWS

The Condominium Board

The affairs of the Condominium will be governed by its Board of Managers, which will consist initially of three (3) members designated by Sponsor who will serve from the date the Plan is declared effective until the First Unit Closing. Thereafter, the Owner of the First Unit Closed shall appoint a 4th member to the Board of Managers. Within thirty days after the second Unit Closing, the Owner of the Second Unit Closed shall appoint a 5th member to the Board of Managers.

SUBJECT TO THE LIMITATIONS SET FORTH IN THE PLAN, THE MEMBERS OF THE CONDOMINIUM BOARD, INCLUDING SPONSOR'S REPRESENTATIVES HAVE A FIDUCIARY DUTY TO ACT IN GOOD FAITH AND IN THE INTEREST OF THE CONDOMINIUM AS A WHOLE IN THE TREATMENT OF ALL UNIT OWNERS.

All members of the Condominium Board must be either: (i) appointed by Sponsor, (ii) individual Unit Owners; (iii) officers, directors, shareholders, partners, members, principals, employees or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries, or any other entities that are Unit Owners, or (iv) adult Family Members of any of the foregoing. Other than members designated by Sponsor, no member will continue to serve on the Condominium Board after he ceases to be a Unit Owner or a person appointed by a Unit Owner in the manner described immediately above.

Members of the Condominium Board are subject to removal with or without cause by the vote of Unit Owners owning a majority of the Common Interest in the Condominium attending a duly called meeting for that purpose at which a majority of the members of the Board are present, which shall constitute a quorum. The Condominium Board will designate a replacement for any member who has been removed from the Condominium Board.

Members of the Condominium Board, including members appointed by Sponsor, must serve as fiduciaries and always act in the best interest of the Condominium with regard to contracting or effecting transactions with the Condominium or any member of the Board. All members of the Condominium Board will serve without compensation.

Powers and Duties of the Condominium Board

The Condominium Board will have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (subject to the limitations set forth in the By-Laws), including, without limitation, the operation, care, upkeep and maintenance of the Common Elements, determination and collection of the Common Charges and Special Assessments, employment and dismissal of the personnel necessary for the maintenance and operation of the Condominium, adoption and amendment of Rules and Regulations, maintaining

bank accounts on behalf of the Condominium, purchasing, leasing or otherwise acquiring Units in the name of the Condominium Board or its designees, selling, leasing, mortgaging or otherwise dealing with (but not voting the Common Interests applicable to) Units acquired or leased by the Condominium Board, making repairs, additions and improvements to, or alterations of, the Property and the Common Elements, and generally manage and supervise the Condominium pursuant to the Declaration and the By-Laws. See **Article 2** of the **By-Laws** for further details.

The Board of Managers may hire a managing agent for the Condominium.

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

Officers of the Condominium

The officers of the Condominium will consist of the President, Vice President, a Secretary and a Treasurer, all of whom will be elected annually by a majority vote of the Condominium Board. Any officer of the Condominium may hold more than one office. All officers will serve without compensation from the Condominium. None of the officers need be Unit Owners until the three (3) member Condominium Board is elected at the first meeting after the First Unit Closing. Thereafter, both the President and the Vice President must be members of the Condominium Board and Unit Owners (or officers, directors, shareholders, partners, members, employees or beneficiaries, or their Family Members, of corporations, partnerships, limited liability companies, that are Unit Owners or designees of Sponsor). Any officer may be removed without cause by vote of a majority of the members of the Condominium Board at a meeting duly called for such purpose except for an officer representing Sponsor who may be removed only for cause. Sponsor shall designate a replacement for any officer selected by Sponsor who has been removed by the Condominium Board.

Meetings and Votes of the Unit Owners

Except for the first meeting, the Unit Owners will hold annual meetings on or about the last Thursday in April of each year. At each annual meeting and subject to the terms of this Plan, the Unit Owners may elect successors to the members of the Condominium Board. In addition, special meetings of Unit Owners may be held from time to time pursuant to the By-Laws whenever necessary for the management of the affairs of the Condominium.

Each Unit Owner will be entitled to cast one vote at all meetings of the Unit Owners for each 1% of Common Interest attributable to his Unit, except that, when voting for the election of members of the Condominium Board, each Unit Owner (i) will be entitled to one vote for each 1% of Common Interest attributable to his Unit per member to be elected but (ii) will not have the right to cumulate his vote in favor of any one or more members to be elected. The presence, in person or by proxy, of Unit Owners having at least a majority of the votes (i.e., aggregate Common Interests) of all Unit Owners will constitute a quorum at all meetings of the Unit

Owners, and, unless otherwise provided, the decision of the Unit Owners casting a majority of the votes of the Unit Owners at a meeting at which a quorum is present will be binding upon all Unit Owners. However, elections of members of the Condominium Board will be determined by plurality vote.

Repairs, Alterations and Improvements to Common Elements

Decisions regarding painting, decorating, maintenance, repairs and replacements to the Common Elements, whether located inside or outside Units, will be made by the Condominium Board. The cost of maintenance, repairs and replacements to the Common Elements, shall be a Common Expense, unless maintenance is necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such Unit Owner will bear the entire cost thereof. The costs of decorating a Limited Common Element shall be made by and at the sole cost of the Owner of the Unit having the exclusive use of such Limited Common Element. Structural repairs and replacements shall be made by persons retained by the Condominium Board and the cost shall be borne by all Unit Owners as a Common Expense unless such damage resulted from the negligence, misuse or neglect of the appropriate Unit Owner. The cost of snow removal from sidewalks will be a Common Expense. Notwithstanding the foregoing, the right of the Board to authorized the additions, alterations or improvements will require the consent of Sponsor during the first five (5) years of Condominium operation for as long as (i) Sponsor owns a Unit, Sponsor must authorize such additions, alterations or Improvements if required under Applicable Law by the insurers of the Condominium. **See Part 1, "Sponsor's Control Period".**

Whenever, in the judgment of the Condominium Board, the Common Elements require additions, alterations or improvements for which the Condominium Board is responsible which cost more than five thousand (\$5,000.00) dollars in the aggregate in any calendar year, these additions, alterations or improvements will not be made unless approved by a Majority of Unit Owners including Sponsor, at a duly constituted Owners' meeting. If approved, the Condominium Board may, in its discretion, assess each Unit Owner his pro-rata share of the cost of such additions, alterations or improvements according to his Common Interest as part of the Common Charges. Any additions, alterations or improvements costing five thousand (\$5,000.00) dollars or less in the aggregate in any calendar year may be made by the Condominium Board without the approval of the Unit Owners and the cost thereof will constitute a Common Expense.

Insurance

The Condominium Board will maintain fire insurance policies with all risk extended coverage, insuring the Building (including the Building Systems and all Units, bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service systems and machinery contained therein, but not including appliances or any furniture, furnishings or other personal property supplied or installed by the Unit Owner) and covering the interests of the Condominium, the Condominium Board, all the Units (including those owned by Sponsor) and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement cost of the Building (exclusive of Land, foundation and footings) without co-

insurance and without deduction for depreciation. Each of such policies will contain a New York standard mortgagee clause in favor of each Permitted Mortgagee, which will provide that the loss proceeds thereunder, if any, will be payable to each such Permitted Mortgagee, as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium as set forth below.

All such policies will contain waivers of subrogation and of any defense based on co-insurance or invalidity arising from any acts of the insured and of pro-rata reduction of liability, and will provide that such policies may not be canceled or substantially modified without at least thirty (30) days' written notice to all the insureds, including Permitted Mortgagees.

The Condominium Board will also procure, to the extent practicable: (a) comprehensive general liability insurance as to personal injury and property damage in such limits and amounts as the Condominium Board may from time to time determine, covering each member of the Condominium Board, the Managing Agent (if any) and each Unit Owner; (b) rent insurance in an amount equal to the Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance, if required; (d) water damage legal liability insurance; (e) umbrella liability insurance in the amount of \$1,000,000 per occurrence and an aggregate of \$2,000,000; (f) officers' and directors' liability insurance; and (g) such other insurance as the Condominium Board may from time to time determine. Such public liability policies will also cover cross-liability claims of one insured against another. However, such insurance will not cover the individual liability of a Unit Owner arising from any occurrence within his own Unit or his Limited Common Elements.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board may determine. The cost of all insurance will be paid by the Condominium Board as a Common Expense.

The net insurance proceeds payable under insurance policies maintained by the Condominium Board by reason of damage to or destruction of any part of the Building by fire or other casualty will be payable to the Condominium and the Board will determine its use in accordance with the By-Laws.

Such proceeds will be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by Unit Owners. In no event will such proceeds be paid to the holder of any mortgage placed by a Unit Owner on his Unit unless in accordance with the provisions of Section 5.5 of the By-Laws or there is a determination not to rebuild the Building.

Until the first year of the Condominium Board elected by the Unit Owners, the insurance coverage will be in the amounts set forth in **Part I, Schedule B "Projected Budget for the First Year of Condominium Operation"**. The Condominium Board will review the insurance coverage on the Building annually.

Unit Owners are required to carry other insurance for their own benefit; provided that such policies contain waivers of subrogation and that the liability of the carriers issuing insurance procured by the Condominium Board will not be affected or diminished by reason of any Unit Owner's insurance. A Unit Owner is required to maintain, at his own expense: (a) separate insurance on the contents (i.e. furniture and other personal property and belongings) in his Unit, in such amount is deemed to be adequate to insure against loss by reason of fire or other casualty and (b) liability insurance against claims for personal injury or property damage resulting from occurrences in his Unit or his Appurtenant Limited Common Elements.

Repair or Restoration after Fire or Other Casualty

If the Building or any part thereof is damaged or destroyed by fire or other casualty, the Condominium Board will arrange for the prompt repair and restoration thereof (including any damaged Units, but excluding appliances, fixtures, furniture, furnishings or other personal property not constituting a part of the Unit).

If the insurance proceeds are insufficient to cover the cost of repairs and restorations to the Unit and/or Common Elements, the Condominium Board may assess all Unit Owners for any deficiency as a Common Expense. Any surplus insurance proceeds will be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment will be made to a Unit Owner until there has first been paid, out of his share of the funds, the amount necessary to satisfy unpaid liens on his Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

If seventy-five percent (75%) or more of the Building is destroyed or substantially damaged and the Condominium Board does not resolve within forty five (45) days after the occurrence to proceed with the repair or restoration thereof, the Building will not be repaired and will 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 the resulting sale, together with the net proceeds of insurance policies, will be divided among all Unit Owners in proportion to their respective Common Interests. No payment, however, will be made to a Unit Owner until there has first been paid out of his share of such funds, such amounts as may be necessary to discharge all unpaid liens on his Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens. If Sponsor is then a Unit Owner, it will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building.

Units Acquired by the Condominium Board

All Units acquired or leased by the Condominium Board or its designee will be held by the Condominium Board or its designee on behalf of all Unit Owners. Any Common Charges, purchase price, closing costs and closing adjustments payable in connection therewith will be assessed against all Unit Owners as a Common Expense. No Units held by the Condominium Board or its designee will carry voting rights.

Liability of the Condominium Board and the Unit Owners.

The members of the Condominium Board will have no liability to the Unit Owners for errors of judgment, negligence or otherwise, except that individual members will be liable for their own bad faith, willful misconduct or gross negligence. The members of the Board have a fiduciary duty to the Unit Owners and must always act in the best interests of the Condominium with regard to contracts for the operation of the Building. This means that any contracts which are made with any member of the Board, Unit Owner, Sponsor or any Affiliate shall be at arm's length and such relationship shall be first disclosed to the Owners. Otherwise, such arrangements will be deemed to be self-dealing.

Every contract made by the Board, by an officer of the Condominium, or by the Managing Agent of the Building will contain a statement (if obtainable) that (a) the contract is made only as agent for all Unit Owners, and the members of the Board or such officers will 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 will be limited to such proportionate share of the total liability thereunder as the Common Interest of the Unit Owner bears to the aggregate Common Interests of all Unit Owners unless otherwise provided by Applicable Law.

All Unit Owners will severally indemnify each member of the Board against any liability or claim, contractual or otherwise, except those arising out of the bad faith, willful misconduct or gross negligence of such member or that are contrary to Applicable Law, the Declaration or the By-Laws. However, the liability of any Unit Owner on account of such indemnification will be limited to his proportionate share thereof as the Common Interest of the Unit Owner bears to the aggregate Common Interests of all Unit Owners unless otherwise provided by Applicable Law.

General Indemnification Obligations

Subject to any specific limitation on the liability of Unit Owners set forth elsewhere in the By-Laws or in the Declaration, pursuant to the By-Laws, each Unit Owner, including Sponsor, will indemnify and hold harmless all other Unit Owners including Sponsor and the Condominium from and against all Claims which may be imposed upon or incurred by any of the foregoing by reason of: (i) any Work performed or required to be performed by such Unit Owner on or about the Property; (ii) any negligence, wrongful acts or omissions on the part of such Unit Owner or any of his Family Members, officers, directors, shareholder, partners, tenants, agents, contractors, servants, employees, licensees, or invitees; or (iii) any failure on the part of such Unit Owner to perform or comply with any of the terms or conditions contained in the Declaration or the By-Laws on its part to be performed or complied with.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sale and Lease of Unit: Right of First Refusal

Each Unit Owner may sell or lease his Unit but only after the Unit Owner has given the Condominium Board prior written notice of his intention to do so by delivery to the Board of a copy of a fully executed contract of sale or lease containing all of the material terms offered in good faith by the prospective purchaser or lessee. The Condominium Board, on behalf of all Unit Owners, will have the exclusive right to elect, within fifteen (15) days after receipt of the notice of sale or lease, to purchase or lease the Unit on the same terms set forth in the contract of sale or lease, such right being more specifically set forth in Article 7 of the By-Laws of the Condominium. If the Condominium Board does not notify the Unit Owner of its election to purchase or lease the Unit within the aforementioned time period or affirmatively waives such right, the Unit Owner may sell or lease the Unit pursuant to the terms of the contract presented to the Board; provided, however closing shall occur within one hundred twenty (120) days thereafter. If the sale or lease is not consummated within the one hundred twenty (120) day period, the Unit Owner will again be required to offer the Unit to the Condominium Board in the same manner as provided above. Each sale of a Unit will include a license for the exclusive access and use of a designated Bin located in the cellar of the Building.

The Condominium Board may not exercise its right to lease or purchase any Unit without the prior approval of the Owners of Units holding a Majority of the Common Interest at a meeting of Owners held for that specific purpose. However, the Condominium Board has the right to release or waive any such option without prior approval of such Majority of Unit Owners. If approval is given, the Condominium Board may assess each Unit Owner (other than the selling Unit Owner) in proportion to his Common Interest an amount necessary to effect the purchase or lease.

Notwithstanding the foregoing, the Condominium Board shall not have the right to purchase, lease or convey a Unit together with its Appurtenant Interest by (1) the Unit Owner transferring his Unit to any of his adult Family Members (individually or in any combination), or to a trust for the benefit of any of them or, in the case of a Unit Owner that is not an individual, to any Affiliates of such Unit Owner; (2) Sponsor with respect to any Unit owned by Sponsor; or; (3) the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; (4) any Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; or (5) the Unit Owner of such Unit by gift, or transfer by will or by intestacy.

A lease for any Unit must be in substantially the form of lease then approved by the Real Estate Board of New York, Inc., except for such changes thereto as are approved in writing by the Condominium Board as provided in the By-Laws and must expressly provide that (i) such lease may not be amended, modified or extended without the prior written consent of the Board, (ii) the tenant thereunder may not assign his interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Board and (iii) the Board

will 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 his obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Each conveyance of a Unit by a Unit Owner will include, as part of the property to be conveyed, the Unit Owner's (i) Common and Limited Common Interest (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); (iii) undivided interest in any other assets of the Condominium and (iv) a license for the exclusive access and use of the Bin applicable to the Unit. Each transfer of title to a Unit may not be conveyed unless all unpaid Common Charges, assessments and liens against such Unit, other than Permitted Mortgagees, are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner will be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor in the form set forth as **Document No. 8 in Part II** of this Plan.

Notwithstanding anything to the contrary contained in this Plan, Sponsor will not be obligated to pay any transfer fee, service fee or tax to the Condominium with respect to the lease or the sale of any of its Units.

Mortgage of Units;

Each Unit Owner may mortgage his Unit, provided that the Unit Owner first complies with the conditions set forth in Article 8 of the By-Laws. As more fully set forth in Article 8 these conditions include the requirement that (a) the mortgage be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan; (b) the Condominium Board is notified in writing of the making of such mortgage and is given a copy thereof; and (c) the Unit Owner making such mortgage is not in arrears for Common Charges and first satisfies all other unpaid liens against his Unit other than Permitted Mortgagees. Notwithstanding the above, Sponsor will have the right to mortgage its Units without any restriction or limitation, except that the Condominium Board shall be notified in writing when such mortgage is made and receives a copy of it.

Pursuant to the terms of Article 6 of the By-Laws, the Condominium Board has the right to revise its projections of the Common Expenses at any time and from time to time during any fiscal year of the Condominium. Any revision may result in an increase or decrease in the amount of Common Charges payable by Unit Owners during the fiscal year. However, no such revision will have a retroactive effect on the amount of Common Charges payable by Unit Owners prior to the date of the new determination. In addition, the Condominium Board will have the right to levy Special Assessments to meet expenses.

Unless otherwise determined by the Board, Common Charges will be payable in monthly installments, in advance, on the first day of each month. No Unit Owner will be relieved from

liability for the payment of his Common Charges by waiving the use of any of the Common Elements or by abandonment of his Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a permitted sale, transfer or other conveyance of it by him.

Any Unit Owner may exempt himself from future Common Charges by conveying his Unit without consideration to the Condominium Board and complying with certain conditions set forth in the By-Laws in connection therewith. Such conditions include that the Unit Owner must have been in title for at least three (3) years, made payment of all Common Charges and Special Assessments then due and payable with respect to his Unit prior to such conveyance and the Unit being free and clear of all liens and encumbrances.

On resale of his Unit, Purchaser will be required to satisfy unpaid Common Charges assessed against the Unit incurred prior to his closing, except that a mortgagee acquiring title to a mortgaged Unit or a Purchaser at a mortgage foreclosure sale will not be liable for such unpaid Common Charges, and the mortgaged Unit will not be subject to a lien for the payment of any Common Charges assessed subsequent to the recording of the mortgage and prior to the acquisition of title to the Unit by the Mortgagee or a Purchaser at a mortgage foreclosure sale. If the Condominium Board forecloses its statutory lien on any Unit for unpaid Common Charges and the net proceeds of the foreclosure sale are not sufficient to pay the unpaid Common Charges, or if such Unit is acquired by a mortgagee or purchaser at a mortgage foreclosure sale, then, in such event, the defaulting Unit Owner will remain personally liable for the balance of the unpaid Common Charges. The Condominium Board will have the right to assess the unpaid balance among all those who are Unit Owners at the time that the assessment is levied.

Under the provisions of 339-z of the Condominium Act and Article 6 of the By-Laws, the Condominium Board will have a lien on behalf of all Unit Owners on each Unit for unpaid Common Charges assessed against the Unit together with interest thereon. All such liens, however, will be subordinate, to the extent required by Applicable Law, to any liens for real estate taxes and municipal assessments on the Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a notice thereof in the Register's Office and until all sums secured thereby, with accrued interest, are fully paid, or until six (6) years from the date of filing (unless foreclosure of the lien is started within such six-year period), whichever is sooner. 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 the lien.

Restrictions on the Use of Units.

As more fully set forth in the Declaration and in the By-Laws, each Unit will be used only as a residence (except for home occupation use permitted by law), and not more than one unrelated family may occupy a Unit at one time. Notwithstanding the foregoing, the Condominium Board may, in its sole discretion, consent to the use of a Unit for any purpose,

provided that the nature and manner of such use complies with Applicable Law. Any such consent shall be in writing and shall be personal to such Unit Owner.

Sponsor may, for so long as it owns any Units in the Condominium use or grant permission for the use of any of its Units as model units and offices for the sales, promotions, management and operation of its Units, or lease them to third parties for occupancy without the consent of either the Board or any other Unit Owner, provided only that the nature and manner of such use complies with Applicable Law and does not violate the then existing certificate of occupancy for the Building.

The Owner of a Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other Person may be occupied by the Owner or by anyone Affiliated thereto. Notwithstanding the foregoing, 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 be sold, conveyed, leased or subleased except in accordance with the procedures established by the Condominium and no transient occupant (other than a guest permitted under this paragraph) may be accommodated therein.

The Board shall establish House Rules generally consistent with those following the By-Laws set forth in **Part II, Document No. 5**.

Each Unit Owner shall keep his Unit and his respective Common Elements and Limited Common Elements therein, if any, in a good state or preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

The Owner of the Garden Unit shall have the exclusive use of the ground floor outdoor space. The installation, replacement, maintenance and repair of any brick work, wood decking, wood fencing and/or structures legally and properly located at or erected in the outdoor space shall comply with Applicable Law and be the sole responsibility of the Owner of the Unit. The Condominium Board shall not unreasonably withhold its consent to the installation of any such brick work, decking or fencing.

Repairs and Maintenance of Units and Common Elements

Generally, all painting, decorating, maintenance, minor repairs and replacements, (other than those affecting Building Systems), ordinary or extraordinary in or to any Unit (other than the Common Elements contained therein) will be performed by the Unit Owner at his sole cost and expense. If repair or replacement is in or to the General Common Elements or Limited Common Elements and is structural in nature, such will be performed by the Condominium as a Common Expense to be shared by all Unit Owners.

Notwithstanding the foregoing, all maintenance, repairs and replacements to the Common Elements or Limited Common Elements, whether structural or non-structural, ordinary or extraordinary, necessitated by the negligence, misuse or abuse of a Unit Owner, will be made by such Owner at his own cost and expense.

The By-Laws of the Condominium require that each Unit, all Limited Common Elements appurtenant thereto and all portions of the General Common Elements be kept in first-class condition (and, with respect to any balcony or terrace 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, whichever is responsible for the maintenance thereof. The By-Laws further require that those public or other areas of the Building that are exposed to public view (whether they are required to be maintained by a Unit Owner or by the Condominium) be kept in good appearance in conformity with the dignity and character of the Building by such Owner or the Condominium, as the case may be. In the event that any Unit Owner fails to keep his Unit or its Appurtenant Limited Common Elements in good condition, the Condominium Board may, at the expense of such Unit Owner, authorize entry into the Unit or its appurtenant Limited Common Elements to perform any acts necessary to cure the default. See the subsection below entitled "**Rights of Access**".

Federal Regulations on Lead-Based Paint.

Because of the recent construction of the Building, there is no lead based paint in the Building.

Alterations and Improvements of Units and Common Elements

No Unit Owner (except Sponsor) may perform any structural Work in or to his Unit or his Appurtenant Limited Common Elements without the prior written approval of the Condominium Board, which will not unreasonably withhold its approval. It is anticipated that a number of Unit Owners may wish to perform Work in or to their Units. In order to coordinate the performance of Work and to maintain the integrity of the Building, the Building Systems, the Facilities and the Common Elements, the following procedures will govern structural Work to be performed by Unit Owners. Such Owner is required to submit his plans prior to the commencement of the Work for the review of an engineer or architect retained by the Board but at the expense of the Unit Owner. Such approval may be conditioned in the discretion of the Condominium Board upon the Owner's compliance with the following:

(i) The Owner shall submit to Sponsor and the Condominium Board proposed plans and specifications (the "**Proposed Plans**") for the Work that the Owner wishes to perform. Such Proposed Plans must be prepared by a licensed architect or engineer engaged by the Owner (the "**Owner's Architect**") at the Owner's sole cost and expense.

(ii) The Owner shall submit an estimate prepared by a licensed contractor of the cost of the Work together with evidence of the Owner's financial ability to complete the Work and submit his check to the order of such licensed architect or engineer the Condominium Board has retained (the "**Building's Architect**") to review the Proposed Plans.

(iii) The Owner shall promptly cause his Architect to make all changes that may be required by Sponsor, the Condominium Board and the Building's Architect. The Owner shall

promptly pay such additional fee(s) as may be incurred in connection with the review by the Building's Architect of any such changes.

In this regard, each Owner acknowledges that the Condominium Board and the Building's Architect may deny or condition their approval of or require the Owner to make changes in and to his Plans and Specifications for a broad range of reasons, including, without limitation, compliance with Applicable Law, concerns regarding the impact of the Work on the capacity of Building Systems and Facilities, concerns about the impact and/or potential encroachment of the Work (both during construction and as ultimately completed) on other Unit Owners, other Units or the Common Elements, the impact of the Work on Sponsor's ability to sell Units or the need or desirability of coordinating the Work proposed by the Owner with Work to be performed by other Owners.

As partial security for Owner's performance under, Owner shall deliver a cash deposit of not less than ten (10%) percent of the estimated cost of the work with the Condominium. The Condominium is authorized to use the deposit to defray the cost of any damage or uncompleted Work. In the event all or a portion of the deposit is used, Owner shall replenish the deposit as and when requested by the Board. The Condominium shall return the deposit, or any balance remaining, to Owner within five (5) days after completion of the Work.

The Owner shall execute an agreement in form and content reasonably satisfactory to the Condominium Board incorporating the provisions of this section and any other conditions as may be imposed by either of them in connection with the Work.

(iv) The Owner shall obtain all applicable governmental approvals and permits at his sole cost and expense and provide a copy thereof to the Condominium Board and the Managing Agent no later than three (3) business days prior to the commencement of the Work.

(v) Prior to the commencement of the Work, the Owner shall, at his sole cost and expense, obtain and provide evidence of such insurance coverage as may be required by the Condominium Board in connection with the Work. The insurance policies obtained by the Owner must name Sponsor, the Managing Agent and the Condominium Board as additional insured parties, must provide that such policies may not be cancelled without thirty (30) days' prior written notice to the Condominium Board and must be maintained in effect until the Work is completed and all governmental "sign-offs" and approvals have been obtained. The Condominium Board reserves the right to require the Owner's contractor (the "**Contractor**") to maintain in effect during performance of the Work such types and amounts of insurance coverage as the Board may reasonably determine.

Each Owner acknowledges that if the Work will involve the use of a Hazardous Substance, the Owner will be required to perform appropriate removal or remediation in accordance with Applicable Law and the Owner and his contractors will be required to maintain such Environmental Pollution or Environmental Hazard insurance as the Condominium Board may require.

(vi) The Owner is required to use licensed contractor(s) and professionals and shall submit to the Condominium Board the name and proof of licensing of the contractor(s) and professionals.

(vii) The Owner shall commence the Work within thirty (30) days of receipt of approval and proceed with all due diligence to complete same.

(viii) The Condominium Board and any professionals engaged by it shall have the right to inspect the Unit and the Work from time to time without notice to the Owner.

(ix) If the Unit Owner fails to pursue the Work to completion with due diligence or a hazardous or emergency situation shall arise, Sponsor or the Condominium Board shall have the right (but not the obligation) to complete the Work or remedy the situation in accordance with the Owner's Plans at the expense of the Owner which shall be paid by the Owner within ten (10) days after receipt of invoice, and, if paid by the Condominium Board, shall constitute a lien on the Unit until paid by the Unit Owner to the Board.

(x) The Owner shall promptly pay all costs and expenses associated with the Work and shall within thirty (30) days of the imposition thereof cause all mechanics other liens to be bonded or discharged.

(xi) The Owner shall deliver to the Condominium Board at the Owner's expense a set of "as-built" plans and a copy of all governmental "sign-offs" and documents evidencing the completion of the Work in accordance with Applicable Law.

(xii) The Condominium Board reserves all rights at law and in equity (including the right to injunctive relief) to enforce the provisions hereof and any agreement made with an Owner in connection with Work to be performed by or for the benefit of such Owner.

Sponsor will have the right to, without the approval of the Condominium Board or other Unit Owners (a) perform work in or to any Unsold Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary and (b) subdivide, combine and change the boundary walls of such Units; provided, however, that these actions comply with Applicable Law and do not impinge upon the Common Elements appurtenant thereto. Sponsor and its contractor shall maintain appropriate insurance during their performing Work to Sponsor's Units. See **Part I, "Changes in Price, Sizes, Layouts and Number of Units."**

Rights of Access

The agents of the Condominium Board and any contractor or workman authorized by the Board may enter any Unit at any reasonable hour of the day on at least one 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 will be done in a reasonable manner so as not to unreasonably interfere with the

use of such Unit. In addition, any contractor or workman authorized by any of the foregoing may enter any Unit for the purpose of performing any maintenance, repairs and replacements to the General Common Elements situated within such Unit.

The Board shall retain a pass-key to each Unit and Bin. If any lock is altered or a new lock is installed, the Owner will provide the Board with a key thereto immediately upon such alteration or installation. If the Owner is not personally present to open and permit an entry to his 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 Board, then the Condominium Board or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium) may forcibly enter such Unit without liability for damages to property or trespass by reason thereof (if, during such entry, reasonable care under the circumstances is given to such Owner's property).

The front door and the entrance door to each Unit must be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

As more fully set forth in the By-Laws, the Condominium Board and Persons authorized by the Condominium Board will have a right of access to any Unit for the purposes, among others, of making inspections of, or removing violations of Applicable Law against any part of the Property, curing defaults committed by any Owner under the Condominium Documents or correcting any conditions originating in any Unit and threatening another Unit or any Common Element thereto. 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 Work in connection with fulfilling Sponsor's obligations under the Plan.

Each Owner whose Unit contains unenclosed sprinkler valves or other unenclosed chases or areas through which common risers, lines or similar Facilities run, may not enclose same unless the Owner obtains the prior written consent of the Condominium Board, which consent may, among other things, be conditioned on any such enclosure nevertheless affording ready access to the Sponsor, his contractors, the Condominium Board, Buildings' Department inspectors and any other Owner who shall reasonably require access thereto.

Insurance

See **Part I, "Rights and Obligations of Condominium Board/Summary of By-Laws"** for a description of the insurance coverage provided by the Condominium and a Unit Owner's rights and obligations with regard to obtaining supplemental or additional insurance. **Part I, Schedule B** contains a summary of the insurance coverage which will be in effect at the time of the First Unit Closing.

REAL ESTATE TAXES

After a Unit has been assessed, it will be taxed as a separate tax lot for real estate tax purposes. A Unit Owner will neither be responsible for the payment of, nor will his Unit be subjected to, any lien arising from the non-payment of taxes on other Units.

Sponsor will record the Declaration, By Laws and Floor Plans with the City Register and apply to the Department of Finance of the City of New York to assign separate tax lot numbers to each Unit. Until separate tax lots are assigned to each Unit, the City will assess the Building as an entity. The over-all assessment will then be apportioned among the various Units.

The City of New York sub-divides tax lots into separately assessed tax lots as of January 1 and July 1 of each year. Accordingly, even after the Declaration, By-Laws and Floor Plans have been recorded, there may be a delay of up to one year before a separate assessment for each Unit may be issued.

Until the Units are separately assessed, each Unit Owner will pay to the Condominium his or its Unit's pro-rata share of the Building's real estate tax for the period in question based on its percentage of Common Interests.

The Condominium will pay such real estate taxes to the Department of Finance of the City of New York or reimburse Sponsor for real estate taxes paid by it on behalf of the Unit Owners for the period in question. In the event any Unit Owner shall fail to pay his pro rata share, the Condominium Board will be entitled to assess late charges and/or place a lien on such Unit as if the amount of such non-payment were Common Charges. At such time as the Unit is separately assessed and separate tax bills are issued, the Unit Owner will pay such taxes directly to the Department of Finance.

The Department of Finance of the City of New York makes annual tax assessments on real property located in its jurisdiction on a fiscal year basis for the period July 1-June 30 of each year. Taxes are assessed quarterly if the assessed valuation of the Property is less than \$250,000 and semi-annually if the assessed valuation of the Property is \$250,000 or more. The determined valuation of a building on January 5 of any year is the basis of assessment for the fiscal year commencing on July 1 of such year.

The most recent assessed value, tax rate and taxes payable for the Property were established for the period July 1, 2014 through June 30, 2015. It is assumed for purposes of this Plan that the effective tax rate for the next July 1-June 30 tax year will be \$13.145 per \$100 of assessed value.

It is anticipated that based on completion of the Building, re-assessment will occur. Assessed Value for buildings of this Tax Class is 45% of market value. Increases are phased in at the rate of 20% of the increase each year. However, the Finance Department is required to include all physical changes (new construction, renovation, rehabilitation or addition of square footage to existing structures) directly in the taxable assessed valuation without the customary

five (5) year phase-in. Pursuant to Real property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation. Based on the estimated completion date of April 30, 2014, the first significant increase in assessed valuation will be for the fiscal tax period July 1, 2015 through June 30, 2016. However, it is possible that the Finance Department may re-assess for the period July 1, 2014 through June 30, 2015. Accordingly the estimate for real estate taxes projected in **Part I, "Schedule A-Condominium Prices and Related Information"** is based on the increases occurring in the earlier year.

Class II properties include houses contain 6-10 residences that are located on more than 50% of the gross square footage of the property. Currently a Class II building is assessed at 45% of its "assumed" market value. Annual equalization increase may not exceed 8% per annum and no greater than 30% in any 5 year period. Improvements to the property such as this are added to the prior assessment at 45% of "assumed" value.

Assessments are generally based on one of three methods: sales comparables, cost or income. However, the tax assessment of property built as or converted to condominium ownership is governed by § 581 of the Real Property Law. This law requires the tax assessor to disregard the form of ownership in valuing the property and to treat the building for valuation purposes as if it were a rental building. Thus, the Department of Finance of the City of New York is prohibited from using the sales prices of individual condominium units apartments offered under the Plan or the sales prices of comparable condominium units in determining assessed valuation. The estimated taxes payable as set forth in Schedule A reflect the anticipated amount of taxes to be paid by Unit for such tax year.

The Department of Finance analyses trends in the market place to assist it in determining assessments. In addition, the Real Property and Expense Filings required to be submitted annually by owners of multiple dwellings provides a significant amount of information regarding the contemporary status of the market.

For purposes of this analysis, it is assumed that construction is complete before March 1, 2014. While the current Assessed Value for the Property is \$20,798, it is the best judgment of the Sponsor and its advisors that, upon completion of the construction, the Actual Assessment of the Property will increase materially. The anticipated valuation and amount of tax projected to be owed is set forth in the opinion of Edmund Schaffzin, counsel to Sponsor, which follows this Section.

There is no assurance that the proration of taxes described immediately below will equal the amount of real estate taxes which will actually be assessed against the Units. Sponsor will amend the Plan to disclose the actual amount of real estate taxes assessed against the Units promptly after the Units are re-assessed.

The estimate of real estate taxes for each Unit is made in good faith. However, it is not possible to estimate the taxes with reasonable certainty. Assessed valuations, when actually

made, may be lesser or greater based on surrounding rental conditions which exist at the time the assessments are made, the subjectivity involved in making such determinations and the interpretations of the Administrative Code of the City of New York in the application of assessment standards, and the Rules and Regulations made thereunder. The estimates are not intended, and should not be construed, as warranties of future assessed valuations of the Units. In no event will Sponsor, or its counsel, be liable if the assessed valuations when actually made will be lesser or greater than the projections set forth herein or that the Administrative Code, its Rules and Regulations or the interpretation thereof by the assessors are amended or change.

Real property in New York City is re-assessed on an annual basis. Although the actual assessed valuation and tax rates are likely to increase over time, it is impossible to predict the amount of future increases in assessed valuation or tax rates. Sponsor will either make an appropriate adjustment to the percentage of Common Elements attributed to each Unit if the actual tax apportionment creates an unwarranted discrepancy between tax assessment and percentage of Common Elements or file a certiorari proceeding to protest the real estate tax assessment made by the Department of Finance.

The owner of a condominium unit may be eligible for real estate tax reductions under the New York City Coop and Condo Property Tax Abatement and STAR Exemption Programs. Once the Offering Plan has been declared effective, the Condominium has been established and the First Unit Closing has occurred, the Sponsor, directly or indirectly through the Condominium Board must complete the Condominium/Cooperative Property Tax Abatement application for the entire Property. After such application has been filed, each Unit Owner is permitted to file his own tax abatement application based on the Common Interest of his Unit. Sponsor and any investor owning three or more Units are ineligible for such abatements.

The abatement is granted based on the average assessed value of eligible Units. The Unit Owner does not have to occupy the Unit in order to obtain the abatement unless such Unit Owner also applies for exemptions such as the STAR exemption. In order to qualify for both, the Unit Owner must also occupy the Unit. If the assessed valuation of the Unit is greater than \$15,000 (which, in Sponsor's estimation will be the case for all of the Units in the Building) ,the abatement will be 17.5% of the assessed valuation of the Unit.

The calculation of real estate tax benefits available to eligible Unit Owners is first determined by subtracting from assessed valuation the applicant's eligible exemptions under programs such as Senior Citizen exemption, STAR or other programs offering tax relief for owners of single family homes, condominiums and cooperatives. After the annual tax rate is applied against the assessed valuation of the Unit after such is reduced by virtue of applicable exemptions, the tax is further reduced by the abatement percentage referred to above.

Applications must be submitted by March 3 of each year in order to be given effect for the following fiscal year. Since it is unlikely that such filings will occur before March 3, 2014, benefits of such programs are not reflected in the estimated real estate taxes to be paid by Unit Owners during the first year of Condominium Operation.



SCAROLA MALONE & ZUBATOV LLP

Harrest Capital S.r.l.
c/o SBLM Architects P.C.
545 West 45th Street
New York, New York 10036

October 10, 2014.

Gentlemen,

You have asked me to provide you with the basis for determining the real estate assessments and taxes payable thereunder upon the completion of the construction of 57 West 127th Street, New York, New York ("Building") which you intend to convert into condominium apartments. You also have asked me to advise you regarding any exemption or credits which may be available to condominium owners under any New York programs. You have advised me that you have not applied for Section 421-a or J-51, or similar, benefits with respect to the construction of the Building and will not do so in the future. Lastly, you have asked me to provide you with estimates for anticipated real estate taxes for Unit owners during the first year of ownership anticipated to be October 1, 2014 to September 30, 2015.

It is important that you recognize that the following is my opinion only and is not intended to constitute any guaranty that such estimates will prove true and, though it is presented as assistance or guide to you in connection with your preparation of an Offering Plan to convert the Property to Condominium Operation, I assume no liability to you, or any other person, who may rely on the conclusions I have reached. I make no representations regarding the facts which you have provided me.

You have advised me that you purchased the land and building at 57 West 127th Street, New York, New York ("Property") on September 9, 2009 and commenced construction in January 2013. The building was a shell which had to be completely renovated, involving interior demolition, provision of all systems (gas and electric, plumbing, heating, windows, etc;) creation of 6 floor-through apartments and the installation of a new roof. You anticipate substantial completion of the Building by April 30, 2014 and the issuance of a new permanent certificate of occupancy in mid-2015. You will obtain temporary certificates of occupancy for the Units in order to establish the condominium and sell the Units.

In connection with my assignment, you have provided me with your acquisition cost and the estimated cost of construction.

I have considered the current tax assessment history of the Property, the cost of the Project, the income the Project would generate if it were a rental project, an analysis of rental values for comparable properties in the neighborhood for newly renovated apartments and the market generally in the area.

Real estate taxes in New York City are assessed on a fiscal year basis (July 1-June 30). The classification of the status of a Building is fixed on January 5 of each year for assessments beginning on July 1 of that year. The tentative tax assessment for each property in New York City is published in mid-January of each year. There are various dates, depending on the class of property involved, to protest such tentative assessment.

The most recent tentative assessment for the Property is \$20,797.

Real Property Tax Law Section 581 provides, among other things, that cooperative and condominium apartments and rental properties of ten (10) or more apartments shall be assessed for real estate purposes as if the building in which they are located were comparable rental property. The purchase prices for which they are offered to the public is, therefore, not relevant. Upon filing the Condominium Declaration and other documents at the time of the First Unit Sale (as defined in the Plan) and after an application to obtain separate tax lots has been submitted by you to the New York City Department of Finance, the Department will assign an individual tax lot number to each of the condominium units. Since each Unit will be classified as Class 2, the annual tax rate is \$13.145/\$100 of assessed valuation. The tax rate is applied against 45% of fair market based on its use as rental property.

The most recent estimated market Value for the Property \$1,534,000 is for the period July 1, 2014-June 30, 2015, which represented an approximately 6% increase over fiscal year July 1, 2013-June 30, 2014. Assuming a similar increase for the period July 1, 2015-June 30, 2016 and the same tax rate as exists for the current fiscal year, the estimated market value would be \$1,625,000. Based on the forgoing, the fully taxed Property would be $\$1,625,000 \times 45\% \times \$13.145/\$100$ of assessed valuation, the real estate taxes for the Property would be \$96,122.

Real Property tax Law Section 1805 provides for the creation of a transition assessment for New York City. Under such system, increases in real estate tax for property of this nature are phased-in over 5 years at the rate of 20% per year. However, the phase-in does not apply to new construction or other increases due to physical improvements to the building. Therefore, increases of that nature are added in full to the next year's assessment. The effect of the addition of the capital improvements is that the assessed valuation of the Property will increase substantially commencing in the year in which the improvements are added to the assessed valuation.

Based on my examination of comparable rental buildings and applying the standards used by the Department of Finance in assessing building and Units of this nature, it is my opinion that the range of estimated real estate taxes set forth in Schedule A set forth in the Offering Plan is consistent with my calculations.

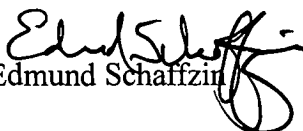
Based on my examination of comparable rental buildings and applying the standards used by the Department of Finance in assessing building and Units of this nature, it is my opinion that the range of estimated real estate taxes set forth in Schedule A set forth in the Offering Plan is consistent with my calculations.

Once assessed valuation is determined, Owners of condominium units in New York City are entitled under present law to certain partial tax exemptions/abatements of real estate taxes if they otherwise qualify for them.

1. Once the Condominium Board or Sponsor has completed and submitted the Condominium/Cooperative Property Tax Abatement applications, each owner of a condominium unit may file for his own abatement. The abatement is granted on the average assessed value of eligible units in the building. Sponsor or the owners of more than three units are not eligible for such abatements. If the assessed value of the eligible units is greater than \$15,000 (as anticipated under the Plan), each eligible owner will receive a 17.5% reduction in assessed valuation of his unit whether or not he occupies the Unit. However, if the owner also seeks a STAR abatement or any other exemption, he must also occupy the unit.
2. If a condominium unit owner is 65 years of age or more and meets the income limitations established under the Senior Citizens Homeowner's exemption, a range of additional exemptions are available ranging between 5% to 50% of assessed valuation, depending on the owner's income level. The income limitations range from less than \$29,000 (50%) to less than \$37,400 (5%).
3. Any owner residing in his apartment for more than 6 month a year is entitled to a STAR exemption regardless of age or income. If the owner has less than \$79,050 in adjusted gross income, he will be eligible for the Enhanced STAR program, entitling him to a larger exemption.

The above programs are not permanent and may be eliminated or reduced by the state or city government at any time. Once assessed valuation is determined, Owners of condominium units in New York City are entitled under present law to certain partial tax exemptions/abatements of real estate taxes if they otherwise qualify for them.

Sincerely yours,


Edmund Schaffzin

INCOME TAX DEDUCTIONS TO UNIT OWNERS

TAX STATUS OF CONDOMINIUM

The following summary is for information only and is based upon information provided by Sponsor to its counsel, Edmund Schaffzin, which is reflected in his opinion set forth in “**Opinion of Counsel**”. A copy of the Opinion follows this Section.

The opinion assumes that each Unit Owner will own his Unit, together with its Appurtenant Common Interest, in fee simple, and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. It also assumes that the allocation of Common Interest assigned to each Interest is consistent with Real Property Law § 339-i. Because each Unit Owner will own his Unit in fee simple, the Owner may mortgage such Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

Income Tax Deductions-Units

It is the opinion of Mr. Schaffzin that, under present law, cash basis Unit Owners who itemize their deductions will, for federal income tax purposes, be entitled to a deduction for real estate taxes in the taxable year in which the same are paid. Moreover, cash basis Unit Owners will, for federal income tax purposes, be entitled to a deduction for mortgage interest on mortgages secured by their Unit in the taxable year in which they are paid subject to specific limitations in the amount eligible for deduction, or the availability of such as a result of the application of federal alternate minimum tax. In addition, under present law, each Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction that is allowed for federal income tax purposes for mortgage interest and real estate taxes paid or accrued during the taxable year.

The aforesaid deductions, however, are subject to certain exceptions and limitations, which are more particularly discussed in the attached legal opinion.

No representations or warranties are made that the Internal Revenue Service, the New York State Department of Taxation and Finance or the New York City Department of Finance will allow any of the aforementioned deductions or that the tax laws, or the regulations or rulings issued thereunder, or any judicial interpretation thereof upon which Mr. Schaffzin has based his income tax opinion will not change. In no event will Sponsor or any other person connected with this offering be liable if, at any time or for any reason, it is held that the Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid make any representations or warranties with respect to the tax consequences of this Plan or the tax consequences or ownership of any Units offered under the Plan, and no one has been authorized to make such representations or warranties.

Tax Status of the Condominium

A condominium under New York State law is an unincorporated association (“**Association**”). Ordinarily, a condominium board may elect to be exempt from federal income taxes on Common Charges collected from Unit Owners under Section 528 of the Internal Revenue Code, provided certain prerequisites are met.

However, in order to elect such status,

(a) the Condominium must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property;

(b) 60% or more of the gross income of the Condominium for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of Units in the Condominium;

(c) 90% or more of the net expenditures of the Condominium for the taxable year must be for the acquisition, construction, management, maintenance and care of the Property;

(d) no part of the net earnings of the Condominium may inure (other than by acquiring, constructing or providing management, maintenance and care of the Property and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any private shareholder or individual;

(e) the Association must qualify as a “condominium management association” which is an organization meeting the requirements (i.e. organized and operated to provide for the acquisition, construction, management, maintenance and care of the Association’ property) substantially all of the Units in which must be used by individuals as residences; and

(f) the Condominium must make such election at such time in such manner as the Secretary of the Treasury prescribes by regulations.

Sponsor has advised that all of the Property is devoted to “management, maintenance and care” of its Property and that all of the area comprising the Property is devoted to residences.

A review of the documents indicates that the Condominium qualifies for a §528 election. If such exempt status is properly and timely elected, the Association will not be subject to federal income tax for the taxable years in which such election is in effect.

However, it should be noted that the Condominium would still be required to pay a tax for any taxable income it may receive. For this purpose, “taxable income” is defined as the excess, if any, of (a) the gross income for the taxable year (other than “exempt function income” as defined below) over (b) the deductions allowed by the Code which are directly connected with the production of such gross income (excluding “exempt function income”) computed with certain

modifications provided in Section 528. "Exempt Function income" is defined as any amount received as membership dues, fees or assessments from owners of condominium housing units.

The By-Laws provide that the Board will act as agent for the Unit Owners and is not a separate taxable entity. In such a case, the Unit Owners would include in their gross income, and be taxed on, income derived by the Board. This income may include interest earned from investments on the amounts which are assessed and collected from the Unit Owners, or rental income.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Board, such as assessment and expenditure of Common Charges, the Board constitutes an association separately taxable as a corporation. In that event, the Condominium may be deemed to be subject to federal corporate income tax on the amount, if any, by which Common Charges (together with any income earned from other sources, such as interim investments of funds by such association) exceed the current expenses paid or incurred by the Condominium as are deductible for federal income tax purposes. The Condominium may likewise be subject to the New York State franchise tax and the New York City general corporation tax. For a further discussion of the tax status of the Condominium, see "Counsel's Tax Opinion".

NO WARRANTIES ARE MADE THAT THE INTERNAL REVENUE SERVICE, THE DEPARTMENT OF TAXATION AND FINANCE OF THE STATE OF NEW YORK OR THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK WILL ALLOW INCOME TAX DEDUCTIONS. FURTHER NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE TAX LAWS UPON WHICH SPONSOR'S COUNSEL BASE ITS OPINION WILL NOT CHANGE AND IN NO SUCH EVENT WILL SPONSOR, SPONSOR'S COUNSEL, THE CONDOMINIUM BOARD, COUNSEL TO THE CONDOMINIUM BOARD OR ANY OTHER PERSON CONNECTED WITH THIS OFFERING BE LIABLE IF FOR ANY REASON IT SHALL BE DETERMINED THAT UNIT OWNERS DO NOT MEET OR AT ANY FUTURE TIME CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE, THE NEW YORK TAX LAW, THE NEW YORK CITY ADMINISTRATIVE CODE OR ANY AMENDMENT TO ANY OF THEM. MOREOVER, NONE OF THE AFORESAID MAKES ANY REPRESENTATIONS, GUARANTIES OR WARRANTIES WITH RESPECT TO THE TAX CONSEQUENCES OF THE OWNERSHIP OF ANY UNIT OFFERED UNDER THE PLAN EXCEPT AS EXPRESSLY SET FORTH HEREIN, AND NO ONE ELSE HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS, GUARANTIES OR WARRANTIES OTHER THAN THOSE CONTAINED HEREIN.

EACH PURCHASER SHOULD CONSULT HIS OWN TAX COUNSEL AS TO THE INCOME TAX CONSEQUENCES OF THE PLAN AND OF UNIT OWNERSHIP.



SCAROLA MALONE & ZUBATOV LLP

Harrest Capital S.r.l.
c/o SBLM Architects P.C.
545 West 45th Street
New York, New York 10036

October 10, 2014

Re: San Giorgio Condominium Offering Plan ("Plan")

Gentlemen:

You have advised me that Harrest Capital S.R.L intends to file an Offering Plan to Convert the land and newly constructed building at 57 West 127^h Street, New York, New York ("Building") into six (6) residential condominiums.

In connection with the foregoing, you have requested my opinion whether (i) upon consummation of the Plan, mortgage interest and real estate taxes paid by a person who has purchased a residential condominium unit ("Unit") and resides in the Building will be deductible for federal, New York State and New York City income tax purposes on their individual income tax returns and (ii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion does not address the tax consequences of the ownership of residential units by corporations, different forms of entities or foreign persons. It also does not address tax issues relating to an investor's tax treatment of income and expense on his tax return. Except where otherwise indicated, the terms used in this Opinion have the same meaning as in the Plan.

In connection with this opinion, I have reviewed the Plan including the schedules and exhibits thereto. I have also examined the relevant sections of the Code, the New York State Tax Law, the New York City Administrative Code, the regulations promulgated thereunder and such other materials as I have deemed relevant.

The opinions expressed herein are based upon the assumptions that the Plan becomes effective and is consummated in accordance with its terms, Condominium Operation of the premises known as The San Giorgio Condominium ("**Condominium**") is established upon the filing of a Condominium Declaration and other required documentation, and the legal consequences of the Plan are as described therein, specifically those under the Plan. I have also assumed the following:

(a) Each Unit Owner will own fee title to his Unit and an undivided interest in the Common Elements (as defined in the Plan);

(b) The Unit, together with its related interest in the Common Elements, will be a separate tax lot for purposes the assessment of New York real estate taxes; and the Unit Owner will be directly liable for the real estate tax assessment with respect to his Unit , but not with

respect to any other Unit;

(c) Subject to certain restrictions, a Unit Owner may mortgage his Unit as he wishes, and no Unit will be subject to the lien of any mortgage placed on any other Unit; and

(d) Each Unit Owner may separately transfer his Unit subject to certain rights of the Condominium Board (defined below) described in the Plan.

Under these circumstances the Internal Revenue Service has ruled that the owner of a Condominium Unit may deduct interest paid on mortgage indebtedness and real estate taxes paid on his or her interest in the real property on which the Unit is located.

Based upon the foregoing, it is my opinion that an individual Unit Owner who uses the Unit as his primary residence or specifically selected secondary residence (each a "qualified residence") and who itemizes deductions will be entitled under present tax laws and regulations, to deduct from adjusted gross income for Federal, New York State and New York City income tax purposes (i) real estate taxes assessed against such Owner's Residential Unit and (ii) subject to the limitations contained below, interest on any indebtedness incurred in acquiring, constructing, or substantially improving a "qualified residence" ("**Acquisition Indebtedness**"). However, the aggregate amount treated as Acquisition Indebtedness for any period (on both a principal residence and a specifically selected secondary residence) shall not exceed \$1,000,000 (\$500,000 in the case of a married individual filing a separate return) and the aggregate amount permitted to be treated as interest in a qualified secondary residence for any period (on both a principal residence and a specifically selected secondary residence) shall not exceed \$100,000 (\$50,000 in the case of a separate return by a married individual).

However, for purposes of calculating Federal alternative minimum tax, under present tax laws and regulations, such Residential Unit Owner (i) will not be entitled to deduct real estate taxes paid or accrued with respect to such Owner's Unit, but (ii) will be allowed to deduct interest on (a) any indebtedness incurred in acquiring, constructing or substantially rehabilitating such Owner's Unit provided the Unit is used as his or her primary residence or specifically selected secondary residence (such indebtedness is referred to as "**Qualified Housing Indebtedness**"), and (b) a refinancing of Qualified Housing to the extent such refinancing does not exceed the amount of the refinanced Qualified Housing Indebtedness immediately before the refinancing.

Each owner of a residential Unit who uses his Unit as a residence will be entitled to the same deduction for mortgage interest and real estate taxes for New York State and New York City income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as interest and real estate tax, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Purchasers should consult their tax advisors to determine the application, if any, of the New York State and New York City minimum taxes to the deduction for mortgage interest and real estate taxes.

Generally, a person who purchases a Unit for use in a trade or business will be entitled under present tax laws and regulations to deduct from gross income for Federal income tax purposes (i) real estate taxes assessed against the Unit, and (ii) interest on indebtedness incurred or continued in connection with the conduct of such trade or business, subject, however, to the or continued in connection with the conduct of such trade or business, subject, however, to the

limitations of Section 469 of the Code relating to "passive activity" losses and Section 465 of the Code relating to the "at-risk" rules. The foregoing expenses will be deductible when paid or accrued by the Unit Owner in accordance with such Owner's method of accounting.

If the Condominium satisfies the requirements of Section 528 of the Code, the Condominium, as a condominium management association, may make an election to be exempt from Federal income taxes on Common Charges collected from Unit Owners. One of the requirements of Section 528 is that substantially all of the units of the Condominium are used by individuals for residences. "Substantially all" is interpreted in Treasury Regulation Section 1.528-4(b) as meaning at least 85% of the total square footage of all units within the condominium project. Since there are no commercial units in the building, the Condominium will not be disqualified from making this election. The other conditions include that 60% or more of the gross income of the Condominium must consist of amounts received as membership dues, fees or assessments from Residential Unit Owners, no part of the net earnings can inure to the benefit of any individual and 90% or more of the expenditures must be for the acquisition, construction, management, maintenance and care of the Condominium. Based on the foregoing, it is my opinion that the Condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Code.

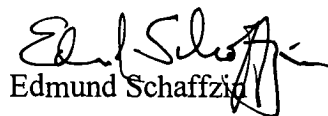
Notwithstanding the foregoing, I strongly advise each person who may purchase a Unit to consult his or her own tax advisor as to all tax matters, including tax matters discussed herein

The opinions expressed above are based on my interpretation of existing tax laws, the applicable regulations and rules of the Treasury Department and court decisions construing such rules and regulations. Although I believe my opinions are well-founded, they are not intended, and should not be construed, as warranties. No assurance can be given that the Internal Revenue Service or state and local tax authorities will accept any or all of the views stated above or that the tax law upon which counsel based its opinion will not change. In no event will the Sponsor, Sponsor's Counsel, or any other person be liable if there are changes in the facts on which we relied in issuing this opinion, or if there are changes in the applicable statutes, regulations, decisional law or rulings on which we relied. Finally, I have not passed upon the accuracy of any figures or estimates contained in the Plan and do not warrant the amount deductible for any period, assuming such tax deductions are allowed, or the amount that Unit Owners may save in Federal or New York State income taxes, if any, as a result of such deductions.

I make no warranty that the Internal Revenue Service or the New York State Department of Taxation and Finance or the New York City Department of Finance will accept any or all of the views stated above. In addition, the Federal and New York State tax laws and regulations (and the rulings and decisions thereunder), may change, possibly even retroactively, and thereby affect, in whole or in part, the results outlined above.

I consent to the incorporation of this opinion and my name in the Plan.

Very truly yours,


Edmund Schaffz

RESERVE AND WORKING CAPITAL FUNDS

Reserve Fund

At the First Unit Closing, Sponsor will establish a Reserve Fund in an amount of \$3,666.67. The Fund will be used exclusively for capital improvements. Sponsor believes that the Fund will be sufficient to pay for the cost of capital items likely to be needed within the first five (5) years of Condominium Operation because (a) the Building is newly constructed, (b) all operating systems are new and (c) other items of capital repair or replacement will be covered by Sponsor's obligation under the Plan.

Moreover, at the closing of title to each Unit sold by Sponsor to a Purchaser, Purchaser shall contribute one (1) month's Common Charges at the rate then in effect to the Reserve Fund as a supplement thereto.

No part of the Reserve Fund may be used by Sponsor to reduce projected Common Charges in the Plan.

THE AMOUNT OF THE RESERVE FUND CONTRIBUTED TO THE CONDOMINIUM WILL BE DISCLOSED IN THE FIRST POST-CLOSING AMENDMENT TO THE PLAN.

Working Capital Fund.

At or prior to the First Unit Closing, Sponsor shall advance to the Condominium for its working capital a sum of \$7,333.33 representing two (2) months' estimated Common Charges in respect of each Unit of the Condominium (the "**Working Capital Fund**"). At the closing of title to each Unit sold by Sponsor, Purchaser shall contribute to the Working Capital Fund an amount equal to two (2) months' Common Charges at the rates then in effect for such Unit and the Condominium shall reimburse Sponsor for its advance with respect to the Unit then sold.

The Working Capital Fund may be held or used for working capital to make repairs and/or for such other appropriate purposes permitted under the Declaration and the By-Laws as may be determined by the Condominium Board in its sole discretion. No part of the Working Capital Fund may be used by Sponsor to reduce projected Common Charges in the Plan.

No representation is made that the Working Capital Fund will be, or is intended to be, adequate to cover expenses for the first or any subsequent year of condominium operation, including, without limitation, the cost of any necessary repairs or replacements. If additional funds are required after the Sponsor Control Period over and above the amount then held in Working Capital Fund, it may be necessary to increase the Common Charges or institute a Special Assessment.

EXCEPT AS PROVIDED IN THIS PLAN, THE PROPERTY IS OFFERED IN ITS CURRENT CONDITION AS SET FORTH IN THIS PLAN, WITHOUT ANY OBLIGATION ON THE PART OF SPONSOR TO MAKE ANY REPAIRS OR

IMPROVEMENTS. NO GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND OR UPON THE PHYSICAL CONDITION OF THE BUILDING.

THE AMOUNT OF THE WORKING CAPITAL FUND CONTRIBUTED TO THE CONDOMINIUM WILL BE DISCLOSED IN THE FIRST POST-CLOSING AMENDMENT TO THE PLAN.

Closing Adjustments with Condominium.

Immediately prior to the First Unit Closing, Sponsor shall apportion the following items with the Condominium as of the day immediately preceding such closing:

- (a) fees for assignable permits and licenses, if any;
- (b) charges for electricity and gas for the Common Elements;
- (c) payments under service contracts;
- (d) real estate taxes, water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units.
- (e) premiums for transferable insurance policies provided coverage of the policies conforms to that set forth in **Part I, Schedule B**; and
- (f) Monthly Common Charges.

If the result of the closing adjustments is a net credit in favor of the Condominium, the amount of Sponsor's contribution to the Working Capital Fund will be increased by the amount of such net credit. If, however, the result of the closing adjustments is a net credit in favor of Sponsor, the amount of such net credit shall be paid to Sponsor at the time of the First Unit Closing out of the Working Capital Fund. In no event, however, shall such payments be made to Sponsor to the extent that it would result in the reduction of the Working Capital Fund to an amount less than \$5,000. In addition, Sponsor will adjust real estate taxes, Common Charges and rent, if applicable, with the Purchaser.

If, because of the limitation set forth in the preceding sentence, Sponsor is not paid the full amount of what it is owed, the balance will be paid from contributions received at subsequent closings.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Management Agreement

It is, at present, contemplated that, immediately prior to the First Unit Closing, the Condominium Board will enter into a management agreement with Misra Group LLC, 174 Fifth Avenue, New York, New York for a term of one year subject to the right, among others, of (i) the Condominium Board to cancel the same upon thirty (30) days' prior written notice and (ii) the right of the Managing Agent to cancel the management agreement for any reason at any time, upon at least ninety (90) days' written notice to the Condominium Board.

The Managing Agent will receive an annual fee of \$7,200, payable in equal monthly installments of \$600. The fee is comparable to fees paid to other agents managing buildings of comparable size in the neighborhood. The Managing Agent will be entitled to additional fees and commissions for certain special services performed by it. All such fees will be paid by the Condominium Board and will be charged to all Unit Owners as a Common Expense.

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

1. bill and collect Common Charges;
2. cause the Building, Units and Common Elements to be serviced, maintained, repaired and altered in the manner deemed advisable by the Condominium Board, except that the Managing Agent shall not enter into any written contract in the name of the Condominium Board in excess of \$5,000.00 for repairs, replacements, alterations, improvements, utilities or services to or of the Property or equipment thereon, without the prior approval of the Condominium Board (other than in case of emergency);
3. employ, train, supervise, and discharge such employees of the Condominium, as are necessary for the operation and management of the Condominium, including payroll;
4. maintain in full force and effect all insurance required by the By-Laws or the Condominium Board;
5. maintain records of cost and expenses incurred and income received in connection with the operation of the Property;
6. furnish to the Condominium Board statements of operations of the Property and, if requested by the either Board, an annual budget, setting forth a detailed projection of cash receipts, cash expenditures, working capital and other necessary reserves and capital improvements and expenditures;
7. attend meetings of the Condominium Board and Unit Owners;

8. pay out of the Condominium's operating account, bills and invoices for the costs and expenses of operating the Condominium.

The annual certified financial statement with respect to the Condominium statement will be prepared by an independent certified public accountant engaged by the Condominium Board, whose fees are to be paid by the Condominium Board and charged to the Unit Owners as a Common Expense.

All out of pocket expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium and charged to the Units 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 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.

If requested by the Condominium Board, the Managing Agent shall deliver to the Board a fidelity bond in the amount of \$25,000 for each loss for itself and all employees who handle, deal with or are responsible for funds of the Condominium. If the Condominium Board elects to require a fidelity bond, the expense thereof will be in addition to the expense currently budgeted for insurance as a Common Expense.

The Managing Agent shall have no power or right to assign any funds due to it under the management agreement or to delegate any of its obligations or responsibilities thereunder to any other person, firm or corporation without the prior consent of the Condominium Board.

The Managing Agent for the Condominium is required by Section 352-eeee of the General Business Law to be the managing agent of all dwelling units occupied by Non-Purchasing Tenants, if any. The Managing Agent must provide all services and facilities required by Applicable Law to Tenants on a non-discriminatory basis. Sponsor guarantees the obligation of the Managing Agent to provide all such services and facilities until such time as Sponsor surrenders control of the Condominium Board.

Other Contractual Agreements

Upon commencement of condominium operation, the Property will be subject to the then existing service and concession agreements (see the Footnotes to **Part I, Schedule B, Projected Budget for the First Year of Condominium Operation** for full details of the agreements in effect or proposed at the date of presentation of the Plan). The projected insurance coverage to be obtained for the first year of condominium operation is contained in Footnote 8 to **Schedule B**.

Sponsor has reserved the right, prior to the First Unit Closing, to modify, renew and replace the existing agreements and to enter into new agreements that will be binding on the Condominium Board, provided Sponsor may not enter into any binding service or maintenance,

or concession agreement for longer than two (2) years, unless same contains a provision permitting the Condominium Board to cancel the agreement after the second anniversary of the First Unit Closing upon giving not less than ninety (90) days' prior written notice.

IDENTITY OF PARTIES

Sponsor

Harrest Capital S.r.l. is a corporation established and in good standing under the laws of Italy and is the Sponsor under this Plan. While Sponsor has its principal office at Via Eleonora Duse, 37, Rome, Italy, it is qualified to transact business in the State of New York and maintains offices at SBLM Architects P.C., 545 West 45th Street, New York, New York.

The principals and sole shareholders of Harrest Capital S.r.l. are Ferruccio Sbarbaro, a practicing attorney and professor of law in Rome. Giorgio Sbarbaro, his father, and Eleonora Sbarbaro, his sister, are law partners of Ferruccio Sbarbaro. Eleonora Sbarbaro is also a professor of law in Rome. Additional principals of Harrest Capital S.r.l. are Paola Querini, the wife of Giorgio Sbarbaro, and Maurizio Principato, a family friend and investor, are retired.

Harrest Capital S.r.l. is a single purpose corporation and 57 West 127th Street is the first property developed by any of the principals of Harrest Capital S.r.l. in the United States.

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

There is no prior or existing relationship between the Sponsor, or its principals, the architect, the attorneys, the managing agent or any person or firm who or which will provide services to the Condominium subsequent to the commencement of Condominium Operation.

Sponsor's Attorneys

Sponsor has retained the law firm of Scarola Malone & Zubatov LLP, 1700 Broadway, Suite 4100, New York, New York 10019 to represent it in connection the Plan. Edmund Schaffzin, of counsel to the firm, prepared the Plan and has rendered the opinions to Sponsor with respect to the availability of income tax deductions to Purchasers, the tax consequences of Condominium ownership to owners of Units and the Condominium's compliance with Section 339(i) of the Condominium Act.

The Managing Agent

Misra Group LLC is the Managing Agent for the Property and has managed commercial and residential buildings since 2000. It presently manages 17 properties consisting of residential and commercial units. Its offices are located at 174 Fifth Avenue, New York, New York. The Managing Agent is not an affiliate of the Sponsor or any of its principals. The Managing Agent has no financial interest in the Property.

There have been no prior felony convictions of the Managing Agent, or any principals of Managing Agent, and no prior convictions, injunctions and judgments against Managing Agent, or any of its principals, 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. The Managing Agent is not affiliated with Sponsor and has no financial interest in the Property.

Architect

The Report on the description of the Building and its specifications set forth as **Document No. 1 in Part II** of the Plan was prepared by SBLM Architects P.C., 545 West 45th Street-4th Floor, New York, New York 10036. The Architect has no financial interest in the Property, the Sponsor (except for fees for architectural services rendered in connection the renovation of the Building and the preparation of the Report) or any other party interested in this transaction.

REPORTS TO UNIT OWNERS

It is the obligation of the Condominium Board pursuant to the By-Laws:

(1) to submit to all Units Owner within four (4) months after the end of each fiscal year of the Condominium an annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant;

(2) to give all Unit Owners of record written notice at least five (5) business days prior to any annual or special meeting of the Condominium; and

(3) to prepare and distribute to all Unit Owners at least annually, a budget setting forth its projection of the Common Expenses of the Condominium for the coming fiscal year not later than thirty (30) days prior to the date upon which the first installment of newly determined Common Charges is due. The Budget presented to Unit Owners will be certified by the Managing Agent that the estimates of annual income and expense for the year to which the Budget reflects are based on past years' operations of the Condominium, anticipated increases in operating costs and the Managing Agent's experience as the managing agent of buildings similar to the Condominium. See **Part II, Document No. 9** regarding the form of certification to be given to Unit Owners by the Managing Agent.

DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all exhibits submitted to the Department of Law in connection with the filing of the Plan on file and available for inspection without charge and copying at a reasonable charge at the office of the Sponsor for a period of six (6) years from the date of the First Unit Closing. Sponsor will deliver to the Condominium Board a copy of all Condominium Documents filed with the appropriate recording office at the time of the First Unit Closing. A copy of the Plan, any amendments thereto and the Exhibits referred to therein, are available for review at no charge to prospective purchasers at the offices of the Department of Law, 120 Broadway, 23rd Floor, New York, New York 10271.

The Declaration and the By-Laws will be recorded in the Register's Office prior to or concurrently with the First Unit Closing. In addition, a set of the Floor Plans showing the layout, locations and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the Department of Finance of the City of New York as conforming to the official tax lot number for each such Unit, will be filed with the Register's Office when the Declaration is recorded.

GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents and, in the case of any such documents executed by or with the written consent of a Purchaser pursuant to this Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits, administrative proceedings or other proceedings now pending, or any judgments outstanding against Sponsor that could materially affect this offering, the rights of Purchasers of Units, the Property, the Condominium, or the operation thereof.

In accordance with the provisions of the laws of the State and City of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person because of sex, race, creed, color, national origin, ancestry, or other ground proscribed by Applicable law in the sale of the Units offered by Sponsor pursuant to this Plan or in the leasing of any such Units or any other portion of the Building.

As of the Presentation Date, neither Sponsor nor any representative or agent thereof have, in violation of Applicable law, raised funds from, or made any preliminary offering to, or binding agreement with, tenants, subtenants, or non-occupant prospective Purchasers for the sale of Units and Apartments in the Building.

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers, or prospective Purchasers, without obtaining the consent of such Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in case of uncured default), nor unilaterally change the Purchase Price, the payment terms or other material provisions of the Purchase Agreement, or the Plan in a manner which would adversely affect the Purchaser. All substantive or material revisions will be contained in a duly filed amendment to this Plan.

In the case of a material revision adversely affecting in any material respect the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given the right to rescind their Purchase Agreements and be refunded all monies paid thereunder, with interest earned thereon, if any, within thirty (30) days after the presentation of the amendment. However, such rescission, as to a Purchaser who first became a tenant of the Building after the Presentation Date of this Plan, will be conditioned on the cancellation of any Interim Lease and surrender of possession of his Unit within thirty (30) days thereafter.

All statements and representations made in this Plan with respect to items prepared by others have been made by Sponsor in reliance upon the Persons responsible for the preparation of such items and their authority as experts.

Sponsor represents that neither it nor its principal has any knowledge of any material defect or need for material repairs to the Property except as set forth in the Description of Property Report prepared by the Sponsor's Architect and otherwise set forth in the Plan.

Unless the context otherwise requires, words used in the singular in Part I of this 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

SPONSOR'S STATEMENT OF SPECIFICATIONS

Sponsor adopts the report prepared by SBLM architects P.C. (the "**Report**"), included in **Part II** of the Plan as **Document No. 1**. Sponsor represents that, to the best of its knowledge, the Report accurately states the description and condition of the Property as of the date of the inspection. Sponsor represents that it has no knowledge of any material defects or need for material repair to the Building except as set forth in the Architect's report and the Plan.

Sponsor represents that the use of the Units as described in the Plan in the Section of the Plan entitled **Part I, "Rights and Obligations of Unit Owners"** and in the Declaration and the By-Laws will be authorized by the certificate of occupancy for the Building at the time of closing.

Local Law 11

The Building is not subject to the inspection requirements of Local Law 11 because it is not greater than 6 stories in height.

Lead-Based Paint Disclosure

There is no lead based paint in the Building because it is new construction.

Asbestos

The Building is newly constructed and no asbestos was used in its construction.

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DESCRIPTION OF PROPERTY AND SPECIFICATIONS

(Dated 10/01/14)

NOTE: 'Residence' "Residences" or dwelling unit shall refer to a Condominium Unit.

General:

The address of the Property is 57 West 127th Street, New York, N.Y. 10027-3824. This corresponds to Borough 1, Block 1725, Lot 13 on the Tax Map of the City of New York. The Property falls within an R7-2 zoning district. This zoning district is a medium density apartment house district with a FAR of 3.44. The proposed residential use of this Property is permissible in this district. Community facilities that provide essential services to the residential use are permissible uses in this district. Education, Recreation, Religious and health facilities are examples of such uses. The building is being developed pursuant to the Quality Housing Program. Quality Housing regulations are defined in Chapter 8 of the Zoning Resolution of the City of New York.

NYC Local Law 11 does not apply because the Building is not greater than six (6) stories in height. The Property is not located in a historic district and does not have Landmark status. There is no NYC subway along 127th Street adjacent to the Property or within 22 feet of the Property, thereby relieving the Property of the requirement of NYC Transit approval. The Property described herein contains an expanded five (5) story plus basement and cellar residential building. The building is comprised of (6) new residential dwelling units. There is a full cellar with utility room, meter room, and tenant storage. The building conforms to local fire district and municipal codes. The zoning exhibit record CRFN.: 2011000133324 filed with the City Register is a Zoning lot description of the property. The Department of Buildings require this exhibit to be filed with the City Register for any enlargement made to the property. There are no easements on the property.

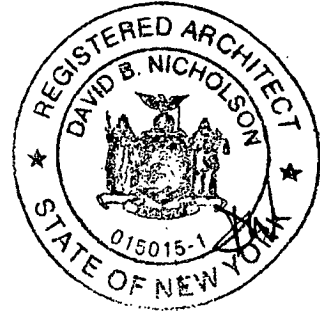
Status of Construction:

Construction of the vertical and horizontal extensions commenced in January 2013. This construction was approved and permitted by the City of New York Department of Buildings under Application Number 120481013 under the provisions of the 1968 Building Code. Construction was completed on August 31st, 2014.

Class of Construction:

Following completion of construction, the building shall be classified as Class I-C 2-hour protected non-combustible construction. The 1968 New York City Building Code defines Class I-C construction as "buildings and space in which the bearing walls and other major structural elements are generally of two-hour fire resistive rating." In addition, the building is fully sprinklered.

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Certificate of Occupancy:

After completion of construction, the Sponsor will obtain a new Certificate of Occupancy from the Department of Buildings of the City of New York. The Sponsor will obtain a Temporary Certificate of Occupancy prior to First Unit Closing.

A Temporary Certificate of Occupancy ("TCO") indicates that the Property is safe for occupancy. Each TCO has an expiration date. A TCO often expires ninety (90) days after issue. A TCO cannot be used after a period of two years. If a TCO expires and it is not renewed, it may be difficult to buy insurance, sell or re-finance the Property. All issues related to the Certificate of Occupancy will be resolved in accordance with all applicable laws, codes and regulations.

Site

The lot on which the Property is situated is rectangular in shape and has an area of approximately 1,773 square feet. It is located on the northerly side of West 127th Street distant 288 feet 7-1/2 inches easterly from the northeasterly corner of West 127th Street and Lenox Avenue. The lot has a frontage of 17 feet 9 inches on West 127th Street and is 99 feet 11 inches deep.

Sidewalk:

West 127th Street adjacent to the site is paved with asphalt topping and is in good condition. The street is pitched to drain via catch basins into the New York City storm water drainage system. The existing concrete sidewalk and steel clad concrete curb in front of the site along West 127th Street are in good condition. There are no sidewalk curb cuts and ADA ramps along the site. The sidewalk pitches to the street. Street lighting is provided by the City of New York.

Utilities:

Gas & Electric:

The Building is serviced by the Consolidated Edison Company for gas and electric. Residential unit are separately metered for these services. The Condominium will be responsible for the costs of electrical services of common areas.

Plumbing, Fire Protection and Sewer.

New York City Department of Environmental Protection provides the domestic water service, the fire (sprinkler) water service and sewer service. There is one domestic water meter and one fire sprinkler meter servicing the entire building, and the charges associated with these meters shall be included in the Common Charges.

Telephone and Data:

Wiring for Telephone, Cable TV and Data service have been provided to equipment in the cellar and distribution to the Residences by Verizon. Each occupant is to set up their own telephone and CATV service, which will be individually billed by the service provider.

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Sub-Soil Conditions:

The subsurface soil investigation conducted on the site included two (2) borings performed under the supervision of ANS Consultants, Inc. on June 28, 2011. The subsurface soil investigation determines the composition of sub-soil and the presence of ground water.

The underlying soils consist of light brown silty sands with clay and gravels in a medium dense condition and coarse medium fine sands with varying amounts of gravel in a medium dense to dense condition suitable for the support of spread footings designed. A copy of the Soil Boring report substantiating the above is submitted along with this report.

Groundwater was encountered at a depth of 20 feet below grade. The flood insurance rate map indicates area determined to be outside the 0.2% annual chance floodplain.

There is no potential for Mudslides or erosion at this location. The new below grade foundation walls have been waterproofed as a good construction practice. The foundations were designed in accordance with the New York City Building Code, Rules and Regulations.

Landscaping and enclosures:

The front entry yard from the street is enclosed with steel railings and entry gate. The front yard is finished with concrete pavers. The building's trash will be stored in a metal enclosure in the front yard.

The rear Yard will be enclosed with a 6'-0" high wooden fence. The rear yard will be finished with sod, pavers and planters around the interior perimeter.

Structural Systems:

The building is a combination of original and new construction. The building's original structural system consisted of load-bearing masonry walls and wood floor/roof joists protected by plaster. The load-bearing masonry walls remain. Floor and roof joists have been replaced with cold-formed steel joists protected by multiple layers of fire-rated drywall as required by Code. New vertical and horizontal extensions are constructed by poured concrete foundation walls, reinforced masonry side walls and structural metal stud walls and floors providing seismic and lateral load resistance. Terraces and balconies are finished with raised 24x24 "Hanover" concrete pavers and pedestal system over the building roofing system

Building Envelope:

The exterior walls are a combination of original brick load-bearing masonry and Parex Standard Water Master Class PB EIFS, thin brick, and curtain wall. The EIFS is supported on metal stud wall system supported between floors. 2" EPS (extruded polystyrene) insulation with a 20.6 R-value is used in the EIFS system and is NYS ECCC compliant. The EIFS shall be professionally installed as per the manufacturer's specifications, providing a 10 year warranty. Walls abutting existing adjacent buildings consist of 2-hour rated wall assemblies.

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Windows:

The Window installation is aluminum "ultimate double hung magnum" by Marvin windows. The installation and locations is in accordance with applicable rules of the New York state fire code

The 5 year warranty period will start from the date of completion of the window installation.

Terraces / Balconies:

All terraces and balconies have roof type drains for storm water management with railings at the edge. Terraces and balconies are finished with raised 24x24 "Hanover" concrete pavers and pedestal system over the building roofing system. Terrace railings are steel tube painted black. Doors leading to terraces and balconies are aluminum and glass hinged doors with insulated thermal glass by Marvin Doors. All exterior metals, including fasteners, are corrosion resistant.

Exterior Entrances:

There are two public entrances off the street. The lower entrance, accessed from the front yard leads to the rear garden by Marvin Doors with "Schlage" century door entry lockset. The upper main entrance Door is a custom made aluminum feature entry door with full height insulated glazing "Schlage" century door entry lockset.

Mail Boxes:

Mailboxes are located in the Lobby at the First Floor and are front-loading vertical by Salsbury Industries Model #3507. U.S. Postal approved.

Roof:

A hot rubberized asphalt roofing system manufactured by the Henry Company with underlying polystyrene insulation is provided on all roofs. The waterproofing membrane is sloped to drains as recommended by the roofing manufacturer. The roofing system has a 20-year NDL manufacturer's warranty. The roof insulation is R-25 bat insulation by Owens Corning installed between roof joists.

Flashing:

All Roof and wall flashings will be minimum .050" thick aluminum and counter flashing is .024" thick. All flashings and trims are installed per SMACNA's Architectural sheet metal manual.

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Roof Drains:

Roof drains are provided on all roofs. They are cast iron drains designed specifically for the purpose. The stair bulkhead is drained via aluminum gutter and leader to the main roof.

Skylight:

One operable aluminum and glass 2 foot square skylight is provided at the bulkhead roof level for bringing light into the central staircase. Aluminum counter flashing and membrane base flashing as required is provided to tie into the roofing system as per the roofing manufacturer's recommendations.

Bulkhead:

The bulkhead accommodates stair access to the roof. The exterior walls are of structural metal stud construction with a Parex Standard Water Master Class PB Exterior Insulation Finish System (EIFS).

Parapets:

Parapet walls at the roof level are 6" metal stud extensions of the walls below to a code required parapet height of 42". The parapet coping is aluminum. The interior and exterior face of the parapet walls are finished with Parex Standard Water Master Class PB Exterior Insulation Finish System (EIFS). Aluminum counter flashing and membrane base flashing as required is provided to tie into the roofing system as per the roofing manufacturer's recommendations.

Yards and Courts:

Rear Yard:

A rear yard of 30 feet depth is provided per the provisions of the New York City Zoning Resolution. This yard is for the exclusive use of the Owner of the Garden Residence and is a Limited Common Element. The rear yard is at grade both a grass area and paved areas and is accessed by doors from the Garden Residence. There are no enclosures in the outdoor space.

Front Yard:

Per New York City Zoning Resolution no front yard is required. However, an existing front yard of 5'11" depth x 12'-0" wide created as part of the original construction of the building remains in place.

Access to the cellar and the Garden Residence is through the front yard. Trash enclosure and storage is also accommodated there. The surface of the front yard is finished with concrete pavers, and a yard drain connected to the building sewer system is provided for storm water management.

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Courts: There is no interior courtyard.

Interior Public Stairs:

There is one stair core in the building, which extends from the first floor to the roof. A second stair joins the ground level to the cellar. Both stairs are steel constructed of steel enclosed with a minimum 2-hour fire rated shaft wall construction. The main stair extends through the aforementioned bulkhead to the roof. All stair interior walls are drywall, primed and painted on the inside. The stairs are steel stringer and pan construction with natural stone finishes (3/4" thick "Pompeii" Honed Stone). In accordance with NYC Building Code, there is a steel pipe handrail in each stair with a pipe rail balustrade.

Interior Doors and Frames:

Unit Entrances:

The building main entry and vestibule doors are custom made steel glazed door. All Residences other than the Garden Residence are accessed from the common corridor off the main stair. The Garden Residence is accessed via an exterior door from the front yard.

All Unit entrance doors are hollow-metal type UL 1-1/2 hour rated and meet New York City Building Code requirements manufactured by Jensteel. The interior doors of each Residence are custom made solid core wood doors and frames manufactured by Jeldwin Madison

Auxiliary Facilities.

Laundry Room:

There is no common laundry room. Each Residence has provision for a laundry washing machine and dryer. All laundry rooms will have 5/8" thick "Pompeii" Honed Stone). flooring all walls and ceilings will be 5/8" gypsum wallboard primed and painted (one coat each.)

Refuse Disposal:

Residential refuse shall be taken to designated storage bins located in the front yard by the building occupants. The building superintendent shall separate for the same for recycling per local law requirements. The building superintendent shall transfer bags and recyclables to the curb for removal by the City of New York Department of Sanitation.

Storage:

There are six (6) individual storage spaces in the cellar for the use of occupants as described elsewhere in the plan. The individual storage spaces are divided with sheetrock partitions. The storage spaces are Limited Common Elements.

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Bicycle Storage:

There is no dedicated bicycle storage space within the building.

Security:

The building is secured by a Aiphone GT-1C Multi-Tenant Video Entry system.

Plumbing and Drainage:

A new 2-inch domestic water service branching from the existing NYC water main in the street enters into the cellar, providing domestic water supply to the building. A back flow preventer device approved by Department of Environmental Protection is tied into the incoming domestic water service. No pump is required for the domestic water due to adequate street pressure.

There is a new, separate 4-inch fire line which also taps off the water main in the street and enters the cellar to supply a new wet pipe sprinkler system in the entire building. All floors are fully served by this sprinkler system which was approved and permitted by Department of Buildings under application 120481013.

New plumbing risers and branch piping were installed throughout the Building. Hot & cold water piping in the building (risers & branch piping) are insulated per NYS ECCC requirements. Cold water piping has 2-inch thick fiberglass insulation. Hot water piping has 1-inch thick fiberglass insulation for all 1 1/2 inch diameter piping. Any hot water piping larger than 1 1/2 inch diameter has 1 1/2 inch thick fiberglass insulation.

Sanitary, vent and roof drain risers run through the building down to the cellar where they tie into an existing 4" combined sanitary/storm house drain going out the front of the building and connecting to the existing combined NYC storm/sewer in the street.

A siamese connection is located at the exterior of the building in the front yard opposite the residential entrance.

A building smoke detection and sprinkler alarm system is provided under Department of Buildings approved and permitted application number 120153822.

The existing 4" combined sanitary/storm sewer will be reused in the cellar.

Heating:

Water heating for each residential unit is provided by individual gas-fired Tankless indoor water heater Model No. TK-4-IN TAKAGI. This equipment is subject to warranty after which owner of unit assumes responsibility.

Space heat is provided by the Daiken VRV system described below, augmented by electric baseboard units in public areas. The building's heating and domestic hot water system is capable of providing peak required service and will maintain legally required

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conditions under anticipated weather conditions.

Gas Supply:

A new 3-inch incoming gas line brings service into the cellar to individual meters for each Residence. New gas risers are installed supplying the gas ranges, hot water heaters and dryers for each residence. Each residence will be charged separately by utility company.

Air Conditioning:

Residential units are cooled using individual Daikin VRV Air Handling Units Model Nos. FXSQ18MVJU, FXDQ12MVJU and FXMQ24PVJU, which are located above the ceiling in each Unit. Daikin Models Nos. RXYMQ48PVJU and RXYMQ36PVJU condenser units are located on the roof. The building's cooling system is adequate to maintain comfortable conditions under anticipated weather conditions and is approved and permitted by Department of Buildings under the new building application. This equipment is subject to warranty after which owner of unit assumes responsibility for maintenance and repair. The equipment for the common areas would be the responsibility of the condominium.

Ventilation:

The Units are ventilated by operable windows. Bathrooms are ventilated by a common toilet exhaust fan (Greenheck GB-101-4) located on the roof of the building. Kitchens are ventilated by kitchen exhaust fans in each unit connected to a common ventilation riser terminating in a goose neck fitting on the roof. The common stair corridor is ventilated by exhaust fan (Greenheck SO-95-D) through the bulkhead roof. The cellar is ventilated via exhaust fan (Greenheck RSFP-90) through rear wall. Gas-fired hot water heaters are exhausted through individual Type B gas vent to the roof. Gas-fired clothes dryers are exhausted through individual Type B gas vent to the roof. There are no chimneys in the building.

Electric System:

Con Edison provides a 600 Amp 3 phase service to the Building. New electric meters and risers were installed for each individual dwelling unit, as well as 1 separate meter for the common areas. Individual Residences are provided a 125 amp individually metered service with their panels located within each Residence.

Unit General Electrical Provisions:

All Residences are provided with adequate appliance outlets and switch controlled lighting sources in compliance with applicable codes and suitable for modern use.

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Bedrooms:

All 120 volt circuits serving bedrooms are protected by Arc Fault Interrupter (AFCI) type circuit breaker and dedicated neutral from each AFCI protected circuit back to circuit breaker in panel. There is one cable TV outlet. All convenience outlets are spaced 12' -0" or less apart on any single wall.

Kitchen:

Each kitchen is equipped with a Refrigerator, Dishwasher, Microwave Oven, all with dedicated 1 pole 20 amp separate circuit appliance outlets. Each appliance has a dedicated outlet for appliances.

Living/Dining Room:

All receptacles are spaced no more than 12' -0" apart on any single wall. One wall mounted receptacle with bottom plug controlled by a local switch is located by the entrance to room for lighting purposes (lamp plugged into electrical outlet). There is one cable TV outlet located in the living room.

Bathrooms:

All convenience receptacles are GFCI type devices fed from a GFCI circuit. There are two GFCI receptacles per bathroom, one at the sink location and one centered on adjacent or opposite wall.

Washer/Dryer:

Washing Machine and Dryer is provided with a dedicated 1 pole 20 amp separate circuit appliance outlet.

Public Area Lighting:

Public areas are provided with adequate lighting for egress and security. All lighting in public areas are 4' long x 4" wide with T8 florescent lamps, model# legion 4304 except the vestibule and lobby has ceiling and/or wall mounted fixtures. Lighting for the vestibule and lobby is recessed ceiling mounted fixtures and wall mounted model # Domino Cat # P9033.11 decorative lighting sconces. Public Area lighting is fed from the house panel.

There are no garages, parking areas, swimming pools, tennis courts or playgrounds offered to Purchasers under the Plan.

Individual Residence Details and Finishes:

The Building is a 5 story building with a basement and cellar and contains a total of six (6) residential condominium units ("Units"). The Units are described and designated as:

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The Garden Residence contains approximately 986 square feet and is a single residential Condominium Unit. It contains the entire ground floor and is comprised of two bedrooms, two bath, kitchen, living room and laundry room. The ceiling heights are approximately 8'-7" in its main rooms and 7'-6" in ancillary spaces. The Owner of the Garden Residence has exclusive use and access to the outdoor garden of approximately 588 square feet which is a Limited Common Element. The Garden Residence is designated in the Plan in the Plan as Unit #1,

The First Floor Residence contains approximately 904 square feet and is a single residential Condominium Unit. It contains the entire First Floor which includes two bedrooms, one full bath and one half bath, kitchen living room and laundry room. The ceiling height is 11'-8" in the main rooms and 10'-2" in ancillary spaces. The First Floor Residence is designated in the Plan as Unit #2,

The Second Floor Residence contains approximately 1,060 square feet and is a single residential Condominium Unit. It contains the entire Second Floor which includes two bedrooms, two bathrooms, kitchen, living room and laundry alcove. The ceiling height is 10'-0" in the main rooms and 8'-6" in ancillary spaces. The Residence has a rear balcony of approximately 56 square feet which is a Limited Common Element. The Second Floor Residence is designated in the Plan as Unit #3,

The Third Floor Residence contains approximately 1,060 square feet and is a single residential Condominium Unit. It contains the entire Third Floor and consists of two bedrooms, 2 baths, kitchen, living room and laundry alcove. The ceiling height is 10'-0" in the main rooms and 8'-6" in the ancillary spaces. The Residence has a rear balcony of approximately 56 square feet which is a Limited Common Element. The Third Floor Residence is designated in the Plan as Unit #4.

The Fourth Floor Residence contains approximately 1,060 square feet is a single residential Condominium Unit. It consists of the entire Fourth Floor and contains two bedrooms, two bathrooms, kitchen, living room and laundry alcove. The ceiling height of the Fourth floor is 8' 4" in main rooms and 7' 6" in ancillary spaces. The Residence has a rear balcony of approximately 56 square feet which is a Limited Common Element. The Fourth Floor Residence is designated in the Plan as Unit #5,

The Fifth Floor Residence contains approximately 684 square feet and is a single residential Condominium Unit. It consists of the entire Fifth Floor and contains one bedroom, one bathroom, kitchen, living room and laundry alcove. The ceiling height of the Fifth floor is 8' 4" in main rooms and 7' 6" in ancillary spaces. The Residence has two terraces, one located off the bedroom and one located off the living room, facing the street. Both terraces totaling 453 square feet are Limited Common Elements. The Fifth floor Residence is designated in the Plan as Unit #6.

Residence Features:

Each Unit has one layer of 5/8" thick "Plyboo" 100% Engineered Bamboo wood flooring set over two layers of 5/8" thick plywood and acoustic underlayment in living rooms, kitchens, halls and bedrooms. All ceilings are 2 layers of 5/8" type "x" gypsum wall board, taped and spackled and finished with one coat of primer and one coat of finished paint. All walls are finished with

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5/8" gypsum wall board taped and spackled and finished with one coat of primer and one coat of finished paint

All bathrooms are finished with one layer of stone (3/8" "Pompeii" Honed stone) on floors and on each wall up to 7'-0" above the finished floor. All of the smaller bathrooms are fitted with model "Gessi" water closets and the larger bathrooms are fitted with model "Duravit Vero" model # (zve 211.709) water closets.

All bathrooms are fitted with Model "Godmorgon" series vanity sinks from Ikea with faucets from "Gessi".

All shower trays are 42"x36" rectangular fiberglass model # 4236m from ELM Mustee.

All Bath fixtures are 59"x 27 1/2" x 16 3/4" cast iron model Soissons K-941 from Kohler.

Walls and ceilings including the walls and ceiling of the cellar and Common Element hall stairway are newly constructed with 5/8" gypsum wallboard taped and spackled and are primed and finish painted.

All of the kitchens in the Units are furnished with granite countertops, custom made cabinets, and appliances as noted in the following schedule:

Kitchens for Garden Level through 4th Floor Residences are provided with the following appliances:

Range	KitchenAid Architects Series II 30" Self-Cleaning Dual Fuel Range in Stainless Steel finish. Model KDRS807SSS or equal
Microwave Oven	Jenn-Air Convection Microwave Oven in white. Model JMV8166BAW or equal
Refrigerator/Freezer	LG Electronics French Door Bottom Freezer Model LFC25770TT or equal
Dishwasher	LG Electronics Model LDF8812ST or equal
Kitchen for 5th Floor	Residence is provided with the following appliances:
Range	Summit Professional 20" Gas Range in Stainless Steel Finish Model TNM13027BFKWY or equal
Microwave Oven	Jenn-Air Convection Microwave Oven in white. Model JMV8166BAW
Refrigerator/Freezer	Summit 11 Cu.ft. Frost-free refrigerator in Stainless Steel Finish or equal
Dishwasher	Avanti 18: Built-In in Stainless Steel Finish. Model DW181SS or equal

All Residences are provided with the following laundry appliances:

Clothes Washer	Frigidaire Front Loading Model GLTF2940FS or equal
Clothes Dryer	Frigidaire or equal

Each Residence has smoke/carbon monoxide detectors hardwired along with battery back-up and is cable and internet ready.

SBLM Architects
545 West 45th Street
New York, New York 10036
Telephone 212 995 5600
Fax 212 675 4228
dnicholson@sblm.com
www.sblm.com



Residential Lobby:

The lobby floor is finished with stone tile flooring (3/4" thick "Pompeii" Honed Stone). Walls are finished with (3/8 thick "Pompeii" Honed stone).

Entry doors are steel framing with tempered clear glass panels on door pivots. Ceiling lighting are recessed fixtures.

Cellar- Mechanical Room:

The cellar storage room has epoxy sealed concrete flooring

The walls are primed and finish painted concrete or masonry walls. Doors are painted hollow metal doors. The ceiling has two layers of 5/8" gypsum wall board primed and painted. (One coat each.)

Storage Room:

The cellar storage room has epoxy sealed concrete flooring

The walls are primed and finish painted concrete or masonry walls. Doors are painted hollow metal doors. The ceiling has two layers of 5/8" gypsum wall board primed and painted. (One coat each.)

Cellar - Corridor:

The cellar storage room has epoxy sealed concrete flooring.

The walls are primed and finish painted concrete or masonry walls. Doors are painted hollow metal doors. The ceiling has two layers of 5/8" gypsum wall board primed and painted. (One coat each.)

Terraces and Balconies:

The Second, Third and Fourth Floor Residences have rear balconies. The Fifth Floor Residence has two large terraces, one facing south and one facing north. All are finished with concrete pavers over finished roof. Walls have exterior insulated finished system. (EIFS)

Light and Air:

All residential units meet or exceed DOB's minimum requirements for light and air.

Child Safe Railing

All stairs have vertical balusters between handrails and treads and spaced to meet safety code requirements. Handrails are continuous throughout the stair length.

Safety and Warning Devices:

Single station combination carbon monoxide & smoke alarms with integral horn and 120V AC direct wire and battery backup are installed in each bedroom and in corridors outside sleeping areas, as required by NYC Building Code.

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Emergency Lighting Provisions:

Entrance halls, common corridors and stairs are provided with adequate lighting for egress and security. There is emergency lighting in all public corridors, fire stairs and egress paths. There is emergency lighting in mechanical equipment rooms, and electric service room. Emergency lighting is provided through the use of emergency ballast battery packs in fluorescent light fixtures where possible and through self-contained type wall mounted emergency lights where necessary.

Asbestos:

No asbestos containing material is present in insulating, fireproofing, or any other material anywhere in the Building.

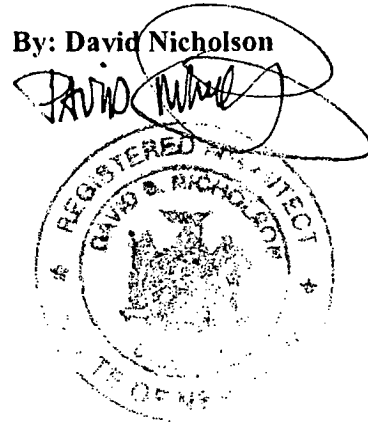
Lead-Based Paint:

No lead-based paint is used anywhere in the Building.

SBLM Architects authorizes you to include this report in the offering plan.

SBLM Architects P.C.

By: David Nicholson



PURCHASE AGREEMENT

57 West 127th Street
New York, New York 10027

Recitals

1. The name of the Condominium is: The San Giorgio Condominium
2. The name of Seller is Harrest Capital S.r.l.
3. The name of Purchaser is:
4. The address of the Property is: 57 West 127th Street,
New York, New York
5. The Unit covered by this Purchase Agreement is designated in the Declaration as Unit #
6. The Common Interest appurtenant to the Unit is %
7. The use of the Unit is residential.
8. Purchaser's residence address, if an individual, or business address, if an entity, is:
9. Purchaser's telephone and facsimile numbers are .
10. Purchaser's e-mail address is .
11. Purchaser's social security number or federal identification number is .
12. The Purchase Price is \$
13. The Down Payment payable herewith is \$
representing 10% of the Purchase Price.
14. The balance of the Purchase Price (the "**Balance**") is \$
15. The Closing Date is:

PURCHASE AGREEMENT

THIS AGREEMENT is made as of _____, 2014 by and between Harrest Capital S.r.l. (hereinafter referred to as "Seller" or "Sponsor") with offices at c/o SBLM Architects P.C. 545 West 45th Street, New York, New York 10036 and _____ ("Purchaser") residing at _____ New York, New York.

1. The Offering Plan.

Purchaser acknowledges having received and read the Offering Plan and all filed amendments, if any, at least three (3) full business days prior to Purchaser signing this Agreement. Purchaser hereby adopts, accepts and approves the Offering Plan and the amendments thereto, if any, and agrees to be bound by the terms and conditions thereof. Any amendments to the Offering Plan shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset or credit against (i) the performance of Purchaser's obligations hereunder or (ii) the Purchase Price. Sponsor may file amendments to the Offering Plan before or after the closing with Purchaser without his consent or approval; subject, however, to Purchaser's right of rescission in the event a material amendment to the Offering Plan adversely affects in any material respect Purchaser's rights hereunder or under the Offering Plan. The Offering Plan is hereby incorporated by reference in this Agreement with the same force and effect as if set forth herein at length. In the event of any inconsistency between the provisions of this Agreement and those contained in the Offering Plan, the provisions of the Offering Plan shall govern and be binding. Purchaser acknowledges having had a full opportunity to examine all documents and investigate all statements made herein and in the Offering Plan.

2. Agreement to Purchase.

Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller the Condominium Unit designated as Unit # _____ together with an undivided _____ % interest in the Common Elements appurtenant thereto (hereinafter referred to as "Common Interest") at The San Giorgio Condominium located at 57 West 127th Street, New York, New York for the Purchase Price stated herein (the "Purchase Price"), upon and subject to the terms and conditions set forth in this Agreement; or

3. Purchase Price.

(A) The total Purchase Price for the Unit (exclusive of closing adjustments and costs referred to in Sections 10 and 11 below) is \$ _____ which Purchaser agrees to pay as follows:

(i) \$ _____ (hereinafter referred to as the "Deposit") is due when the Purchaser executes and delivers this Agreement to Sponsor or its counsel. The Deposit may be paid by personal check, certified or official bank check, in any case drawn on a bank or trust company which is a member of the New York Clearing House Association. In the event Purchaser intends to finance a portion of the Purchase Price, Purchaser shall estimate the amount to be financed from a bank or other lending institution. Except as otherwise provided in this

Agreement, Purchaser's obligation to close is not dependent on obtaining financing for the purchase of a Unit

If any check for any payment to be made by Purchaser under this Agreement (including without limitation the Deposit) shall be dishonored for any reason whatsoever, it shall be deemed a material default by Purchaser hereunder and Sponsor may, in that event, cancel this Agreement and still be entitled to recover the amount of such check in addition to, without limiting the foregoing provisions, the costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) of collection of any such check or other instrument so dishonored; except that with respect to the Deposit, Purchaser may cure the default by replacing the dishonored check with a bank or certified check within three business (3) days after receipt of written that Purchaser's check had been dishonored.

All Deposits shall be unendorsed and made payable to "Edmund Schaffzin As Attorney". Mr. Schaffzin, of counsel to Scarola Malone & Zubatov LLP, with offices at 1700 Broadway, Suite 4100, New York, New York 10019, will act as escrow agent ("Escrow Agent") hereunder.

(ii) \$ _____ representing the Balance of the Purchase Price, to be paid by bank or cashier's check drawn on a bank or trust company which is a member of the New York Clearing House Association

(B) Except as expressly provided in the Offering Plan to the contrary, Purchaser's payment of the balance of the Purchase Price and acceptance of the deed conveying title to the Unit shall constitute Purchaser's agreement that Sponsor has satisfactorily performed all of its obligations as stated in the Offering Plan and this Agreement at or prior to Closing (as defined below).

(C) Purchaser shall not be required to pay the Balance of the Purchase Price or accept the Deed unless all of the prerequisites set forth in "**Sponsors Obligations**" in **Part 1** of the Offering Plan are met concurrently at or prior to Closing.

4. Deposit to be Held in Trust.

The Deposit shall be held by the Escrow Agent in trust until actually employed in connection with the closing of the sale of the Unit. Seller will comply with the escrow and trust fund requirements of New York State General Business Law Sections 352-e(2-b) and 352-h and the New York State Attorney General's regulations promulgated thereunder which will prevail over any conflicting or inconsistent provision in the Offering Plan or in this Agreement. Purchaser shall not be obligated to pay any legal or other expense of Seller in connection with the handling or disposition of the Deposit paid by Purchaser. However, nothing in the preceding sentence shall affect the obligation of Purchaser to pay the fees and expenses of Seller's attorneys as expressly disclosed in the Offering Plan in connection with the purchase or closing of the Unit purchased hereunder or upon Purchaser's default.

The Deposit shall be deemed to have been unconditionally tendered when it is delivered to Seller or the Escrow Agent together with four (4) copies of this Agreement signed by Purchaser without any request for a change in such form or the terms of this Agreement. The Deposit shall be

placed in a special escrow account of the Escrow Agent at JP Morgan Chase Bank N.A., 530 Fifth Avenue, New York, New York (the "Bank") within five (5) business days after the date on which the Deposit has been unconditionally tendered. The Escrow Agent is the sole signatory on said Escrow Account. The Deposit is insured by Federal Bank Deposit Insurance generally to a maximum of \$250,000 at this time.

The Escrow Account shall be interest-bearing and any interest earned on the Deposit shall be delivered to Purchaser at the closing to his Unit or other termination of this Agreement unless Purchaser has defaulted hereunder beyond any applicable cure period, in which event Seller shall be entitled to retain such interest together with the Deposit. The interest rate to be earned on the Deposit will be the rate paid from time to time by the Bank on Attorney Escrow Accounts. Interest will begin to accrue when the check for a Deposit is collected by the Bank. Seller and the Escrow Agent shall only be liable for interest earned on the Deposit to the extent same is received by them from the Bank. No representation is made as to the rate or amount of interest that will be earned on the Deposit. Purchaser must disclose his or her social security or its taxpayer identification number on this Agreement and execute IRS Form W-9 or such other forms as the Escrow Agent or the Bank may require to comply with Internal Revenue Service requirements. If there is more than one Purchaser, the social security or taxpayer identification number of each Purchaser who will be receiving any interest earned on the Deposit must be noted herein. The Purchaser's failure to provide this information will be deemed a waiver of his, her or its right to receive interest on the Deposit.

The Escrow Agent may from time to time, upon notice to Seller and Purchaser, change the depository in which the Deposit is held to another lending institution located in New York City.

Any inconsistency between the Escrow provisions set forth in this Purchase Agreement and the Model Escrow Agreement promulgated by the New York State Department of Law, a copy of which is attached to and made a part of this Agreement, shall be resolved in favor of the Model Agreement.

5. Duties of Escrow Agent.

(A) Within ten (10) business days after unconditional tender and delivery by Purchaser to Seller or the Escrow Agent of the Deposit submitted with this Agreement, the Escrow Agent will notify Purchaser that such funds have been deposited into the Escrow Account and will provide the account number and the initial interest rate. If Purchaser does not receive notice of such Deposit within fifteen (15) business days after unconditional tender and delivery to Seller of such Deposit, then Purchaser may cancel such purchase and rescind this Agreement so long as such right to cancel and rescind is exercised within ninety (90) days after Purchaser's unconditional tender and delivery of the Deposit. However, Purchaser shall not be entitled either to rescind this Agreement or to receive a refund of the Deposit where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited and notice as provided above was timely mailed to Purchaser in conformity with the Attorney General's regulations. Purchaser acknowledges that receipt of the Deposit by the Escrow Agent and deposit in the Escrow Account shall not be deemed acceptance of this Agreement by Seller.

(B) The Escrow Agent shall hold the Deposit in escrow until:

- (i) otherwise directed in one or more writings signed by Seller and Purchaser; or
- (ii) otherwise directed in a determination of the Attorney General, pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- (iii) a non-appealable judgment or order of a court of competent jurisdiction permits or requires the release of such Down Payment; or
- (iv) the Deposit is paid by the Escrow Agent into a court of competent jurisdiction; or
- (v) the Deposit is paid to Seller as provided in this Section; or
- (vi) the Deposit is paid to Purchaser as provided in this Section.

(C) If there is no written agreement between Seller and Purchaser to release the Deposit, the Escrow Agent will not pay the Deposit to Seller until the eleventh (11) business day following the date that the Escrow Agent has given Purchaser written notice that the Escrow Agent intends to pay the Deposit to Seller

(D) Seller shall not object to the release of the Deposit to Purchaser; provided, however, Purchaser has not defaulted and has timely and validly rescinded this Agreement in accordance with an offer of rescission contained in the Offering Plan or an amendment thereto.

(E) The Deposit shall be delivered to Seller at the Closing unless disbursed as liquidated damages or returned to Purchaser as herein provided. In the event the Offering Plan is abandoned or withdrawn, the Deposit shall be returned to Purchaser together with interest earned thereon. Notwithstanding the foregoing, if at the time the Offering Plan is abandoned or withdrawn, Purchaser is in default hereunder and has failed to cure such default within the applicable grace period (or if this Agreement had previously been canceled due to Purchaser's uncured default), then Seller shall retain the Deposit as liquidated damages together with any interest earned thereon (hereinafter called "Liquidated Damages").

(F) Included in Part II of the Offering Plan is a copy of the escrow agreement between the Escrow Agent and Seller which is subject to the terms of the Attorney General's regulations (the "Escrow Agreement"). In the event of any conflict between the Escrow Agreement and either any provisions of the Offering Plan or this Agreement, the Escrow Agreement shall control.

(G) The Escrow Agent will maintain all records concerning the Escrow Account for seven (7) years after the closing of the Unit.

(H) Notices given by the Escrow Agent, Seller, or its agents pursuant hereto shall be deemed given (i) upon delivery if personally delivered or (ii) upon the fifth (5th) day after the date of mailing, if mailed; or (iii) on the next business day if delivered by overnight courier.

6. Closing Date and Place.

The closing shall occur on the date set forth in the Rider to this Agreement at the offices of Scarola Malone & Zubatov LLP, 1700 Broadway, Suite 4100, New York, New York, or at such time and place in the City of New York as Seller shall designate to Purchaser in writing on not less than thirty (30) days prior written notice. Seller shall have the right, from time to time, to adjourn such date and time for closing on written notice to Purchaser. If the closing is adjourned, Seller shall fix a new date and time for closing and shall give Purchaser not less than ten (10) business days' prior written notice of the new scheduled date and time for closing. The date scheduled for the closing by Seller or any adjourned to date requested by Seller shall be referred to herein as the "Closing Date." Purchaser shall be entitled one or more reasonable adjournments of up to an aggregate of not more than thirty (30) days, TIME BEING OF THE ESSENCE AGAINST PURCHASER provided Purchaser shall have given Seller at least five (5) days prior written notice and provided that Purchaser shall not be entitled to a further adjournment of any kind. In addition to any rights Seller may have by virtue of Purchaser's failure to timely close title when required, Purchaser shall reimburse Seller for the Common Charges and Real Estate Taxes and Assessments for the period of Purchaser's delay in closing.

The closing shall occur only after or concurrently with compliance with the prerequisites to closing in the section of the Offering Plan entitled "**Closing of Title to Units**" and "**Terms of Sale**" in Part I of the Offering Plan.

Seller has the right to postpone the closing one or more times to remove title objections, satisfy a closing prerequisite or any other good faith reason. In the event Seller postpones the closing, Seller will fix a new date and time for closing upon not less than ten (10) business days' written notice. Should Seller postpone the closing, Purchaser shall still pay the full amount of the Purchase Price and closing adjustments as of the actual date of closing without abatement, set-off or credit or provision for the escrow of funds and without recourse of any kind against Seller. In no event shall Seller be liable to Purchaser for actual, incidental, indirect, consequential or other damages based on any delay of the Closing Date.

Any date which Seller designates as the "First Closing Date" may be delayed by events outside of Seller's or Purchaser's control ("Force Majeure") such as inclement weather, fire, explosion, labor strife or delivery of materials.

7. The Deed, License and Power of Attorney.

(A) With regard to the sale of a Unit, upon receipt by Seller of all payments and documents required hereunder, Seller shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts in substantially the form set forth in **Part II, Document Number 7** of the Offering Plan conveying the Unit to Purchaser subject to the Permitted Exceptions referred to in the Declaration, the By-Laws, the Offering Plan and the Exhibits thereto. Purchaser shall pay all recording or other fees in connection with the recording of the deed. The deed shall be executed and acknowledged by Seller and shall be in form suitable for recording by Purchaser's title company.

(B) On the Closing Date and simultaneously with the delivery of the deed conveying title to the Unit to Purchaser, Purchaser shall execute, acknowledge and deliver a power of attorney to the Condominium Board and Seller substantially in the form set forth in **Part II, Document No. 8** of the Offering Plan. Purchaser shall pay all recording or other fees in connection with the recording of the deed power of attorney.

On the initial sale, the Condominium execute and deliver a license to the Purchaser granting him the exclusive access and use of the Bin applicable to the Unit being sold and transferred. No portion of the Purchase Price is attributable to the license for the Bin.

The deed shall be delivered by Seller to the representative of the title company insuring Purchaser's title, or if no such representative is present, then to Purchaser's attorneys. The deed shall be marked for return to Purchaser or Purchaser's attorneys after recording. The power of attorney shall be delivered to Purchaser's title company for recording and shall be marked for return to the Condominium Board or its attorneys after recording.

8. Agreement Not Contingent Upon Financing

(A) This Agreement is not contingent upon Purchaser obtaining financing in connection with the purchase of the Unit. Accordingly, Purchaser shall have no right to terminate this Agreement if Purchaser is unable to obtain a mortgage or other financing.

(B) If Purchaser has obtained financing in connection with the purchase of the Unit, Purchaser hereby irrevocably authorizes and instructs Purchaser's lender to pay directly to Seller at the closing the proceeds of the mortgage loan to be applied towards the Balance of the Purchase Price. Purchaser shall sign written authorization at closing as lender may request.

9. State of Title.

(A) On the Closing Date, Seller shall convey to Purchaser fee simple title in and to the Unit, free and clear of all encumbrances other than the Permitted Encumbrances set forth in the Offering Plan. Any other liens, encumbrances or conditions shall not be an objection to title if: (i) an instrument required to remove them from record is delivered by Seller to the representative of Purchaser's title insurance company or Purchaser's attorneys for recording in the appropriate office, together with Seller's payment of the requisite recording or filing fees; or (ii) Purchaser's title insurance company will insure Purchaser against its collection or enforcement out of the Unit.

(B) Seller shall give, and Purchaser shall accept, such title as Purchaser's title insurance company shall approve and insure, provided that the only liens, encumbrances and conditions affecting title shall be Permitted Encumbrances as set forth in Part I of the Offering Plan. Seller shall have no obligation to cause Purchaser's title company, if any, to omit any other exceptions to title.

All representations and obligations of Sponsor under the Plan shall survive closing to the extent provided in the Plan.

Purchaser and Seller agree that Seller may pay and discharge any liens and encumbrances on the Unit or the Property not provided for in the Offering Plan out of the funds to be paid by Purchaser to Seller at the time of closing of title.

10. Closing Adjustments.

(A) The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to a Unit except as otherwise provided in the Offering Plan.

(i) If the Unit has been separately assessed as of the Closing Date, then real estate taxes, assessments and water and sewer charges against the Unit shall be adjusted on the basis of the period for which assessed;

(ii) Common Charges for the month in which title closes; and

(iii) If there is an Interim Lease, rent for the period of time Purchaser was in possession under such Lease.

(B) In the event the closing of title occurs before the real estate tax rate is fixed, the adjustment of taxes shall be based upon the latest real estate tax rate applied to the most recent applicable assessed valuation. Installments for real estate tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title.

(C) In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act of the State of New York, it is specifically understood that such credit shall inure to the benefit of Seller. Accordingly, at the closing of title Purchaser shall be required to pay the full amount of the mortgage recording tax chargeable on the entire amount of mortgage financing Purchaser has elected to obtain in connection with the purchase of the Unit, but from that charge, Seller shall be reimbursed to the extent of any mortgage tax credit allowed. If Purchaser's lender refuses to close at Seller's counsel's office and requires the closing to take place elsewhere in New York City, Purchaser shall pay Seller's counsel a travel fee of \$250 (in Manhattan) or \$500 if closing is held outside of Manhattan.

(E) If Purchaser fails to close on the Closing Date originally specified by Seller or as such may be extended by Purchaser for up to an aggregate of thirty (30) days for any reason, then Purchaser will (a) pay in addition to all of the closing costs specified in the Offering Plan a late fee equal to an annual rate of nine (9%) percent per annum of the unpaid balance of the Purchase Price divided by 365 for each day's delay, beginning with the first day after the originally scheduled Closing Date and up to and including the day immediately preceding the actual Closing Date, (b) reimburse Sponsor for the Unit's Common Charges and real estate taxes during the period of delay and (c) pay the service fee of \$250 to Sponsors' attorneys for each notice sent to Purchaser to reschedule the closing. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Seller postpones the Closing Date.

(F) Any errors or omissions in computing apportionments at closing shall be corrected

and payment made to the proper party promptly after discovery. This provision shall survive the closing for a period of six (6) months.

(G) The "Custom in Respect of Title Closings" as amended shall apply to the adjustments and other matters therein mentioned, except as otherwise provided herein.

11. Further Closing Costs.

(A) In addition to closing adjustments at the time of closing and closing costs set forth in this Section 11 and Section 12 below, each Purchaser of a Unit shall pay all of the following closing costs if applicable, including but not limited to \$1,500 representing the legal fees of Sponsor's counsel plus disbursements. Purchaser will be responsible for the payment of governmental fees and title services charges, and such other costs as fee and mortgage insurance, document recording charges, mortgage recording tax if Purchaser has obtained financing; New York City and New York State transfer taxes, the entire "Mansion Tax", Purchaser's counsel's fees and expenses and the costs of any expert retained by Purchaser in connection with the Property. Also, Purchaser shall reimburse Sponsor to the extent of any mortgage tax credit allowed with respect to that Unit in accordance with Section 339(ee) (2) of the New York State Real Property Law if Sponsor has an underlying mortgage.

(B) Seller shall deliver to the Board of Managers a check for two (2) month's Common Charges at the rate then in effect as a contribution to the Condominium's Working Capital Fund and one (1) month's Common Charges as a supplement to the Condominium's Reserve Fund.

12. Real Property Transfer Tax.

Purchaser shall pay all real property transfer taxes ("Transfer Taxes") and deed stamp taxes and the entire "Mansion Tax", recording fees and other fees in connection with this transaction and the recording of the deed. Seller and Purchaser shall duly execute and swear to any transfer tax return and any other form then required by Applicable Law, all of which shall be prepared by Seller. The taxes presently are:

(i) New York City Real Property Transfer Tax (RPT) of 1% of the Purchase Price if the Purchase Price of the Unit is less than \$500,000; or, 1.425% if the Purchase Price of the Unit is \$500,000 or more and \$100 filing fee.

(ii) New York State Real Property Transfer Tax (TP-584) of \$2 per \$500 of the Purchase Price; and

(iii) the "Mansion Tax" of one (1%) per cent of the Purchase Price, if the Purchase Price is \$1,000,000 or more.

The Transfer Taxes to be paid by Purchaser are required to be 'grossed up' by adding Purchaser's proportionate share of the base tax to the Purchase Price before calculating the actual tax.

13. Title Company Approval.

With respect to a Unit, Sponsor shall give, and Purchaser shall accept, such title as any title insurance company that is a member of the New York Board of Title Underwriters will approve and insure, provided that the only liens, encumbrances and conditions affecting title shall be the Permitted Exceptions.

14. Agreement Subject.

No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage against the Unit or the Property existing now or prior to the Closing Date. Seller shall, at its option, either satisfy such mortgage or obtain a release of the Unit from the lien of such mortgage on or prior to the Closing Date. The existence of any mortgage encumbering the Property or portions thereof other than the Unit shall not constitute an objection to title or excuse Purchaser from completing the payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Seller, provided that the applicable Unit is released from, or not subject to, the lien of any such mortgage at or prior to closing.

15. Events of Default.

(A) Each of the following shall constitute an "Event of Default":

- (i) Purchaser's check for the Deposit is dishonored; or
- (ii) Purchaser fails to pay the Balance of the Purchase Price on the Closing Date as provided herein; or
- (iii) Purchaser fails to execute and deliver to Seller the power of attorney in recordable form;
- (iv) New York City and New York State Real Property Transfer Tax returns or any other documents when and as required herein to be executed and delivered by Purchaser;
- (v) Purchaser fails to pay any closing costs or other payments due and payable to Seller pursuant to this Agreement; or
- (vi) Purchaser fails to pay sums due at closing to the Condominium Board; or
- (vii) Purchaser takes unauthorized possession of the Unit; or
- (viii) Purchaser records this Agreement without Seller's prior written consent.

(B) Upon the occurrence of an Event of Default by Purchaser, Seller's shall send

Purchaser written notice describing the Event of Default. Purchaser shall have thirty (30) days from the receipt of the cancellation notice within which Purchaser to cure the specified default, **TIME BEING OF THE ESSENCE AGAINST PURCHASER**. If the specified default is not timely cured, then (i) Seller shall have the right to retain the Deposit and interest earned thereon as liquidated and agreed upon damages; (ii) Seller shall have the right to sell the Unit to others as though this Agreement had never been made; and (iii) Purchaser shall not have any further rights against or obligations to Seller, the Condominium, the Condominium Board or any subsequent purchaser of the Unit.

16. Agreement Subject to the Offering Plan Being Declared Effective.

The Offering Plan has been declared effective. The Offering Plan may be abandoned by Seller after it has been declared effective upon certain terms and conditions as set forth in the Offering Plan. If the Offering Plan is after it has been declared effective and the Offering Plan shall not be consummated for any reason, then this Agreement shall be deemed canceled, the Offering Plan terminated on the date specified in a notice thereof by Seller to Purchaser and within fifteen (15) days thereafter Purchaser shall receive a refund in full of all moneys paid by it hereunder with interest earned thereon (unless Purchaser shall then be in default), and, upon such refund neither party shall have any further rights, obligations, or liability to or against the other or the Condominium under this Agreement and the Offering Plan.

17. Seller's Inability to Convey Title.

If Seller is unable to deliver marketable title to the Unit to Purchaser subject to the Permitted Exceptions set forth in the Offering Plan, Seller 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 Offering Plan to cure the title defect. If Seller elects to attempt to cure such inability, then it shall be entitled to an adjournment of the Closing Date for a reasonable period of time within which to effect such cure. However, Seller may notify Purchaser at any time of its decision either not to cure such defect and if Purchaser is then not in default hereunder beyond any applicable grace period, then Purchaser's sole right and remedy shall be either: (a) to take title to the Unit or subject to such lien or title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Seller for damages or otherwise); or (b) to terminate this Agreement. If Purchaser terminates this Agreement, Seller shall return the Deposit to Purchaser together with interest earned thereon within fifteen (15) days after receipt of notice, and upon making such payment, this Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other under this Agreement and the Offering Plan. If Purchaser fails to give timely notice to Seller with **TIME BEING OF THE ESSENCE AGAINST PURCHASER**, it shall be conclusively deemed that Purchaser has elected to acquire title to the Unit subject to such title deficiency.

18. Fixtures, Appliances and Personal Property.

(A) At closing, the Unit will contain only those appliances, counter tops, cabinets, sinks, vanities (if any), air-conditioning units (if any), hardware and other fixtures and equipment currently installed therein. See **Part I, "Description of Property"**.

(B) Furniture, wall coverings, furnishings, decorations and the like, if any, in or about any model apartment are for display purposes only and are not included in the sale if agreed to by Seller. Any Floor Plans, as provided in the Plan, or sketches shown to Purchaser are only approximations of the Unit's dimensions and arrangement and Purchaser should not rely thereof.

19. Acceptance of Condition of Property Unit.

Subject to Sponsor's obligations under this Agreement and the Plan, the execution of this Purchase Agreement by Purchaser constitutes Purchaser's acceptance of the condition of the Property, including the Unit, and all fixtures, machinery, equipment, furnishings, appliances, installations and any other personal property contained therein (hereinafter collectively called "Installations"), in its then existing condition, subject to reasonable use, wear and tear and natural deterioration between the date Purchaser signs this Agreement and delivery of the deed to Purchaser. Purchaser acknowledges having read, or having had ample opportunity to read, the Description of Property and Specifications set forth as **Document Number 1 in Part II** of the Offering Plan. Purchaser understands that Seller has no obligation to make any repairs, improvements or decorations in or to the Property, the Unit or the Installations except as set forth in the Offering Plan. Seller shall maintain the Property in substantially the same condition it is in on the Presentation Date, unless prevented from so doing by reason of acts or events beyond Seller's control, as more particularly set forth in the Offering Plan.

Purchaser shall be given a reasonable opportunity to examine the Unit prior to closing and is advised to make a careful examination at such time.

The provisions of this Section shall survive the closing.

20. Lead-Based Paint and/or Lead-Based Paint Hazards

Seller warrants that the Building is free of lead based paint. The Building and the Unit is newly constructed and no lead paint could be lawfully used in connection with the construction of the Building. However, Purchaser understands that under applicable Federal regulations (namely, 24 CFR Part 35 and 40 CFR Part 745), before Purchaser becomes obligated under this Purchase Agreement, Purchaser must be permitted a 10-day period to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead based paint hazards (the, "Lead Based Paint Inspection"), unless Purchaser elects in writing to waive same. At or prior to signing and submitting this Purchase Agreement to Seller, Purchaser shall sign a certain form entitled "Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards ("Lead-Based Paint Disclosure Form") indicating, among other things, whether Purchaser has waived the right to conduct the Lead-Based Paint Inspection or has been given the opportunity to conduct same. A copy of the Lead-Based Paint Disclosure Form is included in Part II of the Offering Plan. Purchaser hereby repeats and affirms all of Purchaser's acknowledgments on Purchaser's signed Lead-Paint Disclosure Form, which by this reference are hereby made a part of this Purchase Agreement. Notwithstanding anything to the contrary contained herein, Seller shall have no obligation to accept any Purchase Agreement submitted by Purchaser unless accompanied by the Lead-Based Paint Disclosure Form completed and executed by Purchaser.

21. Damage to the Unit.

(A) Purchaser shall not be entitled to occupy the Unit until the instrument of title is delivered at closing, unless Seller, in its discretion, permits possession of the Unit to Purchaser under an Interim Lease. If Purchaser is given possession of the Unit prior to closing under an Interim Lease, then Purchaser shall assume the risk of loss and the obligation to repair and shall be solely responsible for any damage to, or loss or other condition in the Unit resulting from casualty incurred as a consequence of Purchaser's use and occupancy or from the acts or negligence of Purchaser's guests, contractors, subcontractors, licensees, agents, employees or other invitees or otherwise and Seller shall not be obligated to make repairs to the Unit as a result of the foregoing. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance of the Purchase Price and accepting delivery of the deed. Notwithstanding the foregoing, Seller shall remain responsible to make those repairs required of it under the terms of the Offering Plan. After closing, the Condominium Board shall be responsible to make those repairs required of it under the Condominium Documents.

(B) Except as provided in subparagraph (A), all other risk of loss prior to closing shall be assumed by Seller, but without any obligation or liability of Seller to repair the damage or restore the Unit. If Seller or (in the event the Declaration is filed) the Condominium Board elect to repair or replace the loss or damage in the event of a fire or other casualty, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement of, the Purchase Price, and Seller shall be entitled to a reasonable period of time to complete (or to permit the Condominium Board) to complete such repairs or replacements. Purchaser shall not be required to pay the Balance of the Purchase Price unless and until (i) the Unit has been substantially repaired to as near as reasonably possible its condition immediately prior to the casualty and (ii) essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall belong entirely to Seller (subject to the rights, if any, of the Condominium Board or of other Unit Owners in the event the Declaration is filed) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Seller.

(C) In the event Seller notifies Purchaser that it does not elect to repair or restore the Unit or (in the event the Declaration is filed) if the Unit Owners do not resolve to make such repairs or restore the Unit pursuant to the Condominium Documents, this Agreement will be deemed canceled and of no further force or effect and Seller will instruct the Escrow Agent to return to Purchaser all sums deposited hereunder with interest earned thereon whereupon the parties will be released and discharged from all obligations and liability hereunder and under the Offering Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Seller will retain the Deposit and interest accrued thereon.

(D) Purchaser expressly waives the provisions of Section 227 of the Real Property Law and agrees that the provisions of this paragraph shall govern and control in lieu thereof.

22. No Representations.

Except as set forth herein and in the Offering Plan, Seller is not making any representations as to the condition, income, expenses, tenants, use, operation or any other matter or thing affecting or relating to the Property, any Unit therein, or title thereto or the transactions contemplated hereby. Purchaser acknowledges and represents that, except as expressly set forth in the Offering Plan or in this Agreement, Seller has not made and Purchaser has not relied upon any representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Seller, whether consisting of or contained in any architect's plans, sales plans, selling brochures, advertisements or otherwise, including, but not limited to, any relating to: (a) the description or physical condition of the Property, the Unit, or the size or the dimensions of the Unit or any other physical characteristics thereof; (b) the services to be provided to Unit Owners; (c) the estimated Common Charges or maintenance allocable to the Unit, (d) the right to any income tax deduction for any real estate taxes applicable to Purchaser; (e) the current or future real estate tax liability, assessment or valuation of the benefits conferred by federal, state or municipal laws, whether for subsidies, special real estate tax treatment, insurance, mortgages, or any other benefits, whether similar or dissimilar to those enumerated; (f) the compliance of the Unit or the Property with applicable zoning ordinances; (g) the availability of any financing for the purchase, alteration or operation of the Unit or the Property from any source, including but not limited to the state, city or federal government or any institutional lender; (h) the current or future use of the Unit or the Property; (i) the current or future condition and operating state of any and all machinery or equipment in the Unit or on the Property and the current or future structural and physical condition of the Unit, the Property or any other improvements to the Property or their suitability for rehabilitation or renovation; (j) the state of title to the Unit; and (k) the presence or absence of violations of Applicable Law; Purchaser has relied solely on his 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 Seller except as herein or in the Offering Plan. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees that Seller and its agents and contractors will have no liability to Purchaser nor shall Purchaser be relieved of any of its obligations hereunder if there is a minor error or inaccuracy in the layout or dimensions of the Unit or of the Common Elements or any Limited Common Elements of the Condominium as shown on the Floor Plans.

23 Broker

Purchaser represents to Seller that Purchaser has not dealt with any broker in connection with this transaction except ("Broker"). The Seller shall pay the Broker a commission pursuant to separate agreement. The Broker shall not be deemed to be a third party beneficiary of this agreement. This provision shall survive Closing, cancellation or termination of this agreement. Purchaser shall indemnify and hold Sponsors from any brokerage fee resulting from the acts of Purchaser.

24. Assignment.

Seller may assign this Agreement without limitation. Purchaser shall not have the right to assign this Agreement without the prior written consent of Seller which may be withheld in Seller's sole discretion.

25 Purchaser's Representations.

Purchaser represents to Seller and the Condominium as follows:

(A) If Purchaser is an individual, Purchaser is over 18 years of age and resides in the State of New York or

(B) If Purchaser is an entity, it is legally authorized to acquire the Unit.

(C) Seller shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed, or materially hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Seller. Seller's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

26. Acceptance of the Purchase Agreement.

(A) This Agreement shall not be binding on the parties until it is executed by both parties and one fully executed copy has been delivered to Purchaser and two fully-executed copies have been delivered to Seller together with the Lead-Based Paint Disclosure Form in accordance with subparagraph (b) below. If Seller has not sent or delivered to Purchaser a fully executed Agreement within twenty (20) days after Seller's receipt, it will be deemed rejected without force or effect, and all monies paid by Purchaser shall be refunded, without interest, within fifteen (15) days thereafter. Upon such refund being made, neither party will have any further rights, obligations or liabilities hereunder with respect to the other. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, sexual preference, national origin, ancestry or other ground proscribed by law. Except as provided above, Seller has the right, without incurring any liability, to reject this Agreement without cause.

27. Notices.

Notices hereunder shall be in writing and shall either be (i) personally delivered (with receipt acknowledged) or (ii) mailed by registered or certified mail, return receipt requested, or (iii) sent by overnight courier (with receipt acknowledged) or (iv) sent by facsimile transmission provided and so long as a copy of such notice is sent the same day by any of the methods set forth in clauses (i), (ii) or (iii)), to the parties as follows: to Purchaser, at the address and facsimile number (if any) first stated in this agreement and to Seller at

Any of the parties noted in this Paragraph may change his, her or its address and/or facsimile numbers for purposes of this Paragraph by giving notice thereof to the other parties in the manner provided above. Counsel to Sponsor may give notices on behalf of Seller. Notices shall be deemed given on the same day if personally delivered or sent by facsimile transmission, the next business day if sent by overnight courier or five (5) days after mailing if sent by registered or certified mail, return receipt requested. Notwithstanding the foregoing, no notice of change of address shall be deemed given until actually received.

28. Survival of Seller's and Purchaser's Obligations.

All of the obligations of Seller under this Agreement shall be deemed satisfied upon delivery of the deed to the Unit and the closing hereunder and no obligations of Seller shall survive delivery of the deed or transfer documents except as otherwise expressly provided in this Agreement or the Offering Plan. Except where the context otherwise requires, all the representations, warranties, and obligations of Purchaser under this Agreement shall survive delivery of the deed and the closing hereunder, whether or not specifically so stated in any particular provision.

29. Further Assurances.

Purchaser shall execute, acknowledge and deliver to Seller such instruments, and take such other actions, in addition to the instruments and actions specifically herein, as Seller may reasonably request in order to effectuate the provisions of this Agreement or any transaction contemplated herein or to confirm any of the obligations of Purchaser hereunder or any right to be created or transferred hereunder or pursuant to any such transaction.

30. Severability.

If any provision of this Agreement or the Offering Plan is invalid or unenforceable either as against any person or under certain circumstances the remainder of this Agreement or the Offering Plan and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Offering Plan, except as otherwise herein or therein provided, shall be valid and may be enforced to the fullest extent permitted by Applicable Law.

31. Strict Compliance.

Any failure by Seller to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Seller, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser hereunder.

32. Applicable 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 contracts made and to be performed wholly

in the State of New York without regard to principles of conflicts of law.

33. Waiver of Jury.

Except as prohibited by Applicable Law, the parties expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement, or the relationship created hereby. 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.

34. No Recording of Agreement.

This Agreement shall not be recorded by Purchaser without Seller's prior written consent. Any purported effort to record this Agreement by Purchaser shall be void and constitute an Event of Default by Purchaser hereunder.

35. Entire Agreement.

This Agreement, together with the Offering Plan, supersedes any and all understandings and agreements between the parties hereto and constitutes the entire agreement between them. Purchaser acknowledges and agrees that the Offering Plan may be amended by Seller from time to time and that such Agreement may be further amended by Seller to conform to the provisions of any such amendment by delivering to Purchaser a notice thereof, subject however to any rights which Purchaser may have to rescind this Agreement as provided in the Offering Plan.

36. Captions.

The captions in this Agreement are for convenience and reference only and do not define, limit or describe the scope of this Agreement or the intent of any provision hereof.

37. Successors and Assigns.

Without limiting the provisions of Paragraph 27 the provisions of this Agreement shall bind Purchaser and his heirs, legal representatives, successors and assigns and inure to their benefit.

38. Counterparts

This agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together constitute one and the same instrument.

39. No Oral Changes

This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a separate written agreement signed by the parties.

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

SELLER

HARREST CAPITAL S.r.l.

By: _____

PURCHASER (S)

ESCROW AGREEMENT

AGREEMENT made this ____ day of _____, 2013 between Harrest Capital S.r.l. with offices c/o of SBLM Architects P.C., 545 West 45th Street, New York, New York ("Sponsor") and Edmund Schaffzin, having an address at 1700 Broadway, Suite 4100 New York, New York 10019, as escrow agent ("Escrow Agent").

WHEREAS, SPONSOR is Sponsor of a Condominium Offering Plan as same may be amended, (the "Offering Plan") to convert the premises located at 57 West 127th Street, New York, New York to condominium ownership (the "Premises"); and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits by purchasers on account of the purchase price of condominium units or apartments in the Premises ("Unit") under the Offering Plan pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 Sponsor and Escrow Agent hereby establish an escrow account with Escrow Agent for the purpose of holding deposits made by purchasers under the Offering Plan (collectively the "Deposits" and each a "Deposit"). The escrow account has been opened with JP Morgan Chase Bank N.A. ("Bank") at its branch located at 530 Fifth Avenue, New York, New York (the "Escrow Account").

1.2 The name of the Escrow Account is "Edmund Schaffzin Attorney Escrow Account". Each Deposit for the purchase of a Unit shall be transferred to a separate sub-account. Mr. Schaffzin is the sole signatory on said Account.

1.3 The Escrow Account shall be an interest-bearing account. The interest rate to be earned on the Deposits will be the rate paid from time to time by the Bank in which such funds are deposited for the same type of account as the escrow account. Interest will begin to accrue when the check for a Deposit is collected, and provided there is no charge back or debit by the Bank against the amount deposited.

1.4 The Escrow Agent may from time to time, upon prior notice to Sponsor and all purchasers who have made Deposits with Escrow Agent, change the depository in which the Deposits are held to another lending institution in New York City without the necessity of amending the Offering Plan.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received by Escrow Agent from each prospective purchaser of a Unit under the Offering Plan, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payer, shall be deposited in the Escrow Account. All instruments to be deposited into the Escrow Account shall be made payable to, or endorsed by Purchaser to the order of "Edmund Schaffzin as Attorney". Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to the prospective purchaser promptly after receipt by Escrow Agent of such instrument following any attempts to deposit it; but, in any event shall mail or otherwise send such instrument to such prospective purchaser within five (5) business days of such receipt of such instrument by Escrow Agent. In the event of the return of the instrument, then such instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2 For purposes of this Section 2.2, an unconditional tender and delivery of a Deposit shall be deemed to have been made if a Deposit is delivered together with a Purchase Agreement in the form agreed to by Sponsor without any request for a change in such form thereof. Escrow Agent shall notify such Purchaser of the Deposit of funds in the Bank and provide the account number and the initial interest rate within ten (10) business days after unconditional tender and delivery to Sponsor of the Deposit and the Purchase Agreement. If the Purchaser does not receive notice of the Deposit within fifteen (15) business days after unconditional tender and delivery to Sponsor of the Deposit, then Purchaser may cancel the purchase and rescind his Purchase Agreement so long as such right to rescind is exercised within ninety (90) days after Purchaser's unconditional tender and delivery of the Deposit to Sponsor, or Purchaser may apply to the New York State Department of Law for relief. However, a Purchaser shall not be entitled either to rescind his Purchase Agreement or receive a refund of his Deposit where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited and notice as provided above was timely mailed to such purchaser in accordance with all regulations of the Attorney General.

3. RELEASE OF FUNDS.

3.1 Escrow Agent shall not release the Deposit of a defaulting Purchaser to Sponsor until after consummation of the Offering Plan and shall promptly amend the Offering Plan to disclose that the consummation has occurred. "Consummation of the

Offering Plan" shall mean the First Unit Closing of title for the sale of a Unit under the Offering Plan and in accordance with its requirements. Consummation of the Offering Plan shall not relieve Sponsor or his counsel of its and his fiduciary obligations pursuant to GBL Section 352-h.

3.2 Escrow Agent shall continue to hold the Purchaser's Deposit in escrow until: (a) otherwise directed in one or more writings signed (whether on the same or separate counterparts) by Sponsor and the Purchaser, or (b) otherwise directed in a determination of the Attorney General, pursuant to the dispute resolution procedures contained in the Attorney General's regulations, or (c) a judgment or order of a court of competent jurisdiction permits or requires the release of such Deposit, or (d) such Deposit is paid by Escrow Agent into a court of competent jurisdiction, or (e) such Deposit is paid to Sponsor as provided below, or (f) such Deposit is paid to the Purchaser as provided below.

3.3 Sponsor shall not object to the release of the Deposit to such Purchaser, provided such Purchaser has not defaulted and has timely and validly rescinded such Purchaser's Purchase Agreement in accordance with an offer of rescission contained in the Offering Plan or an amendment thereto.

3.4 If there is no written agreement between Sponsor and a Purchaser to release the Deposit paid by the Purchaser, Escrow Agent shall not pay such Deposit to Sponsor until after ten (10) business days following the date that Escrow Agent has given such Purchaser written notice that Escrow Agent intends to pay such Deposit to Sponsor. Thereafter, such Deposit may be paid to Sponsor unless such Purchaser has already made application to the Attorney General pursuant to the dispute resolution provisions contained in the Attorney General's regulations and Escrow Agent has received, within such ten (10) business day period, notice from the Purchaser that the application has been made.

4. RECORD KEEPING.

4.1 Escrow Agent shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

4.2 Escrow Agent shall make available to the Attorney General, upon his request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

5. GENERAL RIGHTS AND OBLIGATIONS OF ESCROW AGENT.

5.1 Escrow Agent shall maintain the Escrow Account under the direct supervision and control of Escrow Agent.

5.2 A fiduciary relationship shall exist between Escrow Agent and Purchasers who have tendered Deposits which are held by Escrow Agent, and Escrow Agent acknowledges such fiduciary obligations.

5.3 Escrow Agent undertakes to perform only such duties as are expressly set forth herein. If there is any conflict or inconsistency between the provisions of this Agreement and either the Offering Plan or any Purchase Agreement (as defined in the Offering Plan), the provisions of this Agreement shall be controlling.

5.4 If conflicting demands are made or notices are served upon Escrow Agent with respect to this Agreement, or if Escrow Agent shall hold a good faith belief that the rights of a claimant to any Deposit are not absolutely clear, the signatories hereto agree that Escrow Agent may refuse to comply with any such claim or demand and, except as hereinafter set forth in this Agreement, may withhold and stop all further proceedings in the performance of this Agreement so long as such disagreement shall continue. In so doing, Escrow Agent shall not be or become liable for damages or interest to Sponsor or to any other person for its failure to comply with such conflicting or adverse demands or notices. Escrow Agent may continue to refrain and refuse to act until (i) the rights of the adverse claimants have been finally adjudicated in a court having and assuming jurisdiction of the parties and/or the Deposit, as the case may be, or (ii) all differences, with respect to any Deposit, shall have been resolved by mutual agreement of Sponsor and Purchaser, and Escrow Agent shall have been notified thereof in writing signed by both of said parties. In the alternative, Escrow Agent may, but shall not be obligated to, file a suit in interpleader for a declaratory judgment for the purpose of having the respective rights of the claimants adjudicated, and/or may deposit any Deposit with a court of competent jurisdiction, in which event Sponsor agrees to pay all costs, expenses and attorneys' fees incurred by Escrow Agent in connection therewith. In the event that Escrow Agent shall deposit any Deposit with such court, the Escrow Agent shall be fully released and discharged from any and all further duties and obligations hereunder with respect to the Deposit.

5.5 Escrow Agent shall not be responsible for any interest on any Deposit except for such as is actually received by Escrow Agent.

5.6 Sponsor hereby agrees to indemnify Escrow Agent from, and to hold him harmless against, any loss, liability or expense (including, without limitation, attorneys' fees and expenses) incurred without gross negligence, willful default, or bad faith on the part of Escrow Agent, arising out of or in connection with his entering into this Agreement and carrying out his duties hereunder, including the costs and expenses of defending himself against any claim or liability.

5.7 In any action or proceeding, Escrow Agent may represent Sponsor, even if such action or proceeding relates to or involves any Deposit, at the same time as Escrow Agent is holding such Deposit pursuant to this Agreement.

6. RESPONSIBILITIES OF SPONSOR.

6.1 Sponsor agrees that Sponsor and its agents shall deliver to Escrow Agent each Deposit on account of the sale of a Unit under the Offering Plan which has been received by Sponsor prior to closing of the sale of such Unit within one (1) business day of receipt thereof.

6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled, by either:

- (a) Written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Attorney General providing for a successor Escrow Agent; or
- (b) The resignation of Escrow Agent upon giving notice to Sponsor of his desire to so resign, which resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Attorney General providing for a successor Escrow Agent; or
- (c) All Deposits held by Escrow Agent have been paid by Escrow Agent from the Escrow Account as provided in this Agreement.

Escrow Agent shall not be responsible for any delay between either (i) any such cancellation by Sponsor of the designation of Escrow Agent or (ii) the resignation of Escrow Agent, and, in either such case, the date on which an amendment to the Offering Plan appointing a successor Escrow Agent has been filed by the Attorney General and notice thereof has been given to Escrow Agent. Once any such cancellation of the designation of Escrow Agent has been given to Escrow Agent, or once Escrow Agent has given to Sponsor notice of resignation as Escrow Agent, then in either case Escrow Agent shall not be obligated to accept thereafter any new Deposits in the Escrow Account.

7.2 Upon termination of the duties of Escrow Agent as described in paragraph 7.1(a) or (b) above, Escrow Agent shall deliver any and all Deposits held by it in escrow to the successor Escrow Agent set forth in such amendment to the Offering Plan, provided Escrow Agent has received a copy of such amendment.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon Sponsor and Escrow Agent and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

Sponsor agrees that Escrow Agent's compensation shall not be paid from the Deposits nor from any interest accruing thereon and that compensation to Escrow Agent, if any, shall not be deducted from the Deposits by any financial institution under any circumstance. Sponsor shall reimburse to Escrow Agent any fees or charges incurred in connection with the establishment and maintenance of the escrow account.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT.

This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

13 NOTICES.

All notices and communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or sent by regular, certified or registered mail, with or without return receipt requested, postage prepaid, addressed as follows:

To Sponsor: c/o SBLM Architects P.C.
545 West 45th Street-4th Floor
New York. New York 10036

To Escrow Agent: Edmund Schaffzin, Esq.
1700 Broadway
Suite 4100
New York, New York 10019

or at such other address as any of the above may have furnished, as the address of such party, to the other parties in a notice given in accordance with the provisions of this Section.

All notices sent in accordance with this Section shall be deemed given upon personal delivery or five (5) days after the date of mailing, as the case may be.

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

Escrow Agent:

Edmund Schaffzin, Esq.

Sponsor:

Harrest Capital S.r.l.

By:-----

DECLARATION

Establishing Condominium Ownership of the Premises known as 57 West 127th Street, New York, New York, pursuant to Article 9B of the Real Property Law of the State of New York Pursuant to an Offering Plan.

NAME: San Giorgio Condominium

DECLARANT: Harrest Capital S.r.l.
c/o SBLM Architects
545 West 45th Street-4th Floor
New York, New York 10036

DATE OF DECLARATION: November , 2014

PREPARED BY: Edmund Schaffzin, Esq.
1700 Broadway-Suite 4100
New York, New York 10019

The Land affected by the within instrument lies in Block 1725, Lot 13 on the Tax Map of the Borough of Manhattan, City, County and State of New York.

Unit Description		Unit No.	Tax Lot	% of Common
Garden Residence	Condominium	1		18.948%
1 st Fl. Residence	Condominium	2		17.412%
2 nd Fl. Residence	Condominium	3		17.478%
3 rd Fl. Residence	Condominium	4		17.263%
4 th Fl. Residence	Condominium	5		16.267%
5 th Fl. Residence	Condominium	6		12.632%

RECORD AND RETURN:
Edmund Schaffzin, Esq.
1700 Broadway-Suite 4100
New York, New York 10019

DECLARATION OF THE SAN GIORGIO CONDOMINIUM

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

Harrest Capital S.r.l., a corporation existing under the laws of the Republic of Italy and qualified to transact business in the State of New York, with an address at c/o SBLM Architects, 545 West 45th Street, 4th Floor, New York, New York 10036 (the "**Declarant**"), does hereby declare, reserve and grant as follows:

1.

Definitions

All capitalized terms used in this Declaration shall have the meanings set forth in **Exhibit C** annexed hereto. 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. Each of the capitalized terms shall be applicable to singular and plural as well as verbs of any tense.

2.

Submission of the Property

The 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** attached hereto as **Exhibit D**.

3.

Name of Condominium

The Condominium will be known as The San Giorgio Condominium.

4.

The Land

The Land, which is located in Borough of Manhattan in the City, County and State of New York and is more particularly described in **Exhibit A** annexed hereto, is owned by Declarant, in fee simple absolute. The Land has an area of approximately 1,773 square feet, not including easements.

5.

The Building

The Building is a 6 story building with a cellar and contains a total of six (6) residential condominium units ("Units"). The cellar is used exclusively for utility equipment and tenant storage. The Units are described and designated as:

The Garden Residence is comprised of the entire ground floor measuring approximately 986 square feet and consists of two bedrooms, two bathrooms, kitchen, living room and laundry room. The ceiling heights are 8'-7" in its main rooms and 7'-6" in ancillary space. The occupant of the Garden Residence will have the exclusive use of and access to (1) the outdoor garden of approximately 588 square feet and (2) an exclusive license for Bin #1 located in the cellar of the Building. Both the garden and the license are Limited Common Elements. The Garden Residence is designated as Unit #1 in the Plan,

The First Floor Residence is comprised of the entire first floor measuring approximately 904 square feet and contains two bedrooms, one full bathroom and one half bathroom, kitchen, living room, and laundry alcove. The ceiling height is 11'-8" in the main rooms and 10'-2" in ancillary spaces. The occupant of the Unit has a license for the exclusive access and use of Bin #2 which is a Limited Common Element. The First Floor Residence is designated in the Plan as Unit #2,

The Second Floor Residence is comprised of the entire second floor measuring contains approximately 1,060 square feet and contains two bedrooms, two bathrooms, kitchen, living room and laundry alcove. The ceiling height is 10'-0" in the main rooms and 8'-6" in ancillary spaces. The Residence has a rear balcony of approximately 56 square feet and an exclusive license for access and use of Bin #3 which are Limited Common Elements. The Second Floor Residence is designated in the Plan as Unit #3,

The Third Floor Residence is comprised of the entire third floor measuring approximately 1,060 square feet and consists of two bedrooms, two bathrooms, kitchen, living room and laundry alcove. The ceiling height is 10'-0" in the main rooms and 8'-6" in the ancillary spaces. The Residence has a rear balcony of approximately 56 square feet and a license for exclusive access and use of Bin #4 which are Limited Common Elements. The Third Floor Residence is designated in the Plan as Unit #4.

The Fourth Floor Residence is comprised of the entire fourth floor measuring approximately 1,060 square feet and contains the entire Fourth Floor and is comprised of two bedrooms, two bathrooms, kitchen, living room and laundry alcove. The ceiling height of the Fourth floor is 8'-4" in main rooms and 7'-6" in ancillary spaces. The Residence has a rear balcony of approximately 56 square feet and a license for the exclusive access and use of Bin #5 which are Limited Common Elements. The Fourth Floor Residence is designated in the Plan as Unit #5,

The Fifth Floor Residence is comprised of the entire fifth floor measuring approximately 684 square feet and consists of one bedroom, one bathroom, kitchen, living room and laundry alcove. The ceiling height of the Fifth Floor is 8' 4" in main rooms and 7' 6" in ancillary spaces. The Residence has two terraces, one located off the bedroom and one located off the living room, facing the street. Both terraces totaling approximately 453 square feet and the license for the exclusive access and use of Bin # 6 are Limited Common Elements. The Fifth Floor Residence is designated in the Plan as Unit #6.

The Building is located on Block 1725, Lot 13 on the tax map of the Real Property Assessment Department of New York County. The Building is classified 2A construction, non-combustible with a one hour fire rating. The Building is fully sprinklered.

The **Building** is newly constructed by the Sponsor. When the Offering Plan to Convert the Property to Condominium Ownership is filed with the Department of Law, it will be known as The San Giorgio Condominium as described in the **Floor Plans** to be filed simultaneously with the recording of this Declaration in the New York County Office of the Register of the City of New York. The Land and the Building as renovated are hereinafter called the "**Property**".

6. The Units

(A) Exhibit B annexed hereto and made a part hereof sets forth the Unit designation, tax lot number, approximate area, location, number of rooms, the portion of the Common Elements including the Limited Common Elements, to which the Unit has immediate access and its percentage of interest in the Common Elements. The location of each Unit is more clearly designated on the Floor Plans and reference should be made thereto for the statement of the location of each Unit.

(B) Each Unit consists of the area measured (1) horizontally from the outside of the exterior walls to the outside of the partitions separating the Unit from the corridors, stairs or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls and (2) vertically by the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the Unit's exposed painted face of the concrete ceiling or the unexposed side of the Unit's drywall ceiling, where applicable. No Unit Owner shall be deemed to own the supporting columns, pipes, wires, conduits or other public lines running through the Unit which are utilized for or serve more than one Unit. The description of each Unit shall apply to the location of the walls, floors and ceilings of the Units as they are finally set forth in the Building plans to be simultaneously filed with the recording of this Declaration.

(C) Each Unit includes: (1) the front entrance door and any other entrance doors to such Unit; (2) the interior walls, partitions and floor coverings and plastered ceilings affixed, attached or appurtenant to such Unit; (3) all equipment, appliances and fixtures (including, without limitation, heating and cooling equipment, plumbing facilities, sinks, bathtubs, water closets, refrigerators, ovens, ranges and dishwashers affixed, attached, or appurtenant to such Unit and (4) all other Facilities affixed, attached, or appurtenant to such Unit and benefitting only that Unit. Any Common Element located within a Unit shall not be considered to be a part of such Unit.

(D) Each Unit Owner shall have the continuing right, at such Unit Owner's sole cost and expense, to improve the Unit with decorations, fixtures and coverings (including without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such 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 structural integrity of such Unit or of the Building

7.

The Common Elements

(A) General. The Common Elements consist of (1) the General Common Elements, which are described in Section B of this Article 7 and (2) the Limited Common Elements, which are described in Section C of this Article 7.

(B) General Common Elements. The General Common Elements of the Condominium will consist of all of the Property, except the Units and Limited Common Elements, including, but without limitation, foundations, columns, beams, supports, girders and other materials embedded in the Building, exterior walls (including windows), the land (including all easements, rights and privileges appurtenant thereto, building, and improvements, comprising the Condominium (including the land under the Units and under the improvements, doors which serve as a means of ingress and egress into and out of the Building, all utility or other pipes and material located outside of the Units, roof and bulkhead, common walls, common egress stairs, gas and water meter room, electrical meter room, storage spaces, stair bulkheads, all mechanical chases for plumbing, sprinkler system, fire alarm system, all cellar areas not otherwise specified (except for the portions thereof which are included with and incorporated into a Unit and the lobby area. General Common Elements further include service systems which are incorporated in the Building for the common use of all such as the electrical system; the water supply system; the water return (sewer) system; the gas supply system; any exhaust systems; the fire or life safety system; any master television or cable system, if one were to be installed, intercom; and all other apparatus and installations now existing or hereafter constructed in the Building, either 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.

(C) The Limited Common Elements. The Limited Common Elements are areas or improvements to the Building dedicated for the exclusive use of one or more, but not all, Unit Owners. Notwithstanding the foregoing, such use of the Limited Common Elements is subject and subordinate to compliance (i) with the terms of this Declaration and the By-Laws, (ii) the Condominium Board's reasonable rules and regulations regarding the use of such Limited Common Elements in so far as it may cause a risk to person or property and (iii) certain restrictions including easements for the Condominium Board or its agent or contractors to come upon the Limited Common Elements for good reason.

The following portions of the Common Elements shall be Limited Common Elements for the exclusive use of individual Unit Owners.

- (i) The garden in the rear of the Building shall be used exclusively by the Owner of the Garden Residence.
- (ii) The six (6) Bins in the cellar.

- (iii) The balcony(s) and terraces appurtenant to an individual Unit shall be used exclusively by the Owner of such Unit where such balcony(s) or terrace is located.
- (iv) The condenser applicable to each HVAC shall serve the individual Unit Owner.
- (v) installations, systems equipment and facilities in the Common Elements (including pipes, wires, ducts, vents, cables, conduits and lines) will serve a Unit exclusively.

All repairs and replacements to a Limited Common Element shall be the responsibility of the Condominium and the cost thereof shall be a Common Expense of the Condominium unless such repair or replacement is attributable to the negligence, misuse or neglect of the Unit Owner. All general maintenance of a Limited Common Element shall be the responsibility of the Unit Owner. The balconies are not permitted to be used for storage or enclosed. No combustible materials will be permitted to be stored in or on a terrace or balcony.

(D) Common Elements To Remain Undivided. 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 17 hereof and Section 5.4 (a) of the By-Laws.

(E) Declaration Governs. In the event of any conflict between the description of the Common Elements as set forth above and in the Floor Plans, the description set forth in this Declaration shall govern and prevail with respect to any Common Elements shown thereon or omitted from the description set forth therein.

8.

Determination of Common Interest.

The percentage of Common Interest allocated to each Unit is based upon floor space, 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 Limited Common Elements for exclusive use, and the overall dimensions of the particular Unit. These allocations are made pursuant to the terms of the Condominium Act. The aggregate Common Interests of all Units shall equal one hundred percent (100%).

9.

Building and Units

(A) As more particularly set forth in and subject to certain conditions and exceptions contained in the By-Laws, the Units may be used only as residences and only one family may occupy a Unit at one time. The Units may only be leased in accordance with the

By-Laws and the Rules and Regulations thereof.

(B) Notwithstanding the foregoing or anything to the contrary contained herein, in the By-Laws or the Rules and Regulations, the Declarant may, without the permission of the Condominium board: (1) grant permission for the use of any of its Units for any lawful purpose, provided such use is permitted under Applicable Law, and does not violate the Building's then existing certificate of occupancy or insurance coverage; (2) use any of the Units as models and sales and/or promotion offices in connection with the sale or rental of its Units or for any other purpose, subject only to compliance with Applicable Law; and (3) lease or sell any of its Units to third parties for their occupancy.

10.

Common Charges

The Condominium Board shall determine the financial requirements for operating the Building and shall assess Unit Owners for their portion of the operating expenses of the Condominium which will consist of regular monthly payments "Common Charges".

The Board may further assess the Unit Owners from time to time for unbudgeted costs or approved capital improvements.

The Board shall prepare an annual Budget consisting of income and expense which will be up-dated from time to time by the Condominium Board.

11.

Easements for the Enjoyment of Common Elements

(A) Subject to the terms of the By-Laws and the Rules and Regulations, the Declarant, the Unit Owners, and all other permitted tenants and occupants of the Building, the Condominium Board and their respective employees, agents, guests, beneficiaries, invitees and licensees of the foregoing, shall have, in common with all the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all the General Common Elements, and the General Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

(B) Notwithstanding the foregoing, the Condominium shall have the right to enter the Units and upon the Limited Common Elements in connection with the repair, maintenance and replacement of any portion of the Common Elements, Limited Common Elements or improvements thereon as more particularly set forth in this Article 11 hereof.

(C) Notwithstanding anything to the contrary contained in Section A hereof, the Declarant and its shareholders, successors, assignees, invitees, licensees, contractors, employees,

agents and tenants shall have an easement in, over, under, through and upon the General Common Elements and Limited Common Elements without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of the Declarant's Units and shall have the right to use any one or more of such Units as sales, rental and/or as model units. Such Units or Apartments shall remain Units within the meaning of this Declaration, the By-Laws and the Condominium Act and shall not comprise a part of the Common Elements. In addition, the Declarant reserves the right, to the extent permitted by Applicable Law, to use one or more portions of the General Common Elements, as designated by the Declarant in its sole discretion, for sales, rental or display purposes, including, without limitation, the right to place "for sale", "for rent", and other promotional materials, as the Declarant shall determine, in, on, about and adjacent to the Building (including on the exterior walls thereof) and the Property.

12.

Other Easements

(A) Subject to the terms of the By-Laws and to the Rules and Regulations thereof, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Common Elements, and all pipes, wires, ducts, cables, conduits, public utility lines, Building Systems and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to or upon any other Unit or the Common Elements to the extent that such Common Element and utility distribution system serves or is necessary to the service of his Unit, and each Unit or and all the Common Elements shall be subject to such easement. Each Unit Owner shall have an easement through existing shafts, as directed by Declarant or the Condominium Board, for the installation, maintenance, repair and replacement of such lines, conduits and similar apparatus as may be necessary in connection with the provision of Building Systems to each Owner's Unit. Further, each Unit Owner shall have an easement for emergency or secondary egress over all portions of the roof. In addition, the Condominium Board shall have an easement and right of access, for purpose of inspection, to each Unit and to the Common Elements, to remove violations therefrom and to operate, maintain and perform Work in and to any of the Common Elements located in, over, under, through, or adjacent to or upon such Unit or and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this Section A shall be exercised in such a manner as shall not unreasonably interfere with the normal use of the Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice (which need not be in writing), except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, the occupants of the Building or other persons, or to avoid the suspension of any necessary service in the Building.

(B) The Declarant reserves for itself for so long as it owns any Unit(s) and grants to the Condominium Board, on behalf of all Unit Owners, 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 the Declarant, or the Condominium Board or Board of Directors, as the case may be, shall deem necessary or desirable; provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use, or reduce the value, of the Units for

their permitted purposes. Any utility company, as well as its officers, employees and agents, shall have a right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of the Units for their permitted p

(C) Each Unit and the Common Elements shall have easements of sub-agency, support and necessity and shall be subject to such easements in favor of all other Units, Apartments and the Common Elements.

(D) In addition to the easements set forth in this Article 11 hereof, the Property and any part thereof shall be subject to all easements and rights of access found in the Condominium Act.

13.

Encroachment

If (A) any portion of the Common Elements now encroaches upon any Unit or upon any other portion of the Common Elements; (B) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements; or (C) any such encroachment shall hereafter occur as a result of (1) the settling or shifting of the Building, (2) any Work performed in or to the Common Elements in accordance with the terms of this Declaration and the By-Laws by the Declarant or (3) any restorations made to the Building or any portion thereof, any Unit or the Common Elements in accordance with the terms of this Declaration and the By-Laws after damage resulting from a Casualty Loss or a Taking; then, in any such event, a valid easement shall exist for such encroachment and for its maintenance for so long as the Building or the affected Unit or Common Elements shall stand.

14.

Alterations, Additions, Improvements and Changes to Units.

(A) For any Unit presently owned by Declarant, unless prohibited by Applicable Law, Declarant shall have the right without the consent or approval of the Condominium Board , to:

(i) perform Work, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to, and upon such Unit;

(ii) change the layout of or number of rooms in any such Unit;

(iii) change the size and/or number of such Units by (a) subdividing one or more Units into two or more separate Units, (b) combining two or more separate Units (including, without limitation, those resulting from such subdivision or otherwise) into one or more Units, (c) altering the boundary walls of any Units, or (d) otherwise; and

(iv) if appropriate, reapportion among such Units affected by such change in size or number, subdivision, combination or alteration pursuant to the preceding clause (iii) their respective Common Interests; provided, however, that, with respect to any alteration, addition,

improvement or change in a Unit:

(a) no physical modification shall be made to any Unit not owned by the Declarant, and the Common Interest or interior dimensions of any such other Unit shall not be changed by reason thereof, unless the Unit Owner of such affected Unit consents in writing thereto;

(b) the Declarant agrees to provide, or cause to be provided, insurance with respect to any Work undertaken by Declarant and to hold the Condominium Board and all other Unit Owners harmless from any Claims arising therefrom; and

(c) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

(B) Notwithstanding the foregoing, however, the aggregate amount of the Common Interests of all the Units shall always remain at one hundred percent (100%), and no reapportionment of the Common Interest appurtenant to any of the Declarant's Units or Apartments shall be made unless there is first delivered to the Condominium Board a written opinion stating that the new Common Interest of the affected Unit or Units has been based upon the factors set forth in Article 8 hereof. If the change in the Declarant's Units reapportions their respective Common Interests among newly created Units, then the Condominium Board, at the sole expense of the Declarant, shall promptly file an amendment to the Declaration reflecting such change. The provisions of this Article 14 may not be added to, amended, or modified.

(C) In the event any Unit is subdivided into two or more Units in accordance with the foregoing provisions of this Article, all newly established Units as well as the Unit Owners, tenants and occupants thereof shall be subject to and bound by, 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.

(D) The signature of the Condominium Board or any Unit Owner shall not be required on any application or other document necessary or convenient for the Declarant to exercise any of its rights or powers under this Article 14, including but not limited to any application or document required by the Department of Buildings, the Real Property Assessment Bureau of the City of New York or any other governmental agency in connection with an amendment to the certificate of occupancy of the Building or the establishment of separate tax lots for any newly created Units and re-apportioned of assessed valuation by reason thereof.

15.

Acquisition of Units by the Condominium

If any Unit Owner surrenders his Unit, together with its Appurtenant Interest, to the Condominium Board pursuant to the terms of the By-Laws or Section 339-x of the Condominium

Act or the Condominium Board pursuant to the terms of the By-Laws or otherwise either (1) leases a Unit, together with its Appurtenant Interest, or (2) purchases a Unit, together with its Appurtenant Interest, at a private, foreclosure or other similar sale, then, in any event, title or the leasehold estate, as the case may be, in and to such Unit and such Appurtenant Interest 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 sub-lease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or such designee, corporate or otherwise, on behalf of all Unit Owners in proportion to their respective Common Interest.

16.
Power of Attorney to the Declarant
and the Condominium Board

(A) Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution:

(i) The Declarant, to amend the Condominium Documents pursuant to the terms of Articles 13 and 19 hereof; and

(ii) Subject to the provisions of the Plan, the Persons who shall from time to time constitute the Condominium Board, jointly to:

(a) acquire or lease any Unit, together with its Appurtenant Interest, (i) whose Unit Owner desires to sell, convey, transfer, assign, lease or surrender such Unit, or (ii) that becomes the subject of a private, foreclosure or other similar sale, in the name of Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners,

(b) convey, sell, lease, mortgage or otherwise deal with but not to vote the Common Interest appurtenant to any Unit so acquired or to sublease any Unit so leased and

(c) execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any Applicable Law in respect of the maintenance, demolition, construction, alteration, repair, restoration or other Work in or to the Condominium, or (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

(B) In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either the Declarant or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney substantially in the form set forth in Exhibit E to this Declaration.

17.

Termination of Condominium

The Condominium shall continue until terminated by (1) a Casualty Loss or Taking, as more particularly provided in the By-Laws, or (2) withdrawal of the Property from the provisions of the Condominium Act by a vote of at least eighty (80%) percent both in number and aggregate Common Interest of all Unit Owners. The Declarant shall not vote the aggregate Common Interests appurtenant to his Units for such withdrawal unless at least eighty (80%) percent, both in number and in aggregate Common Interests, of all other Unit Owners so elect for such withdrawal, at which time the Declarant may choose to vote either in favor of or against withdrawal from condominium ownership, as it sees fit. In the event such withdrawal is so authorized, 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 the 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 out of such Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

18.

Covenant of Further Assurances.

(A) Any Person, subject to the terms of the Condominium Documents, whether such Person is a Unit Owner, a tenant or sub-tenant of a Unit Owner, a Member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the sole expense of any other Person so requesting execute, acknowledge and deliver to such other Person, such documents, in addition to those specifically provided for in the Condominium Documents, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of the Condominium Documents or any transactions contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(B) Any Unit Owner or other Person subject to the terms of the Condominium Documents fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to the Condominium Documents, 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 other 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

(C) If the Condominium Board, any Unit Owner or other Person subject to the terms of the Condominium Documents fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Condominium Board, such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to the Condominium Documents at the request of the Declarant, then the Declarant is hereby authorized, as attorney-in-fact for the Condominium Board, 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 the Condominium Board, such Unit Owner or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner or other Person, as the case may be.

19.

Covenants to Run With the Land.

(A) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 18 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 thereof shall be binding upon, and shall inure to the benefit of the owner of all or any part thereof, or interest therein, and his 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.

(B) All present and future Unit Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, which may be amended from time to time. The acceptance of a deed or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, all as may be amended from time to time, are accepted and ratified by such Unit Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any Person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

20.

Amendments to This Declaration

(A) All references in this Article 20 to the "**Declaration**" shall mean and include the Declaration and/or By-Laws (whether or not the By-Laws are expressly indicated).

(B) Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions (individually an "**amendment**" and collectively, "**amendments**") affecting the Declarant or any of the Declarant's Units, any provision of this Declaration (other than as set forth in Article 16 herein) may be amended by the vote of at least seventy five percent (75%) of all Unit Owners, both in number and in aggregate Common Interest taken in accordance with the provisions of the By-Laws, provided, however:

(i) No amendment which shall adversely affect the lien of any Permitted Mortgage shall be effective against the Permitted Mortgagee thereof without such Permitted Mortgagee's prior written consent.

(ii) No amendment which changes the Common Interest allocated to any Unit

or Units may be made without the written consent of each Unit Owner.

(iii) No amendment which increases the Common Interest allocated to any Unit or Units may be made without the written consent of the Permitted Mortgagees of such Unit, or Units, if any; and

(iv) No amendment from or to this Declaration shall be effective in any respect against the Declarant or any Unit owned by the Declarant unless and until the Declarant consents thereto in writing.

(C) 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 adopted for so long as the Declarant owns any Unit if it should determine in its sole discretion that such amendment would (a) unreasonably interfere with the sale, lease or other disposition of a Unit owned by the Declarant, (b) abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, privilege or benefit reserved to the Declarant; or; (c) impose any charge or fee against the Declarant.

(i) The Declarant shall have the right, at its sole cost and expense and without the consent of any other Unit Owners, the Condominium Board or any Permitted Mortgagees, to execute and record (or, at the Declarant's sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge and record) in the Register's Office of New York County and elsewhere, if required by Applicable Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such documents, Offering Plans and maps the Declarant deems appropriate, including:

(a) to reflect any change in the Declarant's Units and/or the reapportionment of the respective Common Interests of the affected Units resulting therefrom made by the Declarant in accordance with the terms of Article 13 hereof; or

(b) to file the **Floor Plans** required by the New York Real Property Law Section 339-p for any portion of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the Offering Plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p of the Condominium Act; or

(c) if required by (i) an Lender designated by the Declarant to make a loan secured by a mortgage on any Unit, (ii) any governmental agency having regulatory jurisdiction over the Condominium or (iii) any title insurance company selected by the Declarant to insure title to any Unit; provided, however, that any amendment made pursuant to the terms of this paragraph shall not (x) change the Common Interest of any Unit other than a Unit owned by the Declarant or require a material, physical modification of any Unit other than a Unit owned by the Declarant, unless the Unit Owner of such affected Unit consents thereto by joining in the execution of such

amendment, or (y) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by a Lender unless the holder of such mortgage consents thereto by joining in the execution of such amendment.

(d) The provisions of this Article 20 may not be amended, in whole or in part, without the written consent of the Declarant.

(D) Any amendment to this Declaration or the By-Laws must be signed and acknowledged in accordance with the legal requirements for recording a Unit Deed, and shall not be effective, binding or enforceable until recorded in the Register's Office of New York County. In addition, a copy of this Declaration and the By-Laws and any amendments thereto shall be filed with the New York State Department of Law.

(E) (i) In the case of an amendment to the Condominium Documents by the Condominium Board, the amendment shall be signed and acknowledged in recordable form by the President or a Vice-President and by the Secretary or an Assistant Secretary of the Condominium and shall include a certification by the Secretary or an Assistant Secretary that the required percentage of Unit Owners have approved or consented to the amendment.

(ii) In the case of an amendment to the Condominium Documents by the Declarant, the amendment shall be signed and acknowledged in recordable form by only a Person authorized by, or having authority to act on behalf of, the Declarant.

(iii) Notwithstanding the foregoing, the Condominium Board shall sign and acknowledge any amendment permitted to be signed and acknowledged by the Declarant pursuant to this Declaration and the By-Laws, if requested to do so by the Declarant.

(F) Any Person authorized to sign, acknowledge and record an amendment to this Declaration is also authorized to cause to be properly certified and filed and/or recorded with the tax assessor (and other Governmental Authority having jurisdiction) and in the Register's Office of New York County any appropriate amendments to the Floor Plans whenever required in connection with such amendment to this Declaration (such as in the case of amendment to this Declaration to reflect a Unit subdivision or Unit combination pursuant to Article 13).

(G) A conformed copy of any amendment to the Condominium Documents shall be filed promptly with the Secretary or Assistant Secretary of the Condominium by the applicable Party recording the amendment and shall be made available by the Condominium Board at the Property for inspection (without charge) and copying (at a reasonable charge) by all Unit Owners, Permitted Mortgagees, Mortgage Representatives, if any, and prospective purchasers, mortgage lenders or tenants of a Unit, and authorized representatives of each of the foregoing.

21.

Invalidity

(A) If any provision of this Declaration or the By-Laws is invalid under, or would

cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon and shall inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors, and assigns, as covenants running with the Land and with every part thereof and interest therein under other Applicable Law to the extent permitted under such Applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

(B) Subject to the terms of Section A of this Article 20, if this Declaration and the By-Laws are determined to be 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 shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other Applicable Law 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 such provision as a covenant running with the Land.

22.

Person to Receive Service

The Secretary of State of the State of New York is designated as agent of the Condominium Board upon whom process against it may be served at the Office of the New York State Department of State in the manner provided by Applicable Law. The Condominium Board shall file with the Secretary of State the name and post office address of the Condominium for purposes of receiving copies of any process served against the Condominium Board.

23.

Consents and the Declarant

Wherever the consent, approval, satisfaction, or permission of the Declarant is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required from and after such time as the Declarant no longer owns any Units.

24.
Miscellaneous.

(A) The terms, covenants, conditions, description and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Owner's Power of Attorney annexed hereto as Exhibit E; and (vi) the **Floor Plans** are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

(B) No provision contained in this Declaration shall be deemed to have been abrogated or waived by any failure to enforce such provision, regardless of the number of violations or breaches that may occur.

(C) Subject to the provisions of paragraphs (A) and (B) of Article 24 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 be valid and enforced to the fullest extent permitted by Law. Any conflict between any provisions of the Condominium Documents and the Condominium Act shall be governed by the Condominium Act.

(D) The right and obligations of Harrest Capital S.r.l. ("Sponsor") herein shall inure to the benefit of and shall be binding upon any successor to Sponsor. Subject to the foregoing, the Declarant shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, distribution, lease, assignment or otherwise.

(E) 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.

When used in this Declaration or the By-Laws, the terms "**now**", the "**date hereof**" or the "**date of this Declaration**" shall mean the date on which this Declaration is filed in the Register's Office. The term "**hereafter**" when used in this Declaration or the By-Laws shall mean after the date on which this Declaration is filed in the Register's Office.

Whenever in this Declaration or the By-Laws the term "**including**" is used, it shall be deemed to mean "**including without limitation**," whether or not so stated.

Whenever in this Declaration or the By-Laws the term "**not be unreasonably withheld**" or similar terms are used, it shall be deemed to mean "**not unreasonably withheld or delayed**," whether or not so stated.

Whenever this Declaration or the By-Laws provide that any Party is permitted to perform any act or exercise any rights under the Declaration or the By-Laws, such Party may authorize

other Persons to do so, unless otherwise prohibited by Applicable Law or the provisions of this Declaration and the By-Laws. Whenever this Declaration or the By-Laws refers to any act performed by, or exercise of rights by, any Party, such reference shall include any acts performed by, or rights exercised by, any such other Person so authorized by such Party.

(F) 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.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed as of the day of November, 2014.

Harrest Capital S.r.l.

By: _____
Name:
Title: President

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

On the day of 201 , before me personally came to me known, and who executed the foregoing instrument and, who being by me duly sworn, did depose and say that he is the President of Harrest Capital S.r.l. an Italian corporation, and that he executed the foregoing instrument in the name of Harrest Capital S.r.l. and that he had authority to sign the same, and he acknowledged that he executed the same as the act and deed of said limited liability company.

Notary Public

EXHIBIT A

TO THE DECLARATION OF THE 57 WEST 127th STREET CONDOMINIUM

DESCRIPTION OF THE LAND

ALL THAT CERTAIN plot, piece or parcel of land, situate in the Borough of Manhattan, County, City and State of New York bounded and described as follows:

BEGINNING at a point of the northerly side of West 127th Street, distant 288 feet 7 and ½ inches northeasterly from the corner formed by the intersection of the easterly side of Lenox Avenue and the northerly side of West 127th Street;

RUNNING THENCE Northerly parallel with Lenox Avenue and part of the way through a party wall, 99 feet 11 inches to the center line of the block between 127th and 128th Street;

THENCE Easterly parallel on the northerly side of West 127th Street 17 feet 9 inches;

THENCE Southerly parallel with Lenox Avenue and part of the way through a party wall, 99 feet 11 inches to the northerly side of West 127th Street;

THENCE Westerly along the northerly side of West 127th Street, 17 feet 9 inches to the point or place of BEGINNING.

EXHIBIT B

THE DECLARATION OF THE 57WEST 127th STREET CONDOMINIUM

DESCRIPTION OF THE UNITS

<u>Unit Designation (Unit No.)</u>	<u>Tax Lot No.</u>	<u>Location</u>	<u>Area in Square Feet</u>	<u>No. of Rooms/- Baths</u>	<u>Common Element to Which Unit Has Immediate Access</u>
# 1		Ground Floor Through	986*	4/2	Front Hallway and Rear
# 2		1 st Floor Through	904**	4/1½	Hallway
# 3		2 nd Floor Through	1060**	4/2	Hallway
# 4		3 rd Floor Through	1060**	4/2	Hallway
# 5		4 th Floor Through	1060**	4/2	Hallway
# 6		5 th Floor Through	684***	3/1	Hallway
			<u>7048****</u>	<u>23 /10½</u>	

* Plus 588 Garden Areas

** Plus 56 Sq. Ft. balcony

*** Plus 453 Sq. Ft. Terraces

**** Plus 1209 Sq. Ft. Garden, Balconies and Terraces

EXHIBIT C

TO THE DECLARATION OF THE SAN GIORGIO CONDOMINIUM

DEFINITIONS

- (a) **"Affiliate"** shall mean any Person who is a Family Member or who controls, is controlled by, or is under common control with the named Person or a Family Member of the named Person. The terms "control", "controlled" or "controlling" shall mean direct or indirect ownership of more than fifty percent (50%) of the outstanding voting capital stock of a corporation or of more than fifty percent (50%) of the membership interests of a limited liability company.
- (b) **"Alter"** shall mean all alterations, additions, improvements, installations, demolitions, removals or replacements, whether structural or non-structural, extraordinary or ordinary.
- (c) The terms **"amend;" "amended" or "amendment"** shall be deemed to refer to any amendment, whether by deletion of any existing provision, modification of any existing provision, or inserting a new provision.
- (d) **"Applicable Law"** shall mean all applicable laws, statutes, treaties, rules, codes, ordinances, regulations of any **Governmental Authority** and, to the extent the **Property**, any **Unit**, any **Unit Owner**, the **Declarant** and/or the **Condominium Board**, as the case may be, is bound thereby or subject thereto, any judgments, decrees, injunctions, writs, orders, notices of violation or like action of any Governmental Authority, court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction (including those pertaining to health, safety or the environment) now or hereafter in effect.
- (e) **"Appurtenant Interest"** shall mean, with respect to any Condominium Unit, the undivided interest of the Unit Owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the **Common Elements**; (ii) any other Condominium 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 Condominium Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
- (f) **"Base Ceiling"** shall mean the concrete slab, metal decking, wood joists or other construction material above the sheet rock, plaster or other finish covering a ceiling. The Base Ceiling borders the top of a Condominium Unit or Common Element and constitutes one of the **Structural Components** of the **Building**. The Base Ceiling of a Unit is also the Base Floor of the Unit, if any, immediately below such Unit.

- (g) **"Base Floor"** shall mean concrete slab, metal decking, wood joists or other construction material below the wood, vinyl, carpet or other finish covering a floor, together with any underflooring. The Base Floor borders the bottom of a **Unit Common Element** and constitutes one of the Structural Components of the Building. The **Base Ceiling** of a Unit is also the Base Ceiling of the Unit (if any) immediately below such Unit
- (h) **"BCL"** shall mean the Business Corporation Law of the State of New York, as amended from time to time.
- (i) **"Bin"** is the storage space designated located in the cellar of the Building designated for each Unit Owner.
- (j) **"Board Member"** shall mean a duly elected Person to the **Condominium Board of Managers** who is a Unit or Apartment Owner or designee.
- (k) **"Budget"** shall mean the estimated amount of receipts and disbursement required for the annual operation of the Condominium.
- (l) **"Building's Maintenance Standard"** shall mean the obligation of a Unit Owner to keep his Condominium Unit, Limited Common Elements and Common Area in good and proper working order, free of water leaks and undue air penetration and otherwise in a clean and acceptable condition. It also means that all areas exposed to public view, including but not limited to the sidewalk, in clean, neat and good appearance and first class condition in accordance with the high quality and character of the Building.
- (m) **"Building"** shall mean the newly constructed building situated on the **Land** and known as 57 West 127th Street, New York, New York.
- (n) **"Building Systems"** shall have the meaning set forth in Article 7 B of the **Declaration**.
- (o) **"By-Laws"** shall mean the By-Laws of the Condominium in the form annexed to the Declaration as Exhibit D, including the Rules and Regulations, as amended from time to time pursuant to the terms thereof. The By-Laws provide for the administration and governance of the **Condominium Association**, the operation and uses of the Property and the rights and obligations of the Condominium's Board and the Condominium Unit Owners.
- (p) **"Casualty Loss"** shall have the meaning specified in Section 5.7 of the By-Laws.
- (q) **"Claim"** or **"Claims"** shall include any claims, counterclaims, suits, actions or proceedings and any other liabilities, losses, damages, penalties, charges, costs and expenses and attorneys' fees and expenses incurred in connection with any of the foregoing.
- (r) **"Common Charges"** shall mean the charges allocated and assessed against the Condominium Units by the Condominium Board payable by the Condominium Unit Owners, pro

rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), to meet the **Common Expenses**.

(s) "**Common Elements**" shall mean, collectively, the **Limited Common Elements** and the **General Common Elements** and consist of all parts of the Property other than the Units.

(t) "**Common Expenses**" shall mean any and all: (i) costs and expenses paid or incurred generally by the Condominium pursuant to the Declaration and/or the By-Laws, including the Rules and Regulations, in connection with its operation and maintenance, and its performance of Work in and to the Common Elements (including, without limitation, accounting, legal, architectural, engineering or other professional or service fees); (ii) other items which are provided in the Declaration or By-Laws to be Common Expenses or are paid or incurred by the Condominium in connection with the conduct of the Condominium's affairs; (iii) payments required by the Condominium Board to be made by the Unit Owners to establish or maintain such general operating reserves or reserve funds for working capital, to fund repairs and replacements to the Common Elements, to make up any deficit in the Common Charges for any prior year and (iv) all costs and expenses paid or incurred by the Condominium in connection with the purchase, lease or sublease by the Condominium Board on behalf of all Unit Owners, of any Unit whose Unit Owner has elected to sell, lease, transfer or convey such Unit or that is to be sold at a foreclosure or other sale.

(u) "**Common Interest**" shall mean the undivided percentage interest of each Unit in the Common Elements.

(v) "**Condominium**" shall mean **San Giorgio Condominium** which was established pursuant to the terms of the Declaration and is to be governed pursuant to the terms of the By-Laws.

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

(x) "**Condominium Board**" shall mean the governing body of the Condominium, whose members shall be selected pursuant to the terms of Articles 2 and 4 of the By-Laws.

(y) "**Condominium Documents**" shall mean, collectively, the Declaration, the By-Laws (including the Rules and Regulations) and **Floor Plans**, all as amended from time to time.

(z) "**Costs and Expenses**" shall mean all losses, damages (whether actual, consequential, special, indirect or otherwise) liabilities, costs, expenses and amounts (including reasonable attorneys' fees and disbursements), paid payable or incurred in connection with any Claim or to perform, observe, enforce, uphold, protect, defend, maintain and collect sums payable under a right, remedy, obligation, requirement agreement or indemnity given in or pursuant to the Condominium Documents or an amendment thereto. Costs and Expenses also include obligations incurred in connection with the operation of the Building and to providing services to the Unit Owners.

(aa) **"Declarant"** shall mean: Harrest Capital S.R.L. and/or (b) any successor or assign, as the context may require.

(bb) **"Effective Date"** shall mean the date upon which the **Offering Plan** is declared effective by Sponsors in accordance with the terms of the Offering Plan.

(cc) **"Equipment"** shall mean all machinery, tools, apparatus, devices or implements comprising part of a Common Element or Condominium Unit (as applicable) now or hereafter existing including converters, radiators, heaters, blowers, exchanges and related equipment forming part of a heating system, motors, pumps, water and electric meters servicing the Building, electric panels, circuit breakers, transformers, switches and related equipment forming part of the electrical system in the Building, television, antennae and related equipment forming television system (cable or wireless) sensors, valves, panels, outlets, wiring, siamese connections, hoses, electricity risers, plumbing lines, conduits, ducts, shafts, pits, flues, drains, catch basins, leaders, incinerators, compactors, entrance ways, shrubbery, equipment used for cleaning halls, Common Area carpeting and all other equipment forming a part of a system of the building, to the extent located in the Building.

(dd) **"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 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, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drains, catch basins, leaders, filters, 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 and flowers.

(ee) **"Family Members"** shall mean and include a spouse, child (by blood, marriage or adoption), parents (including step-parents or parents-in-law), grandchildren, siblings and grandparents.

(ff) **"First Unit Closing"** shall mean the first date upon which title to a Condominium Unit is conveyed to a purchaser pursuant to the terms of the Offering Plan.

(gg) **"First Year Budget"** shall have the meaning specified in Section 2.5 of the By-Laws.

(hh) "**Floor Plans**" shall mean the Floor Plans of the Units certified by SBLM Architects P.C. and filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplements thereto.

(ii) "**GBL**" shall mean the General Business Law of the State of New York, as same may be amended from time to time.

(jj) "**General Common Elements**" shall mean those certain portions of the Land and the Building (other than the Units), as well as the Building Systems and those Facilities therein, either existing for the common use of the Condominium Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance or safety of the Property, as more particularly described in Section B of Article 7 of the Declaration.

(kk) "**Governmental Authority**" shall mean any federal, state, county, municipal, foreign, international, regional or other governmental authority, agency, board, body, instrumentality or court having jurisdiction.

(ll) "**Hazardous Materials**" shall mean chemicals, pollutants, contaminants, wastes and toxic substances, including solid or hazardous waste, hazardous substances, toxic substances, insecticides, fungicides, rodenticides, gasoline or any other petroleum product or byproduct, polychlorinated biphenols, asbestos and urea formaldehyde to the extent any such substances are described as hazardous in any federal, state or local laws and regulations relating to pollution or protection of human health or the environment including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the Federal Insecticide, Fungicide, and Rodenticide Act, as amended; the Resource Conservation and Recovery Act, as amended; the Superfund Amendments and Re-authorization Act of 1986, as amended; and the Toxic Substances Control Act, as amended.

(mm) "**Land**" shall mean all that certain tract, plot, piece and parcel of land situated, lying and being in the City, County and State of New York, as more particularly described in Exhibit A annexed to the Declaration.

(nn) "**Limited Common Elements**" shall mean those certain portions of the Land and the Building (other than the Condominium Units) that are to be used by the Unit Owners of one or more specified Units to the exclusion of all other Unit Owners, as more particularly described in Section C of Article 7 of the Declaration.

(oo) "**Majority of Condominium Unit Owners**" shall mean those Unit Owners having more than fifty percent (50%) of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.8 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.

(pp) **"Party"** or **"Parties"** shall mean any Unit Owner (including the Declarant), an Apartment Owner and/or the Condominium Board, as the context requires.

(qq) **"Permit"** shall mean any action, approval, consent, waiver, exemption, variance, franchise, order, permit, authorization, certificate of occupancy, right or license, building notices, alteration applications or other form of legally required permission, of or from a Governmental Authority, including any zoning, environmental protection, pollution, sanitation, safety, siting or building permit that is necessary to operate and maintain the Property or any Building Systems or to perform any Work on any part of the Property.

(rr) **"Permitted Mortgage"** shall mean any mortgage covering one or more Condominium Units that is placed thereon in compliance with the terms contained in Article 8 of the By-Laws.

(ss) **"Permitted Mortgagee"** shall mean any holder of a Permitted Mortgage at the time in question.

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

(uu) **"Plans and Specifications"** Sponsor's plans and specifications prepared by Misra & Associates for the construction, equipping and outfitting of the Building, including the Common Elements and the Condominium Units which have been filed with the Department of Buildings of the City of New York as the same may be amended.

(vv) **"Offering Plan"** shall mean that certain Offering Plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to Section 352-eeee of the General Business Law of the State of New York, as amended from time to time.

(ww) **"Presentation Date," "Date of Presentation," "presentation," "presented"** and related words shall mean the date of personal delivery or (if mailed) the fifth day after mailing (whichever is the last to occur) of this Offering Plan or any amendment to the Offering Plan, as the context may require, to those Persons required to receive same pursuant to the GBL and the regulations of the Department of Law promulgated thereunder.

(xx) **"Property"** shall mean the Land, the Building, all other 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 as identified of Article V of the Declaration.

(yy) **"Register's Office"** shall mean the New York County Office of the Register of the City of New York.

(zz) **“Related Party”** shall mean an individual who has an employment, business or family relationship to Sponsor, a Unit Owner or an entity comprising a Unit Owner or partner, member, manager, shareholder, officer, director or principal of a Unit Owner or an entity whose legal, equity or beneficial interest is owned, directly or indirectly, by a Unit Owner.

(aaa) **“Residence”** means the Condominium Units known as the Garden Unit, 1st Floor Unit, 2nd Floor Unit, 3rd Floor Unit, 4th Floor Unit and 5th Floor and any more or fewer Units created through amendment of this Declaration.

(bbb) **“Restorations”** shall have the meaning specified in Section 5.5 of the By-Laws.

(ccc) **“Roof”** consists of the following: the structural concrete, slab, steel deck or other material, the asphalt or other roofing material there over, the insulation, the membrane, flashing and similar elements protecting the interior portion of the Building. The **Roof** does not include the pavers, tiles, or other protective flooring or covering a Roof, which constitutes the Terrace appurtenant to a Unit for the Unit Owner’s sole use. The **Roof** above the top floor of the Building, and the roofs of the bulkheads enclosing the exit stairs are included in the definition of **Roof**.

(ddd) **“Roof Structures”** includes the drainage system on the Roof, including drains, gutters, leaders and similar elements and the bulkheads enclosing the exit stairs.

(eee) **“Rules and Regulations”** shall mean the rules and regulations of the Condominium, adopted by the Condominium Board pursuant to the By-Laws, as amended or modified, 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.

(fff) **“Special Assessments”** shall mean the charges allocated and assessed against the Units by the Condominium Board and payable by the Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with paragraph (C) of Section 6.1 of the By-Laws.

(ggg) **“Structural Components”** mean the foundation, foundation walls, pilings, structural columns, beams, supports, girders and similar structural members; load bearing walls, all Building Walls; wood joists, concrete slabs or other material comprising the Base Floors (including sub-flooring but excluding wood flooring, tiles carpeting or other floor covering) and Base Ceilings (excluding finishes, gypsum board or sheetrock thereon) and the Roof, including Roof Structures appurtenant thereto but excluding pavers, tiles, decking or protective flooring or covering there

(hhh) **“Taking”** shall have the meaning specified in Section 5.7 of the By-Laws.

(iii) **“Unit”** or **“Condominium Unit”** shall mean any unit in the Condominium designated as such in the Declaration, consisting, generally, of a specific apartment in the Building. All of such units are, collectively, referred to as “Units.”

(jjj) **"Unit Owner"** shall mean any record owner of a Unit, and all of such Unit Owners are, collectively, referred to as the "Unit Owners."

(kkk) **"Work"** shall mean demolitions, alterations, installations, additions and improvements, repairs, replacements, substitutions, restorations and any other work performed in or to the Units or the Common Elements.

EXHIBIT D

BY-LAWS

SAN GIORGIO CONDOMINIUM

BOROUGH OF MANHATTAN

CITY, COUNTY AND STATE OF NEW YORK

NOVEMBER , 2014

RECORD AND RETURN TO:

**SCAROLA MALONE & ZUBATOV LLP
1700 BROADWAY
SUITE 4100
NEW YORK, NEW YORK 10019
ATTN: EDMUND SCHAFFZIN, ESQ.**

ARTICLE 1

GENERAL

1.1 Unit Ownership The property located at 57 West 127th Street, New York, New York has been submitted to the provisions of Article 9 B of the Real Property Law of the State of New York by declaration recorded in the office of the Register of the City and County of New York simultaneously herewith and shall hereafter be known as San Giorgio Condominium ("Condominium"). The condominium units more particularly described in the Declaration are hereinafter referred to as the "Units".

1.2 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; (ii) the Building, which includes, without limitation, the Units, the General Common Elements and Limited Common Elements and all easements, rights and appurtenances belonging thereto and (iii) all other property, real, personal or mixed real and personal, that is intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording the Declaration of which these By-Laws form a part in the Register's Office of New York County.

1.3 Definitions All capitalized terms used in these By-Laws not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context otherwise requires. Each of the capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

1.4 Applicability of By-Laws These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, subleases and occupants of Units, 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 promulgated hereunder, as the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, the succession to title to, the execution of a lease or sublease for, or the act of occupancy of, a Unit shall automatically and without the requirement of executing any other instrument to such effect constitute a binding agreement that the provisions of the Declaration, these By-laws and the Rules and Regulations promulgated hereunder, as same may be amended from time to time, are accepted, ratified and shall be complied with.

ARTICLE 2

BOARD OF MANAGERS

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 of Managers.

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.

2.2 Status of the Condominium Board. Unless and until the Condominium Board is constituted in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Applicable Law, the status conferred upon unincorporated associations pursuant to the terms of the General Association Law of the State of New York. If the Condominium Board is constituted in accordance with the terms of Section 2.4 hereof, it shall have, to the extent permitted by Applicable Law, the status conferred upon it 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 pursuant to the terms of the Condominium Act.

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 in the City of New York reasonably convenient thereto as may be designated from time to time by the Condominium Board.

2.4 Powers and Duties of the Condominium Board 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 Applicable Law, or pursuant to the terms of the Declaration and these By-Laws or any limitations promulgated in the Plan, or engage in any activity or exercise any right or power which is inconsistent with any rights retained by Sponsor under the Plan may not be delegated to the Condominium Board by the Unit Owners. Without in any way limiting the generality of the foregoing, 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 as the Condominium Board shall deem necessary or proper, including, without limitation, the purchase and leasing of supplies, equipment and materials and the employment, compensation and dismissal of personnel, provided however, that no additions, alterations or improvements costing more than \$10,000 shall be made unless approved by a Majority of Unit Owners at a duly constituted Owner's meeting;

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf the Unit Owners, all right, title and interest in and to all 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 residential 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 of receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium Board; (c) other financial records of the Condominium, as may be required or

prudent 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 prepare and 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 such Common Expenses;

(v) to determine the amount and establish the means and methods of payment of, and to collect, the Common Charges and Special Assessments from the Unit Owners;

(vi) to borrow money on behalf of the Condominium 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 seventy five (75%) per cent of the members of the Condominium Board shall be required for the borrowing of any sum in excess of five thousand dollars (\$5,000.00) in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of at least eighty per cent (80%), both in number and in aggregate Common Interests, of all Unit Owners shall be required for the borrowing of any sum in excess of ten thousand dollars (\$10,000.00) in any one fiscal year (regardless of the balance of any loans outstanding from 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 Unit 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) is not 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 said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(viii) to use the Common Charges and Special Assessments collected from the Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium including, without limitation: (a) the payment of Common Expenses and (b) the performance of Work to the Common Elements;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.6 hereof,

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.6 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of (a) all Unit Owners, (b) all holders of mortgages and other liens on or in respect of the Units and (c) all holders of any other interest in or to the Property;

(xi) to make, or to contract with others for the making of, a Restoration to the Property subsequent to a Casualty Loss, or as a result of a Taking, all in accordance with the terms of these By-Laws;

(xii) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiii) to purchase, lease or otherwise acquire Units offered for sale or lease by the Unit Owners thereof in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase Units at foreclosure or other judicial sales or to accept deeds in lieu thereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xv) to sell, lease, mortgage and otherwise deal with Units 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, the Condominium Board or its designee shall, in no event, be entitled to vote the Common Interest appurtenant to any such Unit;

(xvi) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations thereof;

(xvii) to enforce by legal and equitable means the terms, covenants and conditions contained in the Condominium Documents, and in connection therewith, to bring or defend against any proceedings, actions or suits that may be instituted on behalf of, or against, the Unit Owners;

(xviii) 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) to the extent permitted by Applicable Law, the terms of the Declaration and these By-laws shall prevail in the event of any inconsistency, ambiguity, vagueness or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;

(xix) to organize corporations to act as the designees of the Condominium Board in acquiring title to or leasing 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 residential condominium;

(xx) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any Applicable Law relating to the maintenance of or the performance of Work in or to the Building and (b) any consent, covenant, restriction, easement or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

(xxi) 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 judgment, it is advisable to consolidate and restate all amendments, modifications, additions and deletions thereof theretofore made;

(xxii) to act as agent for all Unit Owners (subject to the right of any Unit Owner to revoke such agency by written notice to the Condominium Board, provided such notice is received before the Condominium Board has commenced the applicable action):

(xxiii) to protest, complain or apply to the appropriate taxing authority to correct the tax assessments of the Units for any year by filing a single complaint on behalf of all such Unit Owners; to seek administrative and judicial review of the tax assessments for any year. In connection therewith, to commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person under the Real Property Tax Law;

With respect to any action taken in accordance with this sub-section,

(a) to negotiate and settle with the taxing authority the tax assessments and any resulting proceedings and litigation;

(b) to execute and acknowledge in the name of each Unit Owner for which it is acting as agent, as such Unit Owner's attorney-in-fact, all applications, certifications, petitions, complaints, settlement agreements and other documents in furtherance of the foregoing;

(c) to retain legal counsel on behalf of the Unit Owners for which it is acting as agent to represent such Unit Owners in connection with the foregoing;

(xxiv) to establish transfer or service fees payable upon the sale or lease of a Unit;

(xxv) to execute and deliver license agreements to Unit owners with regard to Bins in the cellar.

(xxvi) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

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 Unit Owner thereof or by a permitted lessee or other permitted occupant.

2.5 The Condominium Board shall not take any of the actions set forth below as items (i) through (iv) unless more than seventy-five percent (75%) of the Common Interests of the Unit Owners thereof so approve in writing or by vote at a duly constituted meeting called for such purpose.

(i) to increase the number or change the type of employees from those hired at the time of recording the Declaration;

(ii) to provide for new or additional services apart from those being provided at the time of recording the Declaration;

(iii) to 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 Applicable Law (provided, however, that nothing contained herein shall restrict the rights and obligations of the Condominium Board to maintain and repair the Common Elements); or

(iv) to establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements or replacements other than the twelve (12) month reserve for contingencies not exceeding ten (10%) percent of the budgeted operating expenses for the ensuing twelve (12) months of operation (provided, however, that nothing contained herein shall restrict the right of the Condominium Board to assess Unit Owners from time to time for any budget deficiency).

Notwithstanding anything to the contrary contained in these By-Laws, the Sponsor shall not be obligated to pay any transfer fee or service fee to the Condominium with respect to the lease, in whole or part, or sale of any Unit.

2.6 Exercise and Delegation of Powers and Duties. Any act within the power of the Condominium Board to perform shall be performed by the Condominium Board on its behalf or at its direction by the agents, employees or designees of the Condominium Board.

(i) The Condominium Board may appoint an executive committee by duly adopted resolution. The executive committee shall have, and may exercise, all of the powers of the Condominium Board during the intervals between meetings of the Condominium Board, subject to both (i) the exceptions and limitations contained in of this Section 2.6 and (ii) such additional

exceptions and limitations as the Condominium Board may from time to time deem appropriate. 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 directs. The executive committee and each other committee shall consist of three (3) or more members of the Condominium Board.

(ii) The Condominium Board may employ a Managing Agent to serve at a compensation to be established by the Condominium Board and to perform such duties and services as the Condominium Board directs. Subject to the exceptions and limitations contained in 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.

(iii) Notwithstanding anything to the contrary contained in this Section 2.6, the executive committee shall neither have, nor be entitled to exercise, and the Condominium Board shall not delegate to it or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx) and (xxi) of Section 2.4 hereof. In addition, neither the executive committee nor any other committees shall have, or be entitled to exercise, any of the powers of the Condominium Board described in of Section 2.5 except to the extent permitted by Applicable Law.

2.7 Number, Election, and Qualification of Members The initial Condominium Board shall consist of three (3) individuals to be appointed by Sponsor pursuant to the terms of Section 4.9 below. Within ninety (90) days after the First Unit Closing, the Condominium Board shall meet and at such meeting the Purchaser of that Unit will appoint one member to the Board of Managers, increasing the membership of the Board to four (4) members. Upon closing of the Second Unit, the Purchaser of that Unit will appoint a member to the Board of Managers, increasing the membership to five (5) members. Within three months of the Third Unit Closing, the designees of the Condominium Unit Owners shall resign, and the Unit Owners shall vote to elect two Members to the Board of Managers (which may or may not be the same as the prior ones).

All members of the Condominium Board shall be either: (i) individual Unit Owners; (ii) individual Permitted Mortgagees, (iii) officers, directors, shareholders, partners, members, principals, employees, or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries, or any other entities which are the Owners of Units or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing. However, no Unit Owner may be elected to serve on the Condominium Board if the Condominium Board has perfected a lien against such Owner's Unit and the amount necessary to release such lien (and pay all expenses incurred by the Condominium Board, its committee or any agents of any of the foregoing in connection with the matter resulting in the perfection of the lien, including without limitation, attorneys' fees and expenses) has not been paid at the time of such election.

2.8 Term of Office of Members. Each of the five (5) individuals elected and qualified members of the Board shall serve until the next annual meeting thereof and until his successor is elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, a member of the Condominium Board may serve.

2.9 Removal and Resignation of Members Any member of the Condominium Board who was elected thereto either by Unit Owners pursuant to the terms of Section 4.9 hereof or by the Condominium Board pursuant to Section 2.10 hereof may be removed from office for 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 Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

Any member of the Condominium Board may resign his membership at any time by giving written notice thereof to the Condominium Board and, with respect to the member of the Condominium Board designated or elected by the Sponsor, to the Sponsor. In addition, any member of the Condominium Board who ceases to be qualified for membership pursuant to Section 2.7 hereof shall be deemed to have resigned his membership effective as of the date upon which such qualification ceases.

2.10 Vacancies Any vacancy on the Condominium Board caused by the removal, resignation or death of a member who was elected thereto by 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 then in office. A special meeting of the Condominium Board shall be held for the purpose of promptly filling any such vacancy, and the election held thereat shall be effective to fill such vacancy even if the number of members present at such meeting would not otherwise have constituted a quorum.

Any vacancy on the Condominium Board caused by the removal, resignation or death of a member designated or elected by the Sponsor shall be filled by an individual designated by the Sponsor. Each member of the Condominium Board elected or designated to fill a vacancy pursuant to the terms 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 his successor is elected and qualified at the appropriate annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof.

2.11 Organizational Meeting of the Condominium Board The first meeting of the Condominium Board shall take place within ninety (90) days after the First Unit Sale and thereafter following each annual meeting of Unit Owners which shall be held within ten (10) days of such annual meeting at such time and place in the Borough of Manhattan as shall be fixed informally by a majority of the members of the Condominium Board and designated in a written notice given to all members thereof in the manner prescribed in Section 11.1 not later than five (5) business days prior to such date.

2.12 Regular Meetings of the Condominium Board Regular meetings of the Condominium Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof, provided that at least one (1) such meeting shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given to each member thereof in the manner prescribed in Section 11.1 at least five (5) business days prior to the day named for such meeting.

2.13 Special Meetings of the Condominium Board. A special meeting of the Condominium Board may be called by the President or Vice President, and the President or Vice President shall call such a meeting upon the written request of two (2) or more members of the Condominium Board. Written notice of all special meetings shall be given to each member thereof in the manner prescribed in Section 11.1 at least five (5) business days in advance and shall state the time, place (in the Borough of Manhattan) and purpose of the meeting.

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. Attendance by a member of the Condominium Board at any meeting thereof, in and of itself, automatically and without the requirement of any supplementary writing or formality, shall constitute a waiver by him 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.

2.15 Quorum of the Condominium Board For purposes of all meetings of the Condominium Board, a majority of the members thereof shall constitute a quorum for the transaction of business. In connection therewith, one (1) 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, in and of itself, automatically and without the requirement of any supplementary writing or formality, shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the members of the Condominium Board in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

2.16 Conduct of Meetings. The President or another member acting on his behalf shall preside at all meetings of the Condominium Board, and the Secretary or Assistant Secretary shall faithfully record the minutes thereof. The 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. Such rules of procedure as may be adopted from time to time by a majority of the Condominium Board shall govern the conduct of the meetings of the Condominium Board unless such rules of procedure conflict with the terms of the Declaration, these By-Laws or the Condominium Act.

2.17 Decisions by the Condominium Board. Except as otherwise expressly provided in the Declaration or these By-Laws, the vote of a majority of the members of the Condominium Board present at a meeting thereof at which a quorum is present shall constitute the decision of the Condominium Board. Alternatively, any decision required or permitted to be made by the Condominium Board may be made without a meeting thereof if all the members of the Condominium Board individually or collectively consent in writing to such decision, and all such written consents are duly filed by the Secretary or Assistant Secretary of the Condominium in the minutes of the Condominium Board.

2.18 Compensation of Members. No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

2.19 Common or Interested Members of the Condominium Board. Each member of the Condominium Board shall perform his duties, and shall exercise his powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Applicable Law, no contract or other transactions between the Condominium Board and either (a) any of its members or (b) any corporation, partnership, fiduciary, firm, limited liability company, association or other entity in which any of the members of the Condominium Board are officers, directors, employees, partners, members, fiduciaries, beneficiaries or principals, or are otherwise interested, financially or otherwise, shall be deemed either void or voidable because (i) any such interested 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 (ii) the vote of any such interested member was counted for such purposes; provided, however, that either:

(a) the material facts as to such Condominium Board member's interest in such contract or transaction are disclosed in good faith or known to the Condominium Board or are noted in the minutes thereof, and the Condominium Board approves, authorizes or ratifies such contract or transaction in good faith by a vote sufficient for such purpose without counting the vote of such interested member of the Condominium Board or, if the votes of the disinterested members of the Condominium Board are insufficient to constitute a quorum, by unanimous vote of the disinterested members; or

(b) 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; or

(c) the contract or transaction is considered commercially reasonable by the Condominium Board at the time it is authorized, approved, ratified, executed or otherwise consummated.

Any interested 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, and, except as set forth in subparagraph (a) above, shall also be entitled to vote thereat to authorize, approve or ratify such contract or transaction.

2.20 Liability of the Condominium Board The members of the Condominium Board shall have no liability to Unit Owners for errors of judgment, negligence or otherwise, except that each member of the Condominium Board shall be liable thereto for his own bad faith, willful misconduct or gross negligence.

(a) To the extent permitted by Applicable Law, no member of the Condominium Board shall have any personal liability with respect to any contract, act or omission of the Condominium Board, any committee(s) thereof in connection with the affairs or operation of the Condominium (except in his capacity as and to the extent his ownership of the Unit), and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by or on behalf of the Condominium Board, any committee(s) thereof shall expressly state (if obtainable) that it is made or executed by or on behalf of the Condominium Board or such committee(s) only as agent for all Unit Owners, that members of the Condominium Board, such committee(s) shall have no personal liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof. The foregoing is in addition to the limitation of liability of the officers of the Condominium and Unit Owners pursuant to the terms of Sections 3.10 and 4.12 hereof, respectively. Any such contract or agreement may also provide that it covers the assets, if any, of the Condominium Board on whose behalf the contract or agreement is made or executed.

(b) Unit Owners shall jointly and severally indemnify and hold harmless each member of the Condominium Board from, against and in respect of all Claims arising out of or in connection with his acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such is due to, or arises out of or in connection with, the bad faith, gross negligence or willful misconduct of such member. Notwithstanding the foregoing, it is intended that the liability of any Unit Owner arising out of the aforesaid indemnity shall be limited to 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 and such Unit Owner's interest in his Unit and its Appurtenant Interests.

ARTICLE 3

OFFICERS

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 it deems 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 (2) officers of the Condominium or by such lesser number of officers or by such other Person(s) as may be designated from time to time by the Condominium Board

3.2 President. The President shall be the chief executive officer of the Condominium Board 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 incidental to the office of president of a corporation organized under the New York Business Corporation Law (the "BCL"), including, but not limited to, the power to appoint members of all committees created by the Condominium Board from among the Unit Owners from time to time as he may decide, in his discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

3.3 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President is 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 him from time to time by the Condominium Board or by the President.

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 corporation organized under the BCL.

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 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 corporation organized under the BCL.

3.6 Election. Term of Office and Qualifications of Officers. Each of the officers of the Condominium Board shall be elected annually by a majority vote 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 and the Vice President shall be elected from among the members of the Condominium Board. The other officers of the Condominium, however, need not be Unit Owners, members of the Condominium Board or have any interest in the Condominium.

3.7 Removal and Resignation of Officers Any officer of the Condominium may be removed from office, with or without cause, by an affirmative vote of a majority of the members of the Condominium Board at any regularly scheduled meeting of the Condominium Board or at any special meeting thereof called for that purpose except for officers appointed by Sponsor who may be removed by the Condominium Board only for cause. The Sponsor designated members shall be replaced by the Sponsor. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President or the Vice President of the

Condominium ceases to be a member of the Condominium Board during his term of office, such officer shall be deemed to have resigned his office, effective upon the date upon which his membership ceases.

3.8 Vacancies. Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regularly scheduled meeting of the Condominium Board or at a special meeting thereof called for that purpose.

3.9 Compensation of Officers No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

3.10 Liability of Officers of the Condominium The officers of the Condominium shall have no liability to Unit Owners for errors of judgment, negligence or otherwise, except that each officer of the Condominium shall be liable thereto for his own bad faith, willful misconduct or gross negligence. In addition, every contract made, and other document executed, by one (1) or more officers or other Person(s) on behalf of the Condominium shall expressly state (if obtainable, and in addition to the limitation of liability of the members of the Condominium Board and Unit Owners pursuant to the terms of Sections 2.20 and 4.12 hereof, respectively) that it is made or executed by such officers or Person(s) on behalf of the Condominium solely as agent for the Unit Owners and that such officers or Person(s) shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

Unit Owners shall jointly and severally indemnify and hold harmless each officer of the Condominium from, against and in respect of all Claims whatsoever arising out of or in connection with his acts or omissions as, or by reason of, the fact that such individual is or was, an officer of the Condominium, except, however, to the extent that such is due to, or arises out of or in connection with the bad faith, willful misconduct or gross negligence of such officer. Notwithstanding the foregoing, it is intended that the liability of any Unit Owner arising out of the aforesaid indemnification shall be limited to 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 and to such Unit Owner's interest in his Unit and its Appurtenant Interests.

3.11 Assistants The Condominium Board may at any time or from time to time appoint one or more assistant secretaries and one or more assistant treasurers to hold office at the pleasure of the Condominium Board. Such assistants, if any, in order of their seniority or in any other order determined by the Condominium Board shall, in the absence or disability of the Secretary or Treasurer, as the case may be, perform the duties and exercise the powers of the applicable Secretary or Treasurer, as the case may be, and shall perform such other duties as the Condominium Board, Secretary or Treasurer, as the case may be, shall prescribe.

ARTICLE 4

UNIT OWNERS

4.1 Annual Meetings of Unit Owners. The first annual meeting of the Unit Owners shall be held within three (3) months after the First Unit Closing. At this meeting The Board shall consist of at three (3) members designated by Sponsor. The first order of business shall be the election of the fourth member to the Board designated by the owner of the First Unit Closing. After the Second Unit Closing, the owner of the Second Unit shall designate a fifth member of the Board. Upon the sale of the third Unit, the three Owners of such Units shall designate a total of two members. Sponsor shall vote its interest in accordance with the foregoing. After the first annual meeting, annual meetings of the Unit Owners shall be held on or about the last Thursday in April of each year, unless such date occurs on a Holiday, in which event the meeting shall be held on the next succeeding business day. At each such subsequent meeting, the Unit Owners 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.

4.2 Special Meetings of Unit Owners. The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by the Unit Owners having, in the aggregate, not less than thirty (30%) percent 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.

4.3 Place of Meetings. Meetings of Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough of Manhattan as may be designated by the Condominium Board.

4.4 Notice of Meetings 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. Each such notice shall set forth the purpose, time and place of such meeting. All notices shall be given to the Unit Owners entitled to receive the same in the manner prescribed in Section 11.1, not later than five (5) business days prior to the day fixed for the meeting; however, the mailing of such notice to any Unit Owner, addressed to his address at the Property, at least ten (10) days prior to the day fixed for the meeting shall be conclusively deemed as giving the required notice to such Unit Owner of such meeting. 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 delivered to all Unit Owners at least ten (10) days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

4.5 Quorum of Unit Owners Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning Units to which more than fifty (50%) percent or more of the aggregate Common Interest appertain shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there is less than a quorum present, a majority in Interest of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time fixed for the original meeting, and no notices of adjournment need be given other than notice of the meeting so adjourned.

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. Such rules of procedure as are acceptable to a majority of Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of meetings of the Unit Owners, unless such rules of procedure 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.

4.7 Order of Business The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Call to order;
- (b) Roll call;
- (c) Proof of notice of meeting;
- (d) Reading of the minutes of the preceding meeting (unless waived);
- (e) Reports of officers of the Condominium Board;
- (f) Reports of members of the Condominium Board;
- (g) Reports of committees;
- (h) Election of inspectors of election (when so required);
- (i) Election of members of the Condominium Board (when so required);
- (j) Unfinished business; and
- (k) New business.

4.8 Voting Subject to the terms of Section 4.9 hereof, each Unit Owner shall be entitled to cast one vote at all meetings of the Unit Owners for each .0001% of Common Interest attributable to his Unit(s).

(a) 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 (and pay all expenses incurred by the Condominium Board, its committees or any agents of the foregoing in connection with the matter resulting in perfection of the lien, including without limitation attorneys' fees and expenses) 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 Unit Owners are precluded from voting pursuant to the terms of this paragraph (a) shall be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes but shall be included for purposes of determining whether a quorum is present for such voting.

(b) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two or more Persons own a Unit, they shall designate in writing to the Secretary of the Condominium one (1) Person among them to vote the Common Interest appurtenant to their Unit and the vote of such designee shall be binding on all such Persons. Failing such designation, all of such Persons shall mutually vote such Common Interest under one 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.

(c) A Unit Owner may designate any Person to act as a proxy on his behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designator and delivered to the Secretary of the Condominium at or before the appointed time for the meeting during which such proxy 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 a designation shall be effective with respect to any vote cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting. Except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor, no designation to act as a proxy shall be effective for a period in excess of six (6) months after the date thereof.

(d) Except when otherwise required by Applicable Law or otherwise provided in the Declaration or in these By-Laws, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

4.9 Election of Members of the Condominium Board; Rights of the Sponsors. Subject to the terms of paragraph (d) of Section 4.8, all elections of members of the Condominium Board shall be determined by plurality vote. However, nothing contained herein shall be deemed to permit any Unit Owners to cumulate the votes attributable to the ownership of any one 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 shall state (i) the name of the voting Unit Owner, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number of the Unit owned by the voting Unit Owner; (iii) the amount of the Common Interests appurtenant to such Unit; and (iv) the names of the candidates for whom such ballot is cast (the number of names shall not exceed the number of members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall be void. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election.

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 in aggregate Common Interests) to approve such an action at a duly constituted meeting of 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 the 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.

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, but not as owners in severalty.

4.12 Contractual Liability of Unit Owners. It is intended and every contract made or executed by or on behalf of the Condominium Board, by any committee thereof, by any officer of the Condominium of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the officers of the Condominium pursuant to the terms of Sections 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect to any contract, act or admission with respect to the Condominium 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 and (ii) such Unit Owner's interest in his Unit and its Appurtenant Interests, unless otherwise provided by Applicable Law. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges

ARTICLE 5

OPERATION OF THE PROPERTY

5.1 Maintenance and Repairs Except as otherwise provided in the Declaration or these By-Laws, all repair, whether structural or non-structural, ordinary or extraordinary, excluding painting and decorating

(a) in or to any Unit and all portions thereof (including, but not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and window frames, sills and sashes, all doors (entrance and terrace, if any) and their frames and saddles, exposed plumbing, gas and heating fixtures and equipment, air conditioning units, lighting and electrical fixtures and any General Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but excluding any other General Common Elements contained therein) shall be performed by the Unit Owner;

(b) in or to the General Common Elements shall be performed by the Condominium Board as a Common Expense; and

(c) in or to the Limited Common Elements shall be performed (a) by the Condominium Board as a Common Expense, unless such maintenance, repair or replacement results from the Unit Owner's negligence, misuse or neglect, in which case the cost of such maintenance, repair or replacement shall be for the Unit Owner's sole cost and expense.

(d) Notwithstanding the foregoing, each Unit Owner shall be responsible for the maintenance, repair or replacement of appliances, the Unit's or Apartment's HVAC System or lighting and electrical fixtures.

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board 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.

5.2 Damage to Unit or Common Elements. Each Unit Owner shall be responsible for the entire cost and expense of the repair or replacement of any and all damage to any Unit or the Common Elements necessitated by his negligence, misuse or abuse reduced by the proceeds of any insurance maintained pursuant to the terms of these By-Laws.

Notwithstanding anything to the contrary provided in paragraph (a) of Section 5.1, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the Unit Owner of such Unit at such Unit Owner's sole cost and expense and shall not be colored or

painted. Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free from snow, ice and accumulation of water with respect to any terrace, patio, roof 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 Work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of terraces, patios, windows and window shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit.

5.3 Failure to Comply. 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 his obligations with respect to the painting, decorating, maintenance, repair or replacement of his Unit as provided herein or of any Common Elements for which such Unit Owner is responsible under the Declaration or these By-Laws, the Condominium Board shall perform or cause to be performed such painting, decorating, maintenance, repairs or replacements at the sole cost and expense of the Unit Owner unless such Unit Owner, within five (5) days after receiving notice of such default by the Condominium Board, cures such default, or in the case of 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 by the Condominium Board in connection with the making of any such painting, decorating, maintenance, repairs or replacements in such Unit Owner's Unit, together with interest thereon at the rate of 1% per month (but in no event in excess of the maximum rate permitted by Applicable 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.

No Unit Owner shall cause or permit any Hazardous Materials to be used, stored, transported, released, handled, produced or installed in, on or from its Unit or the Property, other than substances used in *de minimis* quantities in household cleaning products and generated, stored, handled and used in compliance with Applicable Law. It shall be the obligation of each Unit Owner to comply (at its sole cost and expense) with all Applicable Laws with respect to Hazardous Materials in its Unit or in connection with any Work performed by or on behalf of such Unit Owner at the Property.

5.4 Alterations, Additions, Improvements or Repairs in and to the Units and the Limited Common Elements.

(a) No Unit Owner shall perform any structural Work in or to his Unit or its Appurtenant Limited Common Elements without the prior written approval of the Condominium Board which

shall not unreasonably withhold its approval. The procedures set forth in Section 5.4 shall not apply to Sponsor.

No Unit Owner shall perform any structural Work in or to his Unit or its Appurtenant limited Common Elements without the prior written approval of the Condominium Board which may in its discretion withhold such approval if in its reasonable judgment such Work will have an adverse effect on the Building or its Systems. The following procedure shall not apply to Sponsor.

(i) The Unit Owner shall submit to the Condominium Board proposed Plans and specifications (the "Proposed Plans") for the Work that the Unit Owner wishes to perform. Such Proposed Plans must be prepared by a licensed architect or engineer engaged by the Unit Owner (the "Unit Owner's Architect") at the Unit Owner's sole cost and expense.

(ii) The Unit Owner shall submit an estimate prepared by a licensed contractor of the cost of the Work together with evidence of the Unit Owner's financial ability to complete the Work together with evidence of Owner's financial ability to complete the Work and submit his check to the order of the architect or engineer engaged by the Condominium to review the Proposed Plans.

(iii) The Unit Owner shall promptly at his sole cost and expense cause such his Architect to make all changes that may be required by the Condominium Board and the Building's Architect. The Unit Owner shall promptly pay such additional fee(s) as may be incurred in connection with the review by the Building's Architect of any such changes.

(iv) The Unit Owner shall execute an agreement in form and content reasonably satisfactory to the Condominium Board incorporating the provisions of this section and any other conditions as may be imposed by either of them in connection with the Work.

(v) The Unit Owner shall submit the revised Proposed Plans to the Condominium Board and the Building's Architect for approval and shall comply with any further comments regarding the Proposed Plans within fifteen (15) days.

(vi) The Unit Owner shall obtain all applicable governmental approvals and permits at his sole cost and expense and provide a copy thereof to the Condominium Board within three (3) business days following receipt, but in all events prior to the commencement of the Work.

(vii) The Unit Owner shall, at his sole cost and expense, prior to the commencement of the Work obtain and provide evidence of such insurance coverage, including coverage for the types of risks and at such minimum policy limits as may be required by the Condominium Board in connection with the Work. The insurance policies obtained by the Unit Owner must name the Condominium Board as additional insured, must provide that they may not be cancelled without thirty (30) days' prior written notice to the Condominium Board and must be

maintained in effect until the Work is completed and all governmental "sign-offs" and approvals have been obtained. The Condominium Board reserve the right to require the Unit Owner's contractor (the "Contractor") to maintain in effect such types and amounts of insurance coverage as they may reasonably determine during the course of the Work

(viii) If the Work will disturb a Hazardous Substance, the Unit Owner will be required to perform appropriate removal or remediation in accordance with applicable law and the Unit Owner and his contractors will be required to maintain such Environmental Pollution or Environmental Hazard insurance as the Condominium Board may require.

(ix) The Unit Owner shall only engage the services of a contractor(s) and professionals who are duly licensed to perform the services for which they have been engaged. The Unit Owner shall submit to the Condominium Board the name of the contractor(s) and professionals together with evidence that such contractor(s) and professionals satisfy the requirements of this section. Any such approval shall be conditioned on the Unit Owner complying with the conditions set forth in paragraphs (x) through (xviii) below.

(xi) The Unit Owner shall within 30 days of receipt of approval commence the Work and proceed with all due diligence to complete same.

(xii) The Condominium Board and any professionals engaged by any of them shall have the right to inspect the Unit and the Work from time to time without notice to the Unit Owner.

(xiii) In the event that any hazardous situation or emergency situation, the Condominium Board may, without notice to the Unit Owner, take all steps as may necessary, appropriate or desirable to cure, correct or alleviate such hazardous condition or emergency situation. The cost of any such cure, correction or alleviation shall be borne by the Unit Owner, paid by the Unit Owner within ten (10) days of being billed and, if billed by the Condominium Board, shall constitute a lien on his Unit (similar to the lien of Common Charges) until paid.

(xiv) If the Unit Owner fails to pursue the Work to completion with due diligence, the Condominium Board shall have the right (but not the obligation) to complete the Work in accordance with the Unit Owner's Plans, at the expense of the Unit Owner. The cost of such completion shall be borne by the Unit Owner and shall be paid by the Unit Owner within ten (10) days of being billed, and, if billed by the Condominium Board, shall constitute a lien on the Unit (similar to the lien of Common Charges) until paid.

(xv) The Unit Owner shall, within thirty (30) days of the imposition thereof, cause all mechanics liens and other liens to be bonded or discharged.

(xvi) The Unit Owner shall deliver a set of "as-built" Plans to the Condominium Board at the Unit Owner's expense.

(xvii) Promptly, but in no event later than thirty (30) days following the completion of the Work, the Unit Owner shall obtain and provide to the Condominium Board all governmental "sign-offs" and documents evidencing the completion of the Work in accordance with all Applicable Law.

(xviii) The Condominium Board reserves all rights at law and in equity (including the right to injunctive relief) to enforce the provisions of this section and any agreement made by any of them with a Unit Owner in connection with Work to be performed by such Unit Owner.

If, the Condominium Board fails to answer any written, reasonably detailed request for such approval within thirty (30) days after such request is received, such failure to respond shall constitute the Condominium Board's consent thereto on the condition that the foregoing procedure is agreed to and followed. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Unit Owner to procure and agree to maintain during the course of such Work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under, including, without limitation, the indemnification obligations referred to in paragraph (c) hereof and in Section 5.4 (e), and the days and hours during which any such Work may be done. For purposes of the Declaration and these By-Laws, the term "structural" when applied to any Work performed in or to a Unit or the Property shall mean and refer to any Work affecting the foundations, columns, girders, beams, supports, concrete slabs and other such structural members of the Building, those portions of the exterior walls of the Building lying beyond the interior face of the brickwork, and all Building Systems, including without limitation, the mechanical, electrical, water supply and return (sewer), gas supply and heating systems.

Notwithstanding anything to the contrary contained in paragraph (a) of this Section 5.4, however, Sponsor shall have the right, pursuant to the terms of Article 13 of the Declaration, to (a) perform any Work in its Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (b) subdivide, combine and change the boundary walls of Units, all without the approval of the Condominium Board or any other Unit Owners

(b) All Work performed by Unit Owners shall be performed in compliance with Applicable Law.

(c) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner performing Work in or to his 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) of this Section 5.4; (ii) to any contractor, subcontractor, materialman, architect or engineer on account of any Work performed or caused to be performed by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner performing or causing to be performed Work in or to his Unit and appurtenant Limited Common Elements shall agree (in a writing executed

and delivered to the Condominium Board, if the Condominium Board so requests), and shall be deemed to agree (in absence of such writing), to indemnify and hold the Condominium Board and all other Unit Owners harmless from and against any such liability, cost and expenses as set forth in Section 5.4 (e) below.

(d) The Condominium may hire experts to review the plans and specifications for any structural Work proposed to be made by any Unit Owner and, except as set forth below, the reasonable cost thereof shall be assessed by the Condominium against such Unit Owner. No such costs shall be assessed against the Sponsor's Units or payable by the Sponsor in connection with any such Work performed by the Sponsor, whether in and to any Unit owned by the Sponsor or to the Common Elements as permitted in the Declaration, these By-Laws or in the Offering Plan.

(e) The approval or consent of the Condominium Board to any Work performed by a Unit Owner in accordance with these By-Laws shall not be, nor shall it be construed as being, or relied upon as, a determination that the Work or the Plans and specifications therefor (or any modifications thereto) comply with any Applicable Law or the requirements of any insurer insuring the Condominium pursuant to Section 5.4 of these By-Laws.

5.5 Alterations, Additions or Improvements to the General Common Elements. Except as otherwise provided in the Declaration or in these By-Laws, all alterations, additions or improvements in or to any of the General Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a Common Expense. Notwithstanding the foregoing, whenever the cost and expense of any such alterations, additions or improvements would, in the judgment of the Condominium Board, exceed five thousand (\$5,000.00) dollars in the aggregate in any calendar year, then such proposed alterations, additions or improvements shall not be made unless first approved by a Majority in Interest of the Unit Owners at a duly constituted meeting of the Unit Owners. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions or improvements, costing five thousand (\$5,000.00) dollars or less in the aggregate in any calendar year may be made as aforesaid without the approval of either the Unit Owners.

5.6 Insurance The Condominium Board shall obtain, if available, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage insuring the Building (including the Building Systems, the Facilities, 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 or any furniture, furnishings or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interests of the Condominium, the Condominium Board, all Unit Owners and all Permitted Mortgagees, as their interests may appear. Each of such policies shall contain, if available:

(a) 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;

(b) a provision that any adjustment of loss shall 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 5.6 hereof;

(c) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which clause shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (b) above and in Section 5.8 hereof; and

(d) a provision that such policy may not be either canceled or substantially modified except upon at least ten (10) days' prior written notice to all the insureds, including all Permitted Mortgagees.

Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be sent to all Unit Owners upon request and to Permitted Mortgagees at least ten (10) days prior to the expiration of the then current policies.

(e) The Condominium Board shall also obtain and maintain, to the extent practicable:

(i) comprehensive general liability insurance, in such limits as the Condominium Board may from time to time determine, covering all Claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insured (a) the Condominium Board and each member thereof, (b) each officer and employee of the Condominium and (c) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his own Unit or its Limited Common Elements);

(ii) workers' compensation and New York State disability benefits insurance;

(iii) water damage legal liability insurance;

(iv) umbrella liability insurance;

(v) 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.

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:

(A) with respect to insurance policies maintained by the Condominium Board, the coverage shall be in an amount equal to not less than the full replacement cost of the Building, exclusive of excavation and foundations without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source; and

(B) 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 not less than the aggregate of all 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.

The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.6 shall be borne by the Condominium Board as a Common Expense.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided 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.

Subject to any specific limitation on the liability of Unit Owners set forth elsewhere in these By-Laws or in the Declaration, each Unit Owner shall indemnify and hold harmless all other Unit Owners and the Condominium from and against all Claims which may be imposed upon or incurred by any of the foregoing by reason of: (i) any Work performed or required to be performed by such Unit Owner on or about the Property; (ii) any negligence, misuse or neglect on the part of such Unit Owner or any of his Family Members, officers, directors, shareholder, partners, tenants, agents, contractors, servants, employees, licensees, or invitees; or (iii) any failure on the part of such Unit Owner to perform or comply with any of the terms or conditions contained in the Declaration and these By-Laws

Subject to any specific limitation on the liability of the Condominium Board set forth elsewhere in these By-Laws or in the Declaration, the Condominium shall indemnify and hold all Unit Owners harmless from and against all Claims which may be imposed upon or incurred by any of the Unit Owners by reason of: (i) any Work performed by the Condominium or the Condominium Board on or about the Property; or (ii) any negligence or wrongful acts or omissions on the part of the Condominium Board or any of its members, officers, agents, contractors, servants, employees, licensees, or invitees. The costs and expenses of the foregoing indemnification by the Condominium shall be a Common Expense.

5.7 Casualty or Condemnation In the event that either (I) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "**Casualty**

Loss") or (ii) the General Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "**Taking**"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.6 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 to the Condominium Board. All such monies actually received (hereinafter referred to as the "**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 5.7. Notwithstanding anything to the contrary contained either in this Section 5.7, however, no Unit Owner whose Unit, its Appurtenant Limited Common Elements or any portion thereof is taken in condemnation or by eminent domain (whether or not all or a part of the General Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he may have to pursue a separate claim against the condemning authority by reason thereof.

If (i) either seventy-five percent (75%) or more of the Building is destroyed or substantially damaged by fire or other casualty or seventy-five percent (75%) or more of the General Common Elements are taken in a Taking and (ii) seventy-five percent (75%) or more of all Unit Owners, both in number and in aggregate Common Interests duly and promptly resolve to proceed with repair and restoration and (iii) it is reasonably estimated that the insurance proceeds from the Casualty Loss or the estimated proceeds from the Taking will be sufficient to restore the Building, ("**Restoration**"), then subject to the terms of this Section 5.7, the Condominium Board shall arrange for the prompt repair and restoration of the portion of the Building affected by such Casualty Loss (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 any wall, ceiling or floor decorations or coverings, appliances or any furniture, furnishings, fixtures, equipment or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners), or, in the event of a Taking, the portion of the General Common Elements affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to the Units, the Common Elements that service or enclose the Units and other Common Elements, or any combination of the foregoing, such 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 the Units and then in or to the balance of the Common Elements. In addition, each Unit Owner whose Unit, its Appurtenant Limited Common Elements, or any portion thereof shall be the subject of all or part of such Work shall have the right, subject to the terms of Section 5.2 hereof, to supervise any redecorating of his Unit or of such Limited Common Elements.

In the event Work shall be performed pursuant to the terms of this Section 5.7, the Condominium Board shall disburse the Trust Funds to the contractors engaged in such Work in appropriate progress payments. If the Trust Funds are less than sufficient to discharge the cost and expense of performing such Work, the Condominium Board may levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests 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 such Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, 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 Unit Owners are assessed pursuant to the terms of the second sentence of this subparagraph 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 such Work, any portion of the Trust Funds remains 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 Unit Owners so assessed in proportion to their respective Common Interests, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

If (i) either seventy-five percent (75%) or more of the Property is destroyed or substantially damaged by fire or other casualty or seventy-five percent (75%) or more of the General Common Elements are taken in a Taking, and (ii) seventy-five percent (75%) or more of all Unit Owners, both in number and in aggregate Common Interests, either fail or refuse to resolve to proceed with the Restoration, the Restoration 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 Interests, 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 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.

If the damage resulting from a Casualty Loss (i) renders one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroys the means of access to one or more Units, the installments of Common Charges otherwise payable by the Unit Owner of any Unit so affected thereby shall proportionately abate until such Unit is rendered usable for such purposes and/or until the means of access thereto is restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss is caused by the act, the omission to act, or the negligence of the Unit 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.

If (i) a portion of any Unit is taken in condemnation or by eminent domain and (ii) the Condominium is not terminated by reason of a simultaneous Taking pursuant to the terms 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 after such Taking bears to the total floor area of such Unit and its Appurtenant Limited Common Elements 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 Unit 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, such parties 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 applicable 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 such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the Unit Owners of, together with the holders of record of all liens upon, all the other or remaining Units.

As used in this Section 5.7, the terms:

(a) **"prompt repair or restoration"** shall mean that the Restoration is to be commenced not more than either: (a) sixty (60) days after the date upon which the Condominium Board notifies all Unit Owners that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Restoration, or (b) ninety (90) days after the date upon which the Condominium Board notifies all Unit Owners that the Trust Funds it has received are insufficient to discharge the estimated cost and expense of the Restoration; and

(b) **"promptly resolve"** shall mean that a resolution shall be duly made not more than sixty (60) days after the date upon which the Condominium Board notifies all Unit Owners that it has received the Trust Funds and that such Trust Funds are or are not sufficient to discharge the estimated cost and expenses of the Restorations, as the case may be.

Any dispute that may arise under this Section 5.7 between Unit Owners or between any Unit Owner and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

5.8 Use of the Property. No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a persistent source of annoyance to its residents or regularly interferes with the peaceful possession or proper use of the Property by its residents, tenants or occupants. No immoral, improper, offensive or unlawful use shall be made of the Property or any portion thereof, and all Applicable Laws relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit Owners or the Condominium Board, whoever has the obligation to maintain or repair such part of the Property, subject to the provisions of Article 13 hereof.

No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that shall result in the cancellation of insurance on the Property or the contents thereof or that would be in violation of any Applicable Law, subject to the provisions of Article 13 hereof. No waste shall be committed in the Common Elements.

Nothing shall be done in any Unit or in, on or to the Common Elements that would impair the structural integrity of the Property or structurally change the Building, except as is otherwise expressly 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.

5.9 Use of Units In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, each Unit shall be used as a private residence only, except as otherwise expressly provided in the Declaration, these By-Laws or Applicable Law.

A Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other Person may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by an individual member of such limited liability company or an officer, director, stockholder, partner or employee or individual member of any corporate, partnership or limited liability company member of such limited liability company, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries and members or employees of limited liability company fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other Person, respectively, or by Family Members or guests of any of the foregoing (however, nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members or guests). Notwithstanding the foregoing, 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, and no transient occupant (other than a guest permitted under this paragraph (B)) may be accommodated therein.

Notwithstanding anything to the contrary contained in this Section 5.9, the Condominium Board) may, in its sole discretion, consent to the use of a Unit as a professional or business office, or for any home occupation use or for any purpose other than that set forth in this Section 5.9, provided that the nature and manner of such use complies with Applicable Law. 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 (as the case may be) before using such Unit for any purpose other than that set forth in the first sentence of first paragraph of this Section 5.9.

Notwithstanding anything to the contrary contained in this Section 5.9, the Sponsor may, for so long as the Sponsor owns one or more Units, without the consent of either the Condominium Board or Unit Owners, use or grant permission for the use of any of its Units as a professional or business office or for any other purpose, including, without limitation, use of any one or more of its Units as model units and offices for the sales, promotions, management and operation of its Units, or lease its Units to third parties for their occupancy, provided only that the

nature and manner of such use complies with Applicable Law and does not violate the then existing Certificate of Occupancy for the Building.

5.10 Use of the Common Elements Unit Owners shall not place or cause to be placed in the vestibules, public halls, stairways, or other common areas of common facilities, other than the areas designated as storage areas, any furniture, packages or objects of any kind. The vestibules, public halls and stairways shall be used for no purpose other than for normal transit through them. The Common Elements (including, without limitation, the Building Systems and the Facilities) may be used only for the furnishing of the services and facilities, and for any other uses for which they are reasonably suited and capable. Except as specifically provided otherwise herein, no Unit Owner (other than the Sponsor) shall make any addition, alteration, improvement or change to the Common Elements without the prior written consent of the Condominium Board (and Permitted Mortgagees, if required).

The terms of this Section 5.10 shall not apply to the Sponsor for so long as the Sponsor owns any Units. The Sponsor shall have the right, without charge or limitation, to: (i) erect and maintain signs of any size or content determined by the Sponsor on or about any portion of the General Common Elements chosen by the Sponsor, including, without limitation, on the exterior walls of the Building or adjacent to the main entrance thereof; (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 General Common Elements, to sell, lease, manage or operate its Units, to complete any Work to the Building expressly undertaken by the Sponsor and to comply with the Sponsor's obligations under the Offering Plan and the Condominium Documents. In addition, the Sponsor shall be entitled to exercise the rights set forth in this Section 5.10 with respect to its Units without the necessity of obtaining the consent of either the Condominium Board or any other Unit Owners. In no event, however, shall the Sponsor be entitled to use any Common Elements in such a manner as shall unreasonably interfere with the use of any Unit for its permitted purposes or adversely affect the Common Elements.

5.11 Rights of Access. Each Unit Owner shall grant to the Condominium Board or to any Person authorized by the Board, as the case may be, any of the foregoing a right of access to his Unit and its Appurtenant Limited Common Elements for the following purposes:

(a) to make inspections of or remove violations noted or issued by any Governmental Authority against the Common Elements or any other part of the Property;

(b) to cure defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or to correct any conditions originating in his Unit and threatening another Unit or all or a portion of the Common Elements;

(c) to perform Work to the Common Elements located within his Unit or elsewhere in the Building;

(d) to read, maintain or replace utility meters relating to the Common Elements to his Unit, or to any other Unit; or

(e) to correct any condition that violates the provisions of any Permitted Mortgage encumbering another Unit or insurance coverage pertaining to the Building

Except in cases of emergency (i.e., a condition requiring Work immediately necessary for the preservation or safety of the Property or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised upon not less than one (1) day's advance notice (which need not be in writing) and in such a manner as shall 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.

Each Unit Owner shall grant a right of access to his Unit and its appurtenant Limited Common Elements and the Condominium Board shall grant rights of access to the General Common Elements, to the Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling the Sponsor's obligations as set forth in the Offering 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, in such a manner as shall unreasonably interfere with the use of such Unit and Limited Common Elements for their permitted purposes. No Unit Owner may enclose a sprinkler valve, riser or any other Facility that was unenclosed on the date of filing of the Declaration without obtaining the prior written consent of the Condominium Board, which consent may, among other things be conditioned on such enclosure providing ready access to such valve, riser of Facility.

5.12 Rules and Regulations. Annexed to these By-Laws are the Rules and Regulations concerning the use of the Units and the Common Elements. Except as provided in the Declaration, the Condominium Board may amend such Rules and Regulations from time to time as reasonably necessary for the proper operation of the Condominium as a whole, except that (i) a Majority in Interest of Unit Owners may overrule any such amendment and (ii) no amendment which may have a material adverse effect upon rights granted to a Unit Owner under the Declaration or these By-Laws shall be effective against such Unit Owner unless approved by him. The Condominium Board shall furnish copies of the text of any amendments to the Rules and Regulations to each Unit Owner not less than thirty (30) days prior to the effective date thereof.

5.13 Real Estate Taxes, Water Charges and Sewer Rents. Water and sewer services for the Building shall be supplied by the City of New York. Except to the extent real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes, charges and rents as a Common Expense. To the extent that a meter or sub-meter measures the water consumption to an individual Unit only, the owner of that Unit shall be solely responsible for the cost thereof. In such case, the Unit

Owner whose consumption is separately measured and billed shall not be responsible to pay water charges as part of such Unit Owner's pro-rata share of the Common Expenses.

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, water charges and sewer rents) shall, upon the written request of the selling Unit Owner, execute and deliver to Purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such Unit Owner's Unit to the date of the closing of title to such Unit.

5.14 Gas. The charges for gas consumed or used in the Building (including in the Units) shall be separately metered to each Unit and paid as the Unit Owner's expense.

5.15 Electricity. Electricity shall be supplied to each Unit through a separate meter for such Unit and each Unit Owner shall be required to pay all charges for electricity. However, the Condominium Board shall have the right, exercisable in its sole discretion, to require that electricity be supplied to the Condominium through one or more common electric meters. In such an event, the cost thereof shall be borne by each Unit Owner based upon the consumption or usage of electricity in his Unit, as determined by sub-metering, survey, or any other reasonable method prescribed by the Condominium Board or by the utility company servicing the Building, as directed by the Condominium Board.

5.16 Utilities Serving the General Common Elements. The cost and expense of water, electricity and gas serving or benefitting any General Common Element will be (i) considered part of the expense of maintaining such General Common Element; (ii) determined by the Board; and (iii) charged to Unit Owners as a Common Expense.

5.17 Compliance with Applicable Rent Laws Under present law, none of the Units is or will be subject to the Rent Laws of the City or State of New York.

5.18 Records and Audits The Condominium Board shall keep full, detailed and accurate records of the actions of the Condominium Board, minutes of the meetings of the Condominium Board, minutes of the meetings of Unit Owners, and financial records and books of account with respect to the financial affairs of the Condominium, including, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board 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.

Within four (4) months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner an annual report of the receipts and expenditures of the Condominium which report shall be 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 Common Expense.

Copies of the Condominium Documents 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.

ARTICLE 6

COMMON CHARGES

6.1 Determination of Common Expenses and Fixing of Common Charges. 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 restrictions set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges among the Unit Owners pro rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them and, not later than ten (10) days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees. The Condominium Board may, in its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by 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. In the event that the Common Charges, together with any other revenues that the Condominium may receive in any year, exceed the Common Expenses for such year, the Condominium Board, in its discretion, may apply all such excess to reduce the Common Charges payable for the next fiscal year all such excess to Unit Owners in proportion to their respective Common Interests. The Board may not use any portion of the Working Capital Fund or Reserve Fund to reduce Common Charges.

(a) 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 is made.

(b) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the restrictions contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments shall be levied against all Unit Owners in proportion to their respective

Common Interests and may be payable either in one lump sum or in installments, as the Condominium Board determines; provided, however, that the Condominium Board shall give each Unit Owner not less than fifteen (15) days' written notice prior to the date upon which such Special Assessment, or the first installation thereof, is 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 Sections 6.4 and 6.5 hereof).

(c) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any General Common Element remaining after the deduction of non-capital expenses paid or incurred in connection therewith shall be collected by the Condominium Board as agent for and on behalf of all Unit Owners and shall constitute income of all Unit Owners and shall be applied against the Common Expenses for the 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 Unit Owners, for any year of operation exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the Common Expenses for the next succeeding year of operation, and 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.

6.2 Payment of Common Charges. All Unit Owners 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 Applicable Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Applicable Law, to any liens for real estate taxes assessed against such Unit or first mortgage liens.

No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments against his Unit subsequent to a sale, transfer or other conveyance by him of such Unit, together with its Appurtenant Interest, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the Unit 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 his acquisition thereof, except that, to the extent permitted by Applicable Law, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First 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 First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or by purchaser. However, in

the event of a foreclosure of a Permitted First 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. Any unpaid Common Charges and Special Assessments that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectively from all those who are Unit Owners at the time it is levied.

Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey his Unit, together with its Appurtenant Interest, 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 First 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 the Sponsor be permitted to convey any of its Units to the Condominium Board and therefor exempt itself from Common Charges and any Special Assessments attributable to such Unit thereafter accruing unless: (a) the aggregate Common Interests then appertaining to its Units constitutes 15% or less of the total Common Interests then appertaining to all Units; (b) at least five (5) years shall have elapsed from the date of the First Unit Closing; and (c) at the time of conveyance, the Sponsor pays to the Condominium Board an amount equal to the product of the then current monthly Common Charges for the Unit(s) being conveyed multiplied by twelve (12).

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 his Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of the foregoing paragraph of this Section 6.2). Except as expressly provided to the contrary in 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 performance of Work to the Common Elements or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the term of Sections 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 Applicable Law.

6.3 Statement of Common Charges The Condominium Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor 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.

6.4 Default in Payment of Common Charges. (A) The Condominium Board shall take prompt action to collect Common Charges and Special Assessments due to the Condominium Board that remain unpaid for more than thirty (30) days after the due date for the payment thereof. 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 and Special Assessments, together with all additional sums of money collectible by the Condominium Board by reason of such nonpayment pursuant to the term of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges and Special Assessments, however, shall be maintained without foreclosing or waiving the lien securing such charges and assessments.

(B) In the event that any Unit Owner fails to make prompt payment of Common Charges and Special Assessments, such Unit Owner shall be obligated to pay interest thereon at the highest rate chargeable to individuals pursuant to Applicable Law not to exceed one and one half (1%) percent per month, 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 in connection with collecting such unpaid Common Charges and Special Assessments and/or in foreclosing the aforementioned lien, including, without limitation, attorneys' fees and disbursements and court costs. All such interest, costs and expenses shall be added to and shall constitute Common Charges and Special Assessments payable by such Unit Owner.

6.5 Foreclosure of Liens for Unpaid Common Charges In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. All such monthly rentals (less the amount of Common Charges and Special Assessments shall constitute Common Charges payable by such Unit Owner. In any such action, 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 Common Interest appurtenant to it). 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) are insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficiency.

Surplus monies, if any on such foreclosure sale 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.

ARTICLE 7

SELLING AND LEASING OF UNITS

7.1 General. Subject to the terms of Section 7.6 hereof, no Unit Owner may sell or lease his Unit except in compliance with the applicable provisions of this Article 7. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board so elects, 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 leasing) in the name of such Unit Owner as the owner or landlord, as the case may be. Such Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including without limitation attorneys' fees and expenses and court costs.

7.2 Right of First Refusal. Subject to the terms of Sections 7.6 and 7.10 hereof, any contract to sell a Unit together with its Appurtenant Interest and any lease of a Unit (a "Sale 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 SAQN GIORGIO CONDOMINIUM AS SET FORTH IN AND IN COMPLIANCE WITH THE TERMS OF ARTICLE 7 OF THE BY-LAWS OF SUCH CONDOMINIUM, AS SAME MAY BE AMENDED FROM TIME TO TIME."** Promptly after any such contract of sale or lease is fully executed by a Unit Owner (the "Offeree Unit Owner"), he shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, accompanied by a fully-executed, original counterpart of the contract of sale or the lease, as the case may be, containing all the terms offered in good faith by the prospective purchaser or tenant (the "**Outside Offeror**").

The sending of the notice referred to in this Section 7.2 will constitute an offer by the Selling Unit Owner to sell his Unit, together with its Appurtenant Interest, or to lease his Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, upon the same terms and conditions as are contained in such Sale or Lease Agreement, 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 or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale or Lease Agreement as the Condominium Board may reasonably request.

Not later than ten (10) business days after receipt of such notice together with such information as may have been requested pursuant to the terms hereof, the Condominium Board

may elect, by sending written notice thereof by certified or registered mail, return receipt requested, to the Offeree Unit Owner before the expiration of such ten(10) day period, to purchase such Unit together with its Appurtenant Interest or to lease such Unit, as the case may be (or to cause it to be purchased or leased by its designee, corporate or otherwise) on behalf of all Unit Owners upon the same terms and conditions as contained in the Sale or Lease Agreement As modified by the response by the Offeree Unit Owner to any requests for additional information pursuant to the terms hereof. Notwithstanding anything to the contrary contained herein, 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 Unit Owners. However, the Condominium Board shall have the right to release or waive any such option without prior approval of a Majority of Unit Owners.

7.3 Acceptance of Offer If the Condominium Board elects, within the time and in the manner provided in Section 7.2 hereof, to purchase a Unit together with its Appurtenant Interest, to lease such Unit, or to cause it to be purchased or leased by its designee, title shall close or a lease shall be executed in accordance with the term of the Sale or Lease Agreement at the office of the attorneys for the Condominium as directed by the Condominium Board within forty five (45) days after the day upon which the Condominium Board gives notice of its election to accept such offer; provided, however, that in the event that the closing date or commencement date of the term of the lease, as the case may be as set forth in the Sale or Lease Agreement is later than forty five (45) days after the giving of notice by the Condominium Board of its election to accept the aforesaid offer, the Condominium Board shall be entitled to extend the date of performance for closing of title or the commencement of the term of the lease from the date set forth in the Sale or Lease Agreement.

If such Unit and with Appurtenant Interest is 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 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 Interest. 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 or Lease 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 only with the consent of the mortgagee. At the closing of title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interest, to the Condominium Board or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 339-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 notwithstanding any terms of the Sale or Lease Agreement to the contrary. Real estate taxes (including water charges and sewer charges, if separately assessed),

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 day prior to the closing date, notwithstanding any terms of the Sale or Lease Agreement to the contrary. Thereafter, such Unit shall be held, while 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.

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 will contain all the terms and conditions of the Sale or 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 Sale or 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.

Notwithstanding the foregoing, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

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

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

(c) 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.

7.4 Failure to Accept Offer In the event that the Condominium Board fails to accept an offer made pursuant to the terms of Section 7.2 hereof within the time period set forth in thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within one hundred twenty(120) 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 had the right to accept such offer, as the case may be. If the Offeree Unit Owner fails to consummate the transaction embodied in the Sale or Lease Agreement within such one hundred twenty (120) day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interest or to lease such

Unit, the Offeree Unit Owner shall be required again to comply again with all the terms and provisions of Sections 7.2, 7.3 and 7.4 hereof.

Any deed of a Unit and its Appurtenant Interest to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute his agreement to and assumption of all of the terms of the Condominium Documents.

7.5 Termination of the Right of First Refusal. Subject to the completion of the sale or lease of the Unit, a certificate executed and acknowledged by the Secretary of the Condominium, 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, together with 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 without charge, such certificate upon written request to any Unit Owner in respect to whom the provisions of Section 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 a certificate that has been duly executed, acknowledged and issued by the Condominium Board.

7.6 Exceptions to the Right of First Refusal The terms and conditions in Sections 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 Interest, by:

- (a) the Unit Owner of such Unit to any of his adult Family Members (individually or in any combination), or to a trust for the benefit of any of them or, in the case of a Unit Owner that is not an individual, to any Affiliate of such Unit Owner;
- (b) Sponsor with respect to any Unit owned by the Sponsor or any Affiliate thereof;
- (c) the Condominium Board;
- (d) the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure;
- (e) any Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; or

(f) in accordance with the provisions of Section 7.10 hereof; provided however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, all of the terms and conditions of this Article 7.

7.7 No Severance of Ownership. No Unit Owner shall execute any deed or other instrument conveying title to his Unit without including therein its Appurtenant Interest, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interest of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance or other disposition of such part of the Appurtenant Interests of all Units.

7.8 Payment of Common Charges No Unit Owner shall be permitted to convey or lease his Unit unless he has paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and has satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

7.9 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 his title insurance company (or, if no such representative is present, to the Sponsor, or, if the Sponsor is not then the Unit Owner of any Unit, to the Condominium Board) for recording in the Register's Office, a Unit Owner's Power of Attorney as required in Article 15 of the Declaration, substantially in the form set forth as Exhibit E to the Declaration.

7.10 Gifts and Devises, Etc; Any Unit Owner shall be free to convey or transfer his Unit, together with its Appurtenant Interest, by gift, or to devise such Unit by will or to have it pass by intestacy, without restriction; provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, the provisions of this Article 7.

ARTICLE 8

MORTGAGES

8.1 General Each Unit Owner shall have the right to mortgage his Unit or refinance such mortgage subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering his 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.**"

8.2 Restrictions on Mortgaging No Unit Owner shall be permitted to mortgage, pledge or hypothecate his Unit unless and until he has paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against his Unit and has satisfied all unpaid liens, except the liens of Permitted Mortgages levied against his Unit.

(a) No Unit Owner shall execute any mortgage or other document mortgaging, pledging or hypothecating title to his Unit without including therein its Appurtenant Interest, 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.

(b) Any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions thereto as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional or non-institutional lender to make the mortgage loan.

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 his mortgagor in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents which may to the Condominium Board's knowledge then exist. The Condominium Board shall notify a Unit Owner of any such default. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, to notify a Permitted Mortgagee of any default by its mortgagor under the Condominium Documents, provided that (i) the Condominium Board advises such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board forecloses a lien on such mortgagor's Unit pursuant to the terms of Sections 6.4 and 6.5 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

8.4 Performance by Permitted Mortgagees. Any sum of money required to be paid or any act required to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his 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.

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 than once a month.

8.6 Consent of Mortgagees; Designation of Mortgage Representatives 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 his mortgagor. If any such consent or approval is 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 this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

ARTICLE 9

CERTAIN REMEDIES

9.1 Violations. If a Unit Owner violates or breaches any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair or replace his Unit or its appurtenant Limited Common Elements pursuant to the terms of Article 5 hereof, and fails to cure such violation or breach within fifteen (15) days after receipt of written notice of the same from the Condominium Board (or, with respect to any such violation or breach not reasonably susceptible to cure within such period, to commence such cure within such fifteen (15) day period, and thereafter to prosecute such cure with due diligence to completion) or the Managing Agent, if any, the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common Elements 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, if the Condominium Board determines that the abatement, removal or cure of any such violation or breach is immediately necessary for the preservation or safety of the Property or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing such Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

9.2 Abatement and Enjoinment. If any Unit Owner violates or breaches any of the provisions of the Condominium Documents on his part to be observed or performed, the Condominium Board shall have the right 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.

The Sponsor shall have the right to enjoin, abate or remedy the continuance or repetition of any violation or breach of the terms of the Condominium Documents with respect to any of the rights, easements, privileges or licenses granted to the Sponsor by appropriate proceedings brought either at law or in equity.

9.3 Remedies Cumulative. The remedies specifically granted to the Condominium Board or to the Sponsor in this Article 9 or elsewhere in the Condominium Documents shall be

cumulative and in addition to all other remedies obtainable at law or in equity. Such remedies may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or the 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.

9.4 Costs and Expense. All sums of money expended, and all costs and expenses incurred, including, without limitation, attorneys' fees and expenses, by (i) the Condominium Board in connection with the abatement, enjoinder, removal or cure of any violation, breach or default committed by a Unit Owner pursuant to the terms of Section 9.1 or Section 9.2 hereof or (ii) the Sponsor in connection with its right to any abate, enjoin or remedy any violation or breach of the Condominium Documents pursuant to the terms of Section 9.2 hereof, shall be immediately payable (a) in the event set forth in subparagraph (i) hereof, by such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, by the offending party (i.e., the Condominium Board or the Unit Owner) to the Sponsor, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of one and one half (1 ½ %) percent per month (but in no event in excess of the maximum rate chargeable to such Unit Owner or the Condominium Board pursuant to Applicable Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.4 shall constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

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 rules of the American Arbitration Association or any successor organization thereto then in effect. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a disinterested attorney having at least seven (7) years' experience in real estate and shall be a member of a law firm having at least five (5) members whose principal office is located in the City of New York.

(a) The decision of the arbitrator shall be in writing, a copy of which shall be sent simultaneously to the parties to the dispute within ten (10) days after determination of the issue by the arbitrator.

(b) The arbitrator shall not be liable to any party to the arbitration by reason of the arbitrator's participation under this Article 10, and each of the parties to the arbitration shall indemnify and hold the arbitrator harmless from and against any and all claims made in the arbitration.

10.2 Limitation on Power of Arbitrator The arbitrator shall apply the law of the State of New York without regard to conflicts of laws principles and shall have no power to vary or modify any of the provisions of the Declaration or the By-Laws or the Offering Plan, and his or her power and jurisdiction are hereby limited accordingly.

10.3 Payment of Undisputed Sums If any dispute, controversy or claim concerns liability for or payment of Common Expenses assessed against a Unit, the Unit Owner of such Unit shall pay any portion of such Common Expenses which is not in dispute within ten (10) days after a request by the Condominium Board that such dispute, controversy or claim be submitted to arbitration, or simultaneously with such a request that such dispute, controversy or claim be submitted to arbitration, if such request is made by such Unit Owner.

10.4 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"**.

10.5 Binding Effect The decision in any arbitration conducted pursuant to this Article shall be binding upon all of the parties thereto and may be entered in any court having jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter that arises prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 4.1 hereof shall be non-binding.

10.6 Costs and Expenses 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 is substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the parties to the dispute. Each party shall also bear the fees and expenses of his counsel and expert witnesses. All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE 11

NOTICES

11.1 General All notices hereunder shall be sent by (i) personal delivery; (ii) certified mail, return receipt requested; (iii) overnight courier with receipt; or (iv) facsimile transmission (if available) with a copy sent the same day by one of the methods specified in clauses (i), (ii) or (iii): (a) to the Condominium Board or any officer thereof, or to the office of the Condominium Board or to such other address as the Condominium Board may hereafter designate from time to time, by notice in writing to all Unit Owners and to all Permitted Mortgagees; (b) to the Sponsor at the

address specified on the first page of the Declaration or to such other address as may be designated by the Sponsor from time to time, in writing, to the Condominium Board; (c) to a Unit Owner at the Property or to such other address as may be designated by such Unit Owner from time to time, in writing, to the Condominium Board; or (d) to a Permitted Mortgagee, at its latest address designated, in writing, to the Condominium Board. All notices which are mailed shall be deemed to be given three (3) business days after the date of mailing. All notices which are personally delivered or sent by facsimile transmission (provided a copy is sent the same day in the manner provided above) shall be deemed to be given on the date of delivery. All notices which are sent by overnight courier shall be deemed to be given on the next business day. Notwithstanding the foregoing, notices of change of address shall not be deemed to have been given until received.

11.2 Waiver of Service of Notice. Whenever any notice is required to be given by Applicable Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing by the Person entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

The provisions of Article 20 of the Declaration are applicable to and govern the terms, restrictions, requirements, approvals and consents to be followed or obtained to amend these By-Laws.

ARTICLE 13

RIGHT TO CONTEST

13.1 Condominium Board's Right to Contest. The Condominium Board shall have the right on behalf of all Unit Owners to test any requirement of Applicable Law relating to the use, operation and maintenance of the Common Elements or the affairs of the Condominium, and during such contest, any obligation of the Condominium Board under the Declaration or these By-Laws to comply with such requirement shall be deferred, provided : (A) either (i) the Condominium Board prosecutes such contest diligently and in good faith by appropriate proceedings or (ii) compliance with such requirement shall have been excused or exempted by a valid non-conforming use permit, waiver, extension or forbearance exempting the Condominium from such requirement; and (B) such contest or non-compliance does not involve any danger of: (i) foreclosure, forfeiture or loss of any part of the Property; or (ii) civil or criminal liability being imposed on any member of the Condominium Board, any Unit Owner or any mortgagee; or (iii) the creation of any lien, encumbrance or any charge against any part of the Property; or (iv) impairment of any insurance under Section 5.4 of these By-Laws. The cost and expense of any such contest shall be treated as a Common Expense.

13.2 The Sponsor's Rights to Contest So long as the Sponsor owns any Units or has any obligations outstanding under the Offering Plan, the Sponsor shall have the right to contest any requirement of Applicable Law with which the Sponsor is obligated to comply under the Declaration, these By-Laws or the Offering Plan and which relates to the Property, including the Units, and the failure of the Sponsor to comply with such requirement during such contest shall not constitute a default hereunder, provided: (A) either (i) the Sponsor is contesting such requirement diligently and in good faith by appropriate proceedings or (ii) compliance with such requirement shall have been excused or exempted by a valid nonconforming use permit, waiver, extension or forbearance exempting the Sponsor from such requirement; and (B) such contest or noncompliance does not involve any danger of: (i) foreclosure, forfeiture or loss of any part of the Property other than the Sponsor's Units; or (ii) civil or criminal liability being imposed on any of the Condominium Board, any other Unit Owner or any mortgagee; or (iii) the creation of any lien, encumbrance or other charge against any part of the Property other than against the Sponsor's Units; or (iv) the impairment of any insurance under Section 5.4 of these By-Laws. The Sponsor shall provide the Condominium Board with notice of any contest of the type described above.

13.3 The Unit Owner's Rights to Contest A Unit Owner shall have the right to contest any requirement of Applicable Law with which such Unit Owner is obligated to comply under the Declaration or these By-Laws and which relates to the use, operation or maintenance of its Unit and/or any Limited Common Element over which it has exclusive use and control pursuant to the terms of the Declaration or these By-Laws, and the failure of such Unit Owner to comply with such requirement during such contest shall not constitute a default hereunder, provided the prior written consent of the Condominium Board has been obtained. The consent of the Condominium Board to any such contest shall not be unreasonably withheld or delayed provided: (A) either (i) the Unit Owner is contesting such requirement diligently and in good faith by appropriate proceedings and shall have furnished such security, if any, as may be satisfactory to the Condominium Board or (ii) compliance with such requirement shall have been excused or exempted by a valid nonconforming use permit, waiver, extension or forbearance exempting the Unit Owner from such requirement; and (B) such contest or noncompliance does not involve any danger of: (i) foreclosure, forfeiture or loss of any part of the Property other than the Unit Owner's Unit; or (ii) civil or criminal liability being imposed on any of the Boards, any other Unit Owner or any mortgagee; or (iii) the creation of any lien, encumbrance or other charge against any part of the Property other than against such Unit Owner's Unit; or (iv) the impairment of any insurance under Section 5.4 these By-Laws; and (C) the Condominium Board is provided with notice of any contest of the type described above in detail sufficient to enable the Condominium Board to ascertain whether the foregoing provisions have been complied with by such Unit Owner.

ARTICLE 14

MISCELLANEOUS

14.1 Inspection of Documents. Copies of the Condominium Documents 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.

14.2 Waiver No restriction, condition, obligation or provision contained in these By-Laws, including the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

14.3 Title to Units. Title to Units may be taken in the name of an individual, the names of two or more Persons as tenants in common, joint tenants or tenants by the entireties, in the name of a corporation, partnership, limited liability company, association, trustee or other Person, or any combination of any of the foregoing.

14.4 Successors and Assigns The rights and/or obligations of the Unit Owners as set forth in these By-Laws and the Declaration shall inure to the benefit of and be binding upon the Condominium Board and the Unit Owners and their heirs, successors and assigns.

14.5 Consents Wherever in the Declaration or these By-Laws provision is made for any required, discretionary or other consent of the Condominium Board, such consent shall be sufficient and effective if given by the Condominium Board, and the consent of the Unit Owners shall, unless otherwise provided in the Declaration or these By-Laws, not be required.

14.6 Conflicts These By-Laws (including the Rules and Regulations) are intended to comply with the requirements of the Condominium Act and all other Applicable Law. In case any provisions of these By-Laws or any provision of the Rules and Regulations shall conflict with the provisions of said statute, the Declaration or any other Applicable Law, then the provisions of said statute, the Declaration or such other Applicable Law, as the case may be, shall control.

14.7 Severability If any provision of these By-Laws is invalid or unenforceable 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 herein provided, be valid and enforced to the fullest extent permitted by Applicable Law.

14.8 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision hereof.

14.9 Gender In these By-Laws (including the Rules and Regulations), the use of the masculine gender shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

14.10 Certain References. The terms “herein”, “hereof” or “hereunder,” or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

HOUSE RULES

The sidewalks, entrances, lobby, passages, public halls, elevators, vestibules, corridors, stairways or any other part of the General Common Elements and Limited Common Elements must not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a Family Member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee or agent of a Unit Owner may be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building.

No velocipedes, bicycles, scooters, baby carriages, or similar vehicles are allowed to stand in the public halls, passageways or other public areas of the Building.

No public hall, lobby, vestibule, elevator, corridor, stairway or any other part of the General Common Elements or Limited Common Elements may be decorated or furnished by any Unit Owner in any manner.

No article (including, but not limited to, garbage cans, bottles or mats) may be placed or stored in any of the passages, halls, vestibules, elevators, corridors, or on any of the staircases or fire stair landings of the Building, nor may any fire exit thereof be obstructed in any manner.

Trunks and heavy baggage must be taken in or out of the Building only by the elevator designated by the Condominium Board for that purpose and only through the service entrance or such other entrance of the Building designated by the Condominium Board.

No clothes, sheets, blankets, laundry, or other articles of any kind may be hung on or out of a Unit or shall be dried or aired on any open terrace.

All refuse from the Units must be deposited by Unit Owners in those areas of the Building provided for that purpose at such times and in such manner as the Condominium Board directs. Nothing may be hung or shaken from any doors, windows or open terraces, or placed upon the window sills of the Building, and no Unit Owner may sweep or throw or permit to be swept or thrown, any dirt, debris or other substance therefrom.

There will be no playing or lounging in the entrances, passages, public halls, vestibules, corridors or stairways,

The Condominium Board may, from time to time, curtail or relocate any portion of the General Common Elements or Limited Common Elements used for storage, recreational or service purposes in the Building.

Nothing may be done or kept in any Unit or in the Common Elements that shall increase the rate of insurance on the Building, or the contents thereof, without the prior written consent of the Condominium Board, which consent shall not be unreasonably withheld or delayed in the case

of any increase in the rate of insurance on the Building occasioned by the use or contents of the Commercial Unit provided the Commercial Unit Owner agrees to bear the cost of any such increase. No Unit Owner may permit anything to be done or kept in his Unit or in the Common Elements that will result in the cancellation of insurance on the Building or that would be in violation of any Applicable Law.

No Unit Owner or any of his Family Members, agents, servants, employees, licensees or guests may at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as is necessary and appropriate for the permitted uses of such Unit or its Limited Common Elements.

No Unit Owner may make, cause or permit any unusual, disturbing or objectionable noises, activities or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that interferes with the rights, comforts or conveniences of the other Unit Owners. No Unit Owner may play or suffer to be played any musical instrument, practice or suffer to be practiced vocal music, or operate or permit to be operated a computer, sound system, tape deck, compact disk player, radio, television set, loudspeaker or other electronic equipment in such Unit Owner's Unit between 11:00 p.m. and the following 8:00 a.m., if such activity disturbs or annoys other occupants of the Building. No construction, repair work, or other installation involving noise may be conducted in any Unit except on weekdays (excluding Holidays) and only between the hours of 8:00 a.m. and 5:00 p.m., without prior written consent of the Condominium Board, unless such construction or repair work is necessitated by an emergency.

No bird, reptile or other animal may be raised, bred, kept, or harbored in the Building unless expressly permitted in writing by the Condominium Board. Any such consent, if given, will be revocable at any time by the Condominium Board in their sole discretion. In no event will any bird, reptile or other animal be permitted in any of the public portions of the Building, unless carried or on a leash. No pigeons or other birds or other animals may be fed from the window sills, patios, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

No Unit Owner may install any plantings on any Limited Common Element without the prior written approval of the Condominium Board. Plantings must be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two (2) inches from the surface of said Limited Common Element, and, if adjoining a wall, at least three (3) inches from such wall. Suitable weepholes must be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which must be at least three (3) inches from the parapet and flashing, with the floor of drainage tiles and suitable weepholes at the sides to draw off water. Such masonry planting beds must not, however, rest directly upon the surface of such terrace, but must stand on supports at least two (2) inches above such surface. It is 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 will pay the cost of any Work rendered necessary, or damage caused, by such plantings.

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.

Unless required by law, no window guards or other window decorations may be used in or about any Unit, except such as will have been approved in writing by the Condominium Board, which approval will not be unreasonably withheld or delayed. In no event, however, may any exterior glass surfaces of any windows at the Property be colored or painted.

No radio or television aerial may be attached to or hung from the exterior of the Building, and no sign, notice, advertisement or illumination (including, without limitation, "For Sale", "For Lease" or "For Rent" signs (collectively "Signage") shall be inscribed or exposed on or at any window, door, or other part of the Building, except as such are permitted pursuant to the terms of the Declaration and/or the By-Laws or as are approved in writing by the Condominium Board. Nothing may be projected from any door or window of a Unit without similar approval. The foregoing provisions regarding Signage shall not apply to Sponsor. Sponsor shall each have the right to attach, erect, and append such Signage to such portions of the Building and the Common Elements as it, in its sole discretion deem desirable, provided that such Signage is in compliance with all Applicable Law, including, without limitation, Landmark Laws.

All radio, television, computer or other electrical equipment of any kind or nature installed or used in each Unit must fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction.

Water-closets and other water apparatus in the Building may not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article may be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit will be repaired and paid for by the Unit Owner of such Unit.

SAN GIORGIO CONDOMINIUM

UNIT DEED

This **INDENTURE**, made the day of , 201 , by and between Harrest Capital S.r.l., an Italian corporation authorized to transact business in the State of New (the "**Grantor**"), having an office c/o SBLM Architects P.C., 545 West 45th Street, New York, New York 10036 and
(the "**Grantee**") residing at 57 West 127th Street, New York, New York.

WITNESSETH:

That the Grantor, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The condominium unit known as Unit No. (the "**Unit**") in the building known as San Giorgio Condominium and by the street number 57 West 127th Street, Borough of Manhattan, City, County and State of New York (the "**Building**"), such Unit being designated and described as Unit No. in a certain Declaration dated made by the Grantor pursuant to Article 9-B of the Real Property Law of the State of New York, as amended (the "**Condominium Act**"), establishing condominium ownership of the Building and the land upon which the Building is situate as more particularly described on Schedule A annexed hereto and made a part hereof (the "**Land**"), which Declaration was recorded in the New York County Office of the Register of the City of New York, on the of 201 , in CFRN , together with all amendments thereto, collectively, the "**Declaration**"). The Building and the Land are referred to herein as the "**Property**." This Unit is also designated as Tax Lot 13 in Block 1725 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 SBLM Architects P.C., on the day of , 201 , and filed with the Real Property Assessment Department of the City of New York on the ^h day of 201 , as Condominium Offering Plan No. and also filed in the New York County Office of the Register of the City of New York on the day of , 201 , 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 of the Declaration and of the By-Laws (including the Rules and Regulations) (as such terms are defined in the Declaration) of The 57 West 127th Street Condominium, as such Declaration and By Laws may be amended from time to time by instruments recorded in the New York County

Office of the Register of the City of New York, all of which rights, obligations, easements, restrictions and other provisions, shall constitute covenants running with the land and shall bind any and all persons having at any time any interest or estate in the Unit, as though recited and stipulated at length herein; and subject to any other matters of record as of the date hereof;

TO HAVE AND TO HOLD THE SAME UNTO the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that 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 Article 21 of the Declaration will control.

Except as otherwise specifically permitted by the Condominium Board (as such term is defined in the Declaration) or provided in the Declaration or in the By-Laws, the Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything to be done 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).

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvements at the Property and will apply such consideration first to the payment of the cost of such improvements before using any part thereof for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws of The 57 West 127th Street Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof as the same may be amended from time to time by instruments recorded in the Register's Office of the City and County of New York and further agrees to comply with any Rules and Regulation adopted in accordance with the provisions of said By-Laws.

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.

GRANTOR:

HARREST CAPITAL S.r.l.

By: _____
President

Witness:

GRANTEE:

Witness:

GRANTEE:

[illegible]

On the day of 201 , before me personally came to me known, and who executed the foregoing instrument and, who being by me duly sworn, did depose and say that he is the President of Harrest Capital S.r.l. an Italian corporation, and that he executed the foregoing instrument in the name of Harrest Capital S.r.l. and that he had authority to sign the same, and he acknowledged that he executed the same as the act and deed of said limited liability company.

Notary Public

[illegible]

On the day of , 201 before me personally came to me known and known to me to be the individual described in, and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

Notary Public

[illegible]

On the day of , 201 before me personally came to me known and known to me to be the individual described in, and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

Notary Public

EXHIBIT A

DESCRIPTION OF THE LAND

ALL THAT CERTAIN plot, piece or parcel of land, situate in the Borough of Manhattan, County, City and State of New York bounded and described as follows:

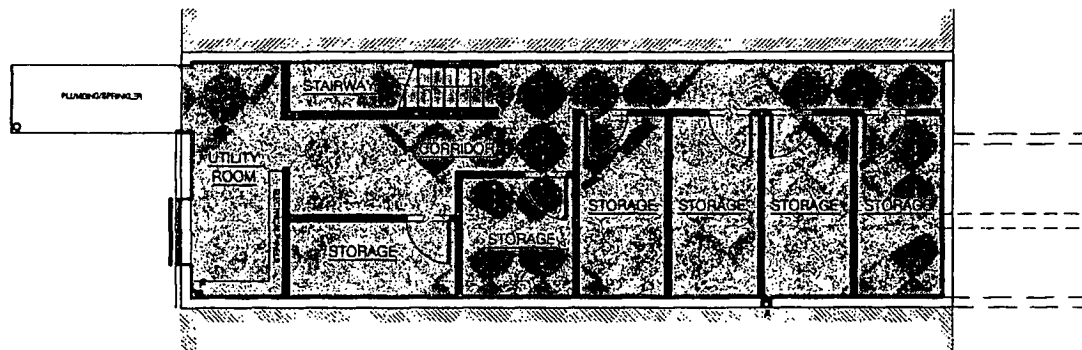
BEGINNING at a point of the northerly side of West 127th Street, distant 288 feet 7 and $\frac{1}{4}$ inches northeasterly from the corner formed by the intersection of the easterly side of Lenox Avenue and the northerly side of West 127th Street;

RUNNING THENCE Northerly parallel with Lenox Avenue and part of the way through a party wall, 99 feet 11 inches to the center line of the block between 127th and 128th Street;

THENCE Easterly parallel on the northerly side of West 127th Street 17 feet 9 inches;

THENCE Southerly parallel with Lenox Avenue and part of the way through a party wall, 99 feet 11 inches to the northerly side of West 127th Street;

THENCE Westerly along the northerly side of West 127th Street, 17 feet 9 inches to the point or place of BEGINNING.



APPROX. CELLAR AREA : 964 SQ. FT.
 APPROX. AREA TOTAL : 964 SQ. FT.

CELLAR FLOOR

SCALE: 1/16" = 1'-0"



STATEMENT OF DIMENSION

THE APPROXIMATE PHYSICAL DIMENSION OF EACH UNIT CONSISTS OF THE AREA MEASURED HORIZONTALLY FROM THE EXTERIOR FACES OF EXTERIOR WALLS AND FROM THE CENTER LINES OF THE WALLS SEPARATING ONE UNIT FROM ANOTHER UNIT OR COMMON ELEMENT AS INDICATED IN THE CONDOMINIUM PLANS AND FROM LOT LINE AT PARTY WALLS SEPARATING ONE BUILDING FROM ANOTHER AND MEASURED VERTICALLY FROM THE TOP OF THE SUB FLOOR TO THE UNDERSIDE OF THE FLOOR CONSTRUCTION ABOVE EXCEPT THAT A RESIDENTIAL UNIT SHALL NOT INCLUDE THE COMMON ELEMENTS CONTAINED THEREIN.

DECLARANT

HARREST CAPITAL S.R.L.
 ADDRESS 87 WEST 127TH STREET - NEW YORK, NY 10027

ARCHITECT'S CERTIFICATION

STATE OF NEW YORK
 COUNTY OF NEW YORK

THIS IS TO CERTIFY THAT THIS PLAN IS AN ACCURATE COPY OF A PORTION OF THE PLANS OF THE BUILDING AS FILED WITH AND APPROVED BY THE DEPARTMENT OF BUILDINGS, CITY OF NEW YORK, AND FULLY AND FAIRLY DEPICTS THE LAYOUTS, LOCATIONS, UNIT DESIGNATIONS AND APPROXIMATE DIMENSIONS OF THE UNIT AS BUILT.

DAVID NICHOLSON ARCHITECT

SWORN TO BEFORE ME THIS _____
 DAY OF _____, 2011

NOTARY PUBLIC

TAX LOT CERTIFICATION

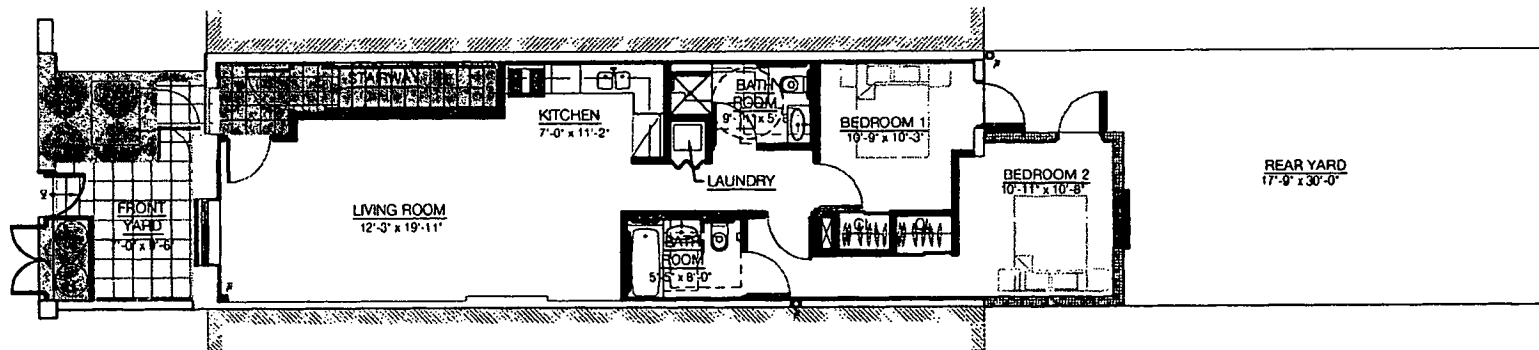
THE UNIT DESIGNATIONS AND THE TAX LOT NUMBERS SHOWN HEREON CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE TAX MAP UNIT OF THE CITY OF NEW YORK, BOROUGH OF MANHATTAN.

DATE _____ TAX MAP CARTOGRAPHER _____

CELLAR FLOOR PLAN

C - 003 . 00

4 OF 11



GARDEN FLOOR PLAN

SCALE: 1/16" = 1'-0"



APPROX. APARTMENT AREA : 988 SQ. FT.
 APPROX. FRONT YARD AREA : 93 SQ. FT.
 APPROX. REAR YARD : 588 SQ. FT.
 APPROX. AREA TOTAL : 1687 SQ. FT.

STATEMENT OF DIMENSION

THE APPROXIMATE PHYSICAL DIMENSION OF EACH UNIT CONSISTS OF THE AREA MEASURED HORIZONTALLY FROM THE EXTERIOR FACES OF EXTERIOR WALLS AND FROM THE CENTER LINES OF THE WALLS SEPARATING ONE UNIT FROM ANOTHER UNIT OR COMMON ELEMENT AS INDICATED IN THE CONDOMINIUM PLANS AND FROM LOT LINE AT PARTY WALLS SEPARATING ONE BUILDING FROM ANOTHER AND MEASURED VERTICALLY FROM THE TOP OF THE SUB-FLOOR TO THE UNDERSIDE OF THE FLOOR CONSTRUCTION ABOVE EXCEPT THAT A RESIDENTIAL UNIT SHALL NOT INCLUDE THE COMMON ELEMENTS CONTAINED THEREIN.

DECLARANT

HARREST CAPITAL S.R.L.
 ADDRESS 57 WEST 127TH STREET - NEW YORK, NY 10027

ARCHITECT'S CERTIFICATION

STATE OF NEW YORK
 COUNTY OF NEW YORK

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DAVID NICHOLSON

ARCHITECT

SWORN TO BEFORE ME THIS _____
 DAY OF _____ 2011

NOTARY PUBLIC

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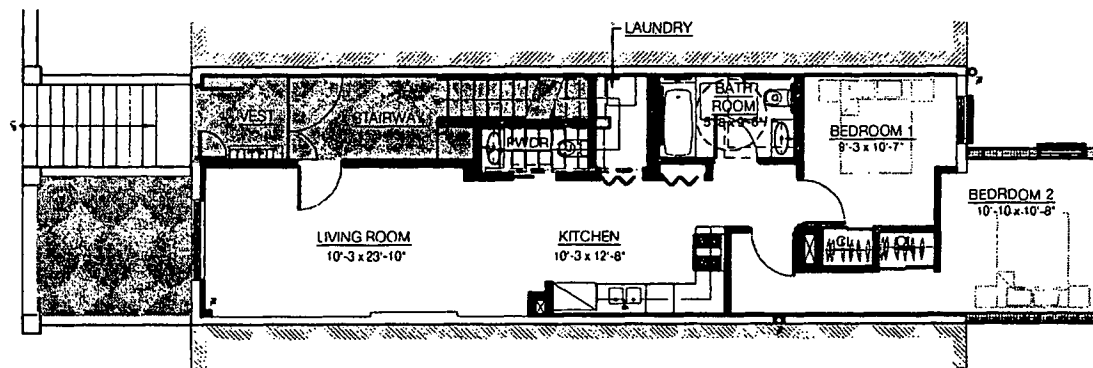
DATE

TAX MAP CARTOGRAPHER

GARDEN FLOOR PLAN
 UNIT #1

C-004.00

5 OF 11



FIRST FLOOR

SCALE: 1/16" = 1'-0"



APPROX. APARTMENT AREA : 904 SQ. FT.
APPROX. AREA TOTAL : 904 SQ. FT.

STATEMENT OF DIMENSION

THE APPROXIMATE PHYSICAL DIMENSION OF EACH UNIT CONSISTS OF THE AREA MEASURED HORIZONTALLY FROM THE EXTERIOR FACES OF EXTERIOR WALLS AND FROM THE CENTER LINES OF THE WALLS SEPARATING ONE UNIT FROM ANOTHER UNIT OR COMMON ELEMENT AS INDICATED IN THE CONDOMINIUM PLANS AND FROM LOT LINE. AT PARTY WALLS SEPARATING ONE BUILDING FROM ANOTHER AND MEASURED VERTICALLY FROM THE TOP OF THE SUB-FLOOR TO THE UNDERSIDE OF THE FLOOR CONSTRUCTION ABOVE EXCEPT THAT A RESIDENTIAL UNIT SHALL NOT INCLUDE THE COMMON ELEMENTS CONTAINED THEREIN.

DECLARANT

HARREST CAPITAL S.R.L.

ADDRESS: 57 WEST 127TH STREET - NEW YORK, NY 10027

ARCHITECT'S CERTIFICATION

STATE OF NEW YORK
COUNTY OF NEW YORK

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DAVID NICHOLSON

ARCHITECT

SWORN TO BEFORE ME THIS _____
DAY OF _____, 2011

NOTARY PUBLIC

TAX LOT CERTIFICATION

THE UNIT DESIGNATIONS AND THE TAX LOT NUMBERS SHOWN HEREON CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE TAX MAP UNIT OF THE CITY OF NEW YORK, BOROUGH OF MANHATTAN.

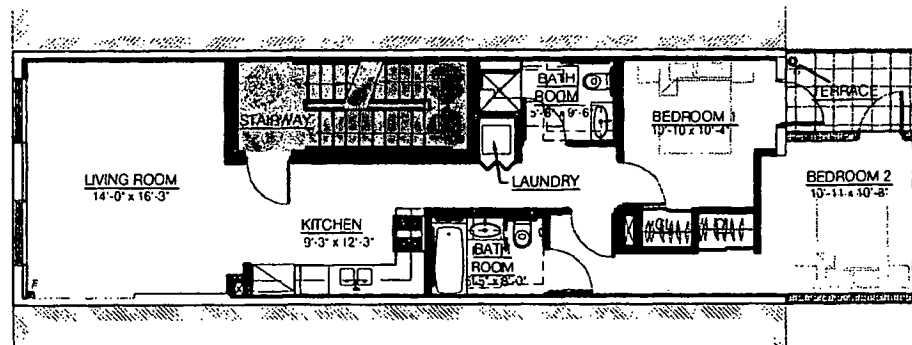
DATE

TAX MAP CARTOGRAPHER

FIRST FLOOR
UNIT #2

C-005.00

6 OF 11



SECOND FLOOR

SCALE: 1/16" = 1'-0"



APPROX. APARTMENT AREA : 1060 SQ. FT.
APPROX. TERRACE AREA : 56 SQ. FT.
APPROX. AREA TOTAL : 1116 SQ. FT.

STATEMENT OF DIMENSION

THE APPROXIMATE PHYSICAL DIMENSION OF EACH UNIT CONSISTS OF THE AREA MEASURED HORIZONTALLY FROM THE EXTERIOR FACES OF EXTERIOR WALLS AND FROM THE CENTER LINES OF THE WALLS SEPARATING ONE UNIT FROM ANOTHER UNIT OR COMMON ELEMENT AS INDICATED IN THE CONDOMINIUM PLANS AND FROM LOT LINE AT PARTY WALLS SEPARATING ONE BUILDING FROM ANOTHER AND MEASURED VERTICALLY FROM THE TOP OF THE SUB-FLOOR TO THE UNDERSIDE OF THE FLOOR CONSTRUCTION ABOVE EXCEPT THAT A RESIDENTIAL UNIT SHALL NOT INCLUDE THE COMMON ELEMENTS CONTAINED THEREIN.

DECLARANT

HARREST CAPITAL S.R.L.

ADDRESS 57 WEST 127TH STREET - NEW YORK, NY 10027

ARCHITECT'S CERTIFICATION

STATE OF NEW YORK
COUNTY OF NEW YORK

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DAVID NICHOLSON

ARCHITECT

SWORN TO BEFORE ME THIS _____
DAY OF _____ 2011

NOTARY PUBLIC

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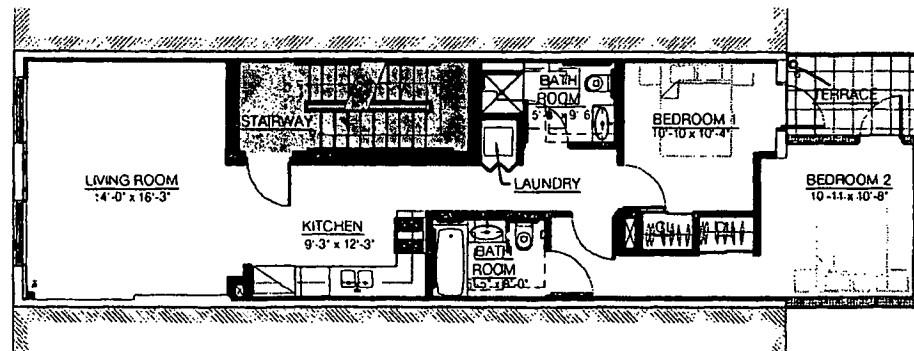
DATE _____

TAX MAP CARTOGRAPHER

SECOND FLOOR
UNIT #3

C-006.00

7 OF 11



THIRD FLOOR

SCALE: 1/16" = 1'-0"



APPROX. APARTMENT AREA : 1060 SQ. FT.
APPROX. TERRACE AREA : 56 SQ. FT.
APPROX. AREA TOTAL : 1116 SQ. FT.

STATEMENT OF DIMENSION

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DEQ ARANT

HARREST CAPITAL S.R.L.
ADDRESS 57 WEST 127TH STREET - NEW YORK, NY 10027

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COUNTY OF NEW YORK

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DAVID NICHOLSON

ARCHITECT

SWORN TO BEFORE ME THIS _____
DAY OF _____ 2011

NOTARY PUBLIC

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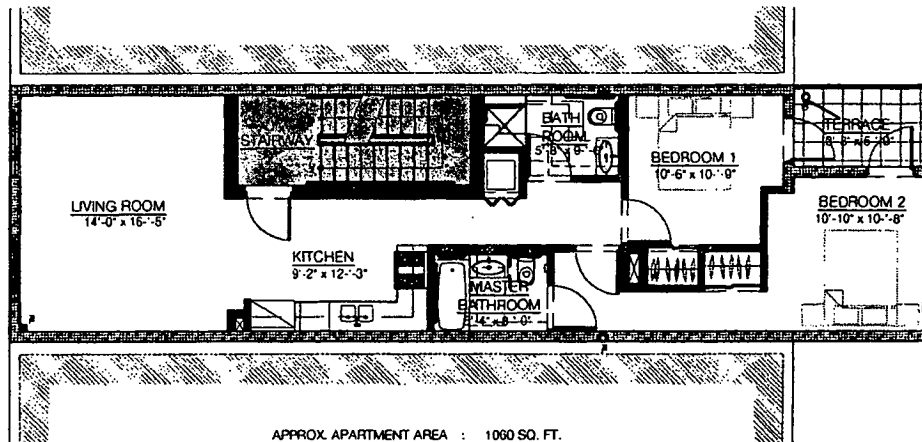
DATE

TAX MAP CARTOGRAPHER

THIRD FLOOR
UNIT #4

C-007.00

8 OF 11



FOURTH FLOOR

SCALE: 1/16" = 1'-0"



APPROX. APARTMENT AREA : 1060 SQ. FT.
APPROX. TERRACE AREA : 56 SQ. FT.
APPROX. AREA TOTAL : 1116 SQ. FT.

STATEMENT OF DIMENSION

THE APPROXIMATE PHYSICAL DIMENSION OF EACH UNIT CONSISTS OF THE AREA MEASURED HORIZONTALLY FROM THE EXTERIOR FACES OF EXTERIOR WALLS AND FROM THE CENTER LINES OF THE WALLS SEPARATING ONE UNIT FROM ANOTHER UNIT OR COMMON ELEMENT AS INDICATED IN THE CONDOMINIUM PLANS AND FROM LOT LINE AT PARTY WALLS SEPARATING ONE BUILDING FROM ANOTHER AND MEASURED VERTICALLY FROM THE TOP OF THE SUB-FLOOR TO THE UNDERSIDE OF THE FLOOR CONSTRUCTION ABOVE EXCEPT THAT A RESIDENTIAL UNIT SHALL NOT INCLUDE THE COMMON ELEMENTS CONTAINED THEREIN.

DECLARANT

HARVEST CAPITAL S.R.L.
ADDRESS 57 WEST 127TH STREET - NEW YORK, NY 10027

ARCHITECT'S CERTIFICATION

STATE OF NEW YORK
COUNTY OF NEW YORK

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DAVID NICHOLSON

ARCHITECT

SWORN TO BEFORE ME THIS _____
DAY OF _____, 2011

NOTARY PUBLIC

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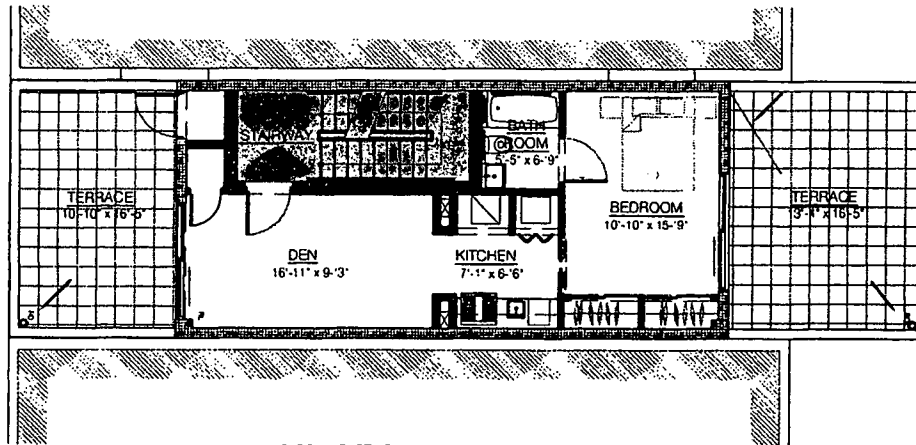
DATE _____

TAX MAP CARTOGRAPHER _____

**FOURTH FLOOR
UNIT #5**

C - 008 . 00

9 OF 11



FIFTH FLOOR

SCALE: 1/16" = 1'-0"



APPROX. APARTMENT AREA : 684 SQ. FT.
 APPROX. TERRACE AREA : 453 SQ. FT.
 APPROX. AREA TOTAL : 1137 SQ. FT.

STATEMENT OF DIMENSION

THE APPROXIMATE PHYSICAL DIMENSION OF EACH UNIT CONSISTS OF THE AREA MEASURED HORIZONTALLY FROM THE EXTERIOR FACES OF EXTERIOR WALLS AND FROM THE CENTER LINES OF THE WALLS SEPARATING ONE UNIT FROM ANOTHER UNIT OR COMMON ELEMENT AS INDICATED IN THE CONDOMINIUM PLANS AND FROM LOT LINE AT PARTY WALLS SEPARATING ONE BUILDING FROM ANOTHER AND MEASURED VERTICALLY FROM THE TOP OF THE SUB-FLOOR TO THE UNDERSIDE OF THE FLOOR CONSTRUCTION ABOVE EXCEPT THAT A RESIDENTIAL UNIT SHALL NOT INCLUDE THE COMMON ELEMENTS CONTAINED THEREIN.

DECLARANT

HARREST CAPITAL S.R.L.
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ARCHITECT'S CERTIFICATION

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 COUNTY OF NEW YORK

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DAVID NICHOLSON

ARCHITECT

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NOTARY PUBLIC

TAX LOT CERTIFICATION

THE UNIT DESIGNATIONS AND THE TAX LOT NUMBERS SHOWN HEREON CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE TAX MAP UNIT OF THE CITY OF NEW YORK, BOROUGH OF MANHATTAN.

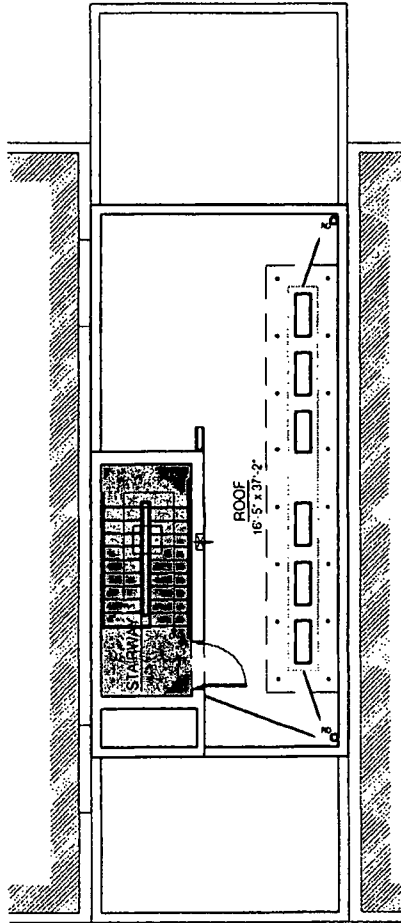
DATE

TAX MAP CARTOGRAPHER

FIFTH FLOOR
 UNIT #6

C - 009 . 00

10 OF 11



ROOF PLAN

SCALE: 1/16" = 1'-0"

APPROX. ROOF AREA : 684 SQ. FT.



STATEMENT OF DIMENSION

THE APPROXIMATE PHYSICAL DIMENSION OF EACH UNIT CONSISTS OF THE AREA MEASURED HORIZONTALLY FROM THE EXTERIOR FACES OF THE EXTERIOR WALLS AND FROM THE CENTER LINES OF THE WALLS SEPARATING ONE UNIT FROM ANOTHER UNIT OR COMMON ELEMENT AS INDICATED IN THE CONDOMINIUM PLANS AND FROM LOT LINE AT PARTY WALLS SEPARATING ONE BUILDING FROM ANOTHER AND MEASURED VERTICALLY FROM THE TOP OF THE SUB-FLOOR TO THE UNDERSIDE OF THE FLOOR CONSTRUCTION ABOVE EXCEPT THAT A RESIDENTIAL UNIT SHALL NOT INCLUDE THE COMMON ELEMENTS CONTAINED THEREIN.

DECLARANT

HARVEST CAPITAL S.R.L.

ADDRESS: 57 WEST 127TH STREET - NEW YORK, NY 10027

ARCHITECT'S CERTIFICATION

STATE OF NEW YORK
COUNTY OF NEW YORK

THIS IS TO CERTIFY THAT THIS PLAN IS AN ACCURATE COPY OF A PORTION OF THE PLANS OF THE BUILDING AS FILED WITH AND APPROVED BY THE DEPARTMENT OF BUILDINGS, CITY OF NEW YORK, AND FULLY AND FAIRLY DEPICTS THE LAYOUTS, LOCATIONS, UNIT DESIGNATIONS AND APPROXIMATE DIMENSIONS OF THE UNIT AS BUILT.

DAVID NICHOLSON

ARCHITECT

SWORN TO BEFORE ME THIS _____
DAY OF _____, 2011

NOTARY PUBLIC

TAX LOT CERTIFICATION

THE UNIT DESIGNATIONS AND THE TAX LOT NUMBERS SHOWN HEREON CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE TAX MAP UNIT OF THE CITY OF NEW YORK, BOROUGH OF MANHATTAN.

DATE

TAX MAP CARTOGRAPHER

ROOF PLAN

C-010.00

11 OF 11

SAN GIORGIO CONDOMINIUM

UNIT OWNER'S POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used (a) in the declaration (the "**Declaration**") establishing a Offering Plan for condominium ownership of the premises known as and by the street number 57 West 127th Street, New York, New York (the "**Property**") under Article 9-B of the Real Property Law of the State of New York, dated _____, 201_, and recorded in the Office of the Register of the City of New York, New York County, on _____, 201_, in Reel _____, Page _____, or (b) in the by-laws of the Condominium (the "**By-Laws**") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned _____ (having an office) (residing) at _____, the owner of the Condominium Unit known as Unit No. _____ ("Unit") in the San Giorgio Condominium (the "**Condominium**"), known by the street address as 57 West 127th Street, New York, New York and consisting of the real property and improvements thereon as more particularly described on Schedule A annexed hereto and made a part hereof, such Unit being also designated as Tax Lot ___ in Block 1725 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, (does)(do)* hereby irrevocably 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 the Unit Owners' respective Common Interests, subject to the provisions of the By-Laws then in effect, (1)(a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner so desiring to sell, convey, transfer, assign or lease, (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender such Unit pursuant to the terms of paragraph C of Section 6.2 of the By-Laws, and (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and, with respect to any transfer pursuant to the terms of subdivision 1(a) or 1(c) of this paragraph at such price or at such rental, as the case may be, as such attorneys-in-fact deem proper, and thereafter to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, on such terms as such attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in such premises which the undersigned could do if the undersigned were personally present, and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board 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 maintenance, demolition, construction, alteration, repair or restoration of the

*Delete inapplicable parenthetical(s).

Condominium or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does)(do)* hereby irrevocably nominate, constitute and appoint Harrest Capital S.r.l. (the "**Sponsor**"), as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, By-Laws and the Rules and Regulations of the Condominium, or any of such documents, 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 or its designee in accordance with Article 14 of the Declaration or (ii) will be required by (A) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (B) any governmental agency having regulatory jurisdiction over the Condominium, or (C) any title insurance company selected by Sponsor to insure title to any Unit; provided, however, that any amendment made pursuant to the terms of subdivisions (i) or (ii) of this paragraph will not (x) change the Common Interest of the Undersigned's Unit, (y) require a material, physical modification to the Undersigned's Unit, or (z) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivisions (x) or (y) of this paragraph) or the holder of such mortgage (in the event described in (z) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph will remain in full force and effect until such time as Sponsor or its designee will cease to own any of the Units in the Condominium.

IN WITNESS WHEREOF, the undersigned (has) (have)* executed this Unit Owner's Power of Attorney as of the __ day _____, 201__.

** Delete inapplicable parenthetical(s).

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

On the ____ day of _____, 201_, before me personally came _____, to me known and known to me to be the individual(s) described in, and who executed the foregoing instrument, and duly acknowledged to me that (s)he (they) executed the same.

Notary Public

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

On the ____ day of _____, 201_, before me personally came _____ to me known to be the individual who executed the foregoing instrument and, who, being duly sworn by me, did depose and say that (s)he is a member of _____, a partnership, and that (s)he executed the foregoing instrument in the name of _____ and that (s)he had authority to sign the same, and acknowledged that (s)he executed the same as the act and deed of said partnership.

Notary Public

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

On the __ day of _____, 201_, before me personally came _____, to me known, who being by me duly sworn, did depose and say that (s)he resides at _____, that (s)he is the _____ of _____, the corporation described in, and which executed the above instrument; and that (s)he signed her/his name thereto by order of the board of directors of said corporation.

Notary Public

EXHIBIT A

DESCRIPTION OF THE LAND

ALL THAT CERTAIN plot, piece or parcel of land, situate in the Borough of Manhattan, County, City and State of New York bounded and described as follows:

BEGINNING at a point of the northerly side of West 127th Street, distant 288 feet 7 and ½ inches northeasterly from the corner formed by the intersection of the easterly side of Lenox Avenue and the northerly side of West 127th Street;

RUNNING THENCE Northerly parallel with Lenox Avenue and part of the way through a party wall, 99 feet 11 inches to the center line of the block between 127th and 128th Street;

THENCE Easterly parallel on the northerly side of West 127th Street 17 feet 9 inches;

THENCE Southerly parallel with Lenox Avenue and part of the way through a party wall, 99 feet 11 inches to the northerly side of West 127th Street;

THENCE Westerly along the northerly side of West 127th Street, 17 feet 9 inches to the point or place of BEGINNING.

SPONSOR AND SPONSOR'S PRINCIPALS
CERTIFICATION OF SPONSOR AND SPONSOR'S
PRINCIPALS PURSUANT TO SEC. 20.4 (B)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, New York 10271

September 3, 2014

Re: Harrest Capital S.r.l.
57 West 127th Street
New York, New York 10027

The undersigned certify as follows:

We are the sponsor and principals of sponsor of the condominium offering plan for the captioned property (the "Plan"). We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Plan. We have investigated the facts set forth in the Plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the Plan does, and that documents submitted hereafter by us which amend or supplement the Plan will:

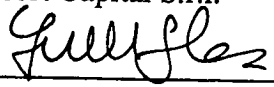
- (1) set forth the detailed terms of the transaction and be complete, current and accurate;
- (2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (3) not omit any material fact;
- (4) not contain any untrue statement of a material fact;
- (5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

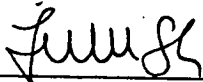
(7) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Harrest Capital S.r.l.

By: 

Ferruccio Sbarbaro
President



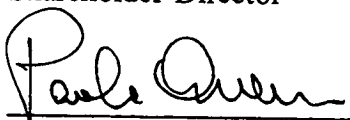
Ferruccio Sbarbaro
Shareholder



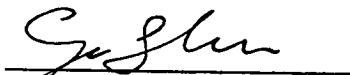
Maurizio Principato
Minority Shareholder-Director



Eleonora Sbarbaro
Shareholder-Director

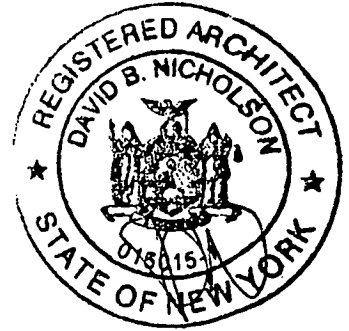


Paola Querini
Shareholder



Giorgio Sbarbaro
Director

SBLM Architects
545 West 45th Street
New York, New York 10036
Telephone 212 995 5600
Fax 212 675 4228
dnicholson@sblm.com
www.sblm.com



SPONSOR'S ARCHITECT

CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO SEC. 20.4 (B) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, New York 10271

June 26th, 2014

Re: San Giorgio Condominium
57 West 127th Street
New York, New York 10027

The undersigned certify as follows:

The Sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction and/or renovation of the property (the "Report"). We have visually inspected existing portions of the renovated property on a regular basis since February 4th 2013 and as recently as June 19th, 2014 and we examined the building plans and specifications that were prepared by us on September 17th 2010 and approved by the Department of Buildings of the City of New York on May 12th 2011 and the Report dated June 26th, 2014, a copy of which is intended to be incorporated in the offering plan so that prospective purchasers may rely on the Report.

We are registered architects in the State of New York where the property is located.

We understand that we are responsible for complying with Article 23-A of the General Business Law of the State of New York 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 investigated the facts set forth in the Report and the underlying facts 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:

- (1) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion and/or construction, provided that the renovation and/or construction is in accordance with the plans and specifications that we examined;

(2) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/ or physical condition of the property as it will exist upon completion of the renovation and/or construction, provided the renovation and/or construction is in accordance with the plans and specifications that we examined;

(3) does not omit any material fact;

(4) does not contain any untrue statement of a material fact;

(5) does not contain any fraud, deception, concealment or suppression;

(6) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(7) 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 representations or statement made

We hereby disclose that we are affiliated with Misra Group LLC, the expert retained by Sponsor to certify the adequacy of the budget for the first year of condominium operation.

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 upon 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 description of the property.

SBLM Architects P.C.

By:  6/10/14





SPONSOR'S EXPERT RE: ADEQUACY OF BUDGET

CERTIFICATION OF SPONSOR'S
EXPERT ON ADEQUACY OF BUDGET PURSUANT TO SEC. 20.4 (B)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, New York 10271

October 10, 2014

Re: San Giorgio Condominium
57 West 127th Street
New York, New York 10027

The Sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to review Schedule B and B-1 which contains projections of income and expense for the first year of condominium operation. Our experience in this field includes:

Managing residential and commercial buildings in New York City since 2000. We presently manage 17 buildings, many of which are owned by their occupants.

We understand that we are responsible for complying with Article 23-A of the General Business Law of the State of New York and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedules B and B-1.

We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this Certification. We have also relied on our experience in preparing budgets for and managing residential buildings.

We certify that the projections set forth in Schedule B and B-1 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 Schedule:

- (1) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (2) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

- (3) does not omit any material fact;
- (4) does not contain any untrue statement of a material fact;
- (5) does not contain any fraud, deception, concealment or suppression;
- (6) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; or
- (7) 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 representations or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in 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 civil and criminal penalties of the General business Law and Penal Law of the State of New York.

Misra Group LLC

By: 

Rohit Misra
President

