

THIS PLAN HAS BEEN AMENDED. SEE INSIDE COVER.

CONDOMINIUM OFFERING PLAN
FOR SALE OF RESIDENTIAL UNITS
IN

40 EAST 72ND STREET CONDOMINIUM

A Condominium Located at
40 East 72nd Street
New York, New York 10021
New York County

6 Residential Units*	**$ 72,277,000.00**
2 Storage Space Units	**$ 447,000.00**
Total Purchase Price of Offering	**$ 72,277,000.00**
Reserve Fund/Working Capital Fund**	**$ 0.00**

*** PH Unit currently not being offered.**

**** See the section of the Plan titled, "Working Capital Fund and Reserve Fund."**

Name and Address of Sponsor:

Axia Realty, LLC
1790 Broadway, Suite 1700
New York, New York 10019

Name and Address of Selling Agent:

Town New Development Sales & Marketing LLC
730 Fifth Avenue, 8th Floor
New York, New York 10019

Date of Acceptance for Filing: November 19, 2014. This Offering Plan May Not Be Used After November 18, 2015 Unless Extended By An Amendment to the Offering Plan.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS 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 UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. MOREOVER, THE OWNER-OCCUPANTS OF UNITS MAY NEVER CONTROL THE BOARD OF MANAGERS OF THE CONDOMINIUM UNDER THE TERMS OF THIS PLAN. (SEE THE SPECIAL RISKS SECTION OF THE OFFERING PLAN).

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS, SEE PAGE 1

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SPECIAL RISKS

1. It is noted that although all Units, except for the PH Unit, are being offered pursuant to the Offering Plan, Sponsor has reserved the right to withhold certain additional Units from sale. In the event that the Sponsor withholds one (1) or more of the additional Units from sale, Sponsor shall amend the Plan to disclose which additional Units are being withheld. If Sponsor leases certain Units to tenants and such Units are subsequently offered, Sponsor shall amend the Plan, accordingly, if such Units are offered subject to such tenancies.

Sponsor is not obligated to make a good faith effort to sell the Residential Units to purchasers who will occupy their Units as their personal residences ("owner-occupants"). Prospective purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole and absolute discretion of the Sponsor. In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor determines and market conditions allow. Prospective purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor may have an impact on the types of financing available to purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. 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 still owns a substantial ownership interest, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor has an ownership interest of ten percent (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. Prospective purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a contract to purchase a Unit. The decision of Sponsor to withhold Units from sale and/or rent same may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

Additionally, because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) necessary to declare the Offering Plan effective and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective purchaser and therefore there is no limit as to

the number of "investor" or "non-occupant owners" of Units in the Building. However, as set forth in Article III, Section 1(c) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

See the section of the Offering Plan titled "Introduction," located in Part I of the Offering Plan for further details.

2. Until the first annual meeting of the Board of Managers, Sponsor shall have the right to designate all of the members of the Board of Managers. Until the date that is the earlier to occur of (i) Sponsor owns Units having less than ten percent (10%) of the Common Interests appurtenant thereto, or (ii) five (5) years after the First Unit Closing, Sponsor shall have the right to designate a majority of the members of the Board of Managers. For so long as Sponsor owns at least one (1) Unit, Sponsor shall have the right to designate one (1) member (or, in the event that the number of members of the Board of Managers has been increased from three (3) members pursuant to the By-Laws, the number of seats that is a majority of the Board of Managers minus one (1) member) to the Board of Managers. Accordingly, it is possible that Sponsor and/or its designee(s) may control the Board of Managers for as long as five (5) years from the date of the First Unit Closing. See the section of the Offering Plan located in Part I, titled "Control By Sponsor," for further details.

3. As long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interest allocated to the Units, but in no event for a period in excess of five (5) years from the date of the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B located in Part I of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed four percent (4.00%) of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B located in Part I of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B located in Part I of the Offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B located in Part I of the Offering Plan. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with

applicable law or regulation, to remedy any notice of violation or to remedy any work ordered by an insurer. See the section of the Offering Plan located in Part I, titled, "Control By Sponsor," for further details.

4. Purchasers will be required to make a Down Payment upon execution of a Purchase Agreement in an amount equal to ten percent (10%) of the purchase price, and within one hundred twenty (120) days after receipt of the executed Purchase Agreement from Sponsor or upon the Plan being declared effective, whichever is earlier, an Additional Down Payment equal to five percent (5%) of the purchase price. It is a special risk of this Offering Plan that Purchasers are required to deposit in escrow with Sponsor's attorneys, an aggregate Down Payment of fifteen percent (15%) of the purchase price. Notwithstanding the foregoing, if a Purchaser is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser will be required to make an Initial Down Payment equal to fifty percent (50%) of the applicable purchase price and will not be required to make an Additional Down Payment. The requirement of this fifty percent (50%) Down Payment is also a special risk of the Offering Plan.

If a Purchaser defaults under his Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. Time is of the essence for the Purchaser to cure any default under the Purchase Agreement within such thirty (30) day period. "Time is of the essence" means that if the default is not timely cured the Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the Down Payment deposit, together with any accrued interest, and any other amounts paid by the Purchaser for any special or custom work shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void.

If, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date, or the Adjourned Closing Date (as defined in the form of Purchase Agreement set forth in Part II of the Offering Plan), and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustment for real estate taxes and Common Charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.04% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement, or in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing either Seller's rights or Purchaser's obligations thereunder.

See the section of the Offering Plan located in Part I, titled, "Procedure to Purchase," for further details.

5. Pursuant to the Offering Plan, one of Purchaser's costs of closing title to his or her Unit shall be the payment of the cost of fee title insurance which, if requested by Purchaser, Sponsor shall order on Purchaser's behalf from All New York Title Agency, Inc. Obtaining title insurance from All New York Title Agency, Inc. shall facilitate the Closing and avoid unnecessary delays. However, notwithstanding anything herein to the contrary, Purchaser may elect to obtain title insurance and/or a title report from any other title insurance company and/or abstract company. Purchasers are advised that obtaining title insurance from another title insurance company and/or abstract company may cause a delay of the Closing of title to the Unit. There shall be no additional cost if Purchaser elects to obtain title insurance from another title insurance company and/or abstract company. See the section titled, "Unit Closing Costs and Adjustments" located in Part I of the Offering Plan for further details.

6. No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. In the event that Sponsor is unable to perform its obligations pursuant to the Offering Plan, Sponsor shall cease all sales activity and amend the Offering Plan to disclose its current financial condition. The amendment will also provide that Purchasers, who are not then in default, will be given, for a period of fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within fifteen (15) days thereafter. For a further discussion please consult the section of the Offering Plan located in Part I, titled "Rights and Obligations of Sponsor".

7. As set forth in the section of the Offering Plan titled "Procedure to Purchase," although a Purchaser may obtain financing from a lending institution or any other source, his or her obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on obtaining financing for such purchase. Neither the Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to finalize their financing arrangements before signing a Purchase Agreement. However, prospective Purchasers should be aware that even if a loan commitment is

obtained, its term may be fixed, and it could expire before the closing of title to the Unit. The failure of a Purchaser to obtain financing will not relieve a Purchaser from his or her obligations under the Purchase Agreement to pay the balance of the Purchase Price when due and if payment is not made when due, including the applicable grace period, the Down Payment may be forfeited. See the section of the Offering Plan located in Part I, titled "Procedure to Purchase," for further details.

8. Pursuant to the terms of the Offering Plan and the Purchase Agreement contained in Part II, the Purchaser is required to pay as a closing cost the New York State Real Property Transfer Tax ("deed stamps") and the New York City Real Property Transfer Tax ("NYCRPT"). In condominium transactions, either seller or the purchaser can pay these transfer taxes. The obligation is assumed by the purchaser if such obligation is imposed on the purchaser by the terms of the sale. New York State Real Estate Transfer Taxes (deed stamps) are currently at the rate of $2.00 per each $500.00 of consideration or part thereof. New York City Real Property Transfer Tax are currently equal to one percent (1%) of the purchase price with respect to the Residential Units which are sold for less than $500,000.00 and 1.425% where the consideration is equal to or greater than $500,000.00. For purposes of paying this tax with respect to this project, consideration also includes the amount of deed stamps and NYCRPT to be paid for the Unit. See the section of the Offering Plan located in Part I, titled "Unit Closing Costs and Adjustments," for further details.

In the event that the taxing authority of the City of New York determines that the conveyance of either (i) a Residential Unit together with a Storage Space Unit, or (ii) the conveyance of more than one (1) condominium unit to the same Purchaser, is taxable at the "commercial transfer tax rates," then, in such event, the transfer tax to be paid by Purchaser shall be 1.425% of the aggregate consideration, as discussed above, where the consideration is $500,000.00 or less, and 2.625% of the aggregate consideration when the consideration is greater than $500,000.00. In the event that the City of New York determines additional transfer taxes are due following an audit of any closed transactions, it shall be the Purchaser's sole obligation, which shall survive the closing, to respond to and defend such audit and pay any additional tax imposed.

Under the State Tax Law, Section 1402-a, a tax of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (Purchaser) on each conveyance of residential real property, including condominium units, where the consideration for the entire conveyance is $1,000,000 or more (the "Mansion Tax"). Residential real property includes a 1 to 3 family house, an individual condominium unit and a cooperative unit that is or may be used, in whole or in part, as a personal residence. The Mansion Tax applies to conveyances occurring on or after July 1, 1989 other than conveyances pursuant to binding written contracts entered into on or before February 16, 1989. If applicable, a Purchaser under the terms of the Offering Plan shall be liable for payment of the Mansion Tax at the closing of title of the Unit being purchased. For purposes of paying this tax with respect to this project, consideration also includes the amount of the New York City Transfer Tax and deed

stamps to be paid for the Unit by Purchaser. See the section of the Offering Plan located in Part I, titled "Unit Closing Cost and Adjustments," for further details.

9. Pursuant to the terms of the Offering Plan, the fifteen percent (15%) or fifty percent (50%) Down Payment made by Purchaser upon execution of a Purchase Agreement may be increased by two (2) times the cost of special custom work requested by the Purchaser which is agreed to by Sponsor in its sole discretion, and itemized in the Purchase Agreement. All funds received by Sponsor for such custom work will initially be placed in an escrow account. However, subsequent to Sponsor declaring the Plan effective, the escrowed funds for custom work may be released from the escrow account to Sponsor as long as Sponsor uses the additional escrowed funds for custom work actually performed. As a result, in the event a Purchaser is entitled to rescind his Purchase Agreement subsequent to the release of the additional escrowed funds, the Purchaser will not receive a refund of any such funds required for the actual costs incurred or due for any special custom work ordered by Purchaser or required for Sponsor to return the Unit to its originally contemplated condition.

A Purchaser who is interested in purchasing a Storage Space Unit must commit to such acquisition at the time the Purchaser executes a Purchase Agreement. Therefore, the Down Payment paid under the Purchase Agreement shall include ten percent (10%), or, if applicable, fifty percent (50%) of the Purchase Price of the Storage Space Unit as well as ten percent (10%), or, if applicable, fifty percent (50%) of the Purchase Price of the Unit. Further, for each Purchaser who is required to make an Initial Down Payment of ten percent (10%), the Additional Down Payment (an additional five percent (5%) of the Purchase Price of the Storage Space Unit) is also required pursuant to the terms of the Purchase Agreement. However, no Additional Down Payment of the Purchase Price of the Storage Space Unit will be required in the case where a fifty percent (50%) Initial Down Payment is required pursuant to the terms of the Purchase Agreement. If Sponsor is entitled to cancel the Purchase Agreement due to Purchaser's default, Sponsor shall also be entitled to cancel the purchase of the Storage Space Unit. Sponsor will be entitled to retain the Deposit as liquidated damages in connection with any termination of the Purchase Agreement due to Purchaser's default.

If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the monies held by the Escrow Agent, but not more than fifteen percent (15%) or, if applicable, fifty percent (50%) of the total purchase price plus any interest earned thereon, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the above, Sponsor may receive the actual costs incurred for any special custom work ordered by Purchaser as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds fifteen percent (15%) or, if applicable, fifty percent (50%) of the total of the purchase price.

See the section of the Offering Plan located in Part I, titled "Procedure to Purchase," for further details.

10. In accordance with section 71-a(3) of the Lien Law the Sponsor has appointed the law firm of D'Agostino, Levine, Landesman & Lederman, LLP, 345 Seventh Avenue, 23rd Floor, New York, New York 10001, telephone number (212) 564-9800, to serve as the escrow agent ("Escrow Agent") for Sponsor and Purchaser to hold all deposits, Down Payments or advances, other than the deposit for a copy of the Offering Plan, received by it from Purchaser, either directly or through its agents or employees in trust, whether received before or after the date of Consummation of the Plan (the "Deposit" or "Deposits"). The Escrow Agent shall establish a special segregated escrow account or accounts at Doral Bank, N.A. located at 623 Fifth Avenue, New York, New York 10022 (the "Escrow Bank"), a bank authorized to do business in the State of New York. The escrow account is titled "D'Agostino, Levine, Landesman & Lederman, LLP, Escrow Account for 40 East 72nd Street Condominium" or a similar name ("Escrow Account"). Within five (5) business days after the Purchase Agreement is executed by all necessary parties and tendered along with the Deposits to Escrow Agent, Escrow Agent shall place the Deposits in the Escrow Account. Purchasers are further advised that a Purchaser's funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of $250,000 for the purchase of a Unit, such Down Payment will not be federally insured in excess of $250,000. Additionally, if Purchaser has an additional account at the Escrow Bank, the aggregate of Purchaser's funds at the Escrow Bank, including funds in the additional account and the Down Payment, may not be insured in excess of $250,000. Therefore, if a Purchaser has an additional account at the Escrow Bank, that a Purchaser's Down Payment, including a Down Payment that is less than $250,000, may not be insured in part or in its entirety. Furthermore, while the Down Payment is in the non-interest bearing check portion of the Master Escrow Account, the Down Payment may not be fully federally insured, even if the Down Payment does not exceed $250,000. Purchaser should consult with the FDIC website and with their attorneys to determine which part, if any, of their funds are insured by the FDIC. Sponsor and Escrow Agent make no guarantee of the solvency of the Bank. If the limits of federal bank deposit insurance change in any manner in the future, Escrow Agent will have no obligation to make any changes to the Escrow Account. See the section of the Offering Plan located in Part I, titled "Procedure to Purchase," for further details.

11. The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit and/or, including but not limited to its appliances, fixtures and equipment. For further details, see the section of the Plan titled "Procedure to Purchase," located in Part I of the Offering Plan.

12. The Sponsor will promptly correct any patent defects in the construction of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit affected within sixty (60) days from the date of closing of title to such Unit or, with respect to Common Elements affecting the Unit, that Sponsor is notified by the Board of Managers within six (6) months from the First Unit Closing. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit within one (1) year from the closing of title to such Unit or is notified by the Board of Managers with respect to Common Elements within one (1) year after the First Unit Closing. However, nothing herein shall be construed to limit any rights which the Attorney General may have under the Martin Act, Executive Law or any other applicable law or regulation. Notwithstanding anything contained herein to the contrary, any work shall be comparable to local standards customary in the particular trade and shall be done in accordance with all applicable codes and approved plans and specifications for the Building. See the section of the Plan titled "Rights and Obligations of Sponsor," located in Part I of the Offering Plan, for further details.

13. The projections of real estate taxes due for each of the Residential Units set forth in Schedule A, located in Part I of the Offering Plan, (i) for the anticipated First Year of Condominium operation and (ii) upon 100% completion (as discussed below) of Sponsor's construction to, and construction of, the Building, are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. HOWEVER, SAID AMENDMENT SHALL NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT. Upon one hundred percent (100%) completion of the construction by Sponsor, which is assumed to be January 5, 2015 for assessment purposes, and the implementation of the post construction actual total assessment of the Property, the post construction actual assessed valuation for all of the Residential Units has been projected by Podell, Schwartz, Schechter & Banfield, LLP, as $2,800,000.00. Based upon the completion date this projected actual total assessment for the Property will not be effective until July 1, 2015 for the 2015/2016 tax year. Also, Podell, Schwartz, Schechter & Banfield, LLP has assumed that the projected actual total assessed valuation for all of the Residential Units to be effective as of July 1, 2014 and part of the First Year of Condominium Operation shall be $1,078,460.00. Further, Podell, Schwartz, Schechter & Banfield, LLP has projected the 2014/2015 and 2015/2016 tax rates for the Residential Units to be 13.145%. BASED UPON THE RESPECTIVE PROJECTED AGGREGATE 2014/2015 AND 2015/2016 POST-CONSTRUCTION TAXABLE TOTAL ASSESSMENTS FOR ALL

THE RESIDENTIAL UNITS OF $1,078,460.00 AND $2,800,000.00 AND A PROJECTED TAX RATE 13.145% FOR THE RESIDENTIAL UNITS, THE REAL ESTATE TAXES DUE FOR THE ENTIRE 2014/2015 AND 2015/2016 TAX YEARS AND FIRST YEAR WOULD BE APPROXIMATELY $142,000.00, $377,000.00 AND $259,500.00, RESPECTIVELY FOR ALL OF THE RESIDENTIAL UNITS.

See Notes to Schedule A, located in Part I of the Offering Plan, for a full discussion of Sponsor projections of real estate taxes.

14. As against all other Unit Owners and any mortgagee thereof, the Sponsor, its successor and assigns, shall have the exclusive right to cause any part or all unused transferable air rights and/or development rights pertaining to the Property, which Sponsor is herein reserving for itself, its successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three (3) terms are now defined in the Zoning Resolution of the City of New York, as amended.

Based upon the approved New Building Plans for the construction of the Building, currently there are approximately 23,451 square feet of unused excess transferable development rights and/or air rights. Additionally, if the floor area ratio for the zoning district changes in the future, such change may create additional excess transferable development rights and/or air rights at that time. Until such time that the floor area ratio for the applicable zoning district changes, it is not possible for Sponsor to represent the maximum amount of additional excess development rights and/or air rights that would be generated or how many stories that may be added to the adjoining properties.

Further, Sponsor has bound itself, its successors and assigns from transferring air rights and/or development rights, if such transfer, assignment or surrender shall make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration or will allow any part including Sponsor as the holder of Unsold Units, to build on or directly above the land and/or expand the Building, except if the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers consents, and in such event, any construction shall be made only in accordance with the Condominium's Declaration and By-Laws.

As a result of Sponsor's reservation of transferable air rights and/or development rights, the Building may not be expanded without the purchase of said rights from Sponsor. Additionally, the transfer of such development rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

At the closing of title to a Unit, Purchasers shall appoint the Sponsor, as their attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the transferable air rights and/or development rights which Sponsor has

retained for itself, its successors and assigns. See the section of the Offering Plan titled, "Reservation of Air and Development Rights," located in Part I of the Offering Plan for further details.

15. Prospective Purchasers are advised that for a period following the First Unit Closing, some of the services and facilities described in the Plan (such as a full staff of building personnel) may not be available during the First Year of Condominium Operation. These services will be available no later than six (6) months from the First Unit Closing. However, at all times after the First Unit Closing of any Residential Unit, the lobby will be attended twenty-four (24) hours a day, seven (7) days a week. The interim level of staffing will at all times be adequate to maintain the Building during this period. See the section of the Plan titled "Notes to Schedule B" in Part I of the Offering Plan for further details.

16. Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) will be required at the time of closing of title to the Purchaser's Unit, to expressly waive any and all immunity from suit by Sponsor and/or the Board of Managers of the Condominium. Such Purchasers at closing will be required to execute the "Waiver of Diplomatic or Sovereign Immunity and Consent to Jurisdiction" set forth as **Exhibit "A"** to the Purchase Agreement which is included in Part II of the Offering Plan. See the section of the Offering Plan titled, "Procedure to Purchase," located in Part I for further details.

17. Sponsor notes that Local Law 10 of 1981 requires an elevator inspection to be made by September 15th of each year by an insurance company, elevator maintenance company, elevator manufacturer or elevator inspection company, and that a report be filed with the Department of Buildings of the City of New York within ten (10) days after delivery of such report to the owner. Failure to comply will result in a civil monetary penalty levied against the owner. Sponsor shall not be responsible for having such inspection or report made unless Sponsor controls the Board of Managers at the time such inspection report is due. Subsequent to Sponsor relinquishing control of the Board of Managers, the Board of Managers on behalf of all the Residential Unit Owners shall be responsible for obtaining the requisite inspections for the passenger elevators and the cost of such inspections shall be a Common Expense.

Amendments to the high-rise facade safety statute (formerly known as Local Law 10 of 1980) (presently known as Local Law 11/98) passed by the City Council and signed by the Mayor of New York City require professional engineers or registered architects to advise the Buildings Department of the City of New York and the owner of a property of any unsafe condition in a building's exterior walls revealed during a Local Law 11 inspection. The amendments also subject all exterior walls to be inspected; previously, only walls fronting on a street were affected by the law. The revised law also calls for a certification by the registered professional that a wall is either safe or unsafe; the latter declaration by the professional means that an immediately hazardous condition exists and must be corrected within thirty (30) days with the option of a ninety (90) day extension upon application to the Buildings Department. A

building is considered either safe with no further action necessary, or fit, but in a condition that warrants a repair and/or maintenance program. In the latter case, the condition must be corrected during the five (5) year period between mandatory inspections. As a result of the eleven (11) floors being constructed, the completed Building will require regular five (5) year inspections in accordance with Local Law 11/98. The first inspection will be required five (5) years after the issuance of the first temporary certificate of occupancy for the Building. Thereafter, the Building much be inspected in accordance with NYC Local Law 11/98's five (5) year cycle.

It is a special risk of the offering that although not budgeted for the First Year of Condominium Operation, the cost of any future additional inspections, if any, required by Local Law 11 and any amendments thereto, shall be a Common Expense of all of the Residential Unit Owners. See the "Notes to Schedule B" located in Part I of the Offering Plan for further details.

18. Prospective Purchasers are advised that the construction of storage spaces which are part of the respective Residential Units 1, 2, 5 and PH may or may not be completed prior to the closing date of a particular Residential Unit. In such event, the Purchaser of a Residential Unit shall be required to close title to his or her Residential Unit regardless of the fact that the storage space is not completed and available for use by such Residential Unit Owner for Sponsor intends to complete the construction of all of the storage spaces prior to the issuance of the Temporary Certificate of Occupancy for all of the Residential Units in the Building.

Further, prospective Purchasers of a Storage Space Unit are advised that the construction of a Storage Space Unit may or may not be completed prior to the closing date of a particular Residential Unit. In such event, the Purchaser of a Residential Unit shall be required to close title to his or her Residential Unit and Storage Space Unit regardless of the fact that the Storage Space Unit is not completed and available for use by such Residential Unit Owner. However, that portion of the total purchase price of the Unit allocated to the Storage Space Unit will be held in escrow by Sponsor's attorneys until the date that the Storage Space Unit is made available for Purchaser's use. Sponsor intends to complete the construction of all of the Storage Space Units prior to the issuance of the Temporary Certificate of Occupancy for all of the Residential Units in the Building.

Additionally, it shall be in the sole discretion of Sponsor as to which Purchasers will be allowed to purchase a Storage Space Unit and whether a Purchaser will be allowed to purchase more than one (1) Storage Space Unit. Storage Space Units will not be sold on a first (1st) come, first (1st) served basis, but at the sole discretion of Sponsor. The Purchase Price of the Storage Space Unit (as defined in the form Purchase Agreement set forth in Part II of the Plan) is deemed additional consideration for the Residential Unit being purchased and will thus be aggregated with the Purchase Price for the Residential Unit for the purpose of computing any applicable transfer taxes. A reservation and a ten percent (10%) or, if applicable, a fifty percent (50%) deposit for the right to enter into a purchase agreement for a Storage Space Unit must be made at the time a Purchaser executes a Purchase Agreement for a Residential Unit. For Purchasers who are required to make a ten percent (10%) deposit, an additional five percent (5%) deposit will

also be required pursuant to the terms of the form Purchase Agreement set forth in Part II of the Offering Plan.

Except as set forth on Schedule A located in Part I of the Plan and within reasonable tolerances, Sponsor makes no representation as to the size of a Storage Space Unit and whether it will accommodate what a Purchaser intends to store in the Storage Space Unit. Sponsor has also reserved the right (so long as to do so would not create a building code violation) to reconfigure, change, combine, relocate and/or modify any unsold Storage Space Unit, including, but not limited to, increasing the number of Storage Space Units, in its sole discretion in order to sell and/or lease any of the Storage Space Units.

19. It is a special risk of this Offering Plan that the approximate (within reasonable tolerances) Square Footage of a Unit set forth in column numbered (3) of Schedule A is a gross square footage of the Unit, which is obtained by measuring the floor area of the Unit on one or more floors, horizontally from the exterior side of the exterior walls at the Building or at the exterior face of aluminum frames and aluminum panels, or the exterior side of windows or to the property line of exterior party walls (concrete, brick and/or masonry columns, mechanical pipes, shafts, shaft ways, chases, chase ways, conduits, public corridors, stairs, the elevators and other mechanical equipment spaces and/or any Common elements within a Unit are not deducted) to the centerline of the partitions separating one Unit from another Unit, or the exterior side facing Common Elements of the interior walls and partitions separating a Unit from public corridors, stairs, the elevators and other mechanical equipment spaces or any Common Elements not within a Unit. Each Unit consists of the area measured vertically on each floor of the Building, if applicable, from the top of the floor slab below (located under the finished flooring and subfloor materials) to the underside of the floor slab above. The approximate gross square footage of a Unit is greater than the approximate Square Footage (within reasonable tolerances) of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium in Part II of the Plan. Outdoor floor areas of private yards and/or terraces appurtenant to a Unit are not included in the Unit's floor areas. As is customary in New York City, these gross square footages may substantially exceed the useable floor area of each Unit.

Exterior private yard, balcony or terrace areas are measured from the exterior face of the Unit to the exterior face of the yard or terrace, fencing, railing or walls, as the case may be. Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question. However, any material change will be set forth in an amendment to the Plan, and no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to Purchasers, offer the affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with all interest earned thereon.

Further, please note that the ceiling heights for the Units and/or Common Elements as set forth in the "Description of Property and Building Specifications" in Part II of the Offering Plan are approximate and may vary in certain areas due to field conditions at the Property.

20. Notwithstanding anything in the Offering Plan to the contrary, until title to all Units has been conveyed, the Sponsor or its designee as the owner of any Unsold Units, may decide that Sponsor will, at Sponsor's or Sponsor's designee's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan.

In the event that Sponsor or its designee as the owner of all Unsold Units elects to have Sponsor make in lieu payments, Sponsor or its designee shall (i) file an amendment to the Offering Plan prior to the First Unit Closing indicating that the collection of Common Charges will not commence with the beginning of Condominium operations and the anticipated length of such delay period; (ii) file an amendment to the Offering Plan disclosing the expiration of the delay period at least thirty (30) days prior to such expiration; (iii) during any such delay period timely pay all expenses of the Condominium out of the aggregate in lieu payments, including, but not limited to, insurance premiums; (iv) pay from Sponsor's funds any reserve fund payments required by Sponsor's lenders; and (v) remain obligated to update the budget for the Condominium, as provided in the governing regulations. Additionally, Sponsor represents that upon commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved Budget of the Condominium. See the section of the Offering Plan titled, "Rights and Obligations of Sponsor," located in Part I for further details.

21. It is a special risk of this Offering Plan that the Sponsor, at Sponsor's sole cost and expense, will obtain, prior to the closing of a particular Unit, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the entire project within two (2) years, subject to force majeure, subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires. If, at the time of closing of title to a Residential Unit Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost of obtaining a permanent "Class A" residential Certificate of Occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering such Unit or the Building. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined. The use of the foregoing alternative security will be previously disclosed in an amendment to the Offering Plan.

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 of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than an FCO. Sponsor anticipates this scenario may occur. Sponsor 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 year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO for the entire Building, and shall use its best efforts to obtain the FCO within such two 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. It is further noted that the issuance of the FCO may be delayed should Sponsor or its designee (as set forth below) allow a Unit Owner to perform alterations to his own Unit prior to the issuance of the FCO.

Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have an FCO. A Factsheet on Certificates of Occupancy is available on the DOB website at http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf.

If at the time a Unit Owner seeks to perform alterations to his or her own Unit including the build out by the Purchaser of Unit 3/4; a Permanent Certificate of Occupancy is not issued for the Building, the Unit Owner, prior to commencing any alteration, must obtain the consent of the Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. The Sponsor or its designee may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained therefor. In furtherance thereof, a Unit Owner, who has been granted the consent by the Sponsor or its designee, to perform alterations shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee as a result of any violation of Law or delay in obtaining a Temporary or Permanent Certificate of Occupancy. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the Certificate of Occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall restore the Unit, at such Unit Owner's

and continuously, restoring the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in the By-Laws. Any alterations to which the Sponsor or its designee may consent to shall comply with the requirements of the By-Laws. For further details, see Section Additions, Alterations and Improvements in the Rights and Obligations of Unit Owners Section located in Part I of the Plan.

22. The First Year of Condominium operation is estimated to be January 1, 2015 through December 31, 2015. As in any new construction project, given the vagaries of the construction process, it is difficult to predict with precision the date Sponsor will first be able to close title to the Residential Units. Accordingly, it is a special risk of this Offering Plan that the First Residential Closing may occur sooner or later than the projected First Year of Condominium operation and closing to certain Residential Units may occur substantially before or after closings for other Residential Units. See the Section of the Offering Plan titled "Description of Property and Improvements" in Part I of the Plan for further details.

23. It is a special risk of this Offering Plan that Sponsor and its designee(s) shall have the right, until the earlier of the tenth (10th) anniversary of the First Unit Closing or the date of conveyance of the last Unsold Unit, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions (e.g., with respect to any sales programs for Unsold Units). Such activities will result in excess traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building.

See the section of the Offering Plan located in Part I titled "Sponsor's Rights and Obligations" for further details.

24. A Unit Owner must notify the Board of Managers in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. In addition, the Residential Unit Owner shall install at the Residential Unit Owner's own expense, the required window guards, as previously approved by the Board of Managers, in all windows of the Unit and shall not remove them until permitted by applicable law and in any event, without the full knowledge of the Board of Managers. See the section of the Offering Plan located in Part I titled "Rights and Obligations of Unit Owners" for further details.

25. Lot-Line Windows will have a tempered outer layer. All windows facing east or west are Lot-Line Windows as identified on floor plans located in Part II of the Plan. If an adjacent property owner builds or expands the structure which covers the Lot-Line Windows, then they must be closed-up. Legal light and air which is required for the issuance of the Certificate of Occupancy for the Building, is being provided by the windows on the north and south facades. The Lot-Line Windows provide supplementary light and air only. The subsequent sealing of these Lot-Line Windows will not affect the validity of the Certificate of Occupancy. As Lot-Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new building or structure is constructed on the adjoining property.

Pursuant to the By-Laws of the Condominium, located in Part II of the Offering Plan, in the event that any or all of the Lot-Line Windows must be sealed, all construction to enclose the windows shall be performed by Sponsor, during the time period that Sponsor controls the Board of Managers of the Condominium, or after such control period, by the Board of Managers of the Condominium. The cost and expense of such construction shall be the sole responsibility of the Unit Owner or Owners affected and such cost and expense shall be charged to the individual Unit Owners affected as a Special Assessment. It is estimated that it shall cost approximately $2,500.00 to close each Lot-Line Window.

The Sponsor, if applicable, or the Board of Managers, their agents, contractors and employees, will have the right to enter any Unit(s) necessary to effect the enclosure of such lot-line windows, should same be necessary. The Unit side of the enclosure will be finished with the same material originally used therein, if available, or if not available, then with such other finish material as will nearly as possible resemble such original material. Decoration of the affected area on the Unit side of the enclosure will also be the responsibility of the Unit Owner, at his or her sole expense.

26. Chimney Agreement between 50 East 72nd Street Associates and Spiros Nicholas Milonas, dated May 10, 1982, recorded May 14, 1982 in Reel 622 page 980, wherein the premises at 50 East 72nd Street shall allow the chimney for 40 East 72nd Street to be attached to 50 East 72nd Street so long as the building at 50 East 72nd Street shall remain standing.

27. The Building lies within the "Upper East-Side Historic District" and Sponsor's renovations will be in compliance with the standards established by the Landmarks' Preservation Commission of the City of New York. Any new exterior finishes of the Building, including any windows which are being installed by Sponsor, must be maintained in the future by the Condominium at its sole cost and expense. No renovation, alteration and/or improvement in the future may be made by the Condominium without the prior approval of the Landmarks' Preservation Commission.

28. The cost of management as set forth in the budget for the First Year of condominium operation is based upon a proposed management agreement with Goodhope Management Corp. ("Managing Agent"), commencing on the date of the First Unit Closing, at an initial annual fee of $36,000.00, payable in twelve (12) equal monthly installments. The principal of the Managing Agent, Spiros Milonas, is also a principal of the Sponsor. In view of the relationship between the Managing Agent and its principal, the interests of the Managing Agent in performing services may conflict with the interests of the Board of Managers.

Please consult the section of the Plan titled "Management Agreement and Other Contractual Arrangements," in Part I of the Plan for further discussion.

29. Sponsor anticipates the First Residential Unit Closing to occur on or about January 1, 2015 but said closing may occur sooner should the Building be completed and ready for occupancy earlier. In the event that the First Residential Unit Closing with a temporary or

permanent Certificate of Occupancy is delayed twelve (12) months or more beyond January 1, 2015, then all Purchasers who have executed Purchase Agreements and whose Purchase Agreements are still in effect, will be given the right to rescind their Purchase Agreements.

However, if the First Unit Closing occurs before January 1, 2015, the Sponsor may schedule the closings of title to other Units significantly later than such date and is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to any Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS.

30. No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product (hereinafter referred to collectively as "Smoking Apparatus") in any of the Common Elements at any time. No person may smoke or otherwise burn any Smoking Apparatus in any Unit or Limited Common Element in a manner which causes smoke to be a nuisance or annoyance to any other resident of the Condominium. In addition, no person may smoke or otherwise burn any Smoke Apparatus within twenty-five (25) feet of any outside entrance to the Condominium or within twenty-five (25) feet of any outdoor air intake or operable window opening onto Common Elements or Units.

31. It is a special risk of the terms of this Offering Plan that certain balconies are "Juliet Balconies," which are for decorative purposes and are not to be stepped out onto. The Juliet Balconies are located adjacent to Units 2, 3/4, 5 and the PH Unit. for the exact location of each Juliet Balcony, please see the respective Unit drawings located in Part II of the Plan.

32. With regard to Storage Space Units held, owned or rented by Sponsor and/or a Sponsor-designee, Sponsor and/or a Sponsor-designee may rent its Storage Space Units to residents or non-residents in its sole discretion without charge and without the consent of the Board of Managers of the Condominium.

33. The Units will be provided with a laundry closet or laundry room with individual hook-ups for one (1) washer and one (1) dryer or, at the sole discretion of Sponsor, for a stackable unit which is a combination thereof. The washer and dryer units are being supplied by the Sponsor for Units 1, 1A, 2 and 5 only as part of the Offering Plan.

INTRODUCTION

General

Axia Realty, LLC, a New York limited liability company, hereinafter the "Sponsor," presents this Plan with the intention of setting forth herein all material information relating to the conversion to Condominium ownership of the land and building being newly constructed (the "Building") located at 40 East 72nd Street, New York, New York. Specifically excluded from such conversion are any unused transferable air rights and/or development rights pertaining to the land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. See the section of the Plan titled "Reservation of Air and Development Rights," located hereinafter. The Property consists of a previously combined parcel of land which is more particularly described as being rectangular in dimension and located along the southerly side of East 72nd Street approximately 177' westerly from the corner formed by the intersection of the southerly side of East 72nd Street and the westerly side of Park Avenue. The aggregate site is approximately 4,648.58 square feet, with approximately 45' 6" of frontage on East 72nd Street and runs approximately 102' 2" into the block.

The land, Building and appurtenances are hereinafter sometimes referred to as the Property and/or the Condominium. The Plan may be amended from time to time to reflect changes in the terms of the offering when such amendment is filed with the New York State Department of Law. The Plan may be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of one (1) Residential Unit, which represents a minimum of at least fifteen percent (15%) of the Units offered under the Plan. The Plan must be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of five (5) Residential Units, which represents a minimum of at least eighty percent (80%) of the Units offered under the Plan. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been filed substantiating same, and the Condominium Declaration and By-Laws have been duly recorded.

All filed amendments will be served on (i) Purchasers who have executed and delivered Purchase documents to Sponsor and/or the Selling Agent, and are not in default, (ii) Unit Owners and (iii) any other offeree who is required by law to receive such amendment. Service shall be by either personal delivery, ordinary mail or registered mail. Service by personal delivery is deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day subsequent to the date of mailing.

The Condominium will be organized pursuant to Article 9B of the Real Property Law of the State of New York, as amended, commonly known as the New York Condominium Act.

The Condominium

The land, and the Building thereon which is being newly constructed, is owned by Axia Realty, LLC, a New York limited liability company, which acquired the Property from

Goodhope LLC deed dated November 3, 2009 and recorded on November 17, 2009 in CRFN 2009002376311. Accordingly, Axia Realty, LLC is the sponsor (the "Sponsor") of this Plan.

The aforementioned Residential Units as well as the two (2) Storage Space Units are intended to be sold as condominium units in accordance with this Plan at the prices noted in Schedule A. Schedule A is located in Part I of the Offering Plan. These prices have been established solely by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

It is noted that although it is the intent of Sponsor that all Residential Units, except for the PH Unit which is being retained by the Principal of Sponsor, be offered for sale pursuant to this Offering Plan, Sponsor is hereby reserving the unconditional right to withhold additional Units from sale and to offer the PH Unit for sale at a future date. In the event the Sponsor withholds one (1) or more of the Units from sale or offers the PH Unit, Sponsor shall amend the Plan to disclose which Units are being withheld and/or the offering of the PH Unit. If Sponsor leases certain Units to tenants and such Units subsequently are offered, Sponsor shall amend the Plan, accordingly, if such Residential Units are offered subject to such tenancies.

Sponsor is not obligated to make a good faith effort to sell the Residential Units to purchasers who will occupy their Units as their personal residences ("owner-occupant"). Prospective purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole discretion of the Sponsor. In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor determines and market conditions allow. Prospective purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor may have an impact on the types of financing available to purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. 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 still owns a substantial ownership interest, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor has an ownership interest of ten percent (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. Prospective purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a contract to purchase a Unit. The decision of Sponsor to withhold Units from sale and/or rent same may continue to apply indefinitely and may have an

adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

Additionally, because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) necessary to declare the Offering Plan effective and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building. However, as set forth in Article III, Section 1(c) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

It is the intention of Sponsor to newly construct an eight (8) story building at the Property. Sponsor shall submit the Property to the provisions of the Condominium Laws of the State of New York.

The Sponsor is newly constructing the eight (8) story building to be situated at the Property. Hereinafter the eight (8) story structure shall be referred to as the "Building." The newly constructed Building shall be comprised of six (6) residential units (the "Residential Units") plus other common elements of the Building as defined herein (the "Common Elements"). The Common Elements shall either be for the use of all the Unit Owners ("General Common Elements") or for the exclusive use of one (1) or more Unit Owners ("Limited Common Elements").

The newly constructed Building shall be comprised of six (6) residential units (collectively the "Residential Units"), two (2) storage space units (the "Storage Space Units") located at the cellar level, plus other common elements ("Common Elements") of the Building. Hereinafter any or all of the Residential Units and Storage Space Units are individually or collectively referred to as the "Unit" or "Units." The Common Elements shall either be for the use of all the Unit Owners ("General Common Elements") or for the exclusive use of one (1) or more Unit Owners ("Limited Common Elements").

The Building lies within the "Upper East-Side Historic District" and Sponsor's renovations will be in compliance with the standards established by the Landmarks' Preservation Commission of the City of New York. Any new exterior finishes of the Building, including any windows which are being installed by Sponsor, must be maintained in the future by the Condominium at its sole cost and expense. No renovation, alteration and/or improvement in the

future may be made by the Condominium without the prior approval of the Landmarks' Preservation Commission.

The cellar level and first (1st) floor contain one (1) duplex Unit and a studio Unit. One (1) Residential Unit will be located on each of the second (2nd) and fifth (5th) floors. One duplex Unit will be located on the third (3rd) and fourth (4th) floors. One (1) triplex Unit will be located on the sixth (6th) through the eighth (8th) floor and will be known as the PH Unit. All Units (on the cellar through second (2nd) floors and fifth (5th) and sixth (6th) floors) will be either studio, three (3) or four (4) bedroom Units. Some of the Residential Units will have adjacent private yards, terraces and/or balconies which are directly accessed from those Units. These yards, terraces and/or balconies will be Limited Common Elements for the exclusive use of the respective individual Unit Owners of those apartments.

Additionally, there are four (4) individual storage spaces on the cellar level of Building. These storage spaces will be part of Residential Units 1, 2, 5 and PH, respectively.

All terraces or balconies adjacent to and directly accessed from a Unit shall have a traffic bearing surface consisting of either concrete or concrete pavers or such other equivalent material.

There are no parking facilities which are part of the Property and the Building does not have private yards, terraces and/or balconies other than the private yards, terraces and/or balconies described above. Any other yard, courtyard and/or areaways located at the Building are not intended for public use and shall be subject to the sole discretion of the Board of Managers of the Condominium.

Parts I and II of the Plan, including all Schedules, and Parts A, B, C and D of the Exhibits, constitute the entire offer of Sponsor. Parts A, B, C and D of the Exhibits will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the on-site sales office at all times such office is open or, in the event there is no on-site office, at the offices of the Sponsor. All documents forming a part of this Offering Plan are important. It is suggested that you consult your own attorney or financial advisor before purchasing and provide him with a copy of this Offering Plan.

Features of Condominium Ownership

The Purchaser of a Residential Unit, hereinafter referred to either as a "Unit Owner" or "Residential Unit Owner," owns his Unit similarly in many respects to the manner in which a private home owner owns his home. (References to the masculine gender in the Plan shall be deemed to refer to the feminine gender or plural where the context so requires and shall be deemed to include any duly formed partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association or any other entity permitted to own real property in the State of New York.) The Residential Unit Owner owns the Unit in fee and is entitled to the exclusive possession thereof. He is also the owner, in common with the owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land upon which the Units are built, the foundations and supports of the Building, the exterior walls

and the roofs, (hereinbefore and hereinafter called "Common Elements"). Each Unit Owner's proportionate share ("Common Interest") of the Common Elements has been determined upon the basis of such Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to Section 339-i 1(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York ("the Condominium Act"). Any portion of the land or Building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all others, are known as "Limited Common Elements." The Plan provides that individually defined private yards and/or terraces which are adjacent to and directly accessed from certain Residential Units shall be Limited Common Elements for the exclusive use of individual Residential Unit Owners. Other than the private yards and/or terraces as described above, there are no other private yards or terraces at the Property. As stated above, any other yard, courtyard and/or areaways at the Building are not intended for public use and shall be subject to the sole discretion of the Board of Managers of the Condominium.

A Unit Owner is privileged to mortgage his Unit generally on the terms and in such amount as he chooses. With respect to the Residential Units, the By-Laws state that a first mortgage or second mortgage shall be either with an institutional lender, the Sponsor, a family member, business associate or employer, or a selling Residential Unit Owner. Purchasers pursuant to this Plan, however, if they seek mortgage financing, shall not be permitted to condition their purchase of a Unit upon their obtaining a loan. All Purchase Agreements shall not be contingent upon financing pursuant to the terms of the Offering Plan. A mortgage may be made with a reputable private lender other than the Sponsor or selling Residential Unit Owner subsequent to the obtaining of the written permission of either the Sponsor, prior to Sponsor's relinquishing control of the Board of Managers, or the Board of Managers. No Residential Unit Owner shall be permitted to encumber his Unit with a third (3rd) mortgage. His Unit is not subject to the lien of any mortgages placed by other Unit Owners on their Units.

A Residential Unit Owner can sell or lease his Residential Unit to anyone, without restriction or limitation, subject only to a right of first refusal by the Board of Managers of the Condominium (sometimes herein referred to as the "Condominium Board" or the "Board of Managers") at the same price and terms the Owner has been offered. Such right of first (1st) refusal is hereinafter described in the section located in Part I of the Offering Plan titled "Rights and Obligations of Unit Owners." He can alter and decorate the interior of his Unit in any way he desires, subject to local codes, and he is obligated for the cost of his own interior decoration, maintenance and repair after closing. Each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible if any of the other Unit Owners fail to pay their real estate taxes. In the opinion of counsel for the Sponsor, a Residential Unit Owner, like a home owner, may, under most circumstances, deduct from his income for income tax purposes his real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by him. The Board of Managers of the Condominium will assess against each Unit Owner, in proportion to his respective percentage of Common Interest or Contributing Share, as the case may be, as defined in the section of the Plan titled "Definitions," charges (hereinafter called "Common Charges") for the maintenance of the Common Elements and for the operating costs of the Property (hereinafter called "Common Expenses"), as provided in New York State

Real Property Law Section 339(i) and 339-m and each Unit Owner shall be obligated to pay such Common Charges. Each Unit Owner will pay for all electricity consumed within his own Unit, the charges for which shall be separately metered.

Any Residential Unit Owner who owns a Storage Space Unit at the Building may only sell said Storage Space Unit to a Residential Unit Owner either (i) simultaneously with such Unit Owner's acquisition of a Residential Unit, or (ii) to another Residential Unit Owner. Residential Unit Owners can only lease their respective Storage Space Units to other Residential Unit Owners in the Building after obtaining the written consent of the Board of Managers thereto. With regard to Storage Space Units held, owned or rented by Sponsor and/or a Sponsor-designee, Sponsor and/or a Sponsor-designee may rent its Storage Space Units to residents or non-residents in its sole discretion without charge and without the consent of the Board of Managers of the Condominium.

In addition, the assigned storage spaces which are part of Residential Units 1, 2, 5 and PH, respectively, may not be completed prior to the closing date for a particular Residential Unit and the fact that a storage space and/or the two (2) Storage Space Units may not be available for use at the time of the Closing will not constitute a basis for a Purchaser to fail to close title to a Residential Unit. Sponsor intends to complete the construction of all storage spaces and the two (2) Storage Space Units prior to the issuance of the Temporary Certificate of Occupancy for all of the Residential Units in the Building.

Since the storage spaces and Storage Space Units are located at the cellar level of the Building, the Sponsor and the Board cannot make any representation that they will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to personal items placed in the storage spaces and Storage Space Units. Residential Unit Owners who place items in the storage spaces and Storage Space Units do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with Applicable Law regarding the storage spaces and Storage Space Units, which may be subject to periodic inspection by the police and fire departments of the City of New York and other governmental agencies having jurisdiction thereover.

Except as set forth on Schedule A and within reasonable tolerances, Sponsor makes no representation as to the size of a storage space or Storage Space Unit and whether it will accommodate any items which a Purchaser intends to store in the storage space or Storage Space Unit. Sponsor has also reserved the right (so long as to do so would not create a building code violation) to reconfigure, change, combine, relocate and/or modify any unsold storage space or Storage Space Unit, including, but not limited to, increasing the number of storage spaces or Storage Space Units, in its sole discretion in order to sell, assign and/or lease any of the storage spaces or Storage Space Units.

Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations and any other requirements of the Board of Managers. Each Unit Owner will also be responsible for maintaining his own Unit and for making repairs within his own Unit.

The cost of maintenance and repair of the Common Elements shall be shared by all Unit Owners as provided above. Each Unit Owner shall have the same rights of access to, use of and benefit of the Common Elements which are not Limited Common Elements. Each Unit Owner shall also be responsible for obtaining and bearing the cost of casualty and liability insurance in connection with his respective Unit. The Board of Managers shall have the duty of obtaining casualty and liability insurance, on behalf of the Condominium, with respect to the Building as a whole.

The Board of Managers of the Condominium shall be elected by the Unit Owners with the number of votes allocated to each Unit Owner determined by their percentage of Common Interest. The Board of Managers shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Rules and Regulations covering the Condominium. Please see the section of the Offering Plan entitled "Rights and Obligations of Board of Managers/Summary of By-Laws" located in Part I of the Plan for further discussion.

Units may be purchased either by natural persons over the age of eighteen (18) years or by a duly formed partnership, or corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York.

THE PURCHASE OF A CONDOMINIUM HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT.

DEFINITIONS

"Appurtenant Interest" - With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers 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.

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

"Board of Managers" or "Condominium Board" - The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.

"Building" - The structure known as "40 East 72nd Street Condominium", a condominium being newly constructed at 40 East 72nd Street, New York, New York.

"Common Charges" - Each Unit Owner's proportionate share of the Common Expenses (as defined in the Condominium Documents), payable by the individual Unit Owner.

"Common Elements" - All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.

"Common Expenses" -

(a) Expenses of operation of the Property, and

(b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.

"Common Interest"	-	The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
"Condominium"	-	A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan "Condominium" specifically refers to "40 East 72nd Street" also known as the "40 East 72nd Street Condominium."
"Condominium Act"	-	Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
"Condominium Documents"	-	The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
"Consummation of the Plan"	-	Means filing the Declaration of Condominium and the first transfer of title to a condominium unit to at least one (1) purchaser under the Plan following a declaration of effectiveness by the Sponsor and acceptance of the Amendment by the Department of Law confirming or declaring the Plan effective.
"Declaration"	-	The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.
"Eligible Holder"	-	A holder, insurer or guarantor of a first (1st) mortgage on a Unit.
"Facility" or "Facilities"	-	As used in the Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the board scope of that term: system, equipment, apparatus, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, motor,

pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off value or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mailbox, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering.

"Filing" - Means the issuance of a letter from the Attorney General stating that an Offering Plan and/or an Amendment has been accepted for filing.

"First Unit Closing" - The first closing of title with a bona fide purchaser of a Residential Unit.

"Floor Plans" - The floor plans of the Units certified by a licensed engineer or registered architect, and filed in the Register's Office of New York County simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

"General Common Elements" - The General Common Elements include, without limitation:

(1) The land on which the Building is physically erected, including any rear or side yard or courtyard areas, if any which are not a Limited Common element as set forth below, and all other lands comprising the Property, if any. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land and Building, which rights are being

reserved by Sponsor for itself and any successors or assigns. Yard and/or courtyard areas or other areaways at the Property, if any, and the Limited Common Elements as described below are not intended for public use except for fire egress purposes; and are subject to the easement rights, if any, in favor of the Sponsor and/or a Sponsor-designee;

(2) To the extent they exist, all foundations, footings, columns, girders, floor slabs and concrete ceilings, beams, supports, and interior bearing walls (except to the extent included below as Limited Common Elements); those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or where applicable, those portions of the exterior walls beyond the interior face of the exterior walls or the concealed blockwork, brickwork or masonry or concealed structural members of those walls; those portions of the walls and partitions dividing the Units from the corridors, the elevator shafts, mechanical equipment spaces which are not part of a Unit, fire staircases and stairs located beyond the unexposed face of the dry walls enclosing the Units, or, where applicable, the blockwork, brickwork, masonry or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the elevator shafts, which are not specifically designated below as a Limited Common Element, fire staircases, stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads and roof areas which are not for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers;

skylights and/or glass enclosures, if any, other than those directly over Units; sprinkler systems, standpipe systems; service corridors, fire corridors, halls, stairs, and stairway areas located at all levels of the Building which are beyond the unexposed face of the dry walls or blockwork, brickwork, masonry or concrete work of the walls enclosing a Unit and are not specifically designated below as a Limited Common Element; storage and utility areas, if any, located at all levels of the Building and which are not part of a Unit or which are not specifically designated below as Limited Common Elements, and are located beyond the unexposed face of the drywalls or blockwork, brickwork, masonry or concrete work enclosing a Unit; all cellar areas which are not specifically designated below as a Limited Common Element and not part of a Unit; the sidewalks in front of the Building, including any tree, shrubbery, flower or other planting or horticulture tub or box located thereon; the service entrances to the Building, if any; the entrances to and exits from the Building, including any handicapped ramp adjacent thereto, together with any awnings or canopies, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;

(3) The boiler and gas room, mechanical rooms or other rooms located at the cellar level of the Building, including, but not limited to, building service room, boiler/gas room, telecommunication room, the electrical room, closets, including janitor's closet with a half-bath and the gas meters, water meters, electric meters, pumps and other equipment in the cellar; any and all cellar or other areas of the Building and Facilities which are not designated as part of a Unit or a Limited Common Element;

(4) The trash room together with any refuse room or rooms and compactor machinery and related Facilities located at the cellar level of the Building; the compactor chutes located on any floors of the Building, all of which shall be used in a manner to be determined by the Board of Managers in its sole discretion;

(5) The elevators, elevator machinery, their shafts and pits; the elevator switch room, the elevator bulkhead and elevator machine room, if any, for the elevators, together with all Facilities related thereto, located on any floor or roof of the Building, which are not specifically designated below as a Limited Common Element;

(6) The elevator lobbies, together with any compactor chute access room and/or trash room, mechanical rooms or equipment closets, if any, located on all floors of the Building and all Facilities related thereto;

(7) The lobby to the Building together with the adjoining 1/2 bathroom, mail and any storage areas, the mailboxes for all of the Units;

(8) All installations and Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which service the Units and/or the General Common Elements;

(9) All sewer pipes and drainage pipes;

(10) Those portions of the main roofs located at any level of the Building and those portions of the land, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, any ventilation or air-conditioning equipment or other related

Facilities, if any, which service the Units and/or the General Common Elements;

(11) The heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service both the Units and/or the General Common Elements;

(12) Any piping and/or ductwork which is necessary for the functioning of the heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service both the Units and/or the General Common Elements;

(13) Any and all windows of the Building which are not part of a particular Unit;

(14) All street vaults, if any. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Owners as a Common Expense;

(15) Any common tanks, common water and cooling towers or tanks, pumps, including, but not limited to, motors, fans, compressors, ducts, siamese connections, and, in general, all apparatus and installations and Facilities existing for common use;

(16) All other apparatus, installations and Facilities existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building and the Units.

"Insurance Trustee" - A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.

"Land" - All that certain tracts, plots, pieces and parcels of land situate, lying and being in City of New York, County and State of New York as more particularly described in Schedule A to the Declaration.

"Law" - The laws and ordinances of any or all of the Federal, New York State, New York City, and New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities, including the Landmarks Preservation Commission, having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

"Limited Common Elements" - Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners and, unless otherwise specified, the maintenance and repair of which is the responsibility of the Unit Owners or Owners to which the exclusive use has been allocated. In this Plan, the following are Limited Common Elements which shall be for the exclusive use of an individual Unit Owner(s):

(1) The skylights, if any, existing or installed at some future date, that are directly above any Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units;

(2) Any fireplace, together with any flue and/or ductwork attached thereto, whether gas-fired or wood-burning, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner;

(3) The private yard, terraces and/or balconies, together with any fencing delineating such area, which are adjacent to or directly accessed from a particular Unit, as delineated on the Floor Plans. Nonstructural,

ordinary repairs and maintenance of the private yard, terraces and/or balconies, together with any fencing which delineates such area, shall be the responsibility of the individual Unit Owner(s) who have the exclusive use thereof;

(4) The southernmost passenger elevator, its elevator machinery, shafts and pits, together with all Facilities exclusively related thereto, located on any floor or roof of the Building, which shall be a Limited Common Element to the Penthouse Unit, subject to an easement in favor of all Unit Owners for emergency access purposes and in the event of a mechanical breakdown to the northernmost elevator.

"Majority" - Majority of Unit Owners means either (i) more than fifty percent (50%) in Common Interest in the aggregate, or (ii) more than fifty percent (50%) in number of Units in the aggregate, or (iii) more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.

"Managing Agent" - A person employed by the Condominium Board pursuant to Article II, Section 4 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.

"Offering Plan" - The document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".

"Operation of the Property" - The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.

"Person" - A natural person, corporation, limited liability company, partnership, association, trustee or other legal entity.

"Power of Attorney" - The document, signed by Unit Owners, which appoints:

(i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine.

(ii) the Sponsor, its designee and/or the Commercial Unit Owner, as attorney- in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney.

(iii) the Sponsor, as attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the unused transferable air rights and/or development rights which Sponsor has retained for itself, and/or its successors and assigns.

"Property" - Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple absolute, (ii) all easements, rights and appurtenances belonging thereto, and (iii) all other

property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.

"Purchaser" - Any Person who has entered into an agreement with Sponsor to purchase a Residential Unit and is not in default thereunder.

"Recording officer and "Recording" or "Recorded" - Shall have the meanings stated in Section Two Hundred Ninety (§290) of the New York State Real Property Law.

"Residential Unit" - A designated apartment in the Building comprising the Condominium which is owned in fee simple absolute.

"Residential Units" - Collectively, all the apartments in the Building.

"Residential Unit Owner" - Means the person, persons or entity owning a Residential Unit in fee simple absolute.

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

"Selling Agent" - The entity which will, on behalf of the Sponsor, originate and supervise sales of Units. Town New Development Sales & Marketing LLC is the Selling Agent pursuant to the terms of the Offering Plan.

"Sponsor" - The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; Axia Realty, LLC is the Sponsor of this Offering Plan.

"Sponsor-designee" - Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this

Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".

"Storage Space Unit" - A designated storage space in the Building comprising the Condominium which is owned in fee simple absolute.

"Storage Space Units" - Collectively, all the Storage Space Units in the Building.

"Storage Space Unit Owner" - Means the person, persons or entity owning a Storage Space Unit in fee simple absolute.

"Unit" - Any space in the Building designated as a Unit. Residential Units 1, 2, 5 and PH include their respective designated storage spaces located in the cellar level of the Building. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a private yard, balcony and/or a private terrace. Any mechanical equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, with all related ductwork and piping attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.

"Unit Deed" - The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.

"Unit designation" - The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the floor plans.

"Unit Owner" - The person or persons, or entity owning a Unit in fee simple absolute. It collectively means the

respective owners of the Residential and Storage Space Units.

"Unsold Units" - Any Unit owned by Sponsor or its designee at the time in question.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property which consists of a previously combined parcel of land, has an aggregate area of approximately 4,648.58 square feet with approximately 45' 6" of frontage on East 72nd Street and runs approximately 102' 2" into the block. The parcel which represents the land upon which the Condominium will be situated is rectangular in dimension and located along the southerly side of East 72nd Street approximately 177' westerly from the corner formed by the intersection of the southerly side of East 72nd Street and the westerly side of Park Avenue.

The Sponsor is newly constructing the eight (8) story building situated at the Property. Hereinafter, the to-be-built structure shall be referred to as the "Building." The newly constructed Building shall be comprised of six (6) residential units (the "Residential Units"), two (2) Storage Space Units plus other common elements of the Building as defined herein (the "Common Elements"). Hereinafter any or all of the Residential Units and Storage Space Units are individually or collectively referred to as the "Unit" or "Units." The Common Elements shall either be for the use of all the Unit Owners ("General Common Elements") or for the exclusive use of one (1) or more Unit Owners ("Limited Common Elements").

The Building lies within the "Upper East-Side Historic District" and Sponsor's renovations will be in compliance with the standards established by the Landmarks' Preservation Commission of the City of New York. Any new exterior finishes of the Building, including any windows which are being installed by Sponsor, must be maintained in the future by the Condominium at its sole cost and expense. No renovation, alteration and/or improvement in the future may be made by the Condominium without the prior approval of the Landmarks' Preservation Commission. Each Unit Owner and the Board of Managers of the Condominium will be subject to the restrictions, covenants, easements, obligations and agreements, hereinafter collectively the "Agreements," set forth in the "Declaration of Designated Landmark Structure" recorded against the Property, a copy of which is substantial form is located in Part II of the Plan. The possible effect of such Agreements may result in a higher cost to maintain the Building as opposed to a building which is not a designated structure.

The cellar shall contain two (2) Storage Space Units. The cellar level and first (1st) floor contain one (1) duplex Unit and a studio Unit. One (1) Residential Unit will be located on each of the second (2nd) and fifth (5th) floors. One duplex Unit will be located on the third (3rd) and fourth (4th) floors. One (1) triplex Unit will be located on the sixth (6th) through the eighth (8th) floor and will be known as the PH Unit. All Units (on the cellar through second (2nd) floors and fifth (5th) and sixth (6th) floors) will be either studio, three (3) or four (4) bedroom Units. Some of the Residential Units will have adjacent private yards, terraces and/or balconies which are directly accessed from those Units. These yards, terraces and/or balconies will be Limited Common Elements for the exclusive use of the respective individual Unit Owners of those apartments.

Additionally, there are four (4) individual storage spaces on the cellar level of Building. These four (4) storage spaces will be part of Residential Units 1, 2, 5 and PH, respectively.

All private balconies or terraces adjacent to and directly accessed from a Unit shall have a traffic bearing surface consisting of either concrete or concrete pavers or such other equivalent material.

The Building being newly constructed is projected to be completed by December 2014. Pursuant to the New York City Building Code, the Class of Construction for the Building is Class 1-C Type non-combustible construction. A new Certificate of Occupancy will be obtained by the Sponsor upon final completion of the project.

The above-mentioned Storage Space Units will be sold to certain Unit Owners at the sole and absolutely discretion of the Sponsor. Other than a Storage Space Unit held by Sponsor or a Sponsor-designee, Storage Space Units may only be owned in conjunction with the ownership of a Residential Unit. With regard to Storage Space Units held, owned or rented by the Sponsor or a Sponsor-designee, the rental of a Storage Space Unit held by Sponsor or a Sponsor-designee does not require the simultaneous ownership of a Residential Unit.

Common Elements at the cellar level of the Building include mechanical rooms, electrical closet, superintendent's closet and bathroom, trash room, pump room, public corridors and staircases, the elevator switch room, the northernmost passenger elevator and its elevator pit located at the central core of the Building, the trash room and chute, a boiler/gas room, a service room, the electrical room, the fire pump room, as well as common service corridors and the fire staircases. The southernmost passenger elevator shall be a Limited Common Element for the exclusive use of the Owner of the Penthouse Unit, subject to an easement in favor of all Unit Owners for emergency access purposes or the mechanical breakdown of the northernmost passenger elevator.

Common Elements located at the first floor level include the main residential entrance to the Building located on East 72nd Street, the residential vestibule and lobby, mail area, the elevator lobby, one-half bath, two (2) passenger elevators at the central core of the Building, as well as common service or public corridors and fire staircases.

Common Elements located at the second through seventh floors include a compactor chute, the elevator shaft for the northernmost passenger elevator at the central core of the Building, as well as a service corridor and the common fire staircases.

Common Elements located at the eighth floor include the elevator bulkhead, bulkhead, compactor chute as well as the fire staircases exiting at the eighth floor roof.

There are no other common recreational areas or facilities at the Property. Any other roofs or courtyards and/or areaways of the Building, including, but not limited to, the mechanical areas located at the main roof or other roofs of the Building and courtyards or areaways at the sides of the Building, are either common areas not meant for public access or use or Limited Common Elements for the exclusive use of one of the Unit Owners. Additionally, there are no parking facilities which are part of the Property and the Building does not have balconies or terraces other than described above.

There are two (2) "scissor stair" fire staircases at the core of the Building which run from the cellar level to the seventh (7th) floor roof level of the Building. The Building will have two (2) passenger elevators at the central core of the Building. There shall be a fire stairwell from the seventh (7th) floor to the eighth (8th) floor and the eighth (8th) floor to the main roof. The northernmost passenger elevator will service substantially all of the floors of the Building from, and including, the cellar, to and including, the sixth (6th) floor of the Building. The southernmost passenger elevator shall be a Limited Common Element for the exclusive use of the Owner of the Penthouse Unit, subject to an easement in favor of all Unit Owners for emergency access purposes or the mechanical breakdown of the northernmost passenger elevator. The elevator machinery room is located at the cellar of the Building and the elevator bulkheads on the seventh (7th) and (8th) floor roofs. There are no fire escapes at the Building.

The foundation system of the Building will be spread footings which rest on bedrock for the majority of the site or rest on suitable soils. Footings and grade beams to be 4,000 psi stone concrete reinforced with ASTM A615, Grade 60 steel reinforcing bar. The basement will be enclosed by the existing 16" thick and new 8" thick 4,000 psi foundation walls, 6" thick slab on grade to be 4,000 psi stone concrete reinforced with ASTM A185 welded wire fabric.

The superstructure of the Building shall consist of floors and roof to be 8" flab slab which is 5,000 psi stone concrete reinforced with ASTM A615, Grade 60 steel reinforcing bar; and concrete transfer girders and beams to be 5,000 psi stone concrete reinforced with ASTM A615, Grade 60 steel reinforcing bar.

The new exterior walls shall consist of: 4" full brick with hollow core lightweight aggregate back up concrete masonry units (CMU). CMU 1,800 psi, 28-day compressive strength. Reinforcement to be ASTM A615, Grade 60 steel reinforcing bar. Grout to be 1,500 psi, 28-day compressive strength; "Therma Fiber" rigid insulation to be fastened to exterior face of CMU; and the systems U Value is .10, which will exceed code requirements. The existing 16" brick street façade will be retained from cellar through 5th floor roof level. The existing façade is in good condition and will be cleaned and repaired prior to completion. There shall also be new standing seam zinc cladding on north façades on levels 7 and 8.

Windows shall consist of aluminum windows (Skyline DH-100) will be installed on the north side (East 72nd Street) elevation and aluminum windows and doors (Skyline 1000SG & 1700) shall be installed on east/west lot line elevations and south facing elevation. The window glass will be: (1) layer 1/4" thick annealed with solarban 60, 9/16" air gap, (1) layer 8/16" thick clear tempered glass. Window types shall be: replacement windows in existing north street façade shall be aluminum double-hung sash windows with exterior aluminum sheathing. Interior surface shall be factory painted white, exterior to be Benjamin Moore Yorkshire Tan; and new windows shall be aluminum inward swing hinged windows. The interior surface of windows shall be a single color prefinished powder coated epoxy white.

Lot-Line Windows will have a tempered outer layer. All windows facing east or west are Lot-Line Windows as identified on floor plans located in Part II of the Plan. All windows will

have a 10 (ten) year manufacturer warranty. The cost of closing a Lot-Line Window is approximately $2,500 per window.

The Lot-Line Windows do not provide the legal light and air required for residential occupancy. If an adjacent property owner builds a structure which covers the Lot-Line Windows, then they must be closed-up. Legal light and air which is required for the issuance of the certificate of occupancy for the Building, is being provided by the windows on the north and southern façades. The Lot-Line Windows provide supplementary light and air only. The subsequent sealing of these Lot-Line Windows will not affect the validity of the certificate of occupancy. As Lot-Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new building or structure is constructed or expanded on an adjoining property.

In the event that any or all of the Lot-Line Windows must be sealed, all construction to enclose the windows shall be performed by the Sponsor, during the time period that Sponsor controls the Board of Managers of the Condominium, or after such control period, by the Board of Managers of the Condominium. The cost and expense of such construction shall be the sole responsibility of the Unit Owner or Owners affected and such cost and expense shall be charged to the individual Unit Owners affected as a Special Assessment.

The Sponsor, if applicable, or the Board of Managers, their agents, contractors and employees, will have the right to enter any Unit(s) necessary to effect the enclosure of such lot-lined windows, should same be necessary. The Unit side of the enclosure will be finished with the same material originally used therein, if available, or if not available, then with such other finish material as will nearly as possible resemble such original material. Decoration of the affected area on the Unit side of the enclosure will also be the responsibility of the Unit Owner, at his or her sole expense.

The roof will be an applied membrane roof by "liquid plastics" (or equal) over concrete with 3"/high-density tapered insulation and gravel ballast, achieving an insulation U value of .067 and a system U value of .063 which meets the NYS Energy Code requirements. The roof will have a twenty (20) year manufacturer warranty which shall be assigned to the Condominium.

UTILITIES:

Domestic Water Supply: The domestic water supply, consisting of potable water, will be supplied via new domestic water service from New York City's public water main located on East 72nd Street. Water service will be metered, with one (1) meter for the residential and common areas of the Building, from which consumption will be measured and charges paid by the Condominium Association and the Unit Owners as a Common Expense.

Fire Protection Water Supply: The fire protection water supply will consist of providing new fire service from New York City's public water system.

Sewer: Combined Sanitary and Storm Sewer discharge from the Building will connect via new piping to the public combined storm/sewer system to East 72nd Street. Annual sewer charges will be paid by the Condominium Association and the Unit Owners as a Common Expense. The cost of the initial connection will be paid by Sponsor.

Natural Gas: Natural gas service will be supplied via Consolidated Edison's street gas main located on East 72nd Street. There will be two (2) meters, one (1) for base Building heating and hot water and one (1) for cooking for the Units. Usage charges will be paid by the Condominium Association and the Unit Owners as a Common Expense.

Electricity: New electric service shall enter the Building underground from East 72nd Street to the Building's electrical room located at the cellar level. The service shall supply all base Building mechanical loads, lighting and apartments. A utility meter will be provided for the power consumption of all base Building and common space areas. Each Unit in the Residential Condominium will be individually metered with a remote Con-Edison direct meter located at the cellar level. The costs of the electricity consumption in each Unit shall be the responsibility of the respective Unit Owners.

There is no public or common laundry room at the Building. The Units will be provided with a laundry closet or laundry room with individual hook-ups for one (1) washer and one (1) dryer or, at the sole discretion of Sponsor, for a stackable unit which is a combination thereof. The washer and dryer units are being supplied by the Sponsor for Units 1, 1A, 2 and 5 only as part of the Offering Plan.

The Building is currently located in a the "Upper East-Side Historic District" and therefore any exterior alteration to the Building is required to comply with applicable requirements of the Landmarks Preservation Commission of the City of New York.

The Building is being constructed in accordance with all applicable zoning and buildings laws, regulations, codes and other requirements of the New York City Building Code and applicable zoning requirements.

The Sponsor shall provide each kitchen in a Residential Unit with certain appliances, which are specifically set forth in the "Description of Property and Building Specifications" located in Part II of the Plan.

Any additional custom work requested by Purchaser which is agreed to by Sponsor in its sole discretion, shall be deemed custom work under the Purchase Agreement and the cost thereof is in addition to the total purchase price. The Initial Down Payment to be made by Purchaser upon execution of a Purchase Agreement shall be increased by two (2) times the entire cost and expense of the custom work. Pursuant to the terms of the Purchase Agreement, all custom work is to be performed by Sponsor's contractors. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the extra custom work will not be refunded to the Purchaser to the extent such funds have already been disbursed or are

required to pay for the custom work. If the Plan is abandoned, the cost for custom work shall be refunded.

Sponsor shall obtain a temporary or permanent "Class A" residential Certificate of Occupancy which shall cover each Residential Unit prior to the closing of title to such Unit.

For further details, please see the "Description of Property and Building Specifications" located in Part II of the Plan.

LOCATION AND AREA INFORMATION

Location and Surrounding Area:

The Property is located on the southerly side of East 72nd Street between Park Avenue and Lexington Avenue in the Upper East-Side section of Manhattan.

The Upper East-Side is a bastion of the City's intellectual and cultural communities and one of Manhattan's premier residential neighborhoods. The Upper East-Side has numerous museums, high-end shopping and dining destinations, making this community a desirable area to live.

Transportation:

The property enjoys favorable access to transportation. The #4, #5 and #1 subway lines are located on Lexington Avenue. The #4, #5 and #6 subway lines are located at 77th Street and Lexington Avenue; making travel to Uptown and Downtown quick and easy. Local trains provide direct access to hub and one-stop access to Penn Station, providing rapid connection to midtown in a few minutes. Numerous buses service the neighborhood. The Franklin D. Roosevelt East River Drive (the "FDR") can be accessed to the east of the Property, and leads to the George Washington Bridge and major interstate highways.

Schools:

Public Schools located in the general vicinity are:

Grade School:

PS 167, 220 East 76th Street, New York, NY 10021

PS 183, 419 East 66th Street, New York, NY 10065

PS 290, Manhattan New School, 311 East 82nd Street, New York, NY 10028

Junior High School:

MS 167, 220 East 76th Street, New York, NY 10021

High School:

Talented Unlimited High School, 300 East 68th Street, New York, NY 10065

High School of Art & Design, 245 Second Avenue, New York, NY 10021

Urban Academy, 317 East 67th Street, New York, NY 10065

Eleanor Roosevelt High School, 411 East 76th Street, New York, NY 10021

The above listing is by no means inclusive. No representation is made that the children of Unit Owners will be entitled to attend any particular school.

Religious:

St. James Church (Episcopal), 865 Madison Avenue, New York, NY 10021

Madison Avenue Presbyterian, 921 Madison Avenue, New York, NY 10021

St. Jean Baptiste (Catholic), 184 East 76th Street, New York, NY 10021

Parks/Recreation:

Central Park is a 1-1/2 block walk from the Building

Public Libraries:

The New York Society Library, 53 East 71st, New York, NY 10021, (212) 547-0641

Frick Art Library, 10 East 71st Street, New York, NY 10021, (212) 547-0641

New York Public Library, 222 East 79th Street, New York, NY 10021, (212) 744-5824

Hospitals:

Lenox Hill Hospital, 100 East 77th Street, New York, NY 10065

Memorial Sloan Kettering Hospital, 1275 York Avenue, New York, NY 10065

Rockefeller University Hospital, 230 York Avenue, New York, NY 10065

Municipal Services:

Police, fire protection, water, sanitation, snow removal and street maintenance services are provided by the City of New York and all charges are incorporated into the City tax.

The Property is located in the Midtown North Police Precinct, the station being located at 306 West 54th Street, New York, NY 10075, (212) 767-8400. The nearest fire house is Frist Woman's Fire, located at 345 East 80th Street, New York, NY 10075, (212) 570-5049.

Postal:

The zip code for the Property is 10021, which is the United States Post Office located at East 70th Street, New York, NY 10021.

Zoning:

The Property is located in a R10 Zoning District, which permits residential occupancies of the type contemplated by this Plan.

The Building is currently located in the "Upper East-Side Historic District" and therefore exterior construction to the Building is not required to comply with applicable requirements of the Landmarks Preservation Commission of the City of New York. Additionally, Unit Owners are not currently required to obtain the approval, including, but not limited to, a "Certificate of No Effect" or "Certificate of Appropriateness," if applicable, from the Landmarks Preservation Commission for exterior renovations.

The Sponsor or its principals do not have at this time any right or option to acquire, in whole or part, any adjacent areas in whole or part. See the section of the Plan titled "Reservation of Air and Development Rights," located hereinafter for further details in this regard.

40 EAST 72ND STREET CONDOMINUIM

40 EAST 72ND STREET
NEW YORK, NEW YORK
SCHEDULE A

11/12/2014

Offering Prices and Related Information
All Projected Charges are for the Twelve Month Period
Commencing January 1, 2015 and Ending December 31, 2015 ("First Year").

Unit (1)	Unit Description: Number of Bedrooms & Baths, Etc. (2)	Approximate Gross Square Footage of Unit* (3)	Approx. Sq. Ft. of Yards, Balconey and/or Terrace(s)	Offering Price (4)	% of Common Interest (5)	Estimated Annual/ Common Charges (First Year) (6)	Monthly	Estimated Annual/ Real Estate Taxes (First Year) (7)	Monthly	Estimated Annual/ Real Estate Taxes (Upon 100% Completion) (8)	Monthly	Estimated Annual/ Carrying Charges (First Year) (9)	Monthly
1	3 BD/3.5/D/G	3,426	1283	$14,950,000	14.5680%	$62,539	$5,212	$37,804	$3,150	$54,921.36	$4,576.78	$100,343.07	$8,361.92
1A	0 BD/1/S	352	-	$750,000	0.7308%	$3,137	$261	$1,896	$158	$2,755.12	$229.59	$5,033.68	$419.47
2	3 BD/3.5/B	3,141	6	$13,850,000	13.4961%	$57,938	$4,828	$35,022	$2,919	$50,880.30	$4,240.02	$92,959.92	$7,746.66
3/4**	TBB	6,176	93	$27,800,000	27.0897%	$123,006	$10,251	$74,355	$6,196	$108,022.94	$9,001.91	$197,361.35	$16,446.78
5	3 BD/3.5/B	3,142	87	$14,450,000	14.0808%	$60,448	$5,037	$36,540	$3,045	$53,084.62	$4,423.72	$96,987.28	$8,082.27
PH***	4 BD/6/Tr/T	6,069	1560	Not Offered	29.5698%	$126,940	$10,578	$76,734	$6,394	$111,478.15	$9,289.85	$203,674.12	$16,972.84
Residential Totals:		22306	3029	$71,800,000	99.5352%	$ 434,008.05	$ 36,167.34	$ 262,351.39	$ 21,862.62	$381,142.48	$ 31,761.87	$ 696,359.44	$ 58,029.95
Storage 3		52		$234,000	0.2280%	$979	$82	$592	$49	$859.56	$71.63	$1,570.44	$130.87
Storage 4		54		$243,000	0.2368%	$1,017	$85	$614	$51	$892.74	$74.39	$1,631.06	$135.92
Storage Totals:		106		$477,000	0.4648%	$1,995	$166	$1,206	$101	$1,752	$146	$3,202	$267
Grand Totals		22412		$72,277,000	100.0000%	$436,003	$36,334	$263,558	$21,963	$382,895	$31,908	$699,561	$58,297

BD - denotes Bedroom(s).
B - denotes balcony(s).
D - denotes Duplex Unit.
PH - denotes Penthouse Unit.
S - denotes Studio Unit.
T - denotes private terrace(s).
Tr - denotes Triplex Unit.

* The approximate gross square footage of Units 1, 2, 5 and PH include the approximate gross square footage of its respective storage area which is located in the cellar level of the Building. Please see the Unit plans located in Part II of the Offering Plan for the location of each storage area.

Unit	Storage Area	Approx. Sq. Ft of Storage Space
1	Storage 1	60
2	Storage 2	53
5	Storage 5	54
PH	Storage 6	75
		242

TBB - denotes to be built by purchaser of and based upon the to be determined buildout by the purchaser of the Unit.

** Unit 3/4 shall be a "vanilla box" to be built out by the purchaser of Unit. Sponsor is not responsible for building out the Unit except for the minimal requirements to obtain a Temporary Certiifcate of Occupancy for the Unit.

*** The southern most passenger elevator shall be a Limited Common Element for the exlcusive use of the PH Unit subject to an easement for use by all Unit Onwers in the case of an emergency or in the event of a mechanical breakdown of the northern most elevator.

NOTES TO SCHEDULE A

Offering Prices and Related Information

1. Set forth in column numbered (1), titled "Unit," is the Unit's designation in the Building and the Offering Plan.

2. Set forth in column numbered (2), titled "Unit Description: Number of Bedrooms & Baths, etc." is a description of the Unit's layout, including the number of bedrooms and baths. Also set forth is whether a Unit has a private yard and/or terrace. The number of rooms in each bedroom type Unit is set forth below and is not calculated on the basis of any industry standard. However, a modified version of the term "zoning room count" previously defined by the Zoning Resolution of the City of New York as amended, was used to determine the number of rooms. The zoning room count was modified by adding one-half room for a recreation room. A recreation room, which is part of a Unit, is not intended for sleeping purposes and is prohibited pursuant to the Zoning Resolution, as amended.

Bedroom Type	Rooms
Studio	2.5
Three Bedroom	5.5
Four Bedroom	6.5

Some of the Residential Units have the exclusive use of private yards, balconies and/or terrace areas which are adjacent to and directly accessed from those Units. There are no common or public yard or roof terraces located at the Building for public use. All such areas are subject to the sole direction of the Board of Managers of the Condominium.

Please see the Floor layouts of the Units set forth in Part II of the offering for more information regarding Unit Layouts.

3. It is a special risk of this Offering Plan that the approximate Square Footage of a Unit set forth in column numbered (3) of Schedule A is a gross square footage of the Unit, which is obtained by measuring the floor area of the Unit on one or more floors, horizontally from the exterior side of the exterior walls at the Building or at the exterior face of aluminum frames and aluminum panels, or the exterior side of windows or to the property line of exterior party walls (concrete, brick and/or masonry columns, mechanical pipes, shafts, shaft ways, chases, chase ways, conduits, public corridors, stairs, the elevators and other mechanical equipment spaces and/or any Common Elements within a Unit are not deducted) to the centerline of the partitions separating one Unit from another Unit, or the exterior side facing Common Elements of the interior walls and partitions separating a Unit from public corridors, stairs, the elevators and other mechanical equipment spaces or any Common Elements not within a Unit. Each Unit consists of the area measured vertically on each floor of the Building, if applicable, from the top of the floor slab below (located under the finished flooring and subfloor materials) to the

underside of the floor slab above. The approximate gross square footage of a Unit is greater than the approximate (within reasonable tolerances) Square Footage of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium in Part II of the Plan. Outdoor floor areas of private yards and/or terraces appurtenant to a Unit are not included in the Unit's floor areas. As is customary in New York City, these gross square footages may substantially exceed the useable floor area of each Unit.

Exterior private yard, balcony or terrace areas are measured from the exterior face of the Unit to the exterior face of the yard, balcony or terrace fencing, railing or walls. Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question. However, any material change will be set forth in an amendment to the Plan, and no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to Purchasers, offer the affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with all interest earned thereon.

Further, please note that the ceiling heights for the Units and/or Common Elements as set forth in the "Description of Property and Building Specifications" in Part II of the Offering Plan are approximate and may vary in certain areas due to field conditions at the Property.

4. The column numbered (4), titled "Offering Price," is the offering price of the Residential Unit and Storage Space Units to Purchasers.

Sponsor's right to make changes in offering prices is set forth in the section of the Plan titled "Changes in Prices or Units." Please note that purchase prices are technically negotiable, although Sponsor fully expects to receive those amounts set forth in the column titled "Offering Price."

In addition to the purchase price, Purchaser will be responsible at closing of title for certain other expenses as explained in the section titled "Unit Closing Costs and Adjustments." Included in these costs is the Purchaser's contribution to the Working Capital Fund in the amount of two (2) months Common Charges for the Unit being purchased at the time of closing, payable to the Board of Managers of the Condominium. While general guidelines to certain expenses of Purchaser are approximated in such section, Sponsor is unable to approximate the total amounts which will be incurred by Purchasers because these will vary according to such factors as the cost and size of a particular Unit, whether mortgage financing is obtained and Purchaser's attorney's fees. Purchasers are advised to consult with their attorney as to the exact closing costs they will incur in purchasing their Unit.

5. As set forth in column numbered (5), the percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. These allocations are made pursuant to Section 339-i 1(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"). The aggregate Common Interest of all Units equal one hundred percent (100%).

6. These estimates as set forth in column numbered (6) are based upon the "Projected Budget for the First Year of Condominium Operation," which was prepared for the year commencing January 1, 2015 and which will appear in Schedule B located in Part I of the Plan, hereinafter referred to as the "First Year." Included in these charges, amongst other costs, are the cost of insurance for the Property, repairs & maintenance for the common areas and electricity for common areas. It does not include the cost of electricity for individual Units, which will be separately metered or submetered and billed by the utility company to each Unit Owner.

   In addition to the aforementioned charges, each Unit Owner will be responsible for paying: (i) mortgage payments under any loan or loans obtained to finance the acquisition of his Unit; (ii) the cost of interior repairs to, and the maintenance, painting and decoration of, his Unit, including, without limitation, the equipment and appliances contained therein; and (iii) the cost of any insurance covering (A) furniture, belongings, equipment and other personal property and (B) liability to others for personal injury or property damage as a result of occurrences in his Unit.

7. The estimates set forth in column numbered (7) are a calculation of real estate taxes due for each Unit for the First Year of Condominium operation commencing on January 1, 2015 and ending December 31, 2015 ("First Year"). Therefore, the estimates are based upon six (6) months of the 2014/2015 tax year which commences July 1, 2014 and six (6) months of the 2015/2016 tax year which commences July 1, 2015. Estimates of real estate taxes due for the Residential Units are based upon (i) the projected 2014/2015 and 2015/2016 assessed valuations for the Property as apportioned to all the Units, and (ii) projected tax rates for the 2014/2015 and 2015/2016 tax year. The apportioned and estimated aggregate taxable assessed valuation for all of the Units, and the projected tax rates, have been projected by Podell, Schwartz, Schechter & Banfield LLP, Attorneys at Law, 605 Third Avenue, #18, New York, New York 10158. A copy of Podell, Schwartz, Schechter & Banfield LLP's letter is set forth in Part I of the Plan.

   The final 2013/2014 and tentative 2014/2015 assessed valuations for the entire Property are as follows:

		Tax Class		Land	Total
Tentative	2014/15	2	Actual	$ 411,300	$ 1,218,150
			Transitional	$ 411,300	$ 1,078,460
Final	2013/14	2	Actual	$ 411,300	$ 1,218,150
			Transitional	$ 411,300	$ 986,030

The Actual Total Assessed Valuation is the amount, which barring a major improvement or alteration to the Property, will be phased in over five (5) years at twenty percent (20%) per year. Real estate taxes for the Property will be based upon the lower of either the actual or transitional assessment which is in effect for the First Year of Condominium operation. Since the Property is being newly constructed into "Class A" apartments, which construction has already commenced, it can be expected that the Actual Total Assessed Valuation for the Property will be increased for the 2014/2015, 2015/2016 tax years and subsequent tax years due to such construction. It has been assumed by Podell, Schwartz, Schechter & Banfield LLP since completion of construction is not projected until December 2015, but in any event prior to January 5, 2016, the assessed valuation for tax years 2014/2015 will not reflect the completed structure, as the Department of Finance of the City of New York must consider the status of the site as of January 5, 2014. Therefore, the first (1st) tax year reflecting the full one hundred percent (100%) valuation of the entire project will be 2015/2016 and real estate taxes for the Residential Units shall increase substantially. However, for the purpose of projected real estate taxes for the Residential Units during the Projected First Year of Condominium Operation commencing January 1, 2015, Podell, Schwartz, Schechter & Banfield LLP has assumed completion and full one hundred percent (100%) valuation of the Property for the 2015/2016 tax year. See Note 8 below for an additional discussion of the total increase in assessed valuation and real estate taxes for the Property due to the construction to be completed by Sponsor.

As stated above, Sponsor's projection of real estate taxes for all of the Units for the First Year of Condominium operation is based, in part, upon a projection letter by Podell, Schwartz, Schechter & Banfield LLP, who has estimated the 2014/2015 and 2015/2016 total actual assessed valuations and tax rates for the Units assuming completion of the construction of the Building and a 100% valuation of the Property.

The annual Real Estate Taxes payable during tax years 2014/2015 and 2015/2016 by all Units, are therefore projected as follows:

2014/2015:	
Estimated Transitional Assessed Valuation:	$ 1,078,460
Estimated Taxes Payable @ 13.145% Tax Rate:	$ 142,000
2015/2016:	
Estimated Taxable Assessed Valuation:	$ 2,800,000
Estimated Taxes Payable @ 13.145% Tax Rate:	$ 377,000

It is the projected tentative 2014/2015 and 2015/2016 Transitional Total Assessments of all of the Residential Units upon which real estate taxes for the First Year of Condominium Operation have been based.

Based upon the above assumptions and the projected assessments and tax rates, the aggregate real estate taxes for the Units for the First Year of Condominium Operation are projected to be approximately $259,500.00.

Another assumption is that each Unit will be assessed in direct proportion to each Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest of all Units. No warranties are made that the assessments of the individual Units amongst the Residential Units will be arrived at in a manner stated above. The Department of Finance of the City of New York may arrive at individual Unit assessments (or the apportionment of the entire value of the Property) which are different from those projected by Podell, Schwartz, Schechter & Banfield, LLP and may use a methodology which varies from that set forth herein. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the initial Offering Plan or any amendment to the Offering Plan. In such event, Sponsor makes no representation as to what Purchase Prices the City would use.

There can be no assurance that there will not be a further increase in the assessed valuation of the Units comprising the Property and/or an increase in the tax rate above those projected for tax year 2014/2015, 2015/2016 or subsequent years.

If on the date of the First Unit Closing each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Residential Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate tax for the Property as determined by their percentage of Common Interest, multiplied by the aggregate real estate taxes assessed against the entire Property as apportioned to all the Residential Units.

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six (6) months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately

assessed. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit closings individual purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax period within which the closing date occurs. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

8. Upon one hundred percent (100%) completion of the construction by Sponsor which is assumed to be prior to January 5, 2015 for assessment purposes, and the implementation of the post construction actual total assessment of the Property as projected by Podell, Schwartz, Schechter & Banfield, LLP, the estimated annual/monthly real estate taxes for the period July 1, 2015 to June 30, 2016 for each of the Residential Units is set forth in column numbered (8).

   Upon one hundred percent (100%) completion, the post construction actual total assessed valuation for all the Residential Units has been projected by Podell, Schwartz, Schechter & Banfield, LLP as $2,800,000.00. This projected actual total assessed valuation for all of the Residential Units is assumed to be effective as of July 1, 2015. Further, Podell, Schwartz, Schechter & Banfield, LLP has projected the 2015/2016 tax rate for the Residential Units to be 13.145%.

   PLEASE NOTE THAT BASED UPON THE PROJECTED AGGREGATE 2015/2016 POST-CONSTRUCTION ACTUAL TOTAL ASSESSMENT FOR ALL THE UNITS OF $2,800,000.00 AND A PROJECTED TAX RATE 13.145% FOR THE UNITS, THE REAL ESTATE TAXES DUE FOR THE ENTIRE 2015/2016 TAX YEAR WOULD BE APPROXIMATELY $377,000.00 FOR THE UNITS.

9. The figures in this column numbered (9) equal the sum of the Estimated Annual/Monthly Common Charges (First Year) and the Estimated Annual/Monthly Real Estate Taxes (First Year).

SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
BEGINNING JANUARY 1, 2015

Estimated Monthly Condominium Common Charges

INCOME		
Common Charges (1)	$	429,291.00
Total Income (2)	$	429,291.00
EXPENSES		
Salaries, Including Payroll, Taxes & Uniforms (3)	$	252,490.00
Uniform Purchase & Cleaning (3)	$	7,060.00
Management Fees (4)	$	36,000.00
Tax & Accounting Services (5)	$	15,000.00
Legal & Professional Fees (6)	$	5,000.00
Insurance (7)	$	47,800.00
Utilities (8) –		
(a) Electricity for the Common Elements & HVAC	$	27,942.00
(b) Gas for Heating, Domestic Hot Water, Dryers, Grills & Kitchens	$	18,329.00
Water & Sewer (9)	$	8,100.00
Vault (10)	$	-0-
Maintenance Contracts (11) –		
(a) Elevator	$	-0-
(b) HVAC	$	-0-
(c) Boiler	$	-0-
Annual Service (12) –		
(a) Pest Services	$	1,570.00
(b) Front Door *(estimated cleaning & repairs)*	$	-0-
(c) Chimney *(estimated cleaning & repairs)*	$	-0-
(d) Refuse Systems *(estimated cleaning & repairs)*	$	-0-
(e) Sprinkler & Water Systems *(estimated inspection, cleaning & repairs)*	$	-0-
Yearly Expenses & Capital Reserves	$	419,291.00
Reserves for Replacement & Miscellaneous Capital Reserves Fund (13)	$	10,000.00
Total Operating Expenses	$	429,291.00

Note: Sponsor represents that in the event that the commencement date of the first year of condominium operation is delayed more than six (6) months from the budget year projected in the Plan, the Plan will be amended to include a revised projected budget. If such amended projections exceed the projections set forth above by twenty-five percent (25%) or more, each Purchaser shall have the right for fifteen (15) days subsequent to the date of mailing or personal delivery of a copy of such amendment to him to rescind his Purchase Agreement, and, if not otherwise in default, have his deposit refunded. Sponsor has attempted to make accurate estimates. However, due to inflation, changes in the economy and unforeseen factors, it is likely that actual expenditures will differ from estimates set forth herein.

The Sponsor may not declare the Plan effective where there are any material changes to the budget if these changes have not been disclosed by a filed amendment to the Plan.

NOTES TO SCHEDULE B

1. Common Charges ($429,291.00)

The Common Charges represent the aggregate of each Residential Unit's proportionate share of the Common Expenses.

This estimate is based upon the sum of all expenses which are described in Schedule B. Each Unit Owner shall be responsible for paying his, her or its share of the Common Expenses in accordance with its Common Interest, except as otherwise provided in the footnotes to Schedule B and the By-Laws of the Condominium.

2. Total Income ($429,291.00)

This figure does not include any interest income that may be received by the Board of Managers from investment of the Working Capital Fund to be established at the various Unit Closings. For more information regarding the Working Capital Fund, see the section of the Plan titled, "Working Capital Fund and Reserve Fund," located in Part I. It is expected that all or part of the Working Capital Fund will be expended during the first or subsequent years of operation. Accordingly, such interest income cannot be determined with exactitude. For this reason, and for the further reason that such income does not reflect normally anticipated income from operations, no interest income has been included in the estimated income for the First Year of Condominium operation.

3. Salaries, Including Payroll, Taxes, Benefits & Uniforms ($252,490.00)

The payroll projection for the Building is based upon four (4) full-time employees, who will be the one (1) supervising doorman and three (3) doormen as well as one (1) part-time porter and one (1) part-time doorman as set forth below. It is anticipated that such employees will be non-union employees and will be supervised by the Managing Agent, or in the absence of the Managing Agent, the Board of Managers of the Condominium. Although non-union employees are contemplated, benefits for all the employees are estimated on a basis equivalent to Union 32BJ. It is further anticipated that the full level of staffing will be in place as of the First Unit Closing.

The lobby of the Building will be manned by the five (5) rotating doormen (4 full-time, 1 part-time), to provide 24 hours per day coverage, seven (7) days per week. The doormen shall assist those arriving and departing and provide general concierge duties. The doormen will supervise all admissions to the lobby, as well as identify and announce all visitors to a specific Residential Unit.

The duties of the non-resident porter include cleaning the sidewalk in front of the entrances to the Building, including snow removal, cleaning the common hallways, stairs, elevator cabs and common areas, as needed, putting out trash for collection and checking the daily operation of the common mechanical equipment in the Building.

The supervising doorman will be employed from 8:00 a.m. to 4:00 p.m., Monday through Friday. After hours superintendent services will be provided through an emergency paging system. The level of staffing complies with all applicable housing and labor laws since the Residential Units are to be individually owned.

Wages and Benefits (pension & welfare, various Compensation Insurance) are projected as follows:

Manpower – Non-Union	**Quantity**	**Annual Rate**	**Annual Cost**
24/7/365 coverage = 8,520 hours required			
2,080 – 200 vac/sick/holiday = 1,880 = 4.5 men needed			
Supervisor	1.0	$ 50,000.00	$ 50,000.00
Day & Evening Shifts	1.5	$ 40,000.00	$ 60,000.00
Night & Weekend Shifts	2.0	$ 44,000.00	$ 88,000.00
Maintenance and Janitor Shift	0.5	$ 40,000.00	$ 20,000.00
Holiday Bonus		2.00%	$ 4,360.00
Subtotal	5.0		$ 222,360.00
Payroll taxes – FICA, Medicare		7.65%	$ 17,011.00
Payroll taxes – NYS Disb., FUTA, SUI		4.40%	$ 9,784.00
Insurance – Workman's Comp.		1.50%	$ 3,335.00
			$ 252,490.00

The uniforms estimate has been provided by W.H. Christian & Sons, Inc., 22-28 Franklin Street, Brooklyn, NY 11222.

Purchase Uniforms & Cleaning	5.0	1,412	$ 7,060.00

4. Management Fees ($36,000)

Based upon a proposed management agreement with Goodhope Management Corp. ("Managing Agent") commencing on the date of the First Unit Closing, at an annual fee of $36,000.00 and payable in twelve (12) equal monthly installments of $3,000.00. The management agreement, which is for an initial term of three (3) years, shall continue in force unless sooner terminated pursuant to its terms. The Management Fees for the second and third years shall be $38,000.00 and $40,000.00, respectively.

The principals of the Managing Agent are also, collectively, a principal of Sponsor. Please consult the section of the Plan titled "Management Agreement and Other Contractual Arrangements" for further discussion.

As the Managing Agent, Goodhope Management Corp will receive managing fees and may also receive other commissions or fees for performance of services rendered to the Board of Managers and Unit Owners. In view of the relationship between the principal of the Managing Agent and Sponsor, the interests of the Managing Agent in performing these services may conflict with the interests of the Board of Manager.

5. Tax & Accounting Services ($15,000.00)

The accounting services to be provided will consist of the preparation of the applicable federal, state and city income tax returns for the Condominium and preparation of year-end audit financial statements, which shall be certified if Sponsor is still in control of the Board. The estimate of accounting expense has been provided by WithumSmith+Brown, PC, Certified Public Accountants, 1411 Broadway, 9th Floor, New York, NY 10018.

The New York State Department of Taxation & Finance through the issuance of Advisory Opinions has taken the position that "unincorporated associations" will be deemed corporations under Article 9A of the Tax Law of the State of New York and the regulations promulgated thereunder. As a result, all condominiums will be required to file annual franchise tax returns and pay any applicable tax. Based upon the fact that it is not anticipated that the Condominium will have net income or other capital assets, a minimum amount of tax due has not been included as part of the Budget for the First Year of Condominium operation. However, in the event that the condominium has net income or capital assets in the future that results in an amount of tax due, the amount of each Unit's Common Charges shall increase.

6. Legal & Professional Fees ($5,000.00)

The estimate of legal expenses is based upon 22 hours of consultation with an attorney to be retained by the Board of Managers at an approximate estimated rate of $350.00 per hour. Such consultation would include, but not be limited to, issues raised by the Board of Managers in connection with the operation of the Property. Since no separate counsel has been appointed by Sponsor for the Condominium and as it is expected that each Purchaser shall be represented by an attorney in connection with the purchase of a Unit, it is not anticipated that further legal expense shall be required by the Condominium during the First Year of Condominium Operation. However, in the event that legal services are required by the Condominium in excess of the First Year estimate, then such services would be billed on an hourly rate or monthly retainer rate to be determined and negotiated by the Board of Managers with the attorney to be retained.

7. Insurance ($47,800.00)

The following is recommended for the Condominium for the First Year of Condominium Operation in a letter, dated February 19, 2014 from Vanguard Surety and Construction Risk Management, having an office at 131 Sunnyside Boulevard, Suite 112, Plainview, NY 11803.

The following coverage for the First Year of Condominium operation is proposed:

		Premium (minimum premium)
General Liability		
	– Carrier: "A" Rated, Admitted Paper	
	– $1,000,000 Occurrence / $2,000,000 Aggregate with First Dollar Coverage (minimum premium)	$ 10,000.00
Umbrella Liability		
	– Carrier: "A" Rated, Admitted Paper	
	– $100,000,000 Each Occurrence / $100,000,000 General Aggregate (minimum premium)	$ 7,500.00
Directors & Officers Liability		
	– Carrier: "A" Rated, Admitted Paper	
	– $1,000,000 Each Occurrence / $2,000,000 Aggregate (minimum premium)	$ 1,500.00
Property		
	– Carrier: "A" Rated, Admitted Paper	
	– $16,000,000 of Total Insured Value (TIV)	
	– (0.18 rate per $1,000 of TIV) =	$ 28,800.00
	Deductible	$ 5,000.00
	– Earthquake $1,000,000.00 ($50,000 Deductible)	
	– Flood $1,000,000.00 ($50,000 Deductible)	
Total Premium Cost		**$ 47,800.00**
	–	
	– Business Income	included
	– Cause of Loss	Special Form

The Sponsor represents that it shall initially bind on behalf of the Condominium at the Condominium's expense, to be effective at the First Unit Closing, fire and casualty insurance in the amounts as set forth above. The policy will provide that each Unit Owner will be an additional insured and that there will be no cancellation without notice to the Board of Managers and the Unit Owners. In addition, the policy will contain a waiver of subrogation, a waiver because of the acts of the insured and Unit Owners and will waive a pro rata reduction if additional Unit Owners obtain coverage.

No coverage is provided for such risks as fire and casualty losses to the contents of each individual Unit, nor does the coverage take into account any future replacements or additions to either the Units or the fixtures and improvements contained therein. In addition, no liability coverage for an individual Unit Owner is included in the coverage provided above. Prospective purchasers should consult their attorney or insurance agent

to determine the advisability of obtaining insurance for their own risk of liability and fire and casualty losses.

The Sponsor will deliver a fire and liability insurance binder or policy to the Board of Managers prior to or at the First Unit Closing. The cost for such binder or policy will be paid by the Board of Managers as a Common Expense.

8. Utilities –

(a) Electricity for the Common Elements & HVAC ($27,942.00)

These estimates include the cost of electricity supplied by Consolidated Edison Company to the Common Elements of the Building. The Common Elements are metered separately from the Residential Units.

Residential Common Elements	$27,942.00

The electricity supplied to the Common Elements will be used, in large part, to operate the exhaust and supply fans, hot water and plumbing pumps, elevators serving the Residential Units' heating and cooling units and public area lighting and power.

The cost of electric charges has been estimated by the office of Bodak-Cameron Engineering ("Bodak"), located at 45 West 36th Street, Third Floor, New York, NY 10018

Bodak estimates that the common areas will consume 116,425 kilowatt hours of electricity for Common Elements at a projected cost of $0.24 per kilowatt hour of electricity.

The budgeted amount does not include the cost of the electricity to be supplied to the Residential Units, which will be metered separately and paid for by the Residential Unit owner directly to the Condominium metering company.

Since the Condominium is a new construction development it has no operative history. Thus, it is not possible to predict how closely the budgeted figure will reflect the actual expenses incurred during the First Year of Condominium operation, in part because such expenses will vary with the level of consumption and the cost of the applicable utility.

In view of the unpredictable production of petroleum and rate increases imposed from time to time by one or more members of the Organization of Petroleum Exporting Countries, it is possible that the cost of fuel used to generate electricity may increase in future years. As a result, it is possible that electric rates may increase, although it is not possible to forecast the amount or timing of such increase.

Likewise, fuel costs have fluctuated over the years and it is not possible to forecast when and how much electric rates will increase in the future. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of fuel.

It should be noted that the effects of inflation, fuel shortages, the war on terrorism the passage of time and other factors may raise the cost of electricity substantially higher than the current rate.

(b) Gas for Heating, Domestic Hot Water, Dryers, Grills & Kitchens ($18,329.00)

This estimate includes the cost of gas service supplied by Consolidated Edison Company to gas fired boilers, which are used for heating purposes. Note that this estimate also comprises the gas usage for the boilers associated with the supply of hot water to the domestic hot water heaters, dryers, grills and kitchens as well.

The cost of gas charges have been estimated by the office of Bodak, projecting that the Residential Units will consume 15,274 therms per year of gas at an annual cost of $18,329. All costs are based on $1.20 per therm.

Purchasers should note that gas heating to the Residential Units will be a Common Expense rather than an individual expense of each Residential Unit Owner.

Since the Condominium is a new construction development it has no operative history. Thus, it is not possible to predict how closely the budgeted figure will reflect the actual expenses for natural 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 cost of the applicable utility.

In view of the unpredictable production of petroleum and rate increases imposed from time to time by one or more members of the Organization of Petroleum Exporting Countries, it is possible that the cost of fuel used to generate heat and hot water may increase in future years. As a result, it is possible that natural gas rates may increase, although it is not possible to forecast the amount or timing of such increase. Likewise, gas costs have fluctuated over the years and it is not possible to forecast when and how much gas rates will increase in the future. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of natural gas.

It should be noted that the effects of inflation, fuel shortages, the war on terrorism the passage of time and other factors may raise the cost of natural gas substantially higher than the current rate.

9. Water & Sewer Charges ($8,100.00)

All charges for water consumed in both the Residential Units and in the Common Elements, together with all related sewer rents arising therefrom, shall be a Residential

Common Expense of all of the Residential Unit Owners and shall be paid by the Board of Managers.

The budgeted amount is projected by Bodak, based on current New York City Department of Environmental Protection water and sewer rates the total cost of all water and sewer charges is calculated to be approximately $8,100.00.

Residential Water and Sewer $8,100.00

The projected rates are not guaranteed and it must be expected that these rates may increase with the passage of time and could be affected by many factors, which are beyond the control of the Sponsor.

Please be advised that the projections are only estimates and actual consumption will be metered and will vary based on the personal needs of occupants and weather conditions.

10. Vault Charges ($-0-)

All license fees and all periodic taxes and charges ("Vault Charges") for street vaults located in the Common Elements of the Building, if any, or other protrusions beyond the lot lines of the Building shall be paid by Board of Managers as a Common Expense.

Further, any vault charges or similar charges due as of the First Unit Closing shall be an adjustment with the Board of Managers of the Condominium.

Please note however that as of January 1, 1998, the City of New York repealed the local law which provided for annual vault charges. Therefore, no vault charges have been budgeted for the first year of condominium operation.

11. Maintenance Contracts – Elevator, HVAC & Boiler ($-0-)

No amounts have been indicated above as the referenced items are covered under warranty for the First Year of Condominium Operation. It is anticipated that for the second year of operation the elevator maintenance contract shall be approximately $8,400.00 per annum, the HVAC maintenance contract shall be approximately $4,500.00 per annum and the boiler maintenance contract shall be approximately $750.00 per annum. No contracts have been entered into for the services described in this footnote.

Sponsor has reserved the right, prior to the First Unit Closing, to enter into other service contracts which will be binding on the Board of Managers, provided that such contracts do not materially increase the estimated Common Charges for the First Year of Condominium operation nor bind the Board of Managers for a period of more than three (3) years from the date of the First Unit Closing, unless it is customary for such type of contract to be more than three (3) years.

The northernmost passenger elevators in the Building which services all of the Residential Units from the cellar through the sixth (6th) floor level is a Common Element of the Building. The southernmost passenger elevator shall be a Limited Common Element for the exclusive use of the Owner of the Penthouse Unit, subject to an easement in favor of all Unit Owners for emergency access purposes or the mechanical breakdown of the northernmost passenger elevator. Therefore, the cost of any repairs, maintenance and/or replacement of the passenger elevator shall be the responsibility of the Unit Owners as a Common Expense. The amount estimated for elevator maintenance service does not include the cost of any required repair, if any.

Sponsor notes that Local Law 10 of 1981 requires an elevator inspection to be made by September 15th of each year by an insurance company, elevator maintenance company, elevator manufacturer or elevator inspection company, and that a report be filed with the Department of Buildings of the City of New York within ten (10) days after delivery of such report to the owner. Failure to comply will result in a civil monetary penalty levied against the owner. Sponsor shall not be responsible for having such inspection or report made unless Sponsor controls the Board of Managers at the time such inspection report is due. Subsequent to Sponsor relinquishing control of the Board of Managers, the Board of Managers on behalf of all the Residential Unit Owners shall be responsible for obtaining the requisite inspections for the passenger elevator and the cost of such inspections shall be a Common Expense.

Amendments to the high-rise facade safety statute (formerly known as Local Law 10 of 1980) (presently known as Local Law 11/98) passed by the City Council and signed by the Mayor of New York City require professional engineers or registered architects to advise the Buildings Department of the City of New York and the owner of a property of any unsafe condition in a building's exterior walls revealed during a Local Law 11 inspection. The amendments also subject all exterior walls to be inspected; previously, only walls fronting on a street were affected by the law.

The revised law also calls for a certification by the registered professional that a wall is either safe or unsafe; the latter declaration by the professional means that an immediately hazardous condition exists and must be corrected within thirty (30) days with the option of a ninety (90) day extension upon application to the Buildings Department. A building is considered either safe with no further action necessary, or fit, but in a condition that warrants a repair and/or maintenance program. In the latter case, the condition must be corrected during the five (5) year period between mandatory inspections. As a result of the additional floors, the completed Building will require regular five (5) year inspections in accordance with Local Law 11/98. The first inspection will be required five (5) years after the issuance of the first (1st) temporary certificate of occupancy for the Building. Thereafter, the Building much be inspected in accordance with NYC Local Law 11/98's five (5) year cycle.

Although not budgeted for the First Year of Condominium Operation, the cost of any future additional inspections, if any, required by Local Law 11 and any amendments thereto, shall be a Common Expense of all of the Residential Unit Owners.

12. Annual Service -

(a) Pest Services ($1,570.00)

Pest Control (estimate) is based upon a written proposal from Standard Pest Management in the amount of $250.00 for the initial service and then $110.00 per month for monthly service plus any applicable sales tax.

(b)-(e) Front Door, Chimney, Refuse Systems, Sprinkler & Water Systems ($-0-)

No amounts have been indicated above as the referenced items are covered under warranty for the First Year of Condominium Operation. It is anticipated that for the second year of operation the estimated front door cleaning and repairs contract shall be approximately $1,000.00 per annum, the estimated chimney cleaning and repairs contract shall be approximately $2,500.00 per annum, the estimated refuse systems cleaning and repairs contract shall be approximately $1,000.00 per annum and the estimated sprinkler and water systems inspection, cleaning and repairs contract shall be approximately $1,000.00 per annum. No contracts have been entered into for the services described in this footnote.

13. Reserves for Replacement & Miscellaneous Capital Reserves Fund ($10,000.00)

Sponsor makes no representation that this Reserve Fund will be, or is intended to be, adequate or sufficient to cover periodic maintenance, repair and replacement expenses of the Common Elements for the First Year or any subsequent year of Condominium operation. If such improvements, periodic maintenance or repairs and/or replacement are needed within that time period it is anticipated that they will be funded from this Reserve Fund together with the other line item expenses as set forth in the budget. If additional funds are required over and above this Reserve Fund, it may be necessary to increase the Common Charges or institute a Special Assessment.

NEITHER THE DEPARTMENT OF LAW NOR ANY GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE MAJOR CAPITAL IMPROVEMENT REPLACEMENT RESERVE FUND.

Note: Sponsor represents that in the event that the commencement date of the First Year of Condominium Operation is delayed more than six (6) months from the budget year projected in the Plan, the Plan will be amended to include a revised projected budget. If such amended projections exceed the projections set forth above by twenty-five percent (25%) or more, each Purchaser shall have the right for fifteen (15) days subsequent to the date of mailing or personal delivery of a copy of such amendment to him to rescind his

Purchase Agreement, and, if not otherwise in default, have his deposit refunded. Sponsor has attempted to make accurate estimates. However, due to inflation, changes in the economy and unforeseen factors, it is likely that actual expenditures will differ from estimates set forth herein.

SANDBERG MANAGEMENT CORP.
345 SEVENTH AVENUE, 8TH FLOOR, NEW YORK, NY 10001 (212) 268-0494 FAX (212) 268-0397

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i(1)

The Board of Managers of
"40 East 72nd Street Condominium"
40 East 72nd Street
New York, New York 10021

Re: "40 East 72nd Street Condominium"
Premises: 40 East 72nd Street
New York, New York 10021

Gentlemen/Mesdames:

This letter is with respect to the Plan of Condominium Organization of the Premises at the above address and the allocation of the Percentage of Common Interest to the respective Units therein.

The Sponsor has used method (iv) contained in Section 339-i(1) of the New York Condominium Act, that is upon floor space, subject to relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

The allocation of the percentages of Common Interest as set forth in the said "Schedule A" is based on the following: size of Unit, layout of Unit, location of the Unit in the Building and its status as a Residential Unit.

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

Our firm, or the principals thereof, have been in the real estate management business for a period in excess of nineteen (19) years. We currently manage and in the past have managed residential brownstone and conventional elevator and non-elevator apartment buildings which are either operated in the cooperative or condominium form of ownership or as rental properties. We also manage commercial property. Some of the properties that we manage or have managed are as follows:

1. 45 West 11th Street
   New York, New York

2. 125 West 12th Street

New York, New York

3. 88 Jane Street
   New York, New York

4. 1200 Broadway
   New York, New York

5. 227 Central Park West
   New York, New York

6. 245 West 74th Street
   New York, New York

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

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

Very truly yours,

Sandberg Management Corp.

By: _____
Name: Louis Sandberg
Title: President

Dated: November 14, 2014

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WRITER'S E-MAIL:

November 14, 2014

Axia Realty, LLC
1790 Broadway
Suite 1700
New York, NY 10019

Re: "40 East 72nd Street Condominium"
Premises: 40 East 72nd Street
New York, New York 10021
(the "Condominium")

Gentlemen/Mesdames:

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

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on the Schedule A of the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based upon the factual determinations made by Sandberg Management Corp., as set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have no independent investigation of the truth or accuracy of the factual determinations of Sandberg Management Corp.

Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to the method set forth in Real Property Law Section ("RPL") 339-(i) (1)(iv), i.e., based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

Accordingly, based on the foregoing it is our opinion that Real Property Law Section 339-i (1) has been complied with in assigning Common Interests to the Units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to Purchasers. In no event will the Sponsor, D'Agostino, Levine, Landesman & Lederman, LLP, the Selling Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law.

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

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

D'Agostino, Levine, Landesman & Lederman, LLP

D'Agostino, Levine, Landesman & Lederman, LLP

DLLL:jsb

CHANGES IN PRICES AND UNITS

The offering prices set forth in Schedule A may be decreased or increased only by a duly filed amendment to the Offering Plan when the change of price is an across the board change affecting one (1) or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. As set forth in the Notes to Schedule A, offering prices are negotiable. Accordingly, the Sponsor may enter into a Purchase Agreement with a Purchaser to sell one or more Units at prices less than those set forth in Schedule A, without filing an amendment before entering the Purchase Agreement. As a result of the negotiability of offering prices and the right to change them, certain Purchasers may pay or may have paid more or less than other Purchasers under this Plan for similar Units. However, no price change will affect the percentage of Common Interest allocated to a Unit as to which the amount of the offering price was changed nor shall it alter the amount of Common Charges payable by such Unit Owner.

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective Purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size and/or number of Unsold Units, by subdividing one (1) or more separate Unsold Units, by combining two (2) or more separate Unsold Units into one (1) or more Unsold Units, by altering the boundary walls of any Unsold Unit, or otherwise, including, without limitation, the use of any portion of the Common Elements adjacent to such Unsold Units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration and By-Laws. Such right may be exercised by Sponsor from time to time, both before and after the First Unit Closing, without the consent or approval of any Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party. However, Sponsor will first obtain the approval of all governmental authorities, including the Landmarks Preservation Commission, if applicable, having jurisdiction thereof whose approval is required by law. No change will be made by Sponsor in the size or number of Units, their respective percentages of Common Interest, or in the size or quality of Common Elements except by amendment to the Offering Plan and to the Declaration. Unless the affected Purchaser provides a written consent, no material change will be made by Sponsor in Unit size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit.

No material change will be made in the size or quality of Common Elements unless all Purchasers not in default, consent.

If Sponsor changes the size and/or number of Unsold Units, Sponsor will increase or decrease the Common Interests appurtenant thereto accordingly. However, the aggregate amount of the Common Interests of all the Units will always remain at one hundred percent (100%). As a result of such reapportionment, the amount of the Common Charges and the real estate taxes and assessments payable by the owners of the Unsold 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 owners of Units unaffected thereby will not vary.

The Plan will be amended to reflect any change in the size of a Unit, number of Units, percentage of Common Interests of Unsold Units or a change in the size or quality of any

Common Element. However, the layout and number of rooms in Unsold Units may be changed without prior notice or amendment of this 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 fully recorded. The Plan will be amended in the event of any such changes. As more particularly provided in the Declaration, Sponsor or its designee, as the owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior written consent of the owner of such Unit.

To the extent permitted by law, if the size or configuration of a Unit is changed in compliance with the Plan, Declaration and/or By-Laws and, in connection therewith, a wall, space or other area forming a part of the Common Elements servicing and benefitting only such 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 remain unchanged.

The Sponsor also reserves the right to substitute for any of the materials specified in the Altered Building Plans, the Description of Property and Building Specifications or elsewhere in the Plan, materials which are equal to or of better quality. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but, due to unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment which are equal to or of better quality for any of those set forth in the specifications or otherwise in this Plan.

Sponsor reserves the right to negotiate all aspects of the purchase price of Units, including, but not limited to, the terms of the financing contingency, if any, decorating allowances, payment of fees otherwise paid by Purchasers, common charge rebates or subsidies, payment of all or part of Purchaser's financing costs, price reductions tied to rental of Units, reduced Down Payment deposits (but at least $1,000.00) and extra custom work. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

Notwithstanding the foregoing, any terms and conditions for which disclosure is required pursuant to Department of Law regulations must be disclosed in an amendment to the Plan.

By way of example and not limitation, interim leases, Down Payment in excess of ten percent (10%), the terms of any purchase price rebates and subsidies payable as a credit to the purchase price and the application of use and occupancy fees toward the purchase price are terms and conditions that should be disclosed in the Plan or an amendment thereto.

INTERIM USE AND OCCUPANCY AGREEMENTS

Subject to all applicable Zoning Laws and pursuant to an issued certificate of occupancy, Sponsor or its designee reserves the right, freely and without restriction, to rent or lease vacant Units to Purchasers and non-Purchasers at any time, both before and after the First Unit Closing. However, once a Purchase Agreement is signed for a vacant Unit, and for so long as such Purchase Agreement is in effect, such Unit at Sponsor's sole option may only be rented to the Purchaser thereof. Such agreement (an "Interim Use and Occupancy Agreement") will be for such use and occupancy fee, but not to exceed the maximum of such fee legally collectible, and upon such other terms as may be mutually agreed upon. The term of such Interim Use and Occupancy Agreement, if any, shall be for a period which will expire on the earlier of the date of the closing of such Unit or one (1) year after the execution date of the Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the Use and Occupancy Agreement, if any, and remove from the Building upon thirty (30) days prior written notice to the Sponsor at the address set forth on the cover page of this Plan. Additionally, in the event of such abandonment, the Purchaser who has entered into an Interim Use and Occupancy Agreement shall continue to be subject to whatever rental laws he or she was subject to prior to such abandonment, if any. Should Purchaser rescind his or her Purchase Agreement pursuant to any permitted rescission, the Interim Use and Occupancy Agreement shall terminate thirty (30) days thereafter and Purchaser shall be obligated to vacate the apartment no later than that time.

An Interim Use and Occupancy Agreement will provide amongst other things, that an uncured default by the Purchaser under this Purchase Agreement will constitute a default under the Interim Use and Occupancy Agreement, entitling the landlord (i.e., Sponsor), at its sole option, to terminate the Interim Use and Occupancy Agreement. The Purchase Agreement shall also contain a similar cross-default provision entitling Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under the Interim Use and Occupancy Agreement within any applicable grace period. However, before the Sponsor may utilize a default under the Interim Use and Occupancy Agreement to declare a default under the Purchase Agreement, the Sponsor must (i) obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim occupant or (ii) the interim occupant must have vacated the Unit. The interim occupant must vacate the Unit within five (5) days after any default under the Purchase Agreement which remains uncured after five (5) days. No portion of the rental paid under an Interim Use and Occupancy Agreement will be credited toward the Unit's purchase price.

Sponsor's right and its designee's right to rent or lease any Unsold Unit will not be subject to any right of first (1st) refusal in favor of the Condominium Board to lease such Unit from Sponsor or its designee on the same terms offered to the prospective tenant or occupant.

Purchasers entering into an Interim Use and Occupancy Agreement for an Unsold Unit will be required to pay the legal fees of D'Agostino, Levine, Landesman & Lederman, LLP in connection therewith upon execution of the Interim Use and Occupancy Agreement. All other

charges or other fees due under the Interim Use and Occupancy Agreement will be adjusted as of the Closing of Title to the Unsold Unit. Notwithstanding the foregoing, Sponsor will be under no obligation to enter into any Interim Use and Occupancy Agreement and no portion of the Use and Occupancy fee paid under the Interim Use and Occupancy Agreement will be credited towards the Purchase Price of an Unsold Unit unless the Interim Use and Occupancy Agreement expressly provides. A copy of the form Interim Use and Occupancy Agreement is located in Part II of the Plan.

If any provisions of the Interim Use and Occupancy Agreement conflict with the terms of the Offering Plan, the terms of the filed Offering Plan shall prevail.

PROCEDURE TO PURCHASE

A Person desiring to purchase a Unit in the Condominium shall be required to execute a Purchase Agreement in quadruplicate, the form of which is contained in Part II, and return it to the Sponsor and/or Selling Agent, together with a check representing the Initial Down Payment in an amount equal to (a) ten percent (10%) of the purchase price, or (b) fifty percent (50%) of the Purchase Price, if the Purchaser is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity). Each Purchaser, who in accordance with the previous sentence, is required to make an Initial Down Payment of ten percent (10%), will also be required to make, in addition to the Initial Down Payment, an additional payment of five percent (5%) of the purchase price of his or her Unit (the "Additional Down Payment") within one hundred twenty (120) days after receipt of a fully executed copy of the Purchase Agreement from Sponsor or the Selling Agent or at the time when this Plan is declared effective, whichever is first to occur. No Additional Down Payment shall be required if the Purchaser is a foreign government or other person or entity referenced in (b) of the first sentence of this paragraph and who or which has made a fifty percent (50%) Initial Down Payment as described above. The term "Down Payment," as used in this Plan, refers to both the Initial Down Payment and, if the same has been paid at the time in question, the Additional Down Payment. All such payments shall be made by check drawn on a member bank of the New York Clearing House Association made payable to "D'Agostino, Levine, Landesman & Lederman, LLP, as escrow agent". All such checks shall be subject to collection and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be cancelled and of no further force or effect, and to retain any Down Payment and other amounts previously deposited. These Down Payment deposits may be increased by two (2) times the entire cost of special custom work requested by the Purchaser which is agreed to by Sponsor in its sole discretion and itemized in the Purchase Agreement. D'Agostino, Levine, Landesman & Lederman, LLP shall be the "Escrow Agent" for Sponsor and Purchaser pursuant to the Purchase Agreement and the Offering Plan. Notwithstanding anything herein to the contrary, whether or not the Seller has canceled the Purchase Agreement as provided above, if the Seller has not collected the proceeds of any check for any payment due under the Purchase Agreement, then the Seller may take such actions at law and in equity as may be required in order to collect such payments and any and all costs of collection, including, without limitation, all attorneys' fees and expenses incurred by the Seller in connection therewith.

A Purchaser who is interested in acquiring the right to purchase a Storage Space Unit must also commit to such acquisition at the time the Purchaser executes a Purchase Agreement. Therefore, the Down Payment paid under the Purchase Agreement shall include ten percent (10%) or, if applicable, fifty percent (50%) of the Purchase Price of the Storage Space Unit as well as ten percent (10%) or, if applicable, fifty percent (50%) of the Purchase Price of the Unit. Further, for each Purchaser who is required to make an Initial Down Payment of ten percent (10%), the Additional Down Payment (an additional five percent (5%) of the purchase price of the Storage Space Unit) is also required pursuant to the terms of the Purchase Agreement.

However, no Additional Down Payment of the Purchase Price of the Storage Space Unit will be required in the case where a fifty percent (50%) Initial Down Payment is required pursuant to the terms of the Purchase Agreement. If Sponsor is entitled to cancel the Purchase Agreement due to Purchaser's default, Sponsor shall also be entitled to cancel the Storage Space Unit purchase. Sponsor will be entitled to retain the Deposits as liquidated damages in connection with any termination of the Purchase Agreement and Storage Space Unit purchase due to Purchaser's default.

If Sponsor is entitled to cancel the Purchase Agreement due to Purchaser's default, Sponsor will be entitled to retain the Deposit as liquidated damages in connection with any termination of the Purchase Agreement due to Purchaser's default.

Purchasers pursuant to this Offering Plan who have not had an opportunity to review the Offering Plan and any filed amendments for at least three (3) business days prior to their executing a Purchase Agreement shall be afforded seven (7) days after delivering an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded promptly. Such rescission must be in writing, addressed to the Sponsor, and be postmarked or hand delivered by midnight of the seventh day subsequent to Purchaser's executing and delivering such Agreement. Those Purchasers who execute a Purchase Agreement after having had an opportunity to review the Offering Plan and any filed amendments for not less than three (3) business days prior to their executing a Purchase Agreement shall not be permitted the aforementioned time period to rescind for any reason.

A deposit in the amount of no more than $200.00 payable in check or money order to the Sponsor is required of all prospective purchasers in order to obtain a copy of the Plan. The amount of the deposit will either be credited toward the Down Payment of a Unit or returned upon execution of the Purchase Agreement by Sponsor for anyone who purchases a Unit or refunded to anyone who does not purchase a Unit if a copy of the Plan is returned undamaged, but subject to normal wear and tear, together with the original receipt, within thirty (30) days of receipt of a copy of the Plan.

A Purchaser may seek to finance any portion of the Purchase Price through a bank or other lending institution. No representation, warranty or assurance is given by the Sponsor, or any person on its behalf, as to the availability, cost, terms or other conditions of such financing. **HOWEVER, A PURCHASER'S OBLIGATION UNDER THE PURCHASE AGREEMENT IS NOT CONTINGENT UPON THE PURCHASER'S OBTAINING A SATISFACTORY MORTGAGE COMMITMENT FOR FINANCING THE PURCHASE OF A UNIT**. Therefore, a Purchaser will be obligated to pay the balance of the Purchase Price regardless of the fact that either: (i) such Purchaser fails, or is unable to obtain a satisfactory mortgage commitment, or (ii) once a satisfactory mortgage commitment has been obtained, the same either lapses, expires or is terminated. In the event that a Purchaser fails, neglects or refuses to duly pay the balance of the Purchase Price for any reason, including financing problems, such Purchaser will be in default under the Purchase Agreement.

In accordance with section 71-a(3) of the Lien Law the Sponsor has appointed the law firm of D'Agostino, Levine, Landesman & Lederman, LLP, as Escrow Agent to hold all deposits, Down Payments or advances, other than the deposit for a copy of the Offering Plan, received by it from Purchasers, either directly or through its agents or employees in trust, whether received before or after the date of Consummation of the Plan, in a special segregated escrow account or accounts at the Doral Bank, N.A. office located at 623 Fifth Avenue, New York, New York 10022, titled "D'Agostino, Levine, Landesman & Lederman, LLP, Escrow Agent for 40 East 72nd Street Condominium," or a similar name within five (5) business days after the Purchase Agreement is executed by all necessary parties. Purchasers are further advised that a Purchaser's funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of $250,000 for the purchase of a Unit, such Down Payment will not be federally insured in excess of $250,000. Additionally, if Purchaser has an additional account at the Escrow Bank, the aggregate of Purchaser's funds at the Escrow Bank, including funds in the additional account and the Down Payment, may not be insured in excess of $250,000. Therefore, if a Purchaser has an additional account at the Escrow Bank, that a Purchaser's Down Payment, including a Down Payment that is less than $250,000, may not be insured in part or in its entirety. Furthermore, while the Down Payment is in the non-interest bearing check portion of the Master Escrow Account, the Down Payment may not be fully federally insured, even if the Down Payment does not exceed $250,000. Purchaser should consult with the FDIC website and with their attorneys to determine which part, if any, of their funds are insured by the FDIC. Sponsor and Escrow Agent make no guarantee of the solvency of any of the Escrow Banks. D'Agostino, Levine, Landesman & Lederman, LLP is located at 345 Seventh Avenue, 23rd Floor, New York, New York 10001, 212-564-9800. The signatories on this special escrow account authorized to withdraw funds are the partners of D'Agostino, Levine, Landesman & Lederman, LLP who are John D'Agostino, Esq., Michael J. Levine, Esq., Wayne R. Landesman, Esq., Bettina Miraglia, Esq. and Jose M. Rivera, Esq., all of whom are located at 345 Seventh Avenue, 23rd Floor, New York, New York 10001. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

This escrow account will be interest-bearing and unless the Purchaser defaults, interest will be credited to the Purchaser at closing. The interest rate to be earned will be the prevailing rate from this type of account as stated by the Bank at the time of the initial deposit and as provided thereafter. Such interest rate as stated in February, 2014 by the Doral Bank, N.A. is approximately 0.94% up to $99,999.99 and 1.08% for $100,000 or more. Interest will begin to accrue as of the date the deposit of the Down Payment clears and is posted by the Bank to the escrow account. Notwithstanding anything to the contrary contained herein, unless and until Purchaser has delivered to the Escrow Agent a completed and signed Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), whichever may be applicable, the Down Payment will be deposited in a non-interest-bearing escrow account at the depository. No fees of any kind from the account principal or any interest earned thereon may be deducted. Sponsor shall bear any administrative cost for maintenance of the account.

Within five (5) business days after the Purchase Agreement has been executed by all necessary parties and tendered to Escrow Agent along with the Deposits, the Escrow Agent shall sign the Purchase Agreement and place the Deposits into the Escrow Account. With ten (10) business days of the placing the Deposits in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposits. The notice shall provide the account number and the initial interest rate to be earned on the Deposits. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance with the terms of the Purchase Agreement between Purchaser and Sponsor.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposits are placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the fully-executed Purchase Agreement and Deposits to Escrow Agent, the Purchaser may cancel the Purchase Agreement within ninety (90) days after tender of the fully-executed Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, NY 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposits were timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

Section 71-a(3) of the Lien Law, as applicable herein, also provides for the following:

(a) Down Payments shall be placed in an interest bearing account if so requested by Purchaser. Such Down Payment, with any accumulated interest, shall remain the property of the Purchaser, except as otherwise provided by law.

(b) As an alternative to depositing Down Payments in escrow as set forth in (a) above, Sponsor may post a bond or indemnity contract with a licensed surety company ensuring return of such monies, which bond or contract is to be delivered to Purchaser. If Sponsor elects to post a bond pursuant to this paragraph (b), an amendment to the Plan which complies with the applicable provisions of the Attorney General's Regulations will be filed disclosing same.

(c) Down Payments will be retained in escrow or bonded as set forth above until: (i) Sponsor performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds, if permitted, or defaults in performance, thereby excusing performance by Sponsor or (iii) release or discharge of Sponsor's liability to refund such Down Payment or (iv) transfer of title to the Unit to the Purchaser, or (v) release by mutual consent of Sponsor and Purchaser.

(d) The Purchase Agreement shall contain the following:

"YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE."

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

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

The Escrow Agent shall release the Deposits if so directed:

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

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

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

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

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

(a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment thereto; or

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

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

Prior to funds being transferred to a new escrow account, or if the Escrow Agent is replaced, the Offering Plan will be amended to provide the same full disclosure with respect to the new account, the new escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternate form of security, pursuant to the applicable provisions of the Attorney General's Regulations.

In the event that insufficient funds are raised through the offering or otherwise to effectuate the contemplated transaction, or in the event the Sponsor is unable for any reason to perform in accordance with the terms of the Purchase Agreement and the Purchase Agreement has been subsequently terminated as set forth above, such monies will be fully returned to Purchaser with any interest.

As set forth above, the only other time monies received for the purchase of a Unit shall be disbursed from the special account are at the closing of title to a Unit by such Purchaser or upon a default by a Purchaser which is not cured within any time periods permitted, provided that no Deposit to be released pursuant to an uncured default shall be released prior to the Consummation of the Offering Plan. Any withdrawals or disbursement of funds from this special account or accounts shall be made only upon the written approval by a partner in the firm of D'Agostino, Levine, Landesman & Lederman, LLP, despite the fact that Doral Bank, N.A. may be a party to an escrow agreement with respect to such account or accounts. The amounts paid by the Purchasers prior to closing will be handled in accordance with the escrow and trust fund provisions of the Section 352-h and Section 352-e (2-b) of the New York General Business Law and the Attorney General's regulations promulgated thereto. If this Offering is not consummated for any reason, Purchaser shall not lose any of his Down Payment.

Any provision of any Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Offering Plan, or any amendment thereto.

The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of the funds.

Subsequent to the date that the Plan has been declared effective, the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving

notice on each Purchaser. The notice shall state the date of the First Unit Closing and set forth the closing date for the respective Unit. Purchasers shall be given not less than thirty (30) days' notice of the closing of title on their Units. This notice period may be waived by Purchasers. The notice shall also provide that the balance of the purchase price shall be due at closing of title. The balance of the cash portion of the purchase price must be paid by cash, unendorsed certified, teller's or cashier's check made payable to the order of Sponsor or as otherwise directed by Sponsor. In all cases, all checks are to be drawn on a member bank of the New York Clearing House Association. The notice to Purchaser shall also specify when Common Charges will be due and payable.

Further, pursuant to the form Purchase Agreement set forth in Part II of the Offering Plan, Purchaser shall be entitled to one reasonable adjournment of up to ten (10) days (hereinafter the "Adjourned Closing Date"), on five (5) days written notice by Purchaser to Seller, provided that Purchaser may not seek an adjournment of any kind based upon any provision set forth in Paragraph number 18(i) of said form Purchase Agreement.

If, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date, or the Adjourned Closing Date (as defined in the form Purchase Agreement set forth in Part II of the Plan), and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and Common Charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.04% of the Purchase Price for the Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

The notice of closing will be served upon all Purchasers who have executed and delivered a Purchase Agreement for a Unit to the Sponsor or Selling Agent (and whose Purchase Agreements are in effect and not in default). The notice of closing will be served either by personal delivery or sent by registered or certified mail to the address of the Purchaser as set forth in the Purchase Agreement. Notices served by personal delivery shall be deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of mailing.

Sponsor anticipates the First Residential Unit Closing to occur on or about January 1, 2015 but said closing may occur sooner should the Building be completed and ready for occupancy earlier. In the event that the First Residential Unit Closing with a temporary or permanent Certificate of Occupancy is delayed twelve (12) months or more beyond January 1,

2015, then all Purchasers who have executed Purchase Agreements and whose Purchase Agreements are still in effect, will be given the right to rescind their Purchase Agreements.

If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the monies held by the Escrow Agent, but not more than fifteen percent (15%) or, if applicable, fifty percent (50%) of the total purchase price plus any interest earned thereon, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the above, Sponsor may receive the actual costs incurred for any special custom work requested by Purchaser which is agreed to by Sponsor in its sole discretion and itemized in the Purchase Agreement as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds fifteen percent (15%) or, if applicable, fifty percent (50%) of the total purchase price. Sponsor hereby waives any right to seek specific performance in the event of a default by Purchaser.

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement, or in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement to otherwise enforcing Purchaser's obligations hereunder.

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit and shall notify the Purchaser within one hundred twenty (120) days of the loss or casualty, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the purchase price. Purchaser should consult with an attorney and/or insurance agent as to his or her insurance needs.

Within thirty (30) days of receiving four (4) copies of a Purchase Agreement, both executed by Purchaser, together with the required Down Payment, the Sponsor must either accept the Purchase Agreement by returning to Purchaser a fully executed copy of the Purchase Agreement or reject the Purchase Agreement by returning to Purchaser the Down Payment tendered. If Sponsor takes no action within said thirty (30) day period the Purchase Agreement shall be deemed null and void. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by law. Sponsor reserves the right to reject any prospective Purchaser without cause or explanation, provided that such rejection is not based on race, creed, color, age, sex, disability, marital status, national origin, ancestry, or any other ground proscribed by law, and to refuse to execute a Purchase Agreement for any Unit, or a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Unit to any one person or entity.

At the closing of title to a Unit, and as a condition thereto, the Purchaser shall be required to execute a Power of Attorney to the Board of Managers of the Condominium and to the Sponsor. The Power of Attorney appoints (i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine; (ii) the Sponsor and/or its designee, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney; and (iii) the Sponsor, as attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the transferable air rights and/or development rights which Sponsor has retained for itself, and/or its successors and assigns. The Form of Power of Attorney to be executed is set forth in Part II of the Offering Plan.

Further, any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) will also be required at the time of closing of title to the Purchaser's Unit, to expressly waive any and all immunity from suit by Sponsor and/or the Board of Managers of the Condominium. Such Purchasers at closing will be required to execute the "Waiver of Diplomatic or Sovereign Immunity and Consent to Jurisdiction" set forth as **Exhibit "A"** to the Purchase Agreement which is included in Part II of the Offering Plan.

The assigned storage spaces, if any, which are part of a respective Residential Unit may not be completed prior to the closing of title to a particular Residential Unit and the fact that a storage space may not be available for use at the time of the Closing will not constitute a basis for a Purchaser to fail to close title to a Residential Unit. Sponsor intends to complete the construction of all of the storage spaces prior to the issuance of a Temporary Certificate of Occupancy for all of the Residential Units in the Building.

The storage spaces, if any, which are part of its respective Unit, are located on the cellar level of the Building. The Sponsor and the Board cannot make any representation that the storage

spaces will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the storage spaces. Residential Unit Owners who place items in the storage spaces do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with Applicable Law regarding the storage spaces, which may be subject to periodic inspection by the police and fire departments of the City of New York and other governmental agencies having jurisdiction thereover.

Except as set forth on Schedule A, Sponsor makes no representation as to the size of a storage space and whether it will accommodate the items which a Purchaser intends to store in the storage space. Sponsor has also reserved the right to reconfigure, change, combine, relocate and/or modify any unsold storage space(s), including, but not limited to, increasing the number of storage spaces, in its sole discretion in order to sell any of the storage spaces as part of a Unit.

The Storage Space Units may only be purchased by a Residential Unit Owner either (i) simultaneously with such Unit Owner's acquisition of a Residential Unit, or (ii) to another Residential Unit Owner. Residential Unit Owners can only lease their respective Storage Space Units to other Residential Unit Owners in the Building after obtaining the written consent of the Board of Managers thereto.

In addition, the Storage Space Units may not be completed prior to the closing of title to a particular Residential Unit and the fact that a Storage Space Unit may not be available for use at the time of the Closing will not constitute a basis for a Purchaser to fail to close title to a Residential Unit. However, that portion of the total purchase price of a Unit allocated to the Storage Space Unit will be held in escrow by Sponsor's attorneys until the date that the Storage Space Unit is made available for Purchaser's use. Sponsor intends to complete the construction of all of the Storage Space Units prior to the issuance of a Temporary Certificate of Occupancy for all of the Residential Units in the Building. Purchaser shall also be responsible for the payment of any state and city transfer taxes due in connection with the purchase of the Storage Space Unit, which obligation shall survive the Closing.

The Storage Space Units are located on the cellar level of the Building. The Sponsor and the Board cannot make any representation that the Storage Space Units will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the Storage Space Units. Residential Unit Owners who place items in the Storage Space Units do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with Applicable Law regarding the Storage Space Units, which may be subject to periodic inspection by the police and fire departments of the City of New York and other governmental agencies having jurisdiction thereover. Since there are only two (2) Storage Space Units being offered for sale, Sponsor is hereby reserving the unconditional right to determine which Purchasers of Residential Units will be allowed to purchase a Storage Space Unit and how many Storage Space Units are sold to an individual purchaser. A Storage Space Unit will only be sold by Sponsor to a Purchaser of a Residential Unit.

Pursuant to the Condominium Declaration and By-Laws, the future sale or rental of any Storage Space Unit owned by Sponsor or a Sponsor-designee does not require the ownership by Sponsor or a Sponsor-designee of a Residential Unit. However, the future sale or rental of a Storage Space Unit owned by any other Unit Owner, other than the Sponsor or a Sponsor-designee, requires the simultaneous ownership by such Unit Owner of a Residential Unit.

Any conflict between this Offering Plan and the Purchase Agreement will be resolved in favor of the Offering Plan. In no event may the Purchase Agreement contain, or be modified to contain, any provision waiving Purchaser's rights, other than the ability of Purchaser to waive his right to thirty (30) days' notice prior to the closing of title to Purchaser's Unit. In no event may the Purchase Agreement contain, or be modified to contain, any provision abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law. Purchase Agreements are not assignable without Sponsor's prior written consent which may be withheld for any reason.

Sponsor reserves the right to negotiate all aspects of the purchase price of Units, including, but not limited to, the terms of the financing contingency, if any, decorating allowances, payment of fees otherwise paid by Purchasers, common charge rebates or subsidies, payment of all or part of Purchaser's financing costs, price reductions tied to rental of Units, reduced Down Payment deposits (but at least $1,000.00) and extra custom work. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

Purchaser shall represent that Purchaser has full right and authority to execute the Purchase Agreement and perform Purchaser's obligations thereunder. If Purchaser is not a natural person, Purchaser agrees to deliver at Closing, such documents evidencing Purchaser's authority as may be required by Purchaser's title company. Purchaser shall further represent that the Down Payment shall represent Purchaser's own funds and that no other party (other than Purchaser or Seller, as provided herein) has any right or claim to all or any portion of the Down Payment.

Purchaser shall be required to represent that: it is not now, nor shall it be at any time prior to or at the Closing, an individual, corporation, partnership, joint venture, trust trustee, limited liability company, unincorporated organization, real estate investment trust or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories (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, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that 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 Purchaser nor any person who owns an interest in Purchaser is now nor shall be at any time prior to or at the Closing 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 Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC or otherwise.

Purchaser shall further represent that he or she has taken, and shall continue to take until the Closing, such measures as are required by applicable law to assure that the funds used to pay to Seller the Purchase Price 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; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser shall at Closing be, 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 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. App. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957. The provisions of this paragraph shall survive the Closing of title to the Unit or termination of the Purchase Agreement.

Additionally, pursuant to the form Purchase Agreement set forth in Part II of the Offering Plan, Sponsor and Purchaser agree to keep all of the terms and conditions of the Purchase Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties respective lawyers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in the Purchase Agreement. Any failure by Purchaser to keep the terms and conditions of the Purchase Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth therein.

With regard to any model unit, which Unit or Units ("Model Unit") shall be designated by Sponsor in Sponsor's sole and absolute discretion, such Model Unit shall be delivered by Sponsor to a Purchaser thereof in "AS IS" condition, including but not limited to, normal wear and tear. Sponsor shall have no further obligations with regard to any Model Unit. Additionally, Sponsor shall be under no obligation to repaint or repair anything in a Model Unit, including but not limited to, refinishing the floors in a Model Unit, repairing any appliance in a Model Unit or painting any room in a Model Unit.

ASSIGNMENT OF PURCHASE AGREEMENTS

No assignment or transfer of an executed Purchase Agreement shall be permitted without the prior written consent of Sponsor which may be withheld for any reason.

EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. The term of the Plan is for one (1) year from the date the Plan is accepted for filing. However, any amendment to the Plan is hereby deemed to extend this time period to the same extent that the Plan is extended by such amendment. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been accepted for filing by the Department of Law substantiating same, and the Condominium Declaration and By-Laws have been duly recorded.

The Plan may be declared effective when Purchase Agreements have been both executed and accepted by a bona fide Purchaser and Sponsor for the sale of one (1) Residential Unit, which represent a minimum of at least fifteen percent (15%) of the Units offered under the Plan.

The Plan must be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of six (6) Residential Units, which represents a minimum of at least eighty percent (80%) of the Units offered under the Plan.

The Plan may be abandoned, at Sponsor's sole option, at any time before the amendment substantiating effectiveness is filed and before eighty percent (80%) of the Units have been purchased. The Plan, if abandoned, shall be abandoned by amendment filed with the Department of Law in appropriate form together with a notice of abandonment on form RS-3. Such amendment shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements shall be refunded to them in full, with interest, if any, within twenty (20) days of such abandonment.

Once a Plan has been declared effective, Sponsor may not abandon it for any reason other than for: (a) a defect in title which cannot be cured without litigation or cannot be cured for less than a cost which does not exceed an amount equaling one half of one percent (.5%) of the Total Purchase Price set forth on the front cover of the Plan; or (b) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than a cost which does not exceed an amount equaling one half of one percent (.5%) of the Total Purchase Price set forth on the front cover of the Plan; or (c) the taking of any material portion of the Property by condemnation or eminent domain. The aforementioned amount set forth above as a basis for abandonment after effectiveness of the Plan shall exclude any title defects, attorney's fees, hazardous or dangerous conditions, work orders or determinations of any authority or regulatory association which exist as of the date the Plan is declared effective and either are known to the Sponsor or are a matter of public record.

The Plan will be declared effective by the mailing or personal delivery of written notice to all purchasers. Within five (5) business days after such notice is given an amendment to the Plan will be submitted by Sponsor stating that the Plan has been declared effective. If requested, Sponsor will submit to the Department of Law copies of all Purchase Agreements, together with

any amendments or modifications to such Agreements, within five (5) business days after the request is received.

The Plan will not be declared effective based upon Purchase Agreements: (a) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (b) if the Purchaser was either not afforded at least three (3) business days to review the Plan, and all filed amendments thereto prior to executing a Purchase Agreement, or if he was not permitted seven (7) days after delivering an executed Purchase Agreement and deposit to rescind the Purchase Agreement; or (c) with any Purchaser who is the Sponsor/Selling Agent or the Managing Agent or is a principal of the Sponsor/Selling Agent or the Managing Agent or is related to the Sponsor/Selling Agent or the Managing Agent or to any principal of the Sponsor/Selling Agent or Managing Agent by blood, marriage or adoption or as a business associate, an employee or a shareholder or a limited partner, except that such a Purchaser, other than the Sponsor or a principal of the Sponsor may be included if Sponsor submits proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide Purchaser.

TERMS OF SALE

The Units, when sold by the Sponsor, will be sold in fee simple to Purchasers, who may be individuals, a duly formed partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective offering prices set forth in Schedule A (as such prices may be changed by the Sponsor as set forth in Part I of the Offering Plan), and the sale of the Units will include the respective undivided interests in the Common Elements. Good and marketable title to the Units and their appurtenant interests in the Common Elements will be conveyed by the Sponsor by Bargain and Sale Deed with Covenants against Grantor's Acts and containing the provisions set forth in subdivision 5, Section 13 of the Lien Law, free and clear of all liens and encumbrances other than those set forth below. The form of unit deed is set forth in Part II of the Plan.

1. Any state of facts an accurate survey would show, providing such survey does not render title unmarketable;

2. Zoning and building ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the contemplated structures and use;

3. The Declaration, By-Laws, Maps and Floor Plans of the Condominium to be recorded in the Office of the City Register, as the same may be amended from time to time;

4. Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction and rehabilitation of the Building, or construction of the individual Units, or which may have come or may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any portion thereof, or of any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of any alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

5. Easements, if any, in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

6. Revocability of the right to maintain street vaults and other areas, if any, under sidewalks;

7. 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 on which the Property may abut;

8. Any easement or right of use created in favor of any public utility company and/or cable television company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property;

9. Service, maintenance and union contracts and agreements, if any, in effect on this date of the First Unit Closing;

10. Encroachments of stoops, areas, cellar steps, doors, ledges, window sills, bay windows, trim, coping, cornices, vaults, chutes, fuel oil lines, gas lines, drainage pipes, standpipes, sewerage pipes, foundations, footings, retaining walls, fences, fire escapes, air conditioning units, canopy and similar projections, if any, on, over or under the Property or the streets or sidewalks or property abutting the Property and rights of governmental authorities and adjoining property owners to require the removal of any such projections, and variations between record lines of the Property and fences, walls, retaining walls and the like, if any;

11. All covenants, declarations, restrictions, reservations, agreements and easements of record, if any, which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent residential use of the Residential Units at the Property nor prevent the existence of the present structures;

12. Nuisance restrictions contained in Deed dated May 19, 1873 recorded May 19, 1873 in Liber 1256 page 162. (Affects Lot 44 and the rest of Lots in that Block) and repeated in Deed dated August 6, 1880 recorded April 6, 1880 in Liber 1546 page 489. (Affects Lot 44 and the rest of Lots in that Block). Purchaser's title policy, if obtained from All New York Title, will insure that the same do not contain any condition or right of re-entry nor provision for forfeiture under which the insured can be cut-off: subordinated or otherwise disturbed.

13. Chimney Agreement between 50 East 72nd Street Associates and Spiros Nicholas Milonas, dated May 10, 1982, recorded May 14, 1982 in Reel 622 page 980 wherein the premises at 50 East 72nd Street shall allow the chimney for 40 East 72nd Street to be attached to the building at 50 East 72nd Street so long as the building at 50 East 72nd Street shall remain standing.

14. Premises are within Upper East Side Historic District designated as a Historic district by the Landmark Preservation Commission in accordance with the provision of Chapter 8-A of the Administrative Code of the City of New York (Sections 205-1.0 to 207-21.0). Purchaser's title policy will except such designation and the provisions of the above statute.

Notice of Designation acknowledged April 21, 1982 recorded July 2, 1982 in Reel 627 page 739.

15. The Building lies within the "Upper East-Side Historic District" and Sponsor's renovations will be in compliance with the standards established by the Landmarks' Preservation Commission of the City of New York. Any new exterior finishes of the Building, including any windows which are being installed by Sponsor, must be maintained in the future by the Condominium at its sole cost and expense. No renovation, alteration and/or improvement in the future may be made by the Condominium without the prior approval of the Landmarks' Preservation Commission.

16. Fire Egress Easement Agreement between 50 East 72nd Street Condominium and Goodhope Realty Corp. dated July 18, 1985 recorded September 6, 1985 in Reel 958 page 34.

17. Zoning Lot Description And Ownership Statement (Exhibit III) made by Goodhope Realty Corp. dated October 11, 2005 recorded October 24, 2005 in CRFN 2005000592089.

18. Zoning Lot Description And Ownership Statement (Exhibit III) made by Goodhope LLC dated June 11, 2008 recorded June 13, 2008 in CRFN 2008000237753.

IN CONNECTION THEREWITH:

Certificate Pursuant To Zoning Lot Subdivision (Exhibit I) made by All New York Title Agency, Inc., an authorized title insurance agent for First American Title Insurance Company dated as of June 9, 2008 recorded June 13, 2008 in CRFN 2008000237752.

19. Any service contracts to be assumed by the Condominium at the First Unit Closing;

20. The lien of any unpaid real estate tax, and the lien of any water charges or sewer rents generally, (which shall be apportioned at closing);

21. Any service variations between tax lot lines and lines of recorded title;

22. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to his Unit.

The Sponsor represents that, until it no longer controls the Board of Managers, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the date of the First Unit Closing, 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 the Sponsor is reasonably unable to exercise control. If the Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, the Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make as of the First Unit Closing. As set forth in the section of the Plan titled "Effective Date", in the event of a casualty which cannot be repaired for less than a cost which exceeds an amount equaling one half of one

percent (.5%) of the Total Purchase Price set forth on the front cover of the Plan (as estimated with respect to the casualty by an insurance adjuster retained by Sponsor) and which occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such event all Purchase Agreements will be deemed automatically cancelled and Purchasers in good standing will be refunded their deposits with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a loss or casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of the damaged Unit, then the following shall be applicable:

Sponsor shall have one hundred twenty (120) days to elect to repair or restore the damage to the Building.

The term "Affected Unit" means a Unit that has been directly damaged in the casualty (other than minor damage not rendering the Unit uninhabitable) or is without such essential services as gas, electricity and heat, or no longer has a reasonably adequate means of ingress and egress to the street;

The Purchase Agreements for all Units, other than "Affected Units" (as previously defined), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and repair of the damage to the Building and the Affected Units.

Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be required to pay the balance due under the Purchase Agreement unless and until (i) the damage to his or her Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) his or her essential services (such as gas, electricity or heat) and a reasonably adequate means of ingress and egress to the street have been restored.

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement or otherwise prior to the casualty, such Purchaser shall assume the risk of loss to the Unit and the obligation to repair the damage, unless the cause of such loss originated outside his or her Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his or her failure to repair the damage shall not excuse him or her from paying the balance due under his or her Purchase Agreement and accepting title to the Unit.

The Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and the Sponsor will not be liable to the Condominium, in the event of any delay in repairing the damage.

All personal property located within the Unit on the date the Purchase Agreement is signed that is owned by the Sponsor is included in the conveyance to the Unit Purchaser. All personal property affixed to or located within the Common Elements that is owned by the Sponsor is included in the property transferred to the Condominium by the Declaration.

At the time of the First Unit Closing each mortgagee will (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; (c) release its lien on the Condominium Unit being conveyed.

CLOSING ADJUSTMENTS WITH THE CONDOMINIUM BOARD

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

(a) Any Common Charges or other payments to be made in lieu thereof, which are Sponsor's obligation for the period from the First Unit Closing to the end of the month in which same occurs;

(b) employees' wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building, if any;

(c) fees for assignable permits and licenses, if any;

(d) charges for gas for the Common Elements, for which Sponsor shall obtain readings;

(e) charges for electricity for the Common Elements, for which Sponsor shall obtain a reading;

(f) charges under service and maintenance contracts and concession agreements, if any;

(g) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed or on the basis of meter readings if applicable, which Sponsor shall obtain;

(h) supplies on hand at Sponsor's cost (plus sales tax);

(i) premiums for transferable insurance policies, if any, provided that the amount and the extent of coverage conforms to the disclosures in this Plan in Schedule B as set forth in Part I of the Offering Plan;

(j) vault charges, if any;

(k) such other items as are customarily included in closing adjustments in the City of New York;

The Condominium Board shall reimburse the Sponsor in full for any electric, utility or other utility construction deposits or security deposits paid by Sponsor. Such items are not items for closing adjustment.

At the time of the first (1st) closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay into the Working Capital Fund of the Condominium the sum equal to two (2) months of Common Charges for the Unit being purchased at the time of the closing. This fund is

to be used for payment by the Board of Managers of any net closing adjustment expenses owed to Sponsor at the First Unit Closing. The amount of the net closing adjustment owed to Sponsor will be paid to Sponsor by the Board of Managers, without interest, by applying the contribution to Working Capital paid by each Purchaser at the closing of title to each Unit to the terms of a non-interest bearing note due on the first anniversary of the First Unit Closing to be executed by the Board of Managers at the First Unit Closing. Sponsor is hereby authorized to endorse the Working Capital contribution checks payable to the Board of Managers over to Sponsor and to apply such payments without any further action of the Board of Managers until the promissory note is paid in full. If the promissory note is not fully paid by the due date from such payments, the Board of Managers will pay the note in full from its general funds. The Board of Managers will be entitled to repay the note, in full only, at any time and without penalty. Sponsor will waive any net adjustments in its favor which would reduce the Working Capital Fund below zero ($0.00) after making provision for the amount of monies that would be generated by the payment of Working Capital contribution for each Unit in the Building. If the result of the closing adjustment is a net credit in favor of the Condominium, or if any amounts remain after the promissory note has been fully paid, such amounts in the Working Capital Fund may be held or used at any time for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as well as determined by the Board of Managers in its sole discretion.

Other than the Reserve Fund set further in Schedule B, no provision has been made for any Reserve Fund or for any Working Capital Fund other than as set forth above.

CLOSING OF TITLE TO UNITS

At the closing of title to an individual Unit the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit and the Sponsor, pursuant to section of the Plan titled "Terms of Sale," hereinbefore, will deliver to the Purchaser a bargain and sale deed for that Unit with covenants against grantors acts. The form of Unit Deed is set forth in Part II of the Plan.

Closing of title shall take place concurrently with or after the following events have occurred:

(1) The issuance of a temporary or permanent Certificate of Occupancy for the Building, or, alternatively, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the entire project within two (2) years, subject to force majeure, subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires. If, at the time of closing of title to a Residential Unit Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost of obtaining a permanent "Class A" residential Certificate of Occupancy covering such Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering such Unit or the Building. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined. The use of alternate security will be disclosed in an amendment to the Plan.

(2) The recordation in the New York County Office of the Register of the City of New York of the Declaration, the By-Laws and the filing in said office of a set of as-built floor plans of the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, certified by the Tax Assessor of the City of New York as conforming to the official tax lot number for each such Unit and including an Architect's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built;

(3) The discharge of all duly recorded liens affecting the Unit to be closed and its undivided Common Interest and the recording of a partial release which releases such Unit and its undivided Common Interest from such lien, if any, as required by Section 339-r of the Real Property Law;

(4) The serving by personal delivery or registered or certified mail to the Purchaser written notice of the closing date not less than thirty (30) days prior to closing of title, unless Purchaser elects to waive the thirty (30) day requirement; and the affording to Purchaser of an opportunity to inspect the Unit and the Common Elements; and

(5) The amending of the Offering Plan by Sponsor with an amendment substantiating that the Plan has been declared effective and confirming that the Units to be closed have been constructed in accordance with the applicable plans and specifications and that Sponsor has satisfied, or will satisfy prior to closing of title, all of the requirements of this section titled "Closing of Title to Units" located in Part I of the Plan.

At the closing of title to a Unit, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed within such Unit. The Board of Managers shall simultaneously execute and deliver to the Purchaser of such Unit an authorization to enforce such warranties on its behalf. At the First Unit Closing, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed in Common Elements. A copy of any manufacturer's warranties, to the extent available, will be delivered to the Board of Managers at the First Unit Closing or promptly thereafter.

UNIT CLOSING COSTS AND ADJUSTMENTS

1. General:

The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Unit will be as set forth below. Such costs are only estimates and are subject to change.

(a) Payment of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Sponsor recommends that Purchaser order such insurance from All New York All Title Agency, Inc., having an office at 222 Bloomingdale Road, Suite 306, White Plains, New York 10605 (Tel. No. 212-579-1944), Attention: Joseph Petrillo, Esq. Obtaining title insurance from All New York Title Agency, Inc. shall facilitate the closing and avoid unnecessary delays. However, notwithstanding anything herein to the contrary, a Purchaser may elect to obtain title insurance and/or a title report from any other title insurance company and/or abstract company. Purchasers are advised that obtaining title insurance from another title insurance company and/or abstract company may cause a delay of the closing of title to the Unit. If Purchaser elects to obtain title insurance from another title insurance company and/or abstract company, there shall be no additional cost to Purchaser due to such choice.

Purchaser will pay the premium for title insurance, which will vary depending upon the purchase price of the Unit. If ordered from All New York Title Agency, Inc., the premiums as of the date of this Plan will be discontinued by reason of the initial sale of the Unit by Sponsor.

CLOSING COSTS

The estimated closing costs and expenses to be borne by each Purchaser are set forth below. Recording charges, fees, title costs and taxes are based on rates in effect on the date of the Plan and are subject to change without notice.

THE BELOW SCHEDULE APPLIES TO PURCHASE PRICES UP TO $999,999.99 ONLY:

a) If Purchaser elects to obtain fee title insurance, Purchaser will pay a premium which will vary depending upon the amount of insurance requested. All New York All Title Agency, Inc., having an office at 222 Bloomingdale Road, Suite 306, White Plains, New York 10605 ("All New York") will be $342.00 for the first $63,000.00 of fee insurance plus $3.30 for each $1,000.00 of additional fee insurance up to $100,000.00. For additional rates please see chart below.

FEE AMOUNT	PREMIUM		
$ 100,000.00	$ 461.00	+ $2.59 per thousand up to	$ 200,000.00
$ 200,001.00	$ 723.00	+ $2.60 per thousand up to	$ 450,000.00
$ 450,001.00	$ 1,372.00	+ $2.58 per thousand up to	$ 500,000.00
$ 500,001.00	$ 1,502.00	+ $2.37 per thousand up to	$ 750,000.00
$ 750,001.00	$ 2,093.00	+ $2.36 per thousand up to	$ 999,999.00

THE BELOW SCHEDULE APPLIES TO PURCHASE PRICES OF $1,000,000.00 AND OVER ONLY:

The discounted premium for owner's title insurance is seventy percent (70%) of the sum of $402.00 for the first $35,000 of fee insurance plus from $4.67 for each $1,000 of additional fee insurance up to $50,000. For additional rates, please refer to the schedule below.

FEE AMOUNT	PREMIUM		
$ 50,001.00	$ 351.00	+ $3.80 per thousand up to	$ 100,000.00
$ 100,001.00	$ 541.00	+ $3.05 per thousand up to	$ 500,000.00
$ 500,001.00	$ 1,762.00	+ $2.79 per thousand up to	$1,000,000.00
$ 1,000,001.00	$ 3,155.00	+ $2.57 per thousand up to	$5,000,000.00
$ 5,000,001.00	$ 13,406.00	+ $2.36 per thousand up to	$10,000,000.0(

b) If a Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from All New York Title Agency, Inc., the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Basic Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the owner's policy shall be calculated at thirty percent (30%) of the regular scheduled rate for loan policies. For example:

LOAN AMOUNT	PREMIUM		
$ 35,000.00	$ 73.00	+ $1.17 per thousand up to	$ 50,000.00
$ 50,001.00	$ 90.00	+ $ .95 per thousand up to	$ 100,000.00
$ 100,001.00	$ 137.00	+ $ .77 per thousand up to	$ 500,000.00
$ 500,001.00	$ 445.00	+ $ .70 per thousand up to	$1,000,000.00
$ 1,000,001.00	$ 795.00	+ $ .64 per thousand up to	$5,000,000.00

Purchasers are required to accept such title as All New York Title Agency, Inc. will provide, approve and insure and without additional premium, provided that the only liens, encumbrances and conditions affecting title shall be Permitted

Encumbrances, as described in the Terms of Sale section of this Plan. As a result, Sponsor is not obligated to cause Purchaser's title company to omit any exception to title if All New York Title Agency, Inc. is willing to insure Purchaser's title without such exception, at its regular rates and without additional premium, by either (i) omitting same from Purchaser's title insurance policy or (ii) insuring against collection from the Unit. Purchaser will be responsible to pay to the title company the entire premium for Purchaser's title insurance. In the event there is a delay in the closing of title to a Unit due to clearance of title issues or otherwise as a result of Purchaser utilizing a title company other than All New York Title Agency, Inc., Purchaser will be responsible for the additional closing costs as provided for in the Purchase Agreement and in this Section of the Offering Plan.

Further, with regard to title defects, once the Offering Plan has been declared effective, Sponsor may not abandon it unless such defect in title cannot be cured without litigation or cannot be cured for less than a cost which does not exceed an amount equaling one half of one percent (.5%) of the Total Purchase Price set forth on the front cover of the Plan. See the section of the Plan herein before titled "Effective Date of Plan" for further details in this regard.

(b) Recording fee for recording the deed and power of attorney of approximately $600.00;

(c) If a purchase money mortgage is obtained from a lending institution, the Purchaser may expect to incur the following costs:

(i) Legal fees of the lending institution's attorney;

(ii) Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates as quoted by First American Title Insurance Company, as of the date of this Plan, set forth in subparagraph a. above.

(iii) A mortgage recording tax of one and eight-tenths percent (1.80%) of the first ten thousand dollars ($10,000.00) of the amount of the mortgage executed by the Purchaser and a mortgage recording tax of two and five one-hundredths percent (2.05%) of the amount of the balance of the mortgage actually executed by Purchaser for mortgages in the amount of less than $500,000.00. For mortgages of $500,000.00 or more, the rate is two and one hundred seventy-five thousandths percent (2.175%). Please note the discussion of Mortgage Tax Credit below. Institutional Lenders are required to pay one quarter of one percent (.25%) of the two and five one-hundredths percent (2.05%) tax, thereby reducing Purchaser's cost to one and eight tenths percent (1.80%) less $30.00, for mortgages less than $500,000.00 and 1.925% less $30.00 for mortgages of $500,000.00 or more;

(iv) Recording fee of approximately $650.00 for (i) recording of the Purchaser's Mortgage and the partial release of mortgage and termination of any Uniformed Commercial Code Financial Statement related to the Unit and any underlying Mortgage, construction loan or otherwise, obtained by Sponsor; and (ii) ACRIS service fees of the title company relating to the required filing of real estate transfer tax forms;

(v) Commitment fee or origination fee, appraisal fee, application fee, credit fee, if any, charged by the lending institution or Sponsor;

(d) New York City Real Property Transfer Tax, currently equal to one percent (1%) of the purchase price with respect to the Residential Units which are sold for $500,000.00 or less and which has been increased to 1.425% where the consideration is greater than $500,000.00. It is customary in real estate transactions involving sales of multi-family buildings or single family homes for the seller to pay these transfer taxes and the transfer taxes in (e) immediately below;

In condominium transactions, either the seller or the Purchaser can pay these transfer taxes. The obligation is assumed by a purchaser if such obligation is imposed on the purchaser by the terms of the sale. Under the Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes as a closing cost. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Real Property Transfer Tax and New York State Transfer Taxes (deed stamps) to be paid for the Unit;

In the event that the taxing authority of the city of New York determines that the conveyance of either (i) a Residential Unit together with a Storage Space Unit or (ii) more than one (1) condominium unit to the same Purchaser, is taxable at the "commercial transfer tax rates," then, in such event, the transfer tax to be paid by Purchaser shall be 1.425% of the aggregate consideration, as discussed above, where the consideration is $500,000.00 or less, and 2.625% of the aggregate consideration when the consideration is greater than $500,000.00. In the event that the City of New York determines additional transfer taxes are due following an audit of any closed transactions, it shall be the Purchaser's sole obligation, which shall survive the closing, to respond to and defend such audit and pay any additional tax imposed.

(e) New York State Real Estate Transfer Taxes (deed stamps), which are currently at the rate of $2.00 per each $500.00 of consideration or part thereof. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Real Property Transfer Tax and deed stamps to be paid for the Unit;

(f) Contribution to the Working Capital Fund in the amount equal to two (2) months of Common Charges for the Unit being purchased at the time of the closing, payable to the Board of Managers;

(g) Legal fee of Sponsor's attorneys in the amount of $5,000.00 per Unit, payable to D'Agostino, Levine, Landesman & Lederman, LLP provided that an additional fee of $750.00 per closing shall be due for closings which occur outside the offices of Sponsor's attorneys;

Furthermore, a legal fee of $750.00 shall be payable to Sponsor's attorneys for the work involved in processing any assignment of a purchase agreement or contract of sale. It is noted that no such assignments are permitted without the prior written consent of Sponsor. A legal fee of $750.00 shall be payable for the work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth in the Offering Plan. Finally, a legal fee in the amount of $750.00 shall be paid by Purchaser to Sponsor's attorney's for each cancellation and/or release if prepared by such firm pertaining to other than a termination relating to the mortgage financing contingency, if any;

(h) Real estate taxes from the midnight preceding the date of the closing through the end of the tax payment period within which the closing date occurs, which shall be either a quarter (1/4) of a year or one half (1/2) of a year, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser;

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six (6) months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit closings individual purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax period within which the closing date occurs. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit and Purchaser shall be required to escrow six months of real estate taxes as provided in the By-Laws that the Board may collect real estate taxes to pay for unapportioned real estate taxes. Please see real estate escrow form located in Part II of the Plan. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid.

Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

(i) Under the State Tax law, Section 1402-a, a tax of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (Purchaser) on each conveyance of residential real property, including condominium units, where the consideration for the entire conveyance is $1,000,000.00 or more (the "Mansion Tax"). Residential real property includes a 1 to 3 family house, an individual condominium unit and a cooperative unit that is or may be used, in whole or in part, as a personal residence. The Mansion Tax applies to conveyances occurring on or after July 1, 1989 other than conveyances pursuant to binding written contracts entered into on or before February 16, 1989. If applicable, a Purchaser under the terms of the Offering Plan shall be liable for payment of the Mansion Tax at the closing of title of the Unit being purchased. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Transfer Tax and deed stamps to be paid for the Unit by Purchaser.

In addition to the above costs, each Purchaser of a Unit will be responsible for the fees and expenses of his own attorney, if any. As a result of the variable factors with respect to each Unit, such as purchase price, terms of a possible mortgage commitment, fees of Purchaser's attorney and fees of the attorney representing Purchaser's lending institution, Sponsor suggests that Purchaser review their closing costs with an attorney.

The Purchaser will be required to pay to the Board of Managers Common Charges allocable to his Unit monthly in advance. Common Charges assessed during the month in which title closes shall be adjusted with the Sponsor as of the midnight preceding the closing date, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any Common Charges which Sponsor was obligated to pay to the Board of Managers as a result of any unauthorized delay in closing of title by Purchaser. The amount of such Common Charges to be assessed against each Unit will be fixed by the Board of Managers. Common Charges to be initially assessed are expected to conform to those shown in Schedule A contained herein.

Notwithstanding anything hereto the contrary, if, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally Scheduled Closing Date, or the Adjourned Closing Date (as defined in the form Purchase Agreement set forth in Part II of the Plan), and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and Common Charges will be made as of midnight of the day preceding the originally Scheduled Closing Date regardless of when the

actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.04% of the Purchase Price of this Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault to Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

Water and sewer charges shall be adjusted between the Sponsor and the Condominium as of midnight preceding the First Unit Closing.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, and such First Unit Closing occurs during a tax payment period, Sponsor will have previously paid the real estate taxes through the end of such tax payment period. For example, if the First Unit Closing occurs on January 1, 2015, Sponsor will have paid the real estate taxes for the Property through June 30, 2015. Sponsor shall place in escrow with the Condominium Board of Managers at the First Unit Closing money sufficient to pay the real estate taxes for six (6) months subsequent to the date of the First Unit Closing. If the real estate taxes have already been paid for all or part of this six (6) month period, then this six (6) month period shall be reduced by the amount of time subsequent to the First Unit Closing for which the taxes have been paid. For example, if the First Unit Closing occurs on January 1, 2015, and real estate tax have been paid through June 30, 2015, then Sponsor shall be required to place zero (0) months' real estate taxes into escrow with the Condominium Board of Managers since six (6) months of real estate taxes will have already been paid. Sponsor shall have the right to reduce this escrow on a Unit by Unit basis by requiring each Purchaser to fund into escrow, at such Purchaser's Unit Closing, the amount necessary, on the basis of percentage of Common Interest, to cover the period for which real estate taxes have not been paid for such Unit up to six (6) months from the First Unit Closing or an amount necessary to pay the amount of allocated taxes for the Unit which will be due on the next tax payment date (which in New York City is either July 1st or January 1st). At the option of Sponsor, this funding may occur in addition to Purchaser paying such funds to its mortgagee, or by paying such monies into the escrow held by the Board of Managers. Sponsor shall pay the real estate taxes from this escrow account when they are next due and shall be entitled to reimbursement from any Unit Owner who either did not pay any money into escrow or paid less than was required to cover the real estate taxes attributable to such Unit for the time Purchaser owned the Unit.

Subsequent to this six (6) month period, until a separate assessment for each Unit has occurred, each Unit Owner or its mortgagee shall, on January 1st and July 1st of each year, pay to the Board of Managers, for the purpose of paying such Unit Owner's share of the real estate taxes for the ensuing six (6) months, an amount determined by multiplying such Unit Owner's percentage of Common Interest by the aggregate real estate taxes assessed against the tax lot comprising the Property for the six (6) month time period. At the option of Sponsor, Purchasers may be required to fund at the closing of title to their Unit, their proportionate share of the funds

to be escrowed with the Board of Managers for this purpose. The Board of Managers shall keep all such funds in a separate account for the purpose of paying the real estate taxes for the Property when due. Sponsor shall also pay into this special account with respect to any Units owned by it.

At Unit Closings individual Purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax payment period within which the closing date occurs. However, Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of percentage Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time.

2. Mortgage Tax Credit

(a) Section 339-ee(2) of the New York Real Property Law provides as follows:

> "In the event the proceeds of a construction mortgage were applied to construction of a unit of a condominium submitted to the provisions of this article, or in the event that a unit submitted to the provisions of this act was subject to a blanket mortgage whose proceeds were applied exclusively to payment of the construction mortgage or to capital expenditures or expenses for the development or operation of the condominium, or to purchase of land or buildings for the condominium provided that such purchase was no more than two (2) years prior to the recording of the declaration of condominium, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage taxes (except the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law) that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the purchaser's pro-rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage."

If Sponsor has paid a mortgage recording tax for a construction loan and/or blanket mortgage on the Property and in the event that a mortgage tax credit becomes available pursuant to the above Section of the New York Real Property Law, then it is specifically understood that such credit shall inure to the benefit of the Sponsor. Accordingly, at closing, each Purchaser electing mortgage financing

shall pay an amount equal to the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At closing the Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

(b) In the event the mortgage recording tax credit pursuant to Section 339-ee(2) of the New York Condominium Act is unavailable, Sponsor, at its option, may arrange, in lieu of the mortgage recording tax credit, to have Doral Bank, the holder of the loans encumbering the Property, assign to a Purchaser's lender, a portion of Doral Bank's mortgages, in an amount equal to the mortgage loan obtained by Purchaser (the "Mortgage Assignment"). If Sponsor chooses to have Doral Bank deliver a Mortgage Assignment to Purchaser's lender, Sponsor will pay the costs and fees charged by Purchaser's lender, and Purchaser's lender's attorneys, as well as all applicable recording charges to effect the contemplated assignment ("Mortgage Assignment Expenses").

If, at Sponsor's option, the Mortgage Assignment is effected, Purchaser shall, in lieu of paying mortgage recording tax to the State of New York, pay Sponsor, at Closing, an amount equal to the mortgage recording tax which would otherwise have been due by Purchaser ("Mortgage Recording Tax Reimbursement"). Sponsor also reserves the right to direct Purchaser to pay, from the Mortgage Recording Tax Reimbursement, the Mortgage Assignment Expenses. It is intended that Purchaser shall not be obligated to pay or incur any expense or sum of money that it would not have paid in the event the mortgage recording tax credit was available.

The entire contents of this Paragraph "2" as well as those in Paragraph 1 above, as same may be revised or amended, shall be deemed to be incorporated into the Purchase Agreement for each Unit.

A numerical example for the costs set forth in this section of the Offering Plan for a typical Residential Unit, such as Unit 5, with a purchase price of $12,900,000.00 and a mortgage of $10,320,000.00 are estimated as set forth below. Tax, insurance and recording rates are subject to change.

(i) Title insurance for fee and mortgage $53,032.00 ($43,994.00 fee) ($9,038.00 mortgage);

(ii) recording costs for deed and power of attorneys $600.00;

(iii) mortgage recording tax (including payment to Sponsor pertaining to mortgage tax credit, if any) $197,090.00;

(iv) recording cost of mortgage, partial release, UCC Termination Statement and ACRIS filings $200.00;

(v) New York City Real Property Transfer Tax $185,728.80;

(vi) New York State Real Estate Transfer Taxes (deed stamps) $52,136.00;

(vii) New York State Mansion Tax $130,336.00;

(viii) Working Capital Fund Contribution (2 months Common Charges) $10,372.00;

(ix) legal fee of Sponsor's attorney (assuming the closing takes place in the office of Sponsor's attorneys, no assignment and no unauthorized delay in closing by Purchaser) $5,000.00;

(x) real estate tax escrow -

For a closing occurring on January 1, 2015, second (2nd) half 2014/2015 real estate taxes will have been paid. Therefore, for 1st half 2015/2016 real estate taxes, due July 1, 2015, six (6) months of real estate tax escrow would be picked up. For example, for Unit 5, this amount would be estimated at approximately $18,810.00 based upon the estimates in Schedule A for the First Year of Condominium operation. It is also noted that a January 1, 2015 closing where the second (2nd) half of 2014/2015 real estate taxes are paid would mean the Purchaser would have to reimburse Seller for six (6) months of real estate taxes. For Unit 4, based upon the estimates in Schedule A for the First Year of Condominium operation, this amount would equal approximately $18,810.00.

Other fees which cannot be estimated because they pertain to events outside of Sponsor's control and/or statutory requirement include, purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee and monthly Common Charges prospectively from the closing date.

RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. In the event that Sponsor is unable to perform its obligations pursuant to the Offering Plan, Sponsor shall cease all sales activity and amend the Offering Plan to disclose its current financial condition. The amendment will also provide that Purchasers, will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within fifteen (15) days thereafter.

The project is currently being financed from Sponsor's own funds and a construction loan provided by Doral Bank (the "Existing Lender and/or Construction Lender"). Pursuant to the terms of the loan with the Construction Lender, provided Sponsor is not in default of any loan provision, the Sponsor shall have the right to sell the Units at offering prices that are not less than minimum sales prices to be negotiated by the Sponsor with the Construction Lender. Sponsor represents that all of the offering prices, as set forth in Schedule A located in Part I of the Offering Plan, will be above any proposed minimum sales prices being discussed by Sponsor with the Construction Lender. Further, the Proposed Construction Lender will agree that upon the payment by Sponsor of the greater of the minimum sales or a percentage of gross or net sales proceeds from the closing of each Unit until the loan is paid in full, the Construction Lender will release the Unit closed from the lien of the Construction Lender's construction loan. Additionally, based upon the terms of the loan with the Construction Lender, the Sponsor will have the right to lease any portion of the Property without the consent of the Construction Lender.

Sponsor makes the representations set forth below with respect to certain obligations under the Plan.

1. The Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction of the Units and Common Elements for the authorized and proper work performed and fixtures, material and equipment supplied or installed in said construction.

2. The Sponsor will diligently, expeditiously and at Sponsor's own cost, complete the construction of the Units and Common Elements substantially in accordance with the plans and specifications described herein. If any work still remains to be done to complete such work, provided such work will not prevent the issuance of a permanent Certificate of Occupancy, Sponsor, at Sponsor's own cost and expense, will perform or cause all such work to be performed and will supply or cause all material therefor to be supplied and will pay for such

work and materials and discharge or bond all mechanics' liens which may be filed as a result of the construction of the Units or Common Elements.

The Sponsor reserves the right to substitute for any of the materials or any of the construction procedures specified in the Altered Building Plans, the Description of Property and Building Specifications or elsewhere in the Plan, materials which are equal to or of better quality and design and/or construction procedures which are equal to or of better custom for the industry in which the Property is located as determined by Sponsor's general contractor or architect or engineer, in their sole discretion. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment and procedures described in this Plan and in the architectural plans on file, but, due to the possible unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment which are equal to or of better quality and design and/or similar construction procedures for any of those set forth in the specifications or otherwise in this Plan.

The Sponsor also reserves the right, without altering the total amount of space contained in the Building, to change the size, interior layout and location of any Unit or the number of Units, provided such changes are made in accordance with the Section of the Plan titled "Changes in Prices or Units" herein.

Sponsor has also reserved the right to reconfigure, change, combine, relocate and/or modify any unsold Storage Space Unit, including, but not limited to, increasing the number of Storage Space Units, in its sole discretion in order to sell and/or lease any of the Storage Space Units.

Changes will be made in the size or number of Units, their respective percentage of Common Interest, or in the amount or quality of Common Elements, except as otherwise provided herein, only with the consent of all Unit Owners directly affected, and by amendment to the Plan and also by amendment to the Declaration if the Declaration was filed prior to such change. To be directly affected the change in the size of a Unit must be to such Unit Owner's Unit or the change must be to his or her percentage of Common Interest or in the amount or quality of Common Elements which he or she is entitled to use. However, Sponsor shall not be obligated to obtain consent of any Unit Owner for changes made prior to the execution of a Purchase Agreement for the affected Unit or Units, provided such changes are made by amendment to the Offering Plan and to the Declaration if the Declaration was filed prior to such change.

Changes to the size, layout or percentage of Common Interest of a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to the Purchaser or changes in the amount or quality of Common Elements directly affecting or servicing a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to Purchaser shall be made only with the written consent of the Purchaser of such Unit. Notwithstanding the foregoing, such changes may be made, provided all directly affected Unit Owners consent in writing to such change and all directly affected Purchasers who are still

contract vendees either consent in writing to such changes or are given the right to rescind and receive from Sponsor a return of any deposit or Down Payment for fifteen (15) days from the date of mailing or personal delivery of written notice from Sponsor.

3. The Sponsor, at Sponsor's sole cost and expense, will obtain, prior to the closing of a particular Unit, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the entire project within two (2) years subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires. If, at the time of closing of title to a Residential Unit Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost of obtaining a permanent "Class A" residential Certificate of Occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering such Unit or the Building. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined provided that the use of such alternate form of security has been previously disclosed in an amendment to the Plan. In the event that Sponsor does not obtain an architect's opinion as to the amount to be escrowed, then in such event, the Sponsor shall hold all proceeds of the Unit sale in escrow with an escrow agent until a permanent Certificate of Occupancy covering the Unit or the Building is issued.

Any amount(s) retained in escrow pending the delivery of a permanent certificate of occupancy and the architect's certification(s) certifying such amount(s) will be included in each post-closing amendment to the Plan until the permanent certificate of occupancy is obtained.

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 of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than an FCO. Sponsor anticipates this scenario may occur. Sponsor 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 year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO for the entire Building, and shall use its best efforts to obtain the FCO within such two 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.

Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have an FCO. A Factsheet on Certificates of Occupancy is available on the DOB website at http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf.

If at the time a Unit Owner seeks to perform alterations to his or her own Unit, a Permanent Certificate of Occupancy is not issued for the Building, the Unit Owner, prior to commencing any alteration, must obtain the consent of the Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. The Sponsor or its designee may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained therefor. In furtherance thereof, a Unit Owner, who has been granted the consent by the Sponsor or its designee, to perform alterations shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee as a result of any violation of Law or delay in obtaining a Temporary or Permanent Certificate of Occupancy. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the Certificate of Occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously, restoring the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in the By-Laws.

4. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred, or in connection with the sale of all of the Units held or owned by the Sponsor, except as noted in the section of the Plan titled "Unit Closing Costs and Adjustments," and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, architect's fees, attorneys' fees, organization costs, brokerage commissions, engineers' fees, appraisal and any surveying fees and costs.

5. The Sponsor will pay all Common Charges, real estate taxes, special Assessments and other expenses allocable to any Units owned by the Sponsor, so long as Sponsor shall continue to own the same. As set forth in Part I of the Offering Plan, however, Sponsor, where

Purchaser has caused an unauthorized delay in closing of title, shall be entitled to certain reimbursement of real estate taxes, Common Charges and interest. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Sponsor's financial obligations to the Condominium will be funded from sales proceeds. If this source proves insufficient Sponsor shall seek funds from the construction lender, if any, or another lender.

Notwithstanding anything herein to the contrary, until title to all Units has been conveyed, the Sponsor or its designee as owner of any Unsold Units, may decide that Sponsor will, at Sponsor's or Sponsor's designee's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan. In the event that Sponsor or its designee as the owner of all Unsold Units elects to have Sponsor make in lieu payments, Sponsor or its designee shall (i) file an amendment to the Offering Plan prior to the First Unit Closing indicating that the collection of Common Charges will not commence with the beginning of Condominium operations and the anticipated length of such delay period; (ii) file an amendment to the Offering Plan disclosing the expiration of the delay period at least thirty (30) days prior to such expiration; (iii) during any such delay period timely pay all expenses of the Condominium out of the aggregate in lieu payments, including, but not limited to, insurance premiums; (iv) pay from Sponsor's funds any reserve fund payments required by Sponsor's lenders; and (v) remain obligated to update the budget for the Condominium, as provided in the governing regulations. Additionally, Sponsor represents that upon commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved Budget of the Condominium. See the section of the Offering Plan titled, "Rights and Obligations of Sponsor," located in Part I for further details.

6. Prior to the First Unit Closing, all liens affecting the Property shall be paid and satisfied or bonded or the Units being conveyed and their appurtenant Common Interest shall be released therefrom by partial release duly recorded.

7. The Sponsor will promptly correct any patent defects in the construction of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit affected within sixty (60) days from the date of closing of title to such Unit or, with respect to Common Elements affecting the Unit, that Sponsor is notified by the Board of Managers within six (6) months from the First Unit Closing. If any defect in the Common Elements can only be detected after said period by occupancy of a particular Unit, Sponsor will correct said defect in the construction of the Common Elements, or in the installation or operation of any mechanical equipment therein due to improper workmanship or materials substantially at variance with the architectural plans and specifications, if notified by the Board of Managers within sixty (60) days from closing of title to or first leasing of that particular Unit. Sponsor will also correct any latent defects in the construction of the Building

and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit within one (1) year from the closing of title to such Unit or is notified by the Board of Managers with respect to Common Elements within one (1) year after the First Unit Closing. However, nothing herein shall be construed to limit any rights which the Attorney General may have under the Martin Act, Executive Law or any other applicable law or regulation. Notwithstanding anything contained herein to the contrary, any work shall be comparable to local standards customary in the particular trade and shall be done in accordance with (i) all applicable codes, and (ii) approved plans and specifications for the Building. Sponsor, in its sole discretion, shall select the method of correcting any defect. On three (3) days' notice from Sponsor, the Board of Managers and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect.

Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (i) Sponsor is not notified within the time periods specified herein or (ii) the Board of Managers and/or the Unit Owner in question prevents Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question as provided herein, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's general contractor or architect or engineer, in their sole discretion. Sponsor makes no warranties as to kitchen appliances or other appliances and mechanical equipment in the Unit, except that it will assign to the Purchaser any manufacturer's warranties thereon.

Notwithstanding the foregoing, Sponsor will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, or others, are assigned to the Board of Managers or Unit Owners. In addition, in no event shall the Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging and cracking on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in Formica or porcelain surfaces, bath and kitchen tile grouting, adjustment of any bi-fold or sliding doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x)

normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, marks, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any marble, granite or stone used in kitchens or bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble, granite or stone aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, Formica and porcelain surfaces, which repair shall be made by grinding the stone, filling the Formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, Formica or porcelain surfaces.

Except as expressly set forth herein, Sponsor has no obligation to correct or repair any other defect or conditions in the Units, Common Elements or the Building and all other installations, apparatus, fixtures and appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Sponsor shall have no obligation to repair or replace any defect resulting from the failure by the appropriate Unit Owner or the Board of Managers to properly service or maintain a particular item or items. Additionally, Sponsor shall have no obligation to repair or replace any defect resulting directly or indirectly from work done by any individual or entity retained by the Board of Managers or any Unit Owner(s).

Notwithstanding any provision to the contrary herein, Sponsor shall not be obligated to correct any and shall not be liable to any Purchaser as a result of, (i) insubstantial and/or immaterial variations from the plans and specifications or the description of the Building or a Unit set forth in the Offering Plan or (ii) variations from the plans and specifications or description of the Building or a Unit set forth in the Offering Plan which are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of substantially equal or better quality.

With regard to any model Unit, which Unit or Units ("Model Unit") shall be designated by Sponsor in Sponsor's sole and absolute discretion, shall be delivered by Sponsor to a Purchaser in "AS IS" condition, including but not limited to normal wear and tear. Sponsor shall have no further obligations with regard to any Model Unit. Sponsor shall be under no obligation to repaint or repair anything in a Model Unit, including but not limited to, refinishing the floors in a Model Unit, repairing any appliance in a Model Unit or painting any room in a Model Unit.

Sponsor's obligation, regardless of any limitations in the warranty or in this Plan, cannot go below the duty to construct the premises in accordance with all applicable codes and in substantial compliance with filed plans and specifications, and that any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and in substantial compliance with filed plans and specifications shall be resolved in favor of the latter.

8. The Sponsor represents that, until it no longer controls the Board of Managers, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the date of the First Unit Closing, 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 the Sponsor is reasonably unable to exercise control. If the Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, the Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make as of the First Unit Closing.

As set forth in the section of the Plan titled "Effective Date," in the event casualty which cannot be repaired for cost of less than an amount equaling one half of one percent (.5%) of the Total Purchase Price set forth on the front cover of the Plan (as estimated by an insurance adjuster retained by Sponsor), occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such case all Purchase Agreements will be deemed automatically cancelled and Purchasers in good standing will be refunded their deposits with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of a damaged Unit, then the following shall be applicable: The Purchase Agreements for all Units, other than "Affected Units" (as previously defined in the section of the Plan titled "Terms of Sale"), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and repair of the damage to the Building and the Affected Units.

Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be required to pay the balance due under the Purchase Agreement unless and until (i) the damage to his or her Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) his or her essential services (such as gas, electricity or heat) and a reasonable means of ingress and egress to the street have been restored.

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement or otherwise prior to the casualty, such Purchaser shall assume the risk of loss to the Unit and the obligation to repair the damage, unless the cause of such loss originated outside his or her Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his or her failure to repair the damage shall not excuse him or her from paying the balance due under his or her Purchase Agreement and accepting title to the Unit.

The Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and the Sponsor will not be liable to the Condominium in the event of any delay in repairing the damage.

9. Sponsor shall deliver to The Board of Managers a set of final architectural plans upon completion of the project and, to the extent they exist and are available, any maintenance manuals for the mechanical systems and equipment in the Building.

10. Sponsor shall procure on behalf of and at the expense of the Condominium, prior to the First Unit Closing, the insurance policy(ies) provided for in Schedule B located in Part I of the Plan.

11. Sponsor shall be obligated to defend any suits or proceedings arising out of its acts or omissions, and shall be obligated to indemnify the Board of Managers and the Unit Owners against any such suits or proceedings.

Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims (i) as to any Unit arising out of any occurrence taking place on or after the earlier of the closing of title to such Unit or the leasing thereof to, or at the direction of, any Purchaser, or (ii) as to the Common Elements, arising out of any occurrence taking place on or after the date of the recording of the Declaration, except suits, proceedings or claims arising out of acts or omissions of Sponsor or representations made by Sponsor in the Offering Plan. Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims arising out of any occurrence which was prior to the date of the First Unit Closing except suits, proceedings or claims arising out of acts or omissions of Sponsor.

Sponsor's representations under the Offering Plan, all obligations pursuant to the GBL, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

12. Sponsor shall keep copies of the Plan, Exhibits and documents referred to in the Plan on file at Sponsor's offices for six (6) years from the date the Declaration is recorded.

13. In the event of the dissolution or liquidation of the Sponsor or the transfer of the lesser of ten (10) units or twenty percent (20%) or more of the total number of Units in the Condominium, the principals of the Sponsor will provide financially responsible entities or

individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.

14. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the Declaration are a substantially accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction or rehabilitation of buildings.

15. During the time the principal of the Sponsor controls the Board, it is within its sole power to enforce the obligations of the Sponsor pursuant to the Plan and pertaining to the Common Elements. Therefore, Sponsor agrees that during such period it will, in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

16. Although it is the intent of Sponsor to sell all of the Units, except as set forth in the Plan, the Sponsor, its successors, assigns or designees, may offer all or any Unsold Units, for lease. Purchasers of any such leased Units will be purchasing Units that have been previously occupied. Sponsor will notify purchasers of Units that have been previously occupied prior to the execution of a Purchase Agreement of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any.) There shall be no obligation of Sponsor or any other offeror of such Unit to decorate, refurbish or in any way repair such Unit.

Since there are only two (2) Storage Space Units being offered for sale, Sponsor is hereby reserving the unconditional right to determine which Purchasers of Residential Units will be allowed to purchase a Storage Space Unit and how many Storage Space Units will be sold to an individual purchaser.

17. At the closing of title to a Unit, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed within such Unit. The Board of Managers shall simultaneously execute and deliver to the Purchaser of such Unit an authorization to enforce such warranties on its behalf. At the First Unit Closing, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed in Common Elements. A copy of any manufacturer's warranties, to the extent available, will be delivered to the Board of Managers at the First Unit Closing or promptly thereafter.

18. Sponsor and its designee(s) shall have the right, until the earlier of the tenth (10th) anniversary of the First Unit Closing or the date of conveyance of the last Unsold Unit, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions (e.g., with respect to any sales programs for Unsold Units). Such

activities will result in excess traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building.

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Unit Owner as to his Unit or the Board of Managers on behalf of the Unit Owners as to Common Elements. The representations contained in paragraphs 1 through 18 of this section shall survive delivery of the deed. Sponsor makes no other representation or warranties except as provided above. However, nothing herein shall be construed to limit any rights which Purchasers may otherwise have pursuant to Article 23-A of the General Business Law, Part 20 of the Regulations promulgated by the Attorney General and the Offering Plan.

Sponsor's Rights of Access

(a) General

As a condition of sales of Units pursuant to this Plan, Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants any and all easements and rights of access, in and to Units, Common Elements and Limited Common Elements consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder.

(b) Examples of Specific Easements and Rights of Access Reserved by Sponsor

Without in any way limiting the generality of rights reserved in Paragraph "a" above, such rights reserved to Sponsor and its designee(s) specifically include the following:

(i) The right to maintain any vacant and Unsold Unit(s) as general, construction and sales and leasing office(s) and/or Model Residential Unit(s) and to maintain personnel at the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection by and display of vacant or leased Units, as well as all Common Elements and Limited Common Elements, to prospective purchasers or lessees;

(ii) Right of access in and to Units, Common Elements and Limited Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection) and similar work;

(iii) Right to show vacant or leased Units;

(iv) Utility and other easements for the benefit of Unit Owners, Common Elements and Limited Common Elements.

Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor shall exercise all rights of access so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners. Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor agrees to repair

damage directly attributable to and caused by Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor or its agents as a result of exercising such rights of access.

Sponsor's Right to Perform Alterations

Sponsor (and its successors, assigns and designees) shall have the right to alter any Unit, Common Element or Limited Common Element subject to filed amended plans and/or specifications, and consistent with the terms of this Plan.

Sponsor, its assignee or designee, and their respective successors, assigns, invitees, licensees, contractors, employees, agents and tenants shall have such rights of access, storage and use necessary to fulfill obligations under the Plan (in the case of Sponsor) and/or to effectuate the rights of such parties to make alterations, additions, improvements or repairs to Units owned by each, respectively, including without limitation the right to (i) use the elevators, stairs and other Building facilities during customary industry practice construction hours; (ii) maintain roll-off refuse containers on the Property and dumpsters adjacent to the Property; (iii) store and maintain tools and materials on the Property; (iv) connect to and use Building electricity, water and other utility services and facilities; (vi) compel Unit Owners to facilitate penetration and entry into Units to permit the extension and provision of Building services to space under construction or to work, and (vii) erect and maintain hoists, sidewalk sheds, sidewalk fences and temporary walkways, construction shacks and trailers in the street adjacent to and on the Property.

MANAGEMENT AGREEMENT AND OTHER CONTRACTUAL ARRANGEMENTS

Management Agreement

At or prior to the First Unit Closing, the Condominium Board (the "Board") will enter into a management agreement with Goodhope Management Corp., an affiliate of Sponsor (the "Managing Agent"), having an office at 1790 Broadway, Suite 1700, New York 10019. The principal of the Managing Agent is also a principal of Sponsor. As the Managing Agent, Goodhope Management Corp. will receive management fees and may also receive other commissions or fees for performance of services rendered to the Board of Managers and Unit Owners. In view of the relationship between the principal of the Managing Agent and Sponsor, the interests of the Managing Agent in performing these services may conflict with the interests of the Board of Managers.

Goodhope Management Corp. was founded in 1994, and is a multifaceted Real Estate Management firm who has managed real estate for almost thirty (30) years.

The management agreement (the "Management Agreement") will commence on the date of the First Unit Closing and shall continue in force for three (3) years unless sooner terminated upon sixty (60) days' notice pursuant to its terms. Thereafter, if not sooner terminated, the agreement will be deemed automatically renewed for intervals of thirty (30) days until canceled by either party on thirty (30) days' prior notice. The Management Agreement shall be assignable by the Managing Agent.

The Managing Agent will receive a stated annual fee of $36,000.00 for the first year, $38,000 for the second year and $40,000 for the third year of its term, payable in equal monthly installments in advance on the first day of each month. Such fee will be paid by the Condominium Board and will be charged to all Unit Owners as a Shared Common Expense. However, the Managing Agent will be entitled to collect from each Unit Owner other than the Sponsor, its designee or the Commercial Unit Owner or any other Owner of an Unsold Unit, a fee as the Managing Agent shall from time to time charge the Unit Owners for the processing of each application for the sale or lease of a Unit, including the obtaining of a waiver of the right of first refusal and other agreements necessary to properly effect the transfer or lease of a Unit.

Pursuant to the proposed Management Agreement, the duties and services to be rendered by the Managing Agent include, among others:

(a) Cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the building, who, in each instance, shall be the Condominium's and not the Agent's employees, and cause to be discharged all persons unnecessary or undesirable. The payroll charges are $23.00 per employee, per month.

(b) Cause the Building to be maintained in good condition, in keeping with a first class luxury residential Building, including interior and exterior cleaning, and cause

repairs and alterations of the building to be made, including but not limited to, electrical, plumbing, steam fitting, carpentry, masonry, elevator, decorating, and such other incidental alterations or changes therein as may be proper, subject only to the limitations contained in this Agreement or the Condominium By-laws. Ordinary repairs or alterations involving an expenditure of over One Thousand ($1,000) Dollars for any one item shall be made only with the prior approval of the Board of Managers, but emergency repairs, i.e., those immediately necessary for the preservation or safety of the Building or for the safety of residents, or other persons, or required to avoid the suspension of any necessary service in the Building, may be made by the Agent irrespective of the cost thereof, without the prior written approval of the Board, after consultation, if feasible, with an officer of the Board, or the Chairman of the Board having jurisdiction. Email approval is acceptable.

(c) Promptly file an amended Building registration statement with the New York City Department of Rent and Housing Maintenance, designating one of the officers or responsible employees of the Agent as the "Managing Agent" of the premises, in accordance with the Multiple Dwelling Law and Housing Maintenance Code.

(d) Recommend, and with the approval of the Board, cause all such acts and things to be done in or about the Building as shall be necessary or desirable to comply with any and all orders or violations affecting the Building, placed thereon by any Federal, State or Municipal authority having jurisdiction thereover, and orders of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange, or other similarly body, except that if failure promptly to comply with any such order or violation would or might expose the Condominium or Board or the Agent or the persons designated as "Managing Agent" in the registration statement to criminal liability, the Agent may cause such order or violation to be complied with, after consultation with an officer of the Board. The Agent shall notify the Board after receipt of any order or violation, as aforesaid.

(e) Seek bids and enter into contracts for electricity, gas, steam, air conditioning, water treatment, elevator, telephone, window cleaning, rubbish removal, fuel oil, detective agency protection, vermin extermination, and other services or such of them as shall be advisable on behalf of the Board. All contracts must be approved in writing by any Board prior to signing by the Agent. Wherever possible, 3 bids shall be secured. All bids shall be stored by Agent for two (2) years.

(f) Purchase all supplies which shall be necessary to maintain and operate the Building properly; make all such contracts and purchases in the Condominium's name, except if otherwise instructed by the Board; and credit to the Condominium any discounts or commissions obtained for purchases or otherwise (except any insurance and other commissions payable to the Agent under the terms of this agreement).

(g) Advise the Board with respect to proper insurance coverage of the Building, its employees and Unit Owners; if requested by the Board, obtain quotations for such insurance and cause to be effected and maintained, in such amounts and through such carriers as the Board shall designate or approve, fire, rent, plate glass, boiler, water, damage, liability, workman's compensation, employer's liability, disability and any other insurance the Board may elect to carry; and to cooperate with any independent insurance broker or consultant that the Board may designate or approve and engage for the purpose of effecting insurance and protecting its interests with respect thereto.

(h) Review all bills received for services, work, and supplies and other expenditures incurred by or on behalf of Condominium in connection with maintaining and operating the Building, pay or cause to be paid all such bills and other expenses (such as mortgage interest, mortgage amortization, water charges, sewer rent, assessments, real estate taxes, and corporate income taxes and other taxes assessed against the Condominium or the Building) as and when the same shall become due and payable. Any late charges due to late payments shall be borne by Agent.

(i) If requested by the Board, list and offer for sale or lease through its own organization and, if the Board shall deem it advisable, through other brokers, space reserved, acquired, or re-acquired by the Board in the Building, and use its best efforts to effect sales or leases, and to renew leases of space reserved, acquired or re-acquired by the Board in the Building, including the preparation and execution of lease documents under the supervision of the Board.

(j) Supervise the moving in and out of Unit Owners and tenants, collect moving fees, and as far as possible, arrange the dates thereof so that there shall be a minimum of disturbance to the operation of the building and inconvenience to other residents.

(k) Bill or cause to be billed within five (5) days of the end of the month, Unit Owners and tenants for common charges, rent and other charges, use its best efforts to collect such Common Charges, rent and other charges and deposit same in the Condominium's bank account. Work with owner on establishing collection policy. Act in compliance with collection policy. Cooperate with the Condominium's attorneys in all suits or proceedings brought to recover possession of space in the Building or Common Charges, rent and other charges which may at any time be or become due to the Condominium from any Unit Owners, tenant or subtenant in respect to space in the Building. No suit or proceedings shall be instituted by the Agent without the Board's prior written authorization.

(l) Consider and, when reasonable, attend to complaints of Unit Owners, tenants and subtenants. If the Agent shall deem any such complaint unreasonable, it shall advise the Board of the complaint and the reason for its opinion that the complaint is unreasonable.

(m) Cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and other tax and other forms relating to employment of Building employees and maintenance and operation of the Building required by any Federal, State or Municipal authority or the employees' union.

(n) Maintain accurate and complete accounts and records consistent with the customary records and books kept be Agent for other condominium buildings (other than books of account maintained by the Condominium's accountants) for the Board, and the checkbook on the Board's checking account and savings bankbooks, if any, and maintain orderly files containing rent records, insurance policies, leases and subleases, correspondence, bids, receipted bills and vouchers, and all other documents and papers pertaining to the Building or the operation thereof, and the same shall be and shall at all times remain the property of the Condominium, and the Agent shall, upon request of the Board, make same available to the Board, the Board's officers, accountants, attorneys or other representatives and shall deliver up same to the Board or its aforesaid agents on demand from the Board.

(o) No later than the twentieth day of each month, render or cause to be rendered regular monthly statements for the preceding month, supported by disbursement vouchers, to the Board.

(p) Cooperate with the Condominium's accountants in regard to the annual audit of the books of account of the Board and the annual report of operations of the Condominium. A copy of each such annual report, when received and approved by Board, shall be promptly sent by the Agent to each Unit Owner.

(q) Cooperate with the Condominium's accountants in regard to the preparation and filing, on behalf of the Condominium, of Federal, State, City and any other income and other tax returns required by any Governmental Authority.

(r) Prepare and submit to the Board of Managers of the Condominium, as requested from time to time, an operating budget, setting forth anticipated income and expenses of the property for the ensuing year and a comparison of such budget with actual expenses for equal periods in the past.

(s) Prepare and send out all letters, notices and reports as the Board of Managers or Secretary of the Condominium may request.

(t) When the books of tentatively assessed valuations of the City of New York are opened for public inspection in each year, ascertain the assessment of the land on which the Building is located and the assessment of the Building and report such assessments to the Board. Should the Condominium consider such assessments excessive, the Agent will, if requested in writing by the Condominium, cooperate with the Condominium's attorneys in the preparation of an application for correction of the assessed valuation to be filed with the Tax Commission of the City of New York and, if

the Condominium shall not have any regular attorneys, recommend special counsel for Condominium's approval to prepare such application (with the Agent's cooperation) and to institute tax certiorari proceedings.

(u) Accept applications from all prospective Unit Owners, and tenants; in connection with the sale and leasing of residential units: obtain credit and other reports relating to prospective Unit Owners. Establish a sales and lease package to be delivered to the Board of Managers; and tenants of space being leased or subleased by a Unit Owner or the Condominium; obtain from Unit Owners such record searches and other information as the Board may require, and submit same to the Board. Agent will submit to the Board of Managers such application within two (2) business days after submission of completed application.

(v) Process applications by Unit Owners for permission from Board to alter their Units, and forward such applications to the Board or, at the Board's direction, to the Condominium's engineer; subject to the Board's consent, retain on behalf of the Condominium an engineer to review plans and specifications. The Agent shall, subject to Board's consent, retain Condominium's engineer to be responsible for supervising the actual alterations by Unit Owners and for verifying that the alterations are performed in accordance with the proposed plans submitted to the Board or in accordance with applicable New York City fire, health, building and other similar laws and codes relating to construction or alterations.

(w) Generally do all things reasonably deemed necessary or desirable by the Board of Managers of the Condominium for the proper management of the Building.

(x) Attend meetings of the Board of Managers and Annual Meetings of Unit Owners and prepare all necessary notices and paperwork (such as a proxy and ballot) in connection therewith.

The annual certified financial statement with respect to the Condominium will not be prepared by the Managing Agent. Such 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 expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium Board and charged to the Unit Owners as a Common Expense. In addition, the Condominium Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or wilful misconduct.

The Managing Agent will obtain, at its sole cost and expense, from a surety company authorized to do business in the State of New York fidelity insurance in the minimum amount of $500,000 for the benefit of the Condominium against loss incurred by the Condominium through

any improper acts of the officers and employees of the Managing Agent. The Board will maintain general and umbrella liability insurance with limits not less than $1,000,000 per occurrence and $50,000,000 in the aggregate, including the Managing Agent and its affiliates as named insured. Additionally, the Board shall maintain worker's compensation, New York State Disability and Fidelity insurance, which include Managing Agent as insured, where possible.

The annual certified financial statement with respect to the Condominium will not be prepared by the Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by the Board whose fees are to be paid by the Board and charged to the Unit Owners as a Common Expense.

All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Board and charged to the Unit Owners as a Common Expense. In addition, the 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 negligence or failure to comply with its obligations under the Management Agreement.

The Managing Agent will obtain, at its sole cost and expense, from a surety company authorized to do business in the State of New York fidelity insurance in the minimum amount of $1,000,000.00 for the benefit of the Condominium against loss incurred by the Condominium through any improper acts of the officers and employees of the Managing Agent. The Board will also maintain general liability insurance with limits not less than $2,000,000 in the aggregate. Additionally, the Board shall maintain worker's compensation insurance.

Other Contractual Agreements

The payroll projection for the Building is based upon four (4) full-time employees, who will be the one (1) non-resident, visiting, Superintendent and three (3) doormen as well as one (1) part-time porter and one (1) part-time doorman will be retained by the Condominium subsequent to the First Unit Closing. Projected wages and other benefits are set forth in Schedule B in Part I of the Plan.

Sponsor has reserved the right, prior to the First Unit Closing, to modify, renew and replace any existing agreements and to enter into new agreements that will be binding on the Condominium Board, provided that there will be no material increase in the estimated Common Charges for the "Projected Budget for the First Year of Condominium Operation."

The current service contracts which are anticipated to be effective at the date of the First Unit Closing or service contract projections pertaining to the Building are set forth in Schedule B located in Part I of the Plan.

CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of three (3) persons designated by Sponsor: Spiros N. Milonas, Antonia K. Milonas and Andrew Dafnos. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. Notwithstanding the above to the contrary, Sponsor, while it maintains voting control of the Board of Managers, will provide levels of maintenance, facilities and services consistent with those set forth in "Schedule B, Project Budget For First Year of Condominium Operating Commencing January 1, 2015." Until the first annual meeting of the Board of Managers, Sponsor shall have the right to designate all of the members of the Board of Managers. Until the date that is the earlier to occur of (i) Sponsor owns Units having less than ten percent (10%) of the Common Interests appurtenant thereto, or (ii) five (5) years after the First Unit Closing, Sponsor shall have the right to designate a majority of the members of the Board of Managers. For so long as Sponsor owns at least one (1) Unit, Sponsor shall have the right to designate one (1) member (or, in the event that the number of members of the Board of Managers has been increased from three (3) members pursuant to the By-Laws, the number of seats that is a majority of the Board of Managers minus one (1) member) to the Board of Managers. However, Sponsor will call for the first (1st) annual meeting of the Unit Owners to elect a new Condominium Board consisting of three (3) managers, within thirty (30) days after the earlier of (i) one hundred twenty (120) days after the date on which seventy-five percent (75%) of all the Units have been conveyed to Unit Purchasers; (ii) the closing of title to Residential Units whose percentage of Common Interest equals, in the aggregate, at least ninety (90%) percent or (iii) two (2) years after the First Unit Closing. Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board. Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint pursuant to the By-Laws, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

As long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interests allocated to the Units, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or

improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed four percent (4.00%) of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B or any matter affecting the health or safety of the occupants of the Building as determined by applicable governmental agencies having jurisdiction over said determination. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent, (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with: the offer and sale or leasing of Units at the Property; the operations of sales or leasing offices at the Property; actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor to comply with applicable laws in construction, renovations or repair of Units. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulation, to remedy any notice of violation or to remedy any work ordered by an insurer.

Members of the Board of Managers will serve without compensation. All officers of the Condominium shall also serve without compensation. Sponsor represents that for as long as it or any of its designees are members of the Board of Managers neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

Except for a member of the Board of Managers designated by Sponsor or a Sponsor designee, a member of the Board of Managers may be removed from office with or without cause by the affirmative vote of Unit Owners owning in the aggregate a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units) owning in the aggregate, a percentage in Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor or Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers.

An officer may be removed, with or without cause, by an affirmative vote of a majority of the members of the Board of Managers.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sale or Lease of Unit

Each Unit Owner is free to sell or lease his Unit, except that a Unit Owner must first give to the Board of Managers, on behalf of all other Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered by the proposed purchaser or lessee, as more specifically provided for in Article VIII, Section 1 of the By-Laws of the Condominium. Any such lease of a Residential Unit shall be substantially in the form for apartment leases prepared by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., except as otherwise provided in the By-Laws and except for such changes thereto as are recommended by counsel to the Board of Managers.

Notwithstanding the foregoing, the Sponsor, its designee, or a mortgagee acquiring title to a Unit in foreclosure or by deed in lieu of foreclosure, shall have the right to sell or lease Units owned by the Sponsor, its designee, or such mortgagee without any requirement that the same be offered to the Board of Managers prior to such sale or lease as required pursuant to the aforementioned Article and Section of the By-Laws. The Board of Managers shall be required to cooperate in providing appropriate physical access to any such Unit and related Common Elements, as well as all financial information regarding same.

The Sponsor also hereby reserves the right to lease a Unit to the Purchaser of said Unit prior to the conveyance of title. In addition, Sponsor reserves the right to lease Units to non-purchasers without limitation as to the rental to be charged therefor except such rents shall not be in violation of any applicable law. If, in fact, prior to the sale of a Unit, the Sponsor leases such Unit to any person or entity who does not purchase, the initial purchaser thereof will be purchasing a Unit that has been previously occupied. In all such cases Sponsor will deliver title to such Units at closing free and clear of any tenancy or occupancy. No amount paid as either rent or security under the lease will be credited towards the purchase price. Sponsor also reserves the right to use license agreements in lieu of or in addition to the leases.

With regard to a Storage Space Unit, in addition to the provisions above, the following restrictions apply. A Storage Space Unit may only be sold to another Residential Unit Owner or simultaneously by such Unit Owner to a purchaser of a Residential Unit. Residential Unit Owners can only rent their respective Storage Space Units to other Residential Unit Owners in the Building after obtaining the written consent of the Board of Managers thereto which consent shall not be unreasonably withheld, conditioned and/or delayed. With regard to Storage Space Units held, owned or rented by Sponsor and/or a Sponsor-designee, Sponsor and/or a Sponsor designee may rent its Storage Space Units to residents or non-residents in its sole discretion without charge and without the consent of the Board of Managers of the Condominium.

With regard to storage spaces held or rented by Sponsor and/or a Sponsor-designee, Sponsor and/or a Sponsor designee may rent its storage spaces to residents or non-residents in its sole discretion without charge from and without the consent of the Board of Managers of the Condominium.

Each purchasing Unit Owner, at the closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney," designating: (i) the Board of Managers and their successors, as his or her attorneys in fact, coupled with an Interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners; (ii) the Sponsor, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney; and (iii) the Sponsor, as attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or in part, of the transferable air rights and/or development rights which Sponsor has retained for itself, and/or its successors and assigns in accordance with Paragraph numbered 20 of the Declaration.

Each Conveyance of Unit by a Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's: (i) 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); and (iii) undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit, other than mortgages placed on such Unit in compliance with the By-Laws, are paid and satisfied at or prior to closing.

The Condominium Board may not discriminate against any person for a reason proscribed by the laws of the State of New York.

A Unit Owner may, without restriction, make a gift of his Unit to anyone during his lifetime, to devise such Unit by will or to pass same by intestacy.

No residential lease shall be entered into by Sponsor having a commencement date which is prior to the issuance of a temporary or permanent Certificate of Occupancy for the Building, or, alternatively, the issuance of a temporary Certificate of Occupancy for the Unit which permits lawful use of the leased Unit.

No portion of a Unit other than the entire Unit or the Storage Space (other than by Sponsor or Sponsor-designee) may be leased.

The Board of Managers shall have the authority to promulgate additional rules regarding use of, and access to, the storage spaces and Storage Space Units other than a storage space and Storage Space Unit owed by Sponsor. The storage spaces and Storage Space Units are located on the cellar level of the Building and the Sponsor and the Board cannot make any representation that the storage spaces and Storage Space Units will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the storage spaces and Storage Space Units. Residential Unit Owners who place items in the storage spaces and Storage Space Units do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with Applicable Law regarding the storage spaces

and Storage Space Units, which may be subject to periodic inspection by the Board of Managers, the police and fire departments of the City of New York and other governmental agencies having jurisdiction thereover.

Mortgage of Units

Each Unit Owner is free to mortgage his Unit, provided that any mortgage encumbering a Residential Unit shall be a first (1st) mortgage or second (2nd) mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, the Sponsor, Sponsor-designee, or to the Seller of such Unit(s). Purchasers pursuant to this Plan, however, if they seek mortgage financing, shall be required to follow procedures, if any, set forth in the Purchase Agreement in Part II of the Plan. A mortgage encumbering a Residential Unit may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. The Sponsor or its designee may encumber his Unit with a mortgage or mortgages without being subject to the aforementioned restrictions. Such restrictions also do not apply to Unsold Units. NOTWITHSTANDING THE FOREGOING, IF ANY INITIAL PURCHASER WHO PURCHASES PURSUANT TO THIS OFFERING PLAN SEEKS MORTGAGE FINANCING, SUCH PURCHASER SHALL BE REQUIRED TO FOLLOW THE PROCEDURES FOR MORTGAGE FINANCING SET FORTH IN THE OFFERING PLAN AND THE PURCHASE AGREEMENT, IF ANY. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearage for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefor.

Easements and Right of Access

Each Unit Owner shall have an easement in common with the Owners of other Units to use and maintain all pipes, ducts, cables, wires, conduits, public utility lines or other Common Elements located in other Units and serving his Unit. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by the Unit on any adjoining Unit or on any Common Element, now existing or which may come into existence hereafter as a result of the settling or shifting of the Building, or as a result of restoration of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or by reason of any alteration made by the Board of Managers to the Common Elements so that any such encroachment may remain undisturbed so long as the Building stands. The Board of Managers, through a designated manager, managing agent, or their employees or other designee shall have a right of access to each Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements, Limited Common Elements or any other Unit.

Each Unit Owner, pursuant to the Fire Egress Easement Agreement between 50 East 72nd Street Condominium and Goodhope Realty Corp. dated July 18, 1985 recorded September 6, 1985 in Reel 958 page 34, as same may be amended from time to time, shall have an easement

in common with the Owners of other Units to use for the sole purpose of fire ingress and egress through a passage which runs along the easterly side of the premises located at 50 East 72nd Street for the sole purpose of permitting Unit Owners ingress to and egress from the premises to the public street on 72nd Street in the event of a fire in the Unit Owners' premises. The owner of 50 East 72nd Street may alter the exact route of passageway provided that the Unit Owners are given an equivalent route to gain ingress to and egress from the Unit Owners' premises in the event of a fire on the Unit Owners' premises. A copy of the recorded easement is located in Part II of the Plan.

All Unit Owners shall have an easement to use the southernmost passenger elevator, which is a Limited Common Element for the exclusive use of the Owner of the Penthouse Unit, for emergency access purposes or in the event of the mechanical breakdown of the northernmost passenger elevator.

Use of Units

The Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitee shall be permitted to wait in any public hallway. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers. Further, any recreation rooms which are part of a Residential Unit at the cellar level are not meant for living or sleeping purposes. Such use of a recreation room is prohibited by the Zoning Resolution of the City of New York, as amended.

A Residential Unit may only be occupied by: (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Residential Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Residential Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Residential Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Residential Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer, director, shareholder, partners, member, fiduciary, beneficiary, principal of employee is designated as the primary occupant of the Residential Unit and is not being designated to use the Residential Unit on a transient basis or as other than the primary occupant; and (B) such use i not, in fact or in effect, part of in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or

ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of any of the foregoing.

Notwithstanding anything herein to the contrary, (i) any Rules and Regulations pertaining to the use of a storage space and Storage Space Unit will **not** be applicable to a storage space and Storage Space Unit held, owned or rented by Sponsor or Sponsor-designee; and (ii) notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one (1) or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

Except as set forth above and herein, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Residential Units or Common Elements nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Residential Unit therein or adjoining Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale," "For Rent" or "For Lease" or similar signs on any unsold and/or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1') foot by two (2') feet. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one or more vacant and unsold Units in the Building as a sales office and/or model Unit(s). Sponsor and its designee shall have the right to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building or any portion of the Common Elements without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.

No group tour or exhibition of any Residential Unit or its contents shall be conducted nor shall any auction sale be held in any Residential Unit, without the consent of the Board of Managers or the Managing Agent in each instance.

Unless expressly authorized by the Board of Managers in each instance, not less than eighty percent (80%) of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

No window guards or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property be colored or painted.

No exterior shades, window guards, awnings, ventilators, fans or air-conditioning devices or units shall be used or installed in or about any Residential Unit, unless otherwise required by law, without the prior written approval of the Board of Managers, which approval may be granted or refused at the sole discretion of the Board of Managers, nor shall anything be

projected out of any window of any Residential Unit without similar approval. In connection with the individual Unit, each Unit Owner shall be responsible for compliance with all applicable laws relating to the requirement of installing window guards in the Unit.

No exterior of any Residential Unit, including the private yards, balconies or terraces, or the windows or doors thereof, patios, if any, or any other portions of the Common Elements shall be painted or decorated by any Owner in any manner, without prior written consent of the Board of Managers or except as provided in the By-Laws.

Plantings on any private yard or terrace shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches (2") from the private yard or terrace surface, and, if adjoining a wall, at least three inches (3") from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a wall, plantings may be contained in masonry or hollow tile walls which shall be at least three (3") inches from the wall, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such private yard or terrace, but shall stand on supports at least two inches (2") above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. There shall be no blockage of drainage on any private yard, balcony or terrace by a Residential Unit Owner. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. The size of such plantings shall be subject to the consent of the Board of Managers.

No personal articles (including, but not limited to, garbage cans, bottles or mats) and no furniture, artwork, equipment or doormats shall be placed or stored in entrances, hallways, stairways, or other Common Elements which are not limited to the exclusive use of a specific Residential Unit Owner. No Residential Unit Owner shall change or alter in any way the design, layout, color scheme or furnishings in entrances, hallways, stairways or other Common Elements, which are not limited to the exclusive use of a specific Residential Unit Owner. Notwithstanding the foregoing, a Residential Unit Owner has the right to change the lock on the door to his Unit or to add an additional lock, provided that such lock conforms in color with the other lock or locks and a copy of the new key is provided to the Board of Managers.

No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Residential Unit Owner's Unit between midnight 12:00 A.M. and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including

legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, any dirt or other substances. No clothes, sheets, blankets, or other articles of any kind shall be hung or shaken from any doors, windows, private yards or open terraces or placed upon the window sills of the Building.

Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct. Each Unit Owner shall comply with all requirements of law and regulations of the Board of Managers regarding recycling of trash. All Unit Owners shall separate their trash into "recyclable" and "nonrecyclable" materials. The Board of Managers may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by the Unit Owner for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. The Board of Managers may also establish other regulations regarding recycling of trash. Any costs incurred by the Board of Managers in the enforcement against the Unit Owner of recycling requirements imposed by law or by the Board of Managers, including, (but not limited to) legal fees and fines or penalties imposed on the Board of Managers by any government agency shall be payable by the Unit Owner as additional Common Charges.

Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

Except for Units owned by Sponsor and/or a Sponsor designee, no bird, reptile, or animal, other than one (1) domesticated dog or cat, shall be permitted, raised, bred, kept, or harbored in the Units unless, in each instance, the same shall have been expressly permitted in writing by the Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal, including, but not limited to, domesticated dogs and cats, be permitted on any public portions of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. However, notwithstanding the above, no Unit Owner shall be permitted to have a pit bull terrier or similar type dog which has shown vicious propensities without express prior written permission of the Board of Managers. The individual

Unit Owners who keep an animal in their Unit shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in their Unit. All Unit Owners shall be responsible for immediately cleaning up any droppings from their pets.

Except as provided in the Declaration and By-Laws of the Condominium, no radio or television aerial or satellite dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units.

All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in any heating, electrical or mechanical equipment area without the express permission of the Board of Managers.

All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

No Unit Owner shall interfere in any manner with any portion of the lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit.

No Unit Owner shall use or permit to be brought into the Building any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.

Except as provided above, the Unit Owner shall not be allowed to put his name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

Any damage to the Building or equipment caused by Unit Owners, Unit Owner's family members, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

Complaints regarding the management of the Building and grounds or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and of providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

Except as otherwise provided for in the Condominium Declaration and/or By-Laws, the sidewalks, entrances, passages, public halls, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the 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 shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building by another vehicle.

No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

There shall be no playing or lounging in the entrances, passages, public halls, corridors, stairways of the Building, except in recreational areas, if any, or other areas designated as such in the Declaration or by the Board of Managers.

The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the General Common Elements devoted to storage or service purposes in the Building.

Nothing shall be done or kept in any Residential Unit, including its Storage Space at the cellar level or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall 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 the contents thereof, or that would be in violation of any law.

The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or

Unit at any reasonable hour of the day, on at least one (1) day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

The Board of Managers or the Managing Agent shall retain a pass-key to each Residential Unit including its Storage Space. No Residential Unit Owner shall change any lock on any door leading into his Residential Unit including its Storage Space without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Residential Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If a Residential Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit promptly after such Unit Owner moves into his Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Residential Unit for emergency purposes and a Residential Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Residential Unit Owner shall be liable and responsible for any damage to the Common Elements or such Residential Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Residential Unit Owner is not personally present to open and permit an entry to his Residential 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 of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent shall be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

No Unit Owner or other occupant of the Building shall use any employee of the Condominium or of the Managing Agent for private business or send any employee of the Condominium or of the Managing Agent out of the Building on any private business without the written consent of the Condominium Board except as a real estate broker for the sale or lease of a Unit.

The use of the residential storage spaces, if any, which are part of Residential Units 1, 2, 5 or PH, respectively, and Storage Space Units located at the cellar level, by any of the

Residential Unit Owners shall be subject to any and all restrictions and/or regulations established by the Board of Managers in its sole discretion.

Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (1) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; and (f) refrain from depositing waste of an explosive nature therein.

Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the main roofs of the Building.

The Rules and Regulations of the Condominium are set forth in Part II of this Offering Plan as an addendum to the By-Laws. The Rules and Regulations govern the use of the Units and Common Elements and may be amended from time to time by the Board of Managers. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit unless agreed to by Sponsor or a Sponsor-designee, as the case may be.

No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product (hereinafter referred to collectively as "Smoking Apparatus") in any of the Common Elements at any time. No person may smoke or otherwise burn any Smoking Apparatus in any Unit or Limited Common Element in a manner which causes smoke to be a nuisance or annoyance to any other resident of the Condominium. In addition, no person may smoke or otherwise burn any Smoke Apparatus within twenty-five (25) feet of any outside entrance to the Condominium or within twenty-five (25) feet of any outdoor air intake or operable window opening onto Common Elements or Units.

The Rules and Regulations govern the use of the Units and Common Elements and may be amended from time to time by the Board of Managers. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit unless agreed to by Sponsor or a Sponsor-designee, as the case may be.

Determination of and Liens for Nonpayment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges, Assessments and Special Assessments or other expenses when due. Common Charges for each Unit shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein,

together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be a part of the Common Expenses and to be paid as Common Charges, all in accordance with Article VI, Section 1 of the By-Laws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. The Board of Managers may, in accordance with Article VI, Section 1 of the By-Laws, impose Assessments as it deems necessary, to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The Assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest. A Special Assessment with respect to repair or reconstruction after a fire or other casualty, as set forth in Article VI, Section 3 of the By-Laws, is also determined in accordance with the Unit Owner's percentage of Common Interest.

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof in the Register of the City of New York, County of New York and until all sums secured thereby with the interest thereon shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

On July 22, 1998 the Governor of the State of New York signed Real Property Law Section 339-kk, allowing a condominium's Board of Managers the right to collect rents directly from a "Non-Occupying Owner's rental tenant" ("Tenant"), if the Non-Occupying Unit Owner is not current on his or her common charges, assessments or late fees. In order to collect rents directly from the Tenant, the Unit Owner must fail to make the payment of Common Charges, Assessments or late fees within sixty (60) days of the earliest expiration of any grace period. Prior to collecting the rents the Board shall provide written notice to the Tenant and Unit Owner providing that, commencing immediately and until such time as all payments for all Common Charges, Assessments or late fees are made current, all rental payments are to be made directly to the Condominium Association at the address provided in the notice. Once all Common Charges, Assessments or late fees are current, the Board shall then within three (3) business days, provide notice to the Tenant and Unit Owner of such and that thereafter all future rental payments should be made to the Unit Owner. Should a Unit Owner wish to contest the Board's claim to rental payments he or she shall be entitled to present its supporting facts at the next scheduled Board meeting (which must be held within 30 days of the Board receiving notice of contest). Section 339-kk also allows the Board the option to forgo collecting rents directly from the Tenant so long as a majority of the Board has been elected by and from among the Occupying Unit Owners.

Upon the failure of a Unit Owner to pay Common Charges for the Unit within fifteen (15) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above. Failure of the Board of Managers to place such a lien shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer, or other conveyance made by him of his Unit, with appurtenant Common Elements, in accordance with the Declaration and By-Laws.

All Unit Owners shall be required to comply with the Declaration, By-Laws, Rules and Regulations of the Condominium and with any other requirements duly imposed by the Board of Managers pursuant to the authority granted to them. The Board of Managers shall have the power to impose appropriate sanctions where a Unit Owner is in default. Such sanctions include placing a lien against the Unit Owner's Unit, instituting foreclosure proceedings and filing suit against a Unit Owner.

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting the exterior side of a Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning units together with any and all related ductwork and piping attached thereto, inside or outside the Unit(s) or belonging to the Unit Owner(s) and only servicing such Unit(s), shall be at the individual Unit Owner's sole cost and expense or at the sole cost and expense of the individual Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein. Additionally, the replacement of heating and/or hot water fixtures and air-conditioning units, together with any and all related ductwork and piping attached thereto, outside or inside the Unit(s) or belonging to the Unit Owner(s) and only servicing the Unit(s), shall be at the Unit Owner's sole cost and expense or at the sole cost and expense of the Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein.

Further, individual Unit Owners shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air-conditioning equipment or other mechanical equipment.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, if such Limited Common Element is for the exclusive use of all of the Residential Unit Owners and

whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) by the individual Unit Owner, having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iii) by the Board of Managers at the sole cost and expense the individual Unit Owner, having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (iv) at the election of the Board of Managers, by either the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect. The City of New York has no responsibility to maintain the Common Elements of the Condominium. Notwithstanding anything herein to the contrary, the maintenance, repair and/or replacement of all sidewalks, plantings and/or shrubbery, including the planters in which they are contained, in front of or at the sides of the Building shall be a Common Expense.

Additions, Alterations and Improvements

A non-structural alteration to a Residential Unit that does not affect the exterior of the Building or the value of other Units may be made by any Residential Unit Owner without consent of the Board of Managers. Notwithstanding the above to the contrary, Sponsor or its designee may also make structural alterations in any Unit owned by it without prior consent of the Board of Managers. No Unit Owner other than the Sponsor or its designee as a holder of Unsold Units may make a non-structural or structural alteration which does affect the exterior of the Building or the value of other Units without prior written approval of the Board of Managers. The Sponsor or its designee needs no such consent for any of their Units. No Unit Owner other than the Sponsor, or its designee, as a holder of Unsold Units, may make a structural alteration in a Unit, without the prior written approval of the Board of Managers. The Sponsor, or its designee needs no such consent for any of their Units. Any approval, if granted, shall provide that such alteration shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (a certificate for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such addition in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration. Such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration. Such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect/engineer consulted in connection with the request by a Unit Owner for approval of a structural alteration.

The Board of Managers and/or the manager or managing agent shall have a right of access to any Unit for the purpose of inspection, making any repairs or replacements to any of

the Common Elements or Limited Common Elements contained in such Unit or elsewhere in the Building, remedying any condition which would result in damage to any other Unit or to the Common Elements or Limited Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws.

If at the time a Unit Owner seeks to perform alterations to his or her own Unit, a Permanent Certificate of Occupancy is not issued for the Building, the Unit Owner, prior to commencing any alteration, must obtain the consent of the Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. The Sponsor or its designee may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained therefor. In furtherance thereof, a Unit Owner, who has been granted the consent by the Sponsor or its designee, to perform alterations shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee as a result of any violation of Law or delay in obtaining a Temporary or Permanent Certificate of Occupancy. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the Certificate of Occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously, restoring the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in the By-Laws.

Insurance

The insurance policies obtained by the Board of Managers shall provide that each Unit Owner shall be an additional insured. These policies shall provide fire and casualty insurance for the Building, liability insurance, water damage legal liability insurance, Board of Managers and officers liability coverage and Workers Compensation and New York State Disability insurance. The specific amounts of coverage are noted in the footnotes to the section titled "Schedule B" which is located in Part I of the Offering Plan.

The insurance coverage does not include any coverage for losses either due to fire, theft or other casualty to the personal property of a Unit Owner contained within the Unit or a Limited Common Element or the cost of living elsewhere if a Unit is greatly damaged. Nor does it include liability coverage for a Unit Owner for occurrences within a Unit or a Limited Common Element appurtenant to a particular Unit. Unit Owners should consult their insurance agent as to the availability of this insurance and any additional coverage which might be recommended.

Miscellaneous

In certain instances the Sponsor or its designee as the holder of Unsold Units are not required to obtain the approval of the Board of Managers or meet requirements imposed upon

other Unit Owners. Included among these are the right to use Units as models and display "For Sale," "For Rent" or "For Lease" signs, or similar signs, the right to transfer or lease a Unit without offering the Board of Managers the right of first refusal, the right to alter a Unit without obtaining the prior consent of the Board of Managers, but only in accordance with the other terms of this Plan, and the right to amend the Declaration without a vote for the sole purpose of filing the Floor Plans as required by Section 339-p of the Real Property Law. For as long as the Sponsor or its designee owns title to one (1) or more Units, the Rules and Regulations of the Condominium, By-Laws or Declaration may not be amended in a manner which would, in the sole discretion of Sponsor or its designee, adversely affect the Sponsor or its designee in any way, unless the Sponsor or its designee gives its written consent to such an amendment.

RIGHTS AND OBLIGATIONS OF BOARD OF MANAGERS AND SUMMARY OF BY-LAWS

Principal provisions of the By-Laws are summarized herein. It is suggested that Purchasers make reference to the full By-Laws, a copy of which is set forth in Part II of the Plan.

Board of Managers

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of not less than three (3) and not more than five (5) persons. The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote for each .0001% of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners except that, when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one (1) vote for each .0001% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one (1) or more members to be elected. If Units are owned by more than one person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit shall agree among themselves and cast the votes for their Unit.

The Board of Managers of the Condominium for the period terminating upon the earlier of (i) one hundred twenty (120) days after the date on which seventy-five percent (75%) of all of the Units have been conveyed to Unit Purchasers; (ii) the closing of title to Residential Units whose percentage of Common Interest equals, in the aggregate, at least ninety percent (90%) or (iii) two (2) years after the First Unit Closing, shall be selected by the Sponsor. During this period the Board of Managers will consist of three (3) individuals designated by Sponsor. The three individuals designated by Sponsor will Spiros N. Milonas, Antonia K. Milonas and Andrew Dafnos, all of whom are employees of the Sponsor and/or affiliates of Sponsor and therefore related to Sponsor. These individuals will resign as board members upon the termination of the aforesaid period and the Sponsor will call for the first (1st) annual meeting of the Unit Owners to elect a new Condominium Board consisting of three (3) Managers, within thirty (30) days after the expiration of the aforementioned period. Thereafter, elections to the Condominium Board will be held at the regular annual meeting of Unit Owners. The calling of the first (1st) annual meeting to elect a Condominium Board does not require Sponsor to surrender control of the Board. Sponsor control provisions are set forth in the next paragraph. The annual meetings shall be held on or about the anniversary of the date of the first (1st) annual meeting. A special meeting of the Unit Owners shall be called by the President of the Condominium as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Each of the members of the three (3) member Condominium Board will serve until the next regular annual meeting of Unit Owners and until a successor is elected and qualified. Members of the Board of Managers, except for those members designated or elected by the

Sponsor, to be eligible for election, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers designated by Sponsor or a Sponsor-designee, Managers may be removed from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units) owning in the aggregate, a percentage in Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor or a Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers.

Until the first annual meeting of the Board of Managers, Sponsor shall have the right to designate all of the members of the Board of Managers. Until the date that is the earlier to occur of (i) Sponsor owns Units having less than ten percent (10%) of the Common Interests appurtenant thereto, or (ii) five (5) years after the First Unit Closing, Sponsor shall have the right to designate a majority of the members of the Board of Managers. For so long as Sponsor owns at least one (1) Unit, Sponsor shall have the right to designate one (1) member (or, in the event that the number of members of the Board of Managers has been increased from three (3) members pursuant to the By-Laws, the number of seats that is a majority of the Board of Managers minus one (1) member) to the Board of Managers. Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint pursuant to the By-Laws, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in the event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them. All members of the Board of Managers shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to, determination of the Common Charges, adoption of rules and regulations covering the details of the Property, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling, leasing or mortgaging of Units owned by the Board of Managers and generally managing or supervising the Condominium property as provided in the Declaration and By-Laws. The Common Expenses shall include such amounts as the Board of Managers deems proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for capital replacements and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The

Board of Managers is authorized to employ for the Condominium, a Managing Agent on such terms as the Board of Managers may deem proper. As set forth in the Plan, in the section titled "Management Agreement and other Contractual Arrangements," at or immediately prior to the First Unit Closing the Board of Managers shall enter into a management agreement with Goodhope Management Corp., an affiliate of Sponsor, for a term of at least one (1) year, commencing on the date of the First Unit Closing, at an annual fee of $36,000.00 for the first (1st) year, $38,000.00 for the second (2nd) year and $40,000.00 for the third (3rd) year, being payable in twelve (12) equal monthly installments.

In order to limit the liability of the Unit Owners, the members of the Board of Managers, the Managing Agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the Managing Agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Board of Managers, the Managing Agent or the officer, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment 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 Interest of all Unit Owners. The Board of Managers and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers and the officers of the Condominium against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Board of Managers or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners.

Officers

The principal officers of the Condominium shall be: The President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. Other than an officer designated by the Sponsor or Sponsor's designee, the President and the Vice President each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Other officers need not be either a Unit Owner, principal or officer of a Unit Owner or the spouse of a Unit Owner or a member of the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers shall serve without compensation from the Condominium. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners. The Vice President shall take the place of the President in his or her absence. The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium. The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium. The Board of Managers, in its discretion, shall delegate such powers to the

officers as it sees fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors, (except painting the exterior side of a Unit entrance door) windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning together with any and all related ductwork and piping attached thereto, inside or outside the Unit(s) or belonging to the Unit Owner(s) and only servicing such Unit(s) shall be at the individual Unit Owner's sole cost and expense or at the sole cost and expense of the individual Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein. Additionally, the replacement of heating and/or hot water fixtures and air-conditioning units, together with any and all related ductwork and piping attached thereto, outside or inside the Unit(s) or belonging to the Unit Owner(s) and only servicing the Unit(s), shall be at the Unit Owner's sole cost and expense or at the sole cost and expense of the Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein.

Further, individual Unit Owners shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air-conditioning or other mechanical equipment which only services their Unit.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, if such Limited Common Element is for the exclusive use of all of the Residential Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) by the individual Unit Owner having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iii) by the Board of Managers at the sole cost and expense of the individual Unit Owner having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (iv), at the election of the Board of Managers, by either the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect. Notwithstanding anything herein to the contrary, the maintenance, repair and/or replacement of all sidewalks, plantings and/or shrubbery, including the planters in which they are contained, in front of or at the sides of the Building shall be a Common Expense.

The Board of Managers and Managing Agent shall have a right of access to any Unit for the purpose of making any repairs or replacements to any of the Common Elements contained in such Unit or elsewhere in the Building, or to remedy any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof.

Additionally, the Board of Managers, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the entrances to the Building and through the public staircase in, on, over and across the Units including, but not limited to its storage spaces, if any, Limited Common Elements and General Common Elements, the main roofs or other applicable roofs of the Building, private yards or terraces, for the sole purpose of maintaining, cleaning, repairing and/or replacing (i) any windows of the Building; (ii) the exterior facade of the Building; and (iii) any mechanical equipment, including but not limited to, air-conditioning equipment and/or window washing equipment, located on such roofs of the Building which services or is for the benefit of one (1) or more of the Units. Such easement in favor of the Board of Managers, their servicemen, consultants and/or repairmen, shall include the right to temporarily remove any fencing or other improvements located on and/or which demarcate any such roof areas.

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance: Fire insurance with extended coverage, insuring the Building, including all of the Units and all fixtures installed therein by the Sponsor and any property customary to the servicing and general occupancy, (but not including furniture, furnishings, equipment or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an aggregate amount to be determined by the Board of Managers but in no event to be less than the greater of the agreed upon replacement cost of the Building, including the above noted items, but exclusive of footings and foundations and without deduction for depreciation, as approved by a fire insurance company or a qualified insurance broker or the amount of insurance necessary to avoid the effects of co-insurance. All such policies shall provide that adjustment of loss, if over $100,000.00, shall be made by the Board of Managers with approval of the Insurance Trustee, if any. Additionally, the net proceeds of such adjustment, if $100,000.00 or less, shall be payable to the Board of Managers, and if more than $100,000.00 shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. At the First Unit Closing, the fire and casualty property insurance coverage of the Building shall be $16,000,000.00. Said coverage shall be maintained while Sponsor is in control of the Board of Managers.

The Board of Managers shall have the right to select an Insurance Trustee as such term is defined in Article XII, Section 5 of the By-Laws of the Condominium.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. The standard mortgagee loss payable clause shall be attached to all policies.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense.

The Board of Managers shall also obtain and maintain to the extent obtainable: (i) worker's compensation and disability benefits insurance for Condominium employees, if any, (ii) public liability insurance covering each member of the Board of Managers and each Unit Owner in such limits as the Board of Managers may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements, including any of the sidewalks in front of the Building, or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit, and (iii) such other insurance, including but not limited to, boiler and machinery coverage, as the Board of Managers may determine. The Board of Managers shall review such limits once each year. The public liability insurance will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 and $2,000,000 in the aggregate, covering all claims for bodily injury with respect to any one (1) occurrence and $2,000,000 in the aggregate.

If, by reason of the occupancy or use of any particular Unit, the rate of fire or liability insurance for the Property shall be increased, such Unit Owner shall (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies contain waivers of subrogation and further provide that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

In the event of a fire or other casualty which destroys or substantially damages less than seventy-five percent (75%) of the Building the insurance proceeds shall be dedicated to the repair and/or renovation of the Building and the Units, but not the repair or replacement of any improvements made by individual Unit Owners. If the cost of such repair exceeds the insurance proceeds available the excess cost shall constitute a Common Expense and Unit Owners may be accordingly assessed an amount which shall be in proportion to their respective Common Interests.

In the event of a fire or other casualty in which more than seventy-five percent (75%) of the Building is destroyed or substantially damaged, repairs and/or restoration will be made if Unit Owners whose percentage of Common Interest, in the aggregate, is at least seventy-five percent (75%) of the Total Common Interest, affirmatively vote for such a course of action. If no such affirmative vote is given then the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor.

Notice of Meetings; Reports to Unit Owners

Notice of the annual meeting of Unit Owners or of any special meetings of Unit Owners shall be given by the Secretary, as directed by the Board of Managers, to all Unit Owners not less than ten (10) days or more than thirty (30) days before such meeting. Minutes of all meetings of Unit Owners and of all meetings of the Board of Managers shall be kept by the Board, together with records of all actions taken by the Board and the financial records of the Condominium. The Board shall retain an independent certified public accountant to prepare an annual report of the receipts and expenditures of the Condominium, which report shall be promptly sent to each Unit Owner.

Severance of Ownership Prohibited

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, his undivided interest in the Common Elements, together with his interest in any Unit or Units acquired by the Board of Managers from Unit Owners electing to sell or lease such Unit or at a foreclosure or other judicial sale involving such Unit or Units, in accordance with the provisions of the By-Laws, all of which are interests appurtenant to his Unit.

Right of First Refusal; Units Acquired or Leased by Board of Managers

In administering the right of first refusal granted to the Board of Managers with respect to any sale or lease of a Unit not owned by Sponsor or its designee or the Commercial Unit Owner, the Board shall be required to exercise such rights, if at all, within twenty (20) days of its receipt of written notice from a Unit Owner of the Unit Owner's intention to sell or lease the Unit to a bona fide grantee or lessee. Notice of the decision to exercise or waive such right must be given to the Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. Failure of the Board to either exercise such right or to give notice of the exercise of such right within the time periods provided above shall constitute a waiver of the right of first refusal.

In the event the Board does exercise its right of first refusal, the acquisition or lease of the Unit may be made from the working capital and Common Charges or, if such funds are insufficient, the Board of Managers may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of Common Interest or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Board of Managers may also assess each Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of

such Unit. In the event any Units are acquired or leased by the Board of Managers the title or lease shall be held by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest and any sale or lease of such Unit shall be made by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interests. Such Unit, while owned or leased by the Board of Managers, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board of Managers at any meeting of Unit Owners vote the votes appurtenant thereto.

Each Unit Owner, at the closing of title to his Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney", designating the Board of Managers and their successors, as his attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners.

Review of Real Estate Tax Assessments

It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund attributed to a Unit, and all apportioned expenses incurred in connection with obtaining such refund, shall belong to and be incurred by the Unit Owner receiving said refund. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining of such refund, shall belong to and be incurred by the Sponsor alone.

Amendments to Condominium Declaration and By-Laws

The By-Laws of the Condominium may be modified or amended by the affirmative vote of Unit Owners owning not less than sixty-seven percent (67%) of the Units and whose percentage of Common Interest, in the aggregate, equals or exceeds sixty-seven percent (67%). However, for as long as Sponsor or its designee owns title to one or more Units, the By-Laws, including the Rules and Regulations of the Condominium, may not be amended in a manner which would adversely affect the Sponsor or its designee in any way, in the sole discretion of Sponsor or its designee, unless the Sponsor or its designee gives its written consent to such an amendment.

The Condominium Declaration may be amended by an affirmative vote at a duly held meeting by Unit Owners owning not less than sixty-seven percent (67%) of the Units and whose

percentage of Common Interest equals, in the aggregate, at least sixty-seven percent (67%), provided, however, that (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee of such Unit, or Units, if any; (iii) no amendment may change the percentage of Common Interests allocated to any Unit, or Units, without the written consent of such Owner; and (iv) no amendment shall adversely affect the Sponsor or its designee or the Commercial Unit Owner, without the prior written consent of Sponsor or such designee or the Commercial Unit Owner, as the case may be.

Termination

The Condominium may be terminated by withdrawing the Property from the provisions of the New York Condominium Act, by an affirmative vote of not less than eighty percent (80%) of Unit Owners in number and whose percent of Common Interest equals, in the aggregate, not less than eighty percent (80%) and the affirmative vote of Eligible Holders of first mortgages on Units to which not less than sixty-seven percent (67%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated. The Sponsor shall not cast the votes of any Unsold Units it holds for such withdrawal unless votes equaling eighty percent (80%) in number and of the Common Interest have been so cast or unless at least eighty percent (80%) in number and in Common Interest of all other Unit Owners have voted to terminate. If the Unit Owners vote to terminate the Condominium the Property shall be subject to an action for partition by any Unit Owner or lienor and the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided that no Unit Owner shall receive any payment until there has first been paid out of such Unit Owner's share of the net proceeds all liens on his Unit.

REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes. No Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. The City of New York subdivides tax lots into separately assessed lots as of July 1st of every year. Accordingly, depending upon when the Declaration and By-Laws are recorded, there can be a delay of up to a year and several months until a separate assessment can be obtained.

If on the date of the First Unit Closing each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Residential Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate tax for the Property as determined by their percentage of Common Interest, multiplied by the aggregate real estate taxes assessed against the entire Property as apportioned to all the Residential Units.

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing, Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six (6) months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit closings individual purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax period within which the closing date occurs. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

The Sponsor's estimate of the project real estate taxes for the Units to be levied by New York City during the First Year of Condominium operation is based upon an estimate provided by Podell, Schwartz, Schechter & Banfield LLP, 605 Third Avenue, New York, New York 10158, Attorneys at Law, and information available to the Sponsor at the date of this Plan.

For a detailed discussion of projected real estate taxes, see Notes 7 and 8 of the section titled, "Notes to Schedule A," and located in Part I of the Plan.

NO REPRESENTATION OR WARRANTY IS MADE AS TO THE AMOUNT OF THE ASSESSED VALUATION OF THE PREMISES OR AN INDIVIDUAL CONDOMINIUM UNIT OR THE TAX RATE THAT WILL BE IN EFFECT AT ANY TIME OR THE AMOUNT OF REAL ESTATE TAXES WHICH WILL BE DUE. There is also no assurance that the New York City property taxing authority will allocate taxes among the Units in proportion to their respective Common Interests. If they are not so allocated, Unit Owners having the same Common Interests may pay different amounts of real estate taxes.

A Unit Owner who feels that the assessed valuation for his or her Unit is excessive, shall have the right to apply directly to the appropriate municipal agency or court for review of such assessed valuation. Such proceedings shall be at the sole cost and expense of the Unit Owner electing to undertake the same and the results from such proceedings may or may not affect the assessed valuation of any other Unit which is not the subject of such proceeding.

The Condominium Board, if necessary, will execute any documents and papers required for such proceedings, provided that: (a) the Unit Owner indemnifies the Condominium Board against all claims, cost and expenses (including attorney's fees and disbursements); (b) the Condominium Board has not already commenced such proceeding on behalf of all Unit Owners; and (c) such Unit Owner is current on all his or her Common Charges and Special Assessments.

The Condominium Board is authorized to act as agent for Unit Owners (who have given appropriate written authorization) to commence, pursue and settle proceedings to reduce real estate tax assessments on behalf of such Unit Owners. Any Unit Owner authorizing the Condominium Board to act on his or her behalf shall indemnify the Condominium Board against all costs, claims and expenses (including attorney's fees) resulting from such proceedings.

Neither the Sponsor, nor any other party associated with this offering makes any assurance, representation or warranty that such application for review, if undertaken, shall result in a modification of the tax assessment, or if such modification is granted, as to the amount thereof.

The projections of real estate taxes due for each of the Residential Units set forth in Schedule A, located in Part I of the Offering Plan, (i) for the anticipated First Year of Condominium Operation, and (ii) upon one hundred percent (100%) completion of the Sponsor's renovations to, and construction of, the Building, are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. HOWEVER, SAID AMENDMENT SHALL NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT.

Veteran Property Tax Exemption

In accordance with Section 458(a) of the New York State Real Property Tax Law, a Unit Owner who is also a qualified veteran, the spouse of qualified veteran or the unmarried surviving spouse of a qualified veteran may be entitled to an exemption on the general municipal portion of their real estate taxes

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

A Unit Owner will own his or her Unit and its appurtenant Common Elements in fee simple absolute and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Unit Owner owns his or her Unit in fee simple absolute, he or she may mortgage his or her Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

As fully set forth in the tax opinion by D'Agostino, Levine, Landesman & Lederman, LLP, counsel to the Sponsor, in Part I of this Plan (the "Tax Opinion"), under present law, a Residential Unit Owner will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid under sections 163 and 164.* These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion. These deductions may also affect an individual Residential Unit Owner's liability for the alternative minimum Federal income tax. Each individual Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid during the taxable year.

Once the Building is converted to condominium ownership, the affairs of the Condominium will be governed by a Condominium Board. Common Charges will be borne by all Unit Owners and assessed and collected by the Condominium Board. Under present law, the exact tax status of the Condominium Board is uncertain and no opinion has been rendered with respect to it. The Federal income tax consequences to the Condominium Board with respect to the receipt of the Common Charges and of the expenditure of Condominium funds will depend on whether the Condominium Board:

(i) is treated as a conduit,
(ii) qualifies and elects to be taxed under section 528, or
(iii) is treated as a corporation.

If the Condominium Board is treated as a conduit, it will not be subject to tax. Rather, items of income, expenses, credits and deductions will be attributed to each Unit Owner in proportion to his Common Charges. Thus, for example, interest earned on funds reported by the Condominium Board would be taxed to the Unit Owners. There appear to be no judicial precedents directly supporting such treatment and the position of the Internal Revenue Service (the "Service"), which is described more fully below, appears to be that a condominium management association is an association taxable as a corporation.

If it satisfies the requirements of section 528, the Condominium Board may elect to be exempt from Federal income tax on the Common Charges. Generally, those requirements are:

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* All section references are to the Internal Revenue Code of 1986, as amended, unless otherwise indicated.

(i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;

(ii) Sixty percent (60%) or more of the gross income of the condominium management association for the taxable year must consist of assessments from residential unit owners ("Exempt Function Income");

(iii) Ninety percent (90%) or more of the expenditures of the condominium management association for the taxable year must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;

(iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments;

(v) The condominium management association must annually elect to be treated as a condominium management association; and

(vi) Substantially all (at least eighty five percent (85%)) of the square footage of the units must be used for residential purposes.

Under the Treasury regulations issued pursuant to section 528, a condominium management association must qualify annually for the election under section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

A condominium management association meeting the requirements of section 528 and electing to be exempt from Federal income tax on Exempt Function Income would be taxable at a rate of thirty percent (30%) on the amount by which its other income exceeds the amount of allowable deductions that are directly connected with the production of such income. Such an association, however, would not be allowed certain deductions that are available to corporations that are not taxable under section 528.

If the Condominium Board either cannot qualify (and for the purposes of the Plan, Sponsor has assumed that it will not qualify) or chooses not to elect the benefits of section 528, certain published rulings of the Service implicitly state that a condominium management association will be treated as an association taxable as a corporation. Consequently, unless a valid election pursuant to section 528 has been made, it appears that the Condominium Board would be taxable on that portion of the Common Charges which exceeds the deductible expenses paid or incurred by the Condominium Board for the operation of the Condominium property. The Condominium would also be taxable on income derived from the interim investment of the Common Charges, on income from nonresidential leases of Common Elements, and on income

from the operation of facilities that are available to outsiders, net of deductible expenses related to the production of such income.

If the Condominium is treated as a corporation for Federal income tax purposes, the Condominium Board might still contend that a portion of the Common Charges that it receives should not be includible in its gross income. For example, published rulings of the Service indicate that assessments collected by a condominium management association and expressly designated for use for specified capital improvements that are owned in common, and which are not commingled with funds collected for operating expenses or as contingency reserves, should not be included in the gross income of a condominium management association. No part of such an assessment may, however, be expended by the condominium management association for the benefit of an individual owner.

In addition, in connection with assessments for ordinary operating expenses, such as the Common Charges, a condominium management association may not have any taxable income if the expenses of the condominium management association with respect to managing, operating, and replacing the common elements of the Condominium either equal the assessment or any excess amount is annually returned to unit owners or applied to the next year's assessment. Based on the facts in existence at the present time, it appears that the Condominium Board is unlikely to have a substantial amount of income other than the Common Charges.

If section 528 is not applicable, moreover, the Service has noted that a condominium management association may be eligible for the tax treatment afforded to certain cooperatives under Subchapter T of the Code. However, there is very little guidance with respect to the applicability of these provisions to an association managing residential condominium units since generally only farming cooperatives avail themselves of these provisions.

If the Condominium Board makes additional assessments to cover the amounts of any Federal, New York State, or New York City tax liability incurred, such additional assessments may also be taxable to the Condominium.

The foregoing summary is for informational purposes only and Sponsor's counsel expresses no opinion with respect to the likelihood of which method of taxation will be applied to the Condominium.

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

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WRITER'S E-MAIL:

COUNSEL'S INCOME TAX OPINION LETTER

July 16, 2014

The Board of Managers of
"40 East 72nd Street Condominium"
40 East 72nd Street
New York, New York 10021

Re: **Offering Plan for Condominium Ownership of Premises "40 East 72nd Street Condominium" 40 East 72nd Street New York, New York 10021**

Gentlemen/Mesdames:

You have requested our opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes (but not for purposes of the New York City earnings tax on non-residents) to persons who purchase Residential Units for private residential use ("Residential Unit Owners") under the Plan and (ii) the proper treatment by the Condominium Board for such income tax purposes of the Common Charges paid or borne by all Unit Owners. Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the Plan.

The condominium units of "40 East 72nd Street Condominium" will be organized under the laws of the State of New York for the purpose of providing for the management, maintenance and care of a multistory residential building being completely renovated and newly constructed at 40 East 72nd Street, New York, New York. The completely renovated and newly constructed

building will contain six (6) Residential Units. The By-Laws of the Condominium provide that in addition to the status conferred upon the Condominium Board pursuant to the provisions of the New York Condominium Act, to the extent permitted by applicable law, the Condominium Board is deemed to constitute an unincorporated association for all purposes under the provisions of the General Association Law of the State of New York.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986, as amended ("Code"), the New York State Tax Law, the New York City Administrative Code ("Tax Law"), the regulations ("Regulations") promulgated thereunder and such other materials as we deemed relevant as they exist as of the date hereof, and we have assumed that the closing under the Plan will occur in 2015 pursuant to said Code, Tax Law and Regulations as they currently exist.

I. Deductions for Mortgage Interest and Real Estate Taxes

A Unit Owner will own his Unit and its Appurtenant Interest in the Common Elements in fee simple absolute. Accordingly, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will be individually liable for the payment of such real estate taxes. A Unit Owner, pursuant to the terms of the Offering Plan, may also mortgage such Unit(s) and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness.

In our opinion, a non-corporate Residential Unit Owner who itemizes his deductions will be entitled to a deduction in computing his taxable income for Federal income tax purposes for bona fide mortgage interest incurred with respect to his Unit in the year paid provided that (a) the indebtedness is incurred in acquiring, constructing or improving the Unit, (b) the indebtedness is secured by the Unit, (c) the indebtedness does not exceed $1 million, or $500,000 in the case of a married individual filing a separate return, and (d) the Unit is a "qualified residence." Interest paid on indebtedness that refinances indebtedness incurred to acquire, construct or improve a Unit is similarly deductible. A Unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" within the meaning of Code Section 121 or (ii) a residence as defined by Code Section 280A(d)(1) that the Owner selects as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. In the case of a married couple filing separate returns, each taxpayer may take into account a single "qualified residence," unless by written agreement they consent to one of them taking into account a principal residence and one other residence. Under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

In addition, an individual may deduct interest on an additional $100,000 of indebtedness in excess of the $1 million limit mentioned above as interest on home equity indebtedness.

In our opinion, a Residential Unit Owner who itemizes his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Code.

It is also our opinion that each Unit Owner whose Unit is used in an active profession and/or trade or business, other than the rental of such Unit, in which the Unit Owner materially participates, will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Code.

Other rules are applicable to a Unit Owner if the Unit is to be used in a trade or business or is to be held for rental. In these cases, the Tax Reform Act of 1986 will have broad impact, and no opinion is offered as to the consequences to such a Residential Unit Owner.

It is also our opinion that each Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid during the taxable year. Section 615 of the New York State Tax Law; Section 11.1715 of the Administrative Code of the City of New York. However, in the case of a Residential Unit Owner whose New York State or New York City adjusted gross income exceeds $100,000, the amount of such deduction may be reduced by up to twenty five percent (25%) of such deduction.

It should be noted, however, that the benefit of a Unit Owner's deductions for interest and real estate taxes may be reduced if the Unit Owner is subject to the Federal alternative minimum tax. Section 55 of the Code. In addition, it should be noted that state and local taxes, including real estate taxes, are not deductible for purposes of calculating an individual's federal alternative minimum taxable income.

It should be noted that our opinion as to the availability of deductions to a Unit Owner with respect to mortgage interest and real estate taxes in connection with his or her Unit used in an active profession and/or trade or business, other than the rental of such unit, is based on the assumption that such owner will have "at risk" within the meaning of Section 465 of the Code, in such profession, trade or business, an amount equal to, or in

excess of his losses in connection with said profession, trade or business, including such deduction.

II. Common Charges

Common Charges will be borne by the Unit Owners and assessed and collected by the Board of Managers ("Condominium Board").

Under Section 528, added to the Code by the Tax Reform Act of 1976, some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. These requirements are further discussed below.

If the Condominium qualifies as a condominium management association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, common charges, fees or assessments from Residential Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses directly connected with the production of such income).

To qualify as a condominium management association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least sixty percent (60%) of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (3) ninety percent (90%) or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must annually elect to be treated as a condominium management association, and (6) at least eighty-five percent (85%) of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. See Treasury Regulation §1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one (1) year, it may nevertheless, qualify in one or more future years.

Based upon the information contained in Schedule A, the Description of the Property and Building Specifications and the Floor Plans to the Plan, we can affirmatively opine that the Property will qualify as a condominium management association under Section 528 of the Code and therefore the Condominium will be eligible to elect to be treated as a condominium management association under Section 528 of the Code.

Even if the Condominium Board is eligible to make a Section 528 election, it would still be subject to tax on any income not received as assessments or other such payment from Unit Owners; thus, if the Condominium Board realized interest income from funds on deposit, such interest may be taxable to it.

If an election under Section 528 is not in effect for the taxable year, the tax status of the Condominium Board will be governed by the rules in effect prior to the enactment of Section 528 ("existing law").

Under existing law, the tax status of the Condominium Board is uncertain. The By-Laws provide that the Condominium Board will act as the agent of the Unit Owners. Thus, the Condominium Board may take the position that it is simply a conduit for receipts and payments of the Unit Owners for whom it acts as agent and not a separate entity. In such case, the Unit Owners would themselves be taxable on any interest or similar income which is earned from investments of the amounts which are assessed and collected from the Unit Owners and/or held as reserve funds.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board, constitute an association taxable as a corporation. In such event, such association may be deemed subject to the Federal corporate income tax (and also to New York State and New York City corporate income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for Federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected, Rev. Rul. 75-370, 1975-2 Cum. Bull. 25, or because the assessed Common

Charges are deemed to be nontaxable contributions to the capital of the association. Rev. Rul. 75-371, 1975-2 Cum. Bull. 52 Cf. Concord Village, Inc., 65 T.C. 142 (1975). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributions of associations, a distribution is first treated as taxable ordinary income to the extent of the distributee's proportionate share of the association's earnings and profits, then as a tax-free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

In this connection, it should be noted that if the Condominium Board is determined to be a separate taxable entity for federal income tax purposes, it is possible that the limitations of Section 277 may be found to apply. If this were the case, the Condominium Board's income from sources other than Unit Owners, if any, could not be offset by the Condominium Board's expenses incurred in the provision of services to Unit Owners. It is unclear how interest or other income earned on the investment of a required reserve fund would be treated for this purpose; if such income were treated as not derived from the Unit Owners in consideration of services rendered them by the Condominium Board, then such income may not be reduced by the Condominium Board's operating expenses with respect to the property and may result in a liability for taxes.

In the event that the Condominium Board is required to pay any Federal, New York State or New York City income tax, and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax. See, Old Colony Trust Co. v. Commission, 279 U.S. 716 (1929); Rev. Rul. 74-75. 1974-1 Cum. Bull. 19; Rev. Rul. 86-14 I.R.B. 1986-5, 33.

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan of a Unit under the laws of any other U.S. or foreign jurisdiction.

Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business, other than set forth herein, or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units or Limited Common Elements are

acquired and/or leased by the Condominium Board. It is also to be noted that under certain circumstances an owner of any Residential Unit, by virtue of such ownership, may be deemed to become a resident of New York City and that this opinion does not deal with the circumstances under which this may occur, or with the income, estate or other tax consequences that may arise therefrom. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

In our opinion, Unit Owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change and based upon the current financial status of the country, most likely will change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause Unit Owners not to be entitled to income tax deductions.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan.

Very truly yours,

D'AGOSTINO, LEVINE,
LANDESMAN & LEDERMAN, LLP

D'Agostino, Levine, Landesman & Lederman, LLP

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SENIOR COUNSEL
ALLAN C. SCHWARTZ

SPECIAL COUNSEL
VICTOR HADE

March 11, 2014

Axia Realty LLC
5 Columbus Circle, Suite 1700
New York, NY 10019

Re: THE 40 EAST 72nd STREET CONDOMINIUM
40 East 72nd Street
Block: 1386 Lot: 44
Borough: Manhattan

Gentlemen:

You have requested that we provide you with an estimate of the above property's real estate tax assessment following its renovation and conversion to a condominium.

You have also requested an estimate of the real estate taxes that would be applicable to the condominium following its conversion.

You have advised us that you are the fee owner of certain real property located at 40 East 72nd Street, New York, New York, and designated as Block 1386, Lot 44 on the Official Tax Map of the City of New York. According to New York City Department of Finance records, the property consists of a land area of 4,648 square feet. Finance records further indicate that the property was formerly improved by a 5-story, 15,413 square-foot (gross, above grade), mixed-use building constructed in 1930 consisting of 16 residential units and 5,000 square feet of commercial space.

You have advised us that you are in the process of renovating the existing building, adding 3 floors (floors 6 through 8) consisting of 6,468 square feet (gross), and converting the resulting eight (8) story, 26,936 square-foot (gross, including cellar) building into a residential condominium consisting of the following:

- One (1) duplex unit located on the ground floor and cellar;
- One (1) studio unit located on the ground level;
- Four (4) units located on floors 2-5 (i.e., one unit per floor);
- One (1) triplex penthouse unit located on floors 6-8; and
- Six (6) storage units (approx. 348 Sq. Ft. in total) located in the cellar.

You have advised us that you commenced work on or about October 1, 2008, anticipate completing the project prior to December 31, 2014, and that the first year of condominium operation will be calendar 2015.

Although the setting of an assessment on any particular property is subject to an individual assessor's subjective determination based upon general assessment guidelines, it is possible to estimate an approximate assessed value based upon a number of factors. These factors include actual construction costs (if applicable), the property's location, a hypothetical economic analysis of the condominium as if it were a rental property (as required pursuant to section 581 of the New York Real Property Tax Law), assessed valuations of comparable buildings and New York City Department of Finance Assessment Guidelines. We have examined these factors in arriving at our estimates.

New York City is an annual assessing jurisdiction and is required to assess property for each upcoming fiscal tax year (July 1 – June 30) based upon its use and condition on January 5th (taxable status date). Annual increases or decreases in assessed value resulting from construction, demolition or other physical changes to the property (i.e., "physical" or "alteration" increases) are taxable the year they are levied. For "class 2" residential properties having more than 10 units, annual assessment increases or decreases not resulting from physical changes (i.e., "equalization" changes) are phased in for tax purposes over a five (5) year period at 20% per year. Hence, two assessed values: 1) the "actual assessment," which is reflective of the City's claimed market value; and 2) the "transitional assessment," which is based on physical increases and the 5-year phase in of equalization changes. Real property taxes in any given year are based on the lesser of the actual or transitional assessment.

For "class 2C" properties (i.e., a "class 2" residential condominium of less than eleven (11) units), assessment increases are limited pursuant to section 1805 of the New York Real Property Tax Law. In this regard, equalization assessment increases on "class 2C" properties are limited to a maximum of 8% of the property's assessed value in any one year, or 30% during any five (5) year period. Annual physical or alteration increases on "class 2C" properties are limited to one-third of the increase in assessed value otherwise allowed resulting from the improvements made to the property.

The subject property's assessment history is as follows:

		Tax Class		Land	Total
Tentative	2014/15	2	Actual	$411,300	$1,218,150
			Transitional	$411,300	$1,078,460
Final	2013/14	2	Actual	$411,300	$1,218,150
			Transitional	$411,300	$ 986,030

		Tax Class		Land	Total
Final	2012/13	2	Actual	$411,300	$1,250,000
			Transitional	$411,300	$ 833,300
Final	2011/12	2	Actual	$411,300	$ 875,000
			Transitional	$411,300	$ 674,200

You have advised us that as of the January 5, 2014 taxable status date, which is the basis for the property's 2014/15 assessed value, the project was approximately 50% complete. As set forth above, the New York City Department of Finance has tentatively set the property's 2014/15 taxable assessed value (i.e., the lesser of the property's actual or transitional assessed values) in the total amount of $1,078,460. The City's tentative assessment roll, which was published on or about January 15, 2014, continues to classify the property for tax purposes in residential tax "class 2". While the tentative assessed values and tax classification are subject to change by the New York City Department of Finance until March 3, 2014, we have adopted these values as our projected final assessments for the 2014/15 tax year.

The most recent tax rates available as of the date of this letter are those passed by the City Council for the 2013/14 tax year. The 2013/14 "class 2" tax rate is 13.145%. For purposes of this projection, we have estimated that the 2014/15 residential "class 2" tax rate will be in the approximate amount of 13.145%. Based on the tentative 2014/15 taxable assessed value in the amount of $1,078,460, we estimate that the gross real estate taxes due for the fiscal year July 1, 2014 through June 30, 2015 will be in the approximate amount of $142,000.

You have advised us that the first taxable status date following the anticipated completion of the building's renovation, conversion, and apportionment into separate condominium tax lots will be January 5, 2015, which will be the basis for the property's 2015/16 assessed values. Based on your description, we assume the completed property will be classified in tax "class 2C" (i.e., a "class 2" residential condominium of less than eleven (11) units) and that the related statutory limitations on assessment increases will apply. We estimate that the post-renovation and conversion taxable assessed value for the entire condominium will be in the approximate amount of $2,800,000.

Given the 2013/14 tax rates (i.e., the most recent tax rates passed by the City Council), for purposes of this projection we have estimated the 2015/16 residential "class 2" tax rate will be in the approximate amount of 13.145%. Based on the projected 2015/16 taxable assessments set forth above, we estimate the gross real estate taxes on all the residential units for the fiscal year July 1, 2015 through June 30, 2016 (exclusive of any potential tax exemption or abatement benefits) will be in the approximate amount of $377,000.

You have advised us that the first year of Condominium operation will be from January 1, 2015 through December 31, 2015. Based on the foregoing projections for the 2014/15 and 2015/16 fiscal tax years, we estimate gross real estate taxes for the entire Condominium's first year of operation to be in the approximate amount of $259,500.

It should be noted that the estimated real property taxes for the first year of condominium operation (i.e., January 1, 2015 through December 31, 2015) do not reflect the fully renovated and converted building.

We have been advised that it is the policy and practice of the New York City Department of Finance to assign separate tax lots and apportion the assessed valuation of a condominium among the various units based upon the percentage of common interest contained in the Condominium Declaration.

A schedule of estimated real property taxes by residential unit for the first year of condominium operation as well as estimated assessed values and taxes for the first post-renovation and conversion tax year (i.e., 2015/16) based on relative percentages of common interest set forth in schedule "A" in the Offering Plan is attached.

It should be noted that, although it is currently Finance's stated policy to apportion the assessed values of condominium properties among the various units on this basis, Finance has used different methodologies in the past. No warranty or guarantee is made herein that assessed values will not be apportioned based on a different method.

Following the property's completion and apportionment into condominium units, individual residential unit owners may qualify for Condominium Abatement Program benefits pursuant to section 467-a of the New York Real Property Tax Law. The Program, which is set to expire June 30, 2015, provides partial tax relief for residential "class 2" condominium unit owners whose unit is their primary residence. Currently, abatement benefits for condominiums with an average taxable assessed value per unit greater than $60,001 are calculated and determined at 17.5% of the taxes otherwise payable.

We have not included this potential benefit in our estimates set forth above and, while the program has regularly been extended since its initial passage in 1999 (most recently on January 30, 2013), **we make no warranty or guarantee that the Condominium Abatement Program will be extended or available to unit owners upon completion of construction or that the Program will not be revised in a manor impacting potential availability.**

Assuming the program is extended beyond June 30, 2015, the Condominium Board of Managers or its agent must file an application for the Condominium Abatement on behalf

of all eligible unit owners (unit owners do not apply individually). Applications have historically been due by February 15th for the following fiscal tax year starting July 1st.

This letter was prepared at the sponsor's request. The figures set forth herein are approximations derived from material submitted by the sponsor and publicly available tax records and are subject to variation. No government agency has passed upon these figures or the estimates of assessed valuation and taxes herein. We have not passed on the accuracy of any figures or estimates contained in the Offering Plan, and offer no warranties on real estate assessments, tax classifications, taxes, or tax rates for any period. All prospective purchasers are advised that, although the estimates of assessed valuations upon conversion are good faith estimates, such assessed valuations when actually made may be less or greater than as estimated herein.

The above estimates do not take into account any future increases in the level of assessed valuation applied to residential property or any increase in the real estate tax rates. The above opinion is based upon our interpretation of The New York State Real Property Tax Law and The Administrative Code of the City of New York and is not intended to be a guarantee or assurance that the actual or transitional tax assessments, tax rates or actual taxes will be as estimated.

No representation is made that the provisions of law or New York City Department of Finance policies and practices will apply at the time the property's conversion is complete. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one of more agencies of the City of New York, or Courts of competent jurisdiction.

While we believe our opinions are well-founded, they are not intended, and should not be construed as representations or warranties that assessments, tax rates, and taxes will not be determined in a different amount. The foregoing analysis is based upon our knowledge of the making and review of assessments by the Real Property Assessment Department and the Tax Commission of the City of New York with respect to residential properties held in the condominium form of ownership. Application of a particular approach to valuation by an individual assessor may yield a different result.

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

Very truly yours,
PODELL, SCHWARTZ, SCHECHTER
& BANFIELD, LLP

BY: _____
PAUL V. GRECO

PVG:

Schedule of Estimated Real Property Taxes By Residential Unit (as of February 7, 2014):

THE 40 EAST 72nd STREET CONDOMINIUM
40 East 72nd Street

Unit	Percentage of Common Interest	Estimated Calendar 2015 Taxes	Estimated 2015/16 Assessed Value	Estimated 2015/16 Taxes
1	15.4503%	$ 40,094	$ 432,608	$ 58,248
1A	0.8147%	$ 2,114	$ 22,812	$ 3,071
2	14.1580%	$ 36,740	$ 396,424	$ 53,376
3	14.2705%	$ 37,032	$ 399,574	$ 53,800
4	14.3828%	$ 37,323	$ 402,718	$ 54,223
5	14.4952%	$ 37,615	$ 405,866	$ 54,647
PH	26.4285%	$ 68,582	$ 739,998	$ 99,635
Total	100.000%	$ 259,500	$ 2,800,000	$ 377,000

WORKING CAPITAL FUND AND RESERVE FUND

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay a sum equal to two (2) months Common Charges for the Unit being purchased, to the Board of Managers for its working capital (the "Working Capital Fund"). This fund is to be used for payment by the Board of Managers of any net closing adjustment expenses owed to Sponsor at the First Unit Closing. The amount of the net closing adjustment owed to Sponsor will be paid to Sponsor by the Board of Managers, without interest, by applying the two (2) months Common Charges paid by each Purchaser at the closing of title to each Unit to the terms of a non-interest bearing note due on the first (1st) anniversary of the First Unit Closing to be executed by the Board of Managers at the First Unit Closing. Sponsor is hereby authorized to endorse the two (2) months Common Charge checks payable to the Board of Managers over to Sponsor and to apply such payments without any further action of the Board of Managers until the promissory note is paid in full. If the promissory note is not fully paid by the due date from such payments, the Board of Managers will pay the note in full from its general funds. The Board of Managers will be entitled to prepay the note, in full only, at any time and without penalty. Sponsor will waive any net adjustments in its favor which would reduce the Working Capital Fund below zero after making provision for the amount of monies that would be generated by the payment of the two (2) months Common Charges for each Residential Unit in the Building. If the result of the closing adjustments is a net credit in favor of the Condominium, or if any amounts remain after the promissory note has been fully paid, such amounts in the Working Capital Fund may be held or used at any time for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers in its sole discretion.

Other than as set forth in Schedule B located in Part I of the Plan, no provision has been made for any Reserve Fund or for any Working Capital Fund other than the above. If additional funds are required for capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, it may be necessary to increase Common Charges or make Assessments on Unit Owners.

For such period as Sponsor retains control of the Board of Managers, the Working Capital Fund shall not be used to reduce estimated Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF EITHER THE WORKING CAPITAL FUND OR THE RESERVE FUND.

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan is Axia Realty, LLC, with an address at 1790 Broadway, Suite 1700, New York, New York 10019, a limited liability company formed pursuant to the laws of the State of New York on November 3, 2009.

The principals of Sponsor are Antonia Milonas and Spiros Milonas with the same business address as the Sponsor herein.

Mr. and Mrs. Spiros Milonas are real estate developers, owners, operators and investors. Mr. Milonas resides in the State of Connecticut and Mrs. Milonas resides in the State of New York. Prior to this Offering Plan, Mr. and Mrs. Milonas have not been a sponsor or principal of Sponsor in a cooperative or condominium plan within the last five (5) years.

Neither the above Principal of Sponsor nor the Sponsor have been a principal nor have had any prior public offerings in the State of New York nor do they currently own ten percent (10%) or more of the unsold units in any other condominium, cooperative or home owners associates,

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

Selling Agent

The firm Town New Development Sales & Marketing LLC, 730 Fifth Avenue, 8th Floor, New York, New York 10019 has been engaged by Sponsor to be the exclusive Selling Agent. The firm is duly licensed under the laws of the State of New York as a real estate broker. The firm and its principals have been operating as selling agents in the Metropolitan area for a number of years and has been the selling agent for a number of communities.

Architect

The Sponsor's Architect for the project is Barry Rice Architects, PLLC, located at 37 West 17th Street, 2nd Floor, New York, New York 10011. Barry Rice Architects, PLLC and/or the principals thereof, have been providing architectural services in excess of ten (10) years.

Barry Rice, a registered architect in the State of New York and a principal of Barry Rice Architects, PLLC, prepared the report which Sponsor has adopted as Sponsor's "Description of Property and Specifications." Barry Rice Architects, PLLC, and the principals thereof, have no financial interest in the Property, the Sponsor or the Selling Agent, or any other party interested

in this transaction, except for the fees for services rendered in connection with such report and other architectural services.

Counsel to Sponsor

The Sponsor has retained the law firm of D'Agostino, Levine, Landesman & Lederman, LLP, 345 Seventh Avenue, 23rd Floor, New York, New York 10001, to represent it in the preparation and consummation of the Offering Plan. Jose M. Rivera, Esq., a partner of the firm drafted the Declaration, the By-Laws, this Plan, the form of Purchase Agreement, the form of deed and all other documents necessary in connection with the formation of the Condominium, and is advising the Sponsor in connection with all legal matters incidental thereto. No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by his own counsel in connection with this Offering.

D'Agostino, Levine, Landesman & Lederman, LLP, and/or the members thereof, have no financial interest in the Property, the Sponsor or the Selling Agent, except that they are to be paid a fee for their services.

Managing Agent

Sponsor has engaged the services of Goodhope Management Corp., 1790 Broadway, 17th Floor, New York, New York 10019 to become the managing agent.

Goodhope Management Corp. was founded in 1994, and is a multifaceted Real Estate Management firm who has managed real estate for almost thirty (30) years.

The Managing Agent is affiliated with the Sponsor but does not have any financial interest in the Property except for its management fees for managing the Condominium.

The principal of the Managing Agent, Spiros N. Milonas, is also a principal of the Sponsor. In view of the relationship between the Managing Agent and its principal, the interests of the Managing Agent in performing services may conflict with the interests of the Board of Managers.

REPORTS TO UNIT OWNERS

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

(a) The financial statement of the Condominium prepared by a certified public accountant or public accountant by March 15th of each calendar year or the prior fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;

(b) A prior notice of the annual Unit Owner's meeting;

(c) A copy of the proposed annual budget, if any, of the Condominium within ten (10) days prior to the date set for adoption thereof by the Board of Managers. While the Sponsor is in control of the Board of Managers, it shall be Sponsor's obligation to deliver to all Unit Owners a proposed annual budget which shall be certified as to its adequacy by an expert experienced in the management of condominium, cooperative and/or rental properties.

DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased a Unit offered under this Plan or shall have participated in the offering of such Unit, at the office of Sponsor during convenient weekday hours and shall remain available for such inspection for a period of six years from the date of the First Unit Closing. The Sponsor shall, at the time of the First Unit Closing, deliver to the Board of Managers a copy of all documents filed with the appropriate recording office.

GENERAL

A. Each Unit Owner shall be required to comply with and abide by the Declaration, the By-Laws and the Rules and Regulations of the Condominium made in accordance therewith and to pay the Common Charges levied by the Board of Managers. Such obligations shall be enforceable by the Board of Managers by foreclosure of the statutory lien against the Unit for the amount of any such unpaid Common Charges or by suit to collect the same by action for damages, by injunction or by other appropriate relief.

B. There are no lawsuits or other legal proceedings pending, the outcome of which could materially affect this Offering, the Purchasers of Units, the Property, Sponsor's capacity to perform all its obligations under the Plan, the Condominium or the operation thereof.

C. To the best of Sponsor's knowledge, the Property located at 40 East 72nd Street, New York, New York was not the subject of a prior public offering. An Application to Test the Market pursuant to Cooperative Policy Statement No. 1 was accepted for filing on September 9, 2013 by the Department of Law of the State of New York. Filing No. CP13-0057.

D. The Declaration and By-Laws of the Condominium located in Part II of this Plan are made part of this Offering Plan.

E. Annexed to the By-Laws are the Rules and Regulations of the Condominium which shall apply until amended by the Board of Managers.

F. This Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with the Sponsor for inspection purposes. Any information, data, or representation not referred to in this Plan and not contained in the various documents mentioned herein, must not be relied upon. This Plan does not omit any material fact or contain any untrue statement of a material fact. No person has been authorized by the Sponsor to make any representation which is not expressly contained herein.

G. Sponsor hereby represents that neither it, nor any of its agents, will refuse to sell or offer, or will otherwise discriminate against any person or persons by reason of their race, religion, color or place of national origin in the sale, transfer or lease of Units described in this Plan.

H. This Plan may not be changed or modified orally.

I. 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 Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided, such as in the case of an uncured default, nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. 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 the rights, obligations or liabilities of then-existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within fifteen (15) days thereafter.

J. Sponsor hereby represents that neither it or any of its agents has entered into a contract to sell a Unit and no deposits on a contract have been received or will be accepted, as of the date the Offering Plan is accepted for filing by the Department of Law.

RESERVATION OF AIR AND DEVELOPMENT RIGHTS

As against all other Unit Owners, the Sponsor, its successors and assigns, shall have the exclusive right to cause any part or all transferable air rights and/or development rights pertaining to the Property, which Sponsor is herein reserving for itself, its successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three (3) terms are now defined in the Zoning Resolution of the City of New York, as amended. Sponsor has also bound itself, its successors and assigns from transferring, assigning, or surrendering in whole or in part any transferable air rights and/or development rights, if such transfer, assignment or surrender shall (i) make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration, or (ii) will allow any party, including Sponsor as the holder of Unsold Units to build on or directly above the land and/or expand the Building. However, with regard to (ii) above, the Sponsor, its successors and assigns may transfer in whole or in part any transferable air rights and/or development rights to the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers, but in such event, any construction by the Condominium shall be made only in accordance with the Condominium's Declaration and By-Laws. As used herein, "transferable air rights and/or development rights" shall be defined to include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution. As stated above, the Sponsor will not build any further on or above the Property. Based upon the approved New Building Plans for the construction of the Building, currently there are approximately 23,451 square feet of usable excess transferable air rights and/or development rights.

The Sponsor, its successors and assigns, herein have the right to cause the Board of Managers and all of the Unit Owners to take such action and execute, acknowledge, deliver and record, at the sole cost and expense of Sponsor, and/or its successors and assigns, in the Register's Office of the County of New York in the City of New York and elsewhere, if required by law, such instruments and documents, including, but not limited to (i) lease(s), zoning lot agreement(s), declaration(s), and/or grant(s) of such Unit Owner's and such Board's interests, if any, in the Property with respect only to any transferable air rights and/or development rights for the purpose of confirming the ownership of Sponsor and/or its successors and assigns; (ii) any amendment to the Condominium Declaration which the Sponsor and/or its successors and assigns deems necessary or appropriate to effectuate its rights hereunder.

Failure of the Unit Owners and Board of Managers to comply with the terms of the Condominium Declaration shall result in liquidated damages payable by the Board of Managers to the Sponsor, and/or its successors and assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor and/or its successors and assigns for the transfer, assignment or surrender of such transferable air rights and/or development rights.

As a result of Sponsor's reservation of transferable air rights and/or development rights, the Building may not be expanded without the purchase of said rights from Sponsor.

Additionally, the transfer of such development rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

SPONSOR'S STATEMENT OF BUILDING CONDITION

General

Sponsor represents that, to the best of its knowledge, the Description of Property and Specifications hereinafter set forth in Part II of the Plan, which Sponsor hereby adopts, accurately summarizes the general nature of the systems, materials, equipment, appliances and fixtures to be contained in the Building on completion of construction. Sponsor represents that Sponsor has no knowledge of any material defects or need for major repairs to the Property except as set forth in the Description of Property and Building specifications. However, Sponsor reserves the right to substitute in place thereof, without prior notice or amendment to the Plan, systems, materials, equipment, appliances and fixtures of equal or better quality. Sponsor further reserves the right to make all decisions relative to construction methods, practices and designs. In addition, Sponsor will, by the First Unit Closing or within a reasonable period thereafter, cure or cause to be cured all violations of record against the Property as set forth in the Plan.

The Description of Property and Specifications set forth in Part II of the Plan was prepared by Barry Rice of the architectural firm of Barry Rice Architects, PLLC, and is included in this Plan in reliance upon the expertise of such firm.

PART II

THIS DOCUMENT IS A LEGALLY BINDING DOCUMENT AND SHOULD BE READ CAREFULLY BY EACH PROSPECTIVE PURCHASER AND SHOULD BE REVIEWED BY EACH PROSPECTIVE PURCHASER'S ATTORNEY BEFORE EXECUTING IT.

PURCHASE AGREEMENT ("Agreement")
40 EAST 72ND STREET CONDOMINIUM ("Condominium")

Purchaser's Name:_____

Social Security No.:_____

Address:_____

Telephone No.:_____

Additional Purchaser's Name:_____

Social Security No.:_____

Address:_____

Telephone No.:_____

Unit Number:_____, including storage space #_____, if applicable, and Storage Space Unit #_____(if applicable)

Percentage Interest in Common Elements:_____

*Aggregate Down Payment, including Deposit for purchase of Storage Space Unit, if applicable (not including custom work**):

a) Initial Down Payment (10%) (50%, if applicable***) $_____
b) Additional Down Payment (5%) $_____

Balance Due at Closing $_____

Total Purchase Price**** $_____

Name(s) and manner in which title will be taken:_____

* The term "Down Payment," as used herein, refers to both the Initial Down Payment and, if the same has been paid at the time in question, the Additional Down Payment. The Additional Down Payment is due on the earlier to occur of (i) _____ (which is one hundred twenty (120) days after Purchaser receives a countersigned copy of this Agreement from Sponsor or the Selling Agent) or after Purchaser receives a written notice or amendment to the Plan declaring the Plan effective (but in no event later than the Closing Date).

** Additional Deposit for custom work $_____

*** If a Purchaser is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser will be required to make an Initial Down Payment equal to fifty percent (50%) of the applicable Total Purchase Price and will not be required to make an Additional Down Payment.

**** If applicable, the Total Purchase Price is allocated as follows: $_____ for the Residential Unit and $_____ for the Storage Space Unit Payment.

Statement of Seller

Axia Realty, LLC with an address at 1790 Broadway, Suite 1700, New York, New York 10019, a limited liability company formed pursuant to the laws of the State of New York ("Sponsor" or "Seller"), has promulgated a Plan of Condominium Ownership of 40 East 72nd Street Condominium ("the Plan") pursuant to which the land with appurtenances and the Residential Units and Storage Space Unit, if applicable ("the Units"), being newly renovated by Seller, located at 40 East 72nd Street, New York, New York 10021, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser

Purchaser acknowledges as follows:

I have received and read a copy of the Plan and all filed amendments thereto. Said Plan, which includes the Declaration to be made by the Seller and to be recorded in the Office of the Register of the City of New York, New York County, the Schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

AFTER DELIVERING AN EXECUTED AGREEMENT, TOGETHER WITH THE REQUIRED DEPOSIT, I WILL BE AFFORDED SEVEN (7) DAYS TO RESCIND THIS PURCHASE AGREEMENT AND HAVE THE FULL DEPOSIT REFUNDED TO ME PROMPTLY, PROVIDED THAT I HAVE NOT HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SUCH DELIVERY. SUCH RESCISSION MUST BE BY WRITTEN NOTICE, ADDRESSED TO SPONSOR, AND BE POSTMARKED OR HAND DELIVERED NO LATER THAN MIDNIGHT OF THE 7TH DAY SUBSEQUENT TO MY DELIVERING THE EXECUTED PURCHASE AGREEMENT. IF I HAVE HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR NOT LESS THAN THREE (3) BUSINESS DAYS PRIOR TO MY MAKING THE AFORESAID DELIVERY, I SHALL NOT BE PERMITTED THE AFOREMENTIONED SEVEN (7) DAY TIME PERIOD TO RESCIND THIS PURCHASE AGREEMENT.

The seven (7) day rescission period is (delete whichever is incorrect): applicable; not applicable.

Purchaser has been given an opportunity to examine the architectural plans for the above-numbered Unit(s) and for the building in which it is located ("the Building"), prepared by Barry Rice Architects PLLC ("the Architect").

Purchaser is desirous of purchasing the above-numbered Residential Unit as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office,

together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and its undivided interest being hereinafter collectively called the "Unit");

Agreement Between Seller and Purchaser

For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. **Payment for Unit.** Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit for the Total Purchase Price stated above. The Initial Down Payment stated above has been made on the signing of this Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. For all Purchasers who are required to make an Initial Down Payment of ten percent (10%) of the Total Purchase Price, within one hundred twenty (120) days after receipt of the executed Purchase Agreement from Sponsor or upon the Plan being declared effective, whichever is earlier, the Additional Down Payment equal to five percent (5%) of the Total Purchase Price must be made by Purchaser or Purchaser shall be in default under the terms of this Agreement. No Additional Down Payment shall be required if the Purchaser is a foreign government or other person or entity referenced on the cover page of this Purchase Agreement and who or which has made a fifty percent (50%) Initial Down Payment as required above. If the check representing the Initial Down Payment or the Additional Down Payment is returned for insufficient funds or for any other reason (i) such return shall be deemed a non-curable default by Purchaser and this Agreement shall automatically be deemed cancelled, and (ii) upon such cancellation Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made and without any obligation to account to Purchaser for any of the proceeds of such sale. Notwithstanding anything herein to the contrary, whether or not the Seller has canceled this Agreement as provided above, if the Seller has not collected the proceeds of any check for any payments due under this Agreement, then the Seller may take such actions at law and in equity as may be required in order to collect such payments and any and all costs of collection, including, without limitation, all attorneys' fees and expenses incurred by the Seller in connection therewith. The Balance Due at Closing shall be payable at the closing of title, as hereinafter provided in Paragraph 2, by unendorsed certified or cashier's check of Purchaser drawn on a bank or trust company which is a member of the New York Clearing House Association to the order of Seller or as otherwise directed by Seller.

2. **Closing of Title.** The closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Seller. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the Plan has been declared effective (unless Purchaser and Seller shall agree on an earlier Closing Date). Seller shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for the closing of title to the Unit and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall be entitled to one reasonable adjournment of up to

fifteen (15) days, on five (5) days written notice by Purchaser to Seller, provided that Purchaser may not seek an adjournment of any kind based upon any provision set forth in Paragraph number 18(i) herein. If, through no fault of Seller, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date, as rescheduled pursuant to any adjournment authorized hereunder, and Seller does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and common charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the closing of title occurs, and (b) Purchaser will be required to pay Seller, as a reimbursement of Seller's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Seller under this Agreement and the Plan, an amount equal to 0.03% (10.95% annual percentage interest) of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, though no fault of Purchaser, Seller postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

At the closing of title Seller shall deliver to Purchaser a bargain and sale deed, with covenant against grantor's acts, conveying the Unit to Purchaser, such deed to be in the form contained in Part II of the Plan, executed and acknowledged by Seller in form for recording.

Simultaneously with the delivery of the deed, Purchaser (i) shall cause the proceeds of any mortgage loan to be transferred to the Seller on account of the Total Purchase Price, (ii) shall execute and deliver to the mortgagee the note and mortgage, and any other documents required by the mortgagee, as well as any documents required by Seller and (iii) shall deliver the Balance Due at Closing.

Title to the Unit will close only after or concurrently with the occurrence of the events set forth in the Section of the Plan entitled "Closing of Title to Units".

3. **Power of Attorney to Board of Managers.** At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Seller at the closing of title for recording and to pay the recording fee.

4. **Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations.** Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations and the Plan.

5. **Condition of Title.** Seller agrees to convey to Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan, specifically in Part I thereof in the section titled "Terms of Sale," and Exhibits submitted in connection therewith (as well as other mortgages, if any, obtained by Purchaser). Purchaser will be responsible to pay to the title company the entire premium for Purchaser's title insurance.

However, and notwithstanding anything herein to the contrary, Purchaser may obtain title insurance from any title insurance company or not obtain any title insurance at all, at Purchaser's sole discretion.

Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

6. **Expenses of Closing and Closing Adjustments**. Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled "Unit Closing Costs and Adjustments," including, but not limited to, the amount of any credit for mortgage recording tax as set forth in such Section, payment for title insurance, if Purchaser elects or is required by lender to obtain same, recording fees for recording the Deed, Power of Attorney and any Partial Release and/or UCC-3 Termination Statement for the Unit related to Sponsor's financing encumbering the Building, real estate taxes, New York City Real Property Transfer Tax, New York State Transfer Tax, ACRIS Service Fees of the Title Company required to close the Unit, Seller's attorney's fees for closing the Unit, and costs associated with obtaining a mortgage loan. The legal fees of Seller's attorneys in the amount of $5,000.00 will be payable by Purchaser to D'Agostino, Levine, Landesman & Lederman, LLP, if rendered by such firm, provided that an additional fee of $750.00 per closing shall be due and payable for any Unit closing which occurs outside the office of Seller's attorneys. A further fee of $750.00 shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment of a purchase agreement or contract. Assignments are permitted only with prior written consent of Sponsor. A legal fee of $750.00 shall be payable for the work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth in the Offering Plan. Finally, a legal fee in the amount of $750.00 shall be paid by Purchaser to Sponsor's attorneys for each cancellation of a Purchase Agreement and/or release related thereto if prepared by such firm. Purchaser will also pay to the Board of Managers the sum equal to two (2) months of Common Charges for the Unit being purchased as Purchaser's contribution to the Working Capital Fund of the Condominium. Except as otherwise provided in this agreement, real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Seller in excess of $750.00 will be paid by certified check or bank check drawn on a bank or trust company which is a member of the New York Clearing House Association or any successor organization. The obligation of Purchaser to pay transfer taxes as stated above will survive the Closing.

Notwithstanding anything herein to the contrary, one of Purchaser's costs of closing title to his or her Unit shall be the payment of the cost of fee title insurance. If requested by Purchaser, Sponsor shall order on Purchaser's behalf from a direct operation of All New York Title Agency, Inc. ("All New York"), provided Purchaser elects to obtain title insurance.

Obtaining title insurance from All New York shall facilitate the closing and avoid unnecessary delays. However, notwithstanding anything herein to the contrary, a Purchaser may elect to obtain title insurance and/or a title report from any other title insurance company and/or abstract company subject to the terms of paragraph 5 above.

7. **Agreement Subject to Mortgages**. Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 7, however, on the Closing Date the only mortgage to which the Unit will be subject will be to any other mortgage(s) obtained by Purchaser.

8. **Mortgage Financing Contingency**. Intentionally omitted.

9. **Default by Purchaser**. If Purchaser shall fail to pay any portion of the balance of the purchase price when due, fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 2 hereof or fail to perform any of Purchaser's other obligations hereunder, such failure shall constitute a default by Purchaser. Seller shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. If such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Seller has no obligation to extend the time to cure and may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the Down Payment and any other amounts paid by Purchaser for any special or custom work shall be paid over to Seller as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. In the event that Seller shall elect so to cancel this Agreement, Seller shall certify to its attorneys, D'Agostino, Levine, Landesman & Lederman, LLP, that title has not closed because of Purchaser's default, that a notice to cure was delivered to Purchaser and Purchaser has failed to cure the default within thirty (30) days from the mailing date or within thirty (30) days from personal delivery of such notice and that Seller has elected to cancel this Agreement by reason thereof, and D'Agostino, Levine, Landesman & Lederman, LLP, shall thereupon pursuant to Paragraph 16 hereunder, cause to have paid over to Seller as liquidated damages the Down Payment (and the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser) and any interest earned thereon, and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If Sponsor

instructs Escrow Agent to release the Deposit, then Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to either (a) upon closing of title to the Unit, to Sponsor, pursuant to the terms and conditions set forth in this Purchase Agreement; (b) a subsequent writing signed by both Sponsor and Purchaser; or (c) a final, non-appealable order or judgment of a court. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Condominium is located and shall give written notice to both parties of such deposit. Seller shall reimburse D'Agostino, Levine, Landesman & Lederman, LLP insofar as it is acting in its capacity as Escrow Agent for its reasonable cost and expenses, including attorney's fees and the fair value of legal services rendered by the Escrow Agent to itself incurred as a result of any dispute or litigation concerning the right to the Down Payment. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. If this Agreement shall be canceled by Seller pursuant to the provisions of this Paragraph 9, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. D'Agostino, Levine, Landesman & Lederman, LLP may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

10. **Agreement May Not be Assigned; Advertising**. Purchaser shall have no right to assign this Agreement without the prior consent in writing of Seller and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller. In the event Sponsor consents to the assignment of this Agreement, Purchaser shall pay D'Agostino, Levine, Landesman & Lederman, LLP the legal fee of Sponsor's attorneys for reviewing the assignment agreement. Such fee shall be approximately $500.00, plus disbursements. Prior to the closing of title to the Unit, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of such Unit for sale.

11. **Notices**. Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery to Purchaser at the address given above and to Seller at 1790 Broadway, Suite 1700, New York, New York 10019 (with copy to D'Agostino, Levine, Landesman & Lederman, LLP, 345 Seventh Avenue, 23rd Floor, New York, New York 10001) or at such other address as either party may hereafter designate to the other in writing. All such notices and communications shall be deemed to have been received on the date of personal delivery or on the fifth (5th) day after mailing.

12. **No Representation**. Except as herein or in the Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling

brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's Counsel or Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services or amenities, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building are not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his obligations hereunder by reason of any minor inaccuracy or error. This provision shall survive the closing of title to the Unit.

13. **Recording of Deed and Power of Attorney**. At the closing of title, Purchaser will deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, New York County. Such deed and power of attorney will be in the form set forth in the Plan.

14. **Binding Effect**. This Purchase Agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and permitted assigns.

15. **Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel**. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective and before eighty percent (80%) of the Residential Units have been purchased. Seller also reserves the right to abandon the Plan after it has been declared effective pursuant to other provisions of the Offering Plan as set forth in the section titled "Effective Date of Plan". Additionally, the Plan shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed cancelled, and the Plan terminated and Purchaser is to receive back, not later than twenty (20) days thereafter, in full, all monies paid by him hereunder, and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in Paragraph 2 hereof or in the Plan, for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Seller within fifteen (15) days subsequent to the end of the scheduled closing date, after permitted adjournments, this Purchase Agreement shall be deemed cancelled. If this Purchase Agreement is cancelled pursuant to the provisions of this paragraph, then not later than twenty (20) days thereafter, Purchaser shall receive a refund in full, of all monies paid by

Purchaser hereunder, with the interest earned thereon, if any. Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations.

Seller may cancel this Purchase Agreement by forwarding its check in the full amount paid by the Purchaser, together with a notice in writing, addressed to the Purchaser at his address hereinabove set forth in the event of the occurrence of any of the following: (a) that any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restrictions shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (b) that the Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God or if the installation of public utilities is restricted or curtailed.

16. **Monies to be Held in Trust; Escrow Agent and Escrow Account; Down Payment; Payment of Purchase Price; Notice of Closing.**

The required Down Payment pursuant to this Agreement will be ten percent (10%) of the purchase price for the Unit set forth in the Plan, as amended, which Down Payment shall be increased by special custom work or materials, if any, offered by Seller and ordered by Purchaser as itemized in this Agreement. In accordance with section 71-a(3) of the Lien Law, Sponsor has appointed the law firm of "D'Agostino, Levine, Landesman & Lederman, LLP, with an address at 345 Seventh Avenue, 23rd Floor, New York, NY 10001, telephone number (212) 564-9800, to serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser to hold all Deposits, other than the deposit for a copy of the Offering Plan, received by it from Purchasers, either directly or through its agents or employees in trust (the "Deposit" or "Deposits"). Escrow Agent has designated the following partners to serve as signatories: John D'Agostino, Esq., Michael J. Levine, Esq., Wayne R. Landesman, Esq., Bruce H. Lederman, Esq., Bettina Miraglia, Esq. and Jose M. Rivera, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Agent has established the escrow account at Doral Bank USA, located at 623 Fifth Avenue, New York, NY 10022 (the "Escrow Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled D'Agostino, Levine, Landesman & Lederman, LLP Escrow Account for 40 East 72nd Street Condominium ("Escrow Account"). Purchasers are further advised that a Purchaser's funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of $250,000 for the purchase of a Unit, such Down Payment will not be federally insured in excess of $250,000. Additionally, if Purchaser has an additional account at the Escrow Bank, the aggregate of Purchaser's funds at the Escrow Bank, including funds in the additional account and the Down Payment, may not be insured in excess of $250,000. Therefore, if a Purchaser has an additional account at the Escrow

Bank, that a Purchaser's Down Payment, including a Down Payment that is less than $250,000, may not be insured in part or in its entirety. Furthermore, while the Down Payment is in the non-interest bearing check portion of the Master Escrow Account, the Down Payment may not be fully federally insured, even if the Down Payment does not exceed $250,000. Purchaser should consult with the FDIC website and with their attorneys to determine which part, if any, of their funds are insured by the FDIC. Escrow Agent makes no guarantee of the solvency of the Bank. If the FDIC insurance limits change in any manner in the future, Escrow Agent will have no obligation to make any changes to the Escrow Account.

All Deposits remitted to Escrow Agent shall be in the form certified or official checks, personal checks subject to collection, money orders, or, subject to Sponsor's prior written approval, wire transfers, and shall be made payable to, or endorsed by the Purchaser to, the order of D'Agostino, Levine, Landesman & Lederman, LLP, as Escrow Agent.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts, which is currently approximately 0.94% for deposits up to $99,999.99 or less and approximately 1.08% for deposits of $100,000.00 or more. Interest shall begin to accrue as of the date the deposit of the Down Payment clears and is posted by the Bank to the Escrow Account. Absent Purchaser's default, all interest earned thereon shall be paid to or credited to the Purchaser at Closing. Prior to the release of the Deposits, no fees of any kind from the principal or any interest earned thereon may be deducted from the Escrow Account, and the Sponsor shall bear all administrative costs associated with the maintenance of the Escrow Account.

Within five (5) business days after the Purchase Agreement is executed by all necessary parties and tendered to Escrow Agent along with the Deposits, the Escrow Agent shall sign the Purchase Agreement and place the Deposits into the Escrow Account. With ten (10) business days of the placing the Deposits in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposits. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance with the terms of the Purchase Agreement between Purchaser and Sponsor.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposits are placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the fully-executed Purchase Agreement and Deposits to Escrow Agent, the Purchaser may cancel the Purchase Agreement within ninety (90) days after tender of the fully-executed Purchase Agreement and Deposits to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, NY 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposits were timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

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

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

The Escrow Agent shall release the Deposits if so directed:

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

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

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

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

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

(a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment thereto; or

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

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

Any provision of any Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Offering Plan, or any amendment thereto.

Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

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

Sponsor shall obtain, or cause the Selling Agent under the Offering Plan to obtain, a completed and signed W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), whichever may be applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement. Notwithstanding anything contained herein to the contrary, unless and until Purchaser has delivered to the Escrow Agent a completed and originally-executed Form W-9 or Form W-8BEN, whichever may be applicable, the Down Payment will be deposited in a non-interest-bearing escrow account at the Bank.

Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

As an alternative to depositing Down Payments in escrow as set forth above, Seller may post a bond or indemnity contract with a licensed surety company ensuring return of such monies, which bond or contract is to be delivered to Purchaser.

YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

In the event of an uncured default by Purchaser in his obligations under the Purchase Agreement, no more than fifteen percent (15%) of the purchase price plus any interest earned thereon, may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser may also be retained as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. No Down Payment or other monies shall be released pursuant to an uncured default by Purchaser prior to the First Unit Closing and/or the Consummation of the Plan.

The balance of the Total Purchase Price will not be payable until closing of title to the Unit.

Following the declaration of effectiveness of the Plan, Purchaser will be given at least thirty (30) days prior written notice of the closing date for his Unit, which notice will also remind him of his obligation to pay the balance of the purchase price at that time and will state when Common Charges will be due and payable.

17. **Equipment and Furnishings**. Seller will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the purchase price of the Unit.

18. **Acceptance of Condition of Unit; Risk of Loss.**

(i) Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit, including custom work, or the Building or (b) other Units or (c) any recreation facilities or (d) the landscaped areas or (e) other portions of the Common Elements have not been completed. Minor details referred to in (a) above shall include but not be limited to any items which Purchaser may set forth or which are set forth on the Punchlist Inspection Statement, appearing in Part II of the Plan.

(ii) Prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Seller or the Selling Agent. Purchaser shall have the right to enter and inspect such Unit prior to the closing of title, but shall be obligated to make an inspection appointment with Seller or the Selling Agent. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the closing of title thereto.

(iii) Purchaser represents to Seller that he has examined the Unit and agrees that his execution of this Purchase Agreement shall constitute acceptance of the Unit and the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of this Purchase Agreement and the Closing Date and subject to any other obligations of Seller under the terms of the Plan.

(iv) The risk of loss from fire or other casualty with respect to the Unit shall remain with Seller until the closing of title for the Unit. Seller at its sole discretion, reserves the right to either repair or restore such Unit (which election shall be made within one hundred twenty (120) days of loss or casualty) whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Additionally, in the event that Purchaser, or one claiming by or through Purchaser enters into possession of the Unit prior to the closing of title, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Seller shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the purchase price. PURCHASER SHOULD CONSULT WITH AN ATTORNEY AND/OR INSURANCE AGENT AS TO HIS OR HER INSURANCE NEEDS.

(v) Prospective Purchasers of a Residential Unit which includes a storage space, if any, are advised that the construction of a particular storage space may or may not be completed prior to the closing date of a particular Residential Unit. In such event, the Purchaser of a Unit shall be required to close title to his or her Residential Unit and the storage space regardless of the fact that the storage space is not completed and available for use by such Unit Owner. However, that portion of the Total Purchase Price of the Units allocated to the storage space will be held in escrow by Sponsor's attorneys until the date that the storage space is made available for Purchaser's use. Sponsor intends to complete the construction of all of the storage spaces prior to the issuance of the Temporary Certificate of Occupancy for all of the Units in the Building. The storage spaces are located on the cellar level of the Building and Sponsor cannot make any representation that the storage spaces, if any, which are part of its Residential Units will remain dry or will not experience any water infiltration and neither the Sponsor nor the

Board will be responsible for any damage to any items placed in the storage spaces. Unit Owners who store items in the storage spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such stored items.

19. **Possession of Unit Prior to Closing**. It is expressly understood and agreed that the Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Purchase Agreement, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and if the Seller so elects, the Seller may cancel this Agreement and the amount deposited hereunder shall belong to the Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the property before, on or after the closing of title herein. The provisions of this paragraph 19 shall survive the Closing.

20. **Limitation of Seller's Liability**. The Seller's liability under this Purchase Agreement for failure to complete and/or deliver title for any reasons whatsoever shall be limited to the return of the money deposited hereunder (with interest, if any), and upon the return of said money, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Seller shall not be required to bring any action or proceeding or otherwise incur any expense to render the title to the Unit marketable or to cure any objection to title.

21. **Definitions**. The term "Purchaser" shall be read as "Purchasers" if more than one (1) person are purchasers, in which case their obligations shall be deemed joint and several. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

22. **Gender**. The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. **Other Agreements**. This Purchase Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them and no oral representations or statements shall be considered a part hereof.

24. **Amendment of Purchase Agreement**. This Purchase Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. **Brokerage**. Purchaser represents and warrants to Seller that Town New Development Sales & Marketing LLC and _____, as the co-broker, are/is the only broker(s) or sales agents with whom Purchaser has dealt in connection with this transaction, hereinafter the "Broker". Seller agrees to pay the commission earned by the Broker pursuant to a separate agreement between Seller and the Broker. Purchaser agrees that should

any claim be made against Seller or Broker, for commissions by any other broker or co-broker, other than the aforementioned Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Seller and Broker free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this paragraph 25 shall survive the closing of title.

26. **Governing Law**. This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York, notwithstanding the principals of Conflict of Laws.

27. **Jury Waiver**. Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Purchase Agreement or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy.

28. **Costs of Enforcing and Defending Agreement.** Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement (including without limitation legal fees and disbursements related to escrow disputes to be determined by the Department of Law), or in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing either Seller's rights or Purchaser's obligations hereunder.

29. **Acceptance by Seller**. Within twenty (20) days after delivery to Seller or its Agent by Purchaser of this Purchase Agreement, executed by Purchaser, together with the required Down Payment, Seller will either:

(a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof or
(b) reject this Agreement offer and refund the Down Payment tendered by Purchaser.

If Seller takes no action within said twenty (20) day period this Purchase Agreement shall be deemed null and void and Seller will return Purchaser's Down Payment within twenty (20) days.

Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Prior to Sponsor's countersigning and returning this Purchase Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status, or other ground proscribed by law.

30. **Transfer Tax Returns**. At closing, Purchaser will duly complete and sign before a Notary Public the transfer tax return required to be filed with the City of New York and the appropriate New York State form (TP-584 or its successor) required to be filed with the New York County Register's office. This transfer tax return and TP-584 form shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Seller's attorney) for filing with the proper governmental officer.

31. **Foreign Investment in Real Property Tax Act**. Pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA), upon disposition of a United States real property interest by a foreign person on or after January 1, 1985, the Purchaser of such real property interest must deduct and withhold a tax equal to ten percent (10%) of the purchase price unless the Seller furnishes a certificate that it is not a foreign entity or individual. Seller, a New York limited liability company, will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations.

32. **Custom Work.** Purchaser acknowledges and agrees that all custom work ordered by Purchaser is to be performed by Sponsor's contractors. The cost of such custom work will be in addition to the total purchase price for the Unit and will be at the sole cost and expense of Purchaser. The Initial Down Payment for the purchase of the Unit will be increased by two (2) times the total cost of the custom work. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the extra custom work will not be refunded to the Purchaser to the extent such funds have already been disbursed or are required to pay for the custom work.

33. **Storage Space Units**. If applicable, the Purchaser will be purchasing one or more Storage Space Units in the Building. The Storage Space Units will only be sold to the Purchaser simultaneously with the Purchaser acquiring a Residential Unit. Unit Owners can only lease their respective Storage Space Units to other Unit Owners in the Building after obtaining the written consent of the Board of Managers thereto. The Storage Space Units are located on the cellar level of the Building and Sponsor cannot make any representation that the Storage Space Units will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to any items placed in the Storage Space Units. Unit Owners who store items in the Storage Space Units do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such stored items.

Unit Owners must comply with applicable Law regarding the Storage Space Units and/or storage spaces, if any, which may be subject to periodic inspection by the police and fire departments of the City of New York and other governmental agencies having jurisdiction thereover. In addition, the Storage Space Units may not be completed prior to the closing of title to any particular Unit and the fact that a Storage Space Unit may not be available for use at the time of the Closing will not constitute a basis for a Purchaser to fail to close title to a Unit. However, that portion of the Total Purchase Price of the Units allocated to the Storage Space Unit will be held in escrow by Sponsor's attorneys until the date that the Storage Space Unit is

made available for Purchaser's use. Purchaser shall be responsible for the payment of any state and city transfer taxes due in connection with the purchase of the Storage Space Unit. The provisions of this paragraph 36 shall survive the Closing.

34. **Confidentiality**. Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties' respective lawyers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking the confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

35. **Damage to Public Improvements, Amenities and Common Elements.** Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Element on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This paragraph shall survive delivery of the deed at Closing.

36. **Survival**. The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom. All representations under the Offering Plan, all obligations pursuant to the GBL, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

37. **Conflict with Plan**. Any conflict between the Plan and this Purchase Agreement will be resolved in favor of the Plan.

38. **Purchaser's Representations**. Purchaser represents that Purchaser has full right and authority to execute this Agreement and perform Purchaser's obligations hereunder. If Purchaser is not a natural person, Purchaser agrees to deliver at Closing, such documents evidencing Purchaser's authority as may be required by Purchaser's title company. Purchaser further represents that the Down Payment represents Purchaser's own funds and that no other party (other than Purchaser or Seller, as provided herein) has any right or claim to all or any portion of the Down Payment.

Purchaser is not now, nor shall it be at any time prior to or at the Closing, an individual, corporation, partnership, joint venture, trust trustee, limited liability company, unincorporated organization, real estate investment trust or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories (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, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that 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. Neither Purchaser nor any person who owns an interest in Purchaser is now nor shall be at any time prior to or at the Closing 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 Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC or otherwise.

Purchaser has taken, and shall continue to take until the Closing, such measures as are required by applicable law to assure that the funds used to pay to Seller the Purchase Price 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; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and will at Closing be, 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 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. App. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

39. **Captions**. The captions in this Purchase Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Purchase Agreement, or the intent of any provision hereof.

Dated: _____, New York

_____L.S.

_____Purchaser

_____L.S.

_____Purchaser

Accepted:

Axia Realty, LLC

By:_____
Name:
Title:

Dated:_____

ESCROW AGENT:
D'Agostino, Levine, Landesman & Lederman, LLP

By:_____

Dated:_____

Exhibit A

WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY AND CONSENT TO JURISDICTION

In consideration of Sponsor/Seller conveying title to Unit _____ of "40 East 72nd Street Condominium," a condominium located at 40 East 72nd Street, New York, New York and for other good and valuable consideration to Sponsor/Seller, the receipt and sufficiency of which is hereby acknowledged by Sponsor/Seller, Purchaser hereby agrees to the following:

1. Capitalized terms used and not otherwise defined in this Waiver shall have the respective meanings ascribed thereto in the Offering Plan, as amended from time to time.

2. Purchaser represents and warrants that the Purchase Agreement for Unit _____ and the sales transaction contemplated thereunder is a commercial rather than a public or governmental act, and that Purchaser is not entitled to claim immunity from legal proceedings with respect to Purchaser or any property of Purchaser on the grounds of sovereignty or otherwise under any law or in any jurisdiction where any action may be brought for enforcement of Purchaser's obligations thereunder.

3. To the extent that Purchaser has now or may hereafter acquire such, Purchaser hereby irrevocably waives, in respect of Purchaser's obligations under the Purchase Agreement and the Condominium Declaration and By-Laws, (i) immunity from the jurisdiction of any court (including but not limited to the courts of the United States or any State thereof) and (ii) immunity of Purchaser's revenues, assets or properties (whether commercial or non-commercial) (A) from execution upon, attachment in aid of execution upon, and attachment prior to a judgment of any such court, (B) from setoff, and (C) from any other legal action or proceeding taken to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws. In addition to the extent not prohibited by the laws of the United States or international law, Purchaser hereby irrevocably waives, in respect of Purchaser's obligations under the Purchase Agreement and/or the Condominium Declaration and By-Laws, "mission inviolability" as same has been interpreted under the Vienna Convention on Diplomatic Relations, 23 U.S.T. 3227.

4. Purchaser, Sponsor/Seller and the Board of Managers of the Condominium acknowledge and agree that all disputes arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws and all actions to enforce the Purchase Agreement and/or the Condominium Declaration and By-Laws may be dealt with and adjudicated in the courts of the United States of America or the State of New York, as Sponsor/Seller and/or the Board of Managers of the Condominium elect, and, by execution of the Purchase Agreement, Purchaser hereby expressly and irrevocably accepts for itself and, to the extent permitted by law, in respect of Purchaser's property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts in

any suit, action or proceeding arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws or in any action to enforce the Purchase Agreement and/or the Condominium Declaration and By-Laws. So far as is permitted under applicable law, this consent to personal jurisdiction by Purchaser shall be self-operative and no further instrument or action, other than service of process in one of the manners specified in this Waiver, or as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon the person of Purchaser in any such court.

5. Provided that service of process is effected upon Purchaser in one of the manners specified in this Waiver or as otherwise permitted by applicable law, Purchaser hereby irrevocably waives, to the fullest extent permitted by law, and agrees not to assert, by way of motion, as a defense or otherwise, (i) any objection which Purchaser may now or hereafter have to the laying of venue or any suit, action or proceeding relating, directly or indirectly, to the Purchase Agreement and/or the Condominium Declaration and By-Laws in the State of New York, (ii) any claim that the State of New York is not a convenient forum for any such suit, action or proceeding, and (iii) any claim that Purchaser is not personally subject to the jurisdiction of the above named courts. Provided that service of process is effected upon Purchaser in one of the manners specified in this Waiver or as otherwise permitted by law, Purchaser agrees that final judgment from which Purchaser has not or may not appeal or further appeal in any such suit, action or proceeding brought in such a court of competent jurisdiction shall be conclusive and binding upon Purchaser and may, to the fullest extent permitted by applicable law, be enforced in the courts of any state or any federal court and in any other courts to the jurisdiction of which Purchaser is subject by a suit upon such judgment and that Purchaser will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

6. In the case of the courts of the United States of America and the State of New York, Purchaser hereby designates, appoints and empowers the party described below ("Purchaser's Agent"):

_____

_____

_____

as its authorized agent to accept and acknowledge for and on Purchaser's behalf service of process in any legal action or proceeding of the nature referred to in the Purchase Agreement and/or the Condominium Declaration and By-Laws, but for no other purpose. Purchaser acknowledges that the provisions of this Section 6, and the provisions of Section 8, below constitute a "special arrangement for service" within the meaning of 28 USC §1608.

7. Purchaser shall have Purchaser's Agent execute all documents and affidavits reasonably necessary to insure that (i) the designation and appointment of Purchaser's Agent as such shall be irrevocable until one (1) year after the date of the closing of title to the Unit, and (ii) Purchaser's Agent shall not cease to act as the agent for service unless and until, in either case, another agent for such purpose reasonably satisfactory to Sponsor/Seller and/or the Board of Managers of the Condominium shall have been irrevocably designated and appointed and Purchaser shall have delivered to Sponsor/Seller and/or the Board of Managers of the Condominium or any of its successors or assigns, evidence in writing of such other agent's acceptance of such appointment. Any attempt by Purchaser's Agent to cease to so act shall be ineffective and without force or effect unless the foregoing provisions of this Section 7 shall be complied with.

8. Purchaser hereby consents to process being served in any suit, action or proceeding of the nature referred to in the Purchase Agreement and/or the Condominium Declaration and By-Laws either by the mailing of a copy thereof by registered or certified mail, postage prepaid, return receipt requested to (i) Purchaser at the address set forth in the Purchase Agreement, if mailed prior to the closing of title to the Unit, and thereafter at the Unit conveyed, and (ii) to Purchaser's Agent at the address set forth in Section 6 of this Waiver. Service shall be deemed completed ten (10) days after delivery thereof to such party served. Purchaser irrevocably waives, to the fullest extent permitted by law, all claim of error by reason of any such service and agrees that such service (i) shall be deemed in every respect effective service of process upon Purchaser in any such suit, action or proceeding, and (ii) shall to the fullest extent permitted by law, be taken and held to be valid personal service upon and personal, delivery to Purchaser. Copies of any process or other papers served on Purchaser's Agent shall be forwarded promptly to Purchaser but failure to do so shall have no effect on the effectiveness of such service on Purchaser's Agent. Purchaser undertakes to enter an unconditional appearance within thirty (30) days after the completion of such service.

9. Purchaser agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the State of New York in order to make effective (a) the appointment of Purchaser's Agent, (b) the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York, and (c) any other provisions of this Waiver.

10. Nothing in this Waiver shall affect the right of Sponsor/Seller and/or the Board of Managers of the Condominium to serve process in any other manner permitted by law or limit the right of Sponsor/Seller and/or the Board of Managers of the Condominium or any of its successors or assigns, to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

11. The provisions of this Waiver shall survive the closing of title to the Unit to Purchaser for the purpose of any suits, action or proceeding arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws

or any action to enforce the Purchase Agreement and/or Condominium Declaration and By-Laws.

Dated: _____, 20__

_____

, Purchaser

_____

, Purchaser

POWER OF ATTORNEY

The undersigned, _____ the Owner of Residential Unit No. _____ located at 40 East 72nd Street, New York, New York, in the Condominium known as "40 East 72nd Street Condominium" consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 20__, and recorded in the Office of the Register of the City of New York, County of New York, as CRFN _____ and on the Floor Plans on file in said office as CRFN _____, do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of "40 East 72nd Street Condominium" jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their common interests, any Unit whose Owner desires to abandon or sell the same, including the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) to otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

The acts of majority of such persons shall constitute the acts of said attorneys-in-fact.

The undersigned do hereby nominate, constitute and appoint Axia Realty, LLC, a New York limited liability company ("Sponsor") and/or Sponsor's designee as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to severally amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to effectuate the provisions of Articles 17 and 18 of the Declaration and any other provision thereof or set forth in the Condominium's By-Laws and/or Rules and Regulations, or to reflect any change 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 Articles 17 and 18 of the Declaration or any other provision thereof or set forth in the Condominium's By Laws and/or Rules and Regulations, or (2) shall be required by (a) an institutional lender procured by Sponsor or its designee, 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 or its designee, to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this

paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. With regard to Sponsor's Unsold Units, the terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

The undersigned do further nominate, constitute and appoint Axia Realty, LLC, a New York limited liability company, as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to execute any document on behalf of the undersigned, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, in whole or in part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its successors and assigns in accordance with Paragraph numbered 20 of the Declaration. This power of attorney shall in no way be construed to grant any interest in such transferable air rights and/or development rights to the undersigned.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this _____ day of _____, 20__.

_____

_____

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

On the _____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the _____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

FORM OF UNIT DEED

THIS INDENTURE made the _____ day of _____, 20__, between Axia Realty, LLC, a New York limited liability company, having an office at 1790 Broadway, New York, New York 10019, "Grantor", and _____ _____, "Grantee," residing at _____

W I T N E S S E T H:

That the Grantor, in consideration of Ten ($10.00) Dollars and other 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 Unit known as Unit No. _____ in the Building known as "40 East 72nd Street Condominium," located at 40 East 72nd Street, in the Borough of the Manhattan, New York County, City and State of New York and also designated and described as Unit No. _____ in the Declaration establishing "40 East 72nd Street Condominium" (hereinafter called the "Property") made by the Grantor under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York), dated _____, 20__, and recorded in the New York County Office of the Register of the City of New York, on the _____ day of _____, 20__, in CRFN _____ (hereinafter called the "Declaration"), which Unit is also designated as Block No. 1386, Tax Lot No. _____ on the Floor Plans and Site Plan (the "Floor Plans") of the Building, certified by Barry Rice Architect PLLC, filed in the Real Property Assessment Department of the City of New York on the _____ day of _____, 20__, as Condominium Plan No. _____ and filed simultaneously with said Declaration in the said Office of the Register of the City of New York, New York County, as Condominium Plan No. ____, Map No. ____ (hereinafter called the "Unit"). The land area of the Property is described as follows:

ALL THAT CERTAIN plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of 72nd Street, distant 177 feet westerly from the corner formed by the intersection of the southerly side of 72nd Street, and the westerly side of Park Avenue (formerly 4th Avenue);

RUNNING THENCE southerly parallel with Park Avenue (formerly 4th Avenue) and through a party wall, 102 feet 2 inches to the center line of the block between 71st and 72nd Streets;

THENCE westerly along said center line of the block 45 feet 6 inches;

THENCE northerly parallel with Park Avenue and through a party wall, 102 feet 2 inches to the southerly of 72nd Street; and

THENCE easterly along the southerly side of 72nd Street, 45 feet 6 inches to the point or place of BEGINNING.

Being and intended to be the same Premises as the premises conveyed to the Grantor herein by deed from Goodhope LLC, dated November 3, 2009 and recorded November 17, 2009 in City Register File No. 2009000376311.

SAID PREMISES to be known as and by the street number 40 East 72nd Street, New York, NY.

TOGETHER with all right, title and interest, if any, to any interior strips or gores adjoining the above described premises on any sides thereof.

TOGETHER with an undivided _____ percent interest in the common elements of the Property described in said Declaration (hereinafter called the "Common Elements");

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of the construction or rehabilitation of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building, or the Unit, after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Unit;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with and SUBJECT to all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of the construction or rehabilitation of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements, after damage, condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

SUBJECT also to an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

TOGETHER with and SUBJECT TO EASEMENTS, rights of way, restrictions and encumbrances created by the Declaration for "40 East 72nd Street Condominium" recorded in the New York County Office of the Register of the City of New York on the _____ day of _____, 20__ as CRFN _____.

SUBJECT to the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the New York County Office of the Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid; this deed was authorized at a duly called meeting of the members of Grantor;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

The Unit is intended to, and, subject to and by the terms of the Declaration, is to be used as a Residential Unit.

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 clause 18 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

The Grantee accepts and ratified the provisions of the Declaration and the By-Laws and the Rules and Regulations of the 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 office of the New York City Register, New York County.

This conveyance has been made with the consent of all the members of the party of the first part entitled to vote thereon at a meeting duly called.

IN WITNESS WHEREOF, the Grantor has duly executed this deed the day and year first above written.

Grantor:

AXIA REALTY, LLC

By:_____
Name:
Title:

_____
Grantee:

_____
Grantee:

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

On the _____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the _____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

DESCRIPTION OF PROPERTY AND SPECIFICATIONS

THE FOLLOWING REPORT WAS PREPARED BY THE OFFICE OF

BARRY RICE ARCHITECT, P.L.LC., ON September 30th, 2014

ADDRESS:	40 East 72nd Street New York, NY 10021 Block: 1386 Lot: 44
ARCHITECT:	Barry Rice Architect PLLC 37 West 17th Street, Suite 2W New York, NY 10011
STRUCTURAL ENGINEER:	WSP Cantor Seinuk 228 East 45th Street, 3rd Floor New York, NY 10017
MECHANICAL,ELECTRICAL PLUMBING ENGINEERS:	Bodak-Cameron Engineering 45 West 36th Street, 3rd Floor New York, NY 10018

This Report was prepared for the Sponsor for inclusion in an Offering Plan for construction of new condominium units.

This Report provides a general description of the Property, interior spaces, structural system and a summary of proposed mechanical, electrical and plumbing equipment, but is not intended to be a complete detailed list of every piece of equipment. The contents of this Report are correct to the best of my knowledge and belief.

This Report is not to be construed as a guarantee or warranty. It is not intended or prepared for the purpose of fixing a value to the Property or as an opinion as to the advisability or inadvisability to purchase the Property or acquire the condominium units being offered pursuant to the Sponsor's Offering Plan.

Sponsor reserves the right, in its sole discretion to replace, including but not limited to, any or all materials, fixtures, appliances or any other items stated in this report with those that are deemed to be of equal or better quality.

40 East 72nd STREET, NEW YORK, NY 10021-4227
ARCHITECT'S STATEMENT

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A. LOCATION AND USE OF PROPERTY

The property is located in Manhattan, on an exterior lot, occupying site on the south side of 72nd Street, west of Park Avenue.

Address: 40 East 72nd Street, New York, NY
Tax Block: 1386
Tax Lot: 44

The property lies in Zoning District R-10 as shown on Map 8C of the Zoning Resolution of the City of New York.

The proposed use will be Class A residential, Multiple Dwelling (Zoning use Group 2) from the Cellar through Eighth floors as permitted as-of-right in R-10 Landmark Districts.

B. STATUS OF CONSTRUCTION

A new 8 story building plus cellar and mechanical rooftop will be completed on approximately January 1 2015. All the Units, with the exception of the triplex Unit 6, will be substantially complete at that time. Substantial completion of the triplex Unit 6 will occur after that date. The new structure will be framed in reinforced concrete and enclosed in brick and zinc cladding with aluminum windows. Due to the buildings location in The Upper East Side Historic Landmark District, the original front (north) façade on 72nd Street and adjacent (east & west) party walls will remain.

Façade originally built in 1928
Construction Class: I-C; 1968 NYC Building Code
Permit #110419574-01-AL

C. SITE

1. Size: The area of the Zoning Lot is approximately 4,649 square feet.

2. Number of buildings and use: One eight story building, plus Cellar will be constructed at the site. The Cellar of the building will be utilized for residential purposes and mechanical rooms. Condominium individual storage areas and storage units will also occupy the Cellar level. The first floor will be utilized for residential purposes as well as the residential building Lobby. The 2nd through 8th floor will be utilized for residential purposes. The mechanical roof will be utilized for equipment serving the whole building and contain a private roof terrace area that will be for the exclusive use of the 8th floor (PH) unit owner.

3. Streets: The site fronts one public street, East 72nd Street, on the North. East 72nd Street is 100' wide, with concrete paving and concrete curbs in acceptable conditions. Street lighting is existing and maintained by New York City Department of Highways. Site utilities will be in compliance with applicable codes.

4. Drives, sidewalks and ramps: Existing sidewalk and curbs, which are in good condition and free of tripping hazards, to remain and are to be maintained by the condominium association. There are also 2 known below-grade "empty vault" spaces outside of the property line. The vaults are to remain empty and shall not be used by individual units. There are no driveways or ramps.

D. UTILITIES

1. Domestic Water Supply: Potable water will be supplied via new domestic water service from New York City's public water main located on East 72nd Street. Water service will be metered, with one meter for the residential and common areas of the building, from which consumption will be measured and charges paid by the Condominium Association. Water service will be protected by a double check valve backflow preventer Wilkins 4" model #375.

2. Fire Protection Water Supply: New fire service from New York City's Public Water System will be provided.

3. Sewer: Combined Sanitary and Storm Sewer discharge from the building will connect via new piping to the public combined storm/sewer system to East 72nd Street. Annual sewer charges will be paid by the Condominium Association. The cost of the initial connection will be paid by Sponsor.

4. Natural Gas: Gas service will be supplied via Consolidated Edison's street gas main located on East 72nd Street. There will be two meters, one for base building heating and hot water and another for cooking for the units. Usage charges will be paid by the Condominium Association.

5. Electricity: New electric service shall enter the building underground from East 72nd Street to the building electrical room located at Cellar Level. The service shall supply all base building mechanical loads, lighting and units. A utility meter will be provided for the power consumption of all base building and common space areas. Each unit in the residential Condominium will be individually metered with a remote Con-Edison direct meter located at Cellar Level and the cost of electricity consumed in each unit shall be paid by the unit owner.

6. Telephone and Cable Television: New telephone and cable television service shall enter the building to a demarcation panel in the cellar telecommunications closet. Empty conduit will be supplied to a single junction box in each unit. Unit owners will arrange for cabling and service directly with the service provider. Unit owners will also arrange for distribution within their unit.

E. SUB-SOIL CONDITIONS

Geotechnical engineers, Pillori Associates, P.A., completed the geotechnical investigation at the referenced site. The investigation consisted of excavating 4 test pits. The purpose of the investigation was to explore the subsurface soil on the site

and examine the foundation configurations of the neighboring buildings bordering the property. The result of the investigation is summarized as follows:

In two of the test pits, the cellar slab was found to bear directly on the bedrock, while in the other two borings, the cellar slab was found to bear on a thin layer of fill, which in turn was underlain by the bedrock.

To the best of our knowledge there is no uneven foundation movement or settling, moisture seepage or ground water infiltration and no danger of flooding due to adjacent bodies of water or high water table.

F. LANDSCAPING AND ENCLOSURES

1. Grass cover: None.

2. Plantings: At Cellar level there will be a landscaped rear garden consisting of raised planter beds & boxes along the perimeter for the exclusive use of the maisonette unit. Terraces on the 6th, 7th and 8th floors have been designed to support the planter boxes, which may be supplied by the PH unit purchasers.

3. Trees: There are 2 tree-pits, 30 feet high with an approximate 14 inch caliper, in the sidewalk north of the building along East 72nd Street and these shall be maintained by the Condominium Association.

4. Fencing: None.

5. Gates: None.

6. Garden Retaining Walls: A reinforced concrete retaining wall approximately 10'-0" high will surround the South, East and West sides of the rear yard, enclosing the garden.

7. Display Pools and fountains: None.

G. BUILDING SIZE

1. Total height: The building height from sidewalk to the top of the 6th floor parapet above the sidewalk is approximately 64'-0". The height to the top of the building (stair bulkhead) will be approximately 98'-3" above the sidewalk.

2. Approximate floor heights (top of slab to bottom of slab):
   - **a.** Cellar: 10'-5"
   - **b.** Ground: 10'-4"
   - **c.** Floors 2-4: 11'-4"
   - **d.** Floor 5: 10'-4"
   - **e.** Floors 6-8: 10'-0"

3. Crawl Spaces: None.

4. Cellars & Sub-Cellars: One cellar.

5. Number of Floors: Eight

6. Equipment Rooms: Located in the cellar.

7. Parapet: 3'-6" above finished roof inclusive of railing.

H. STRUCTURAL SYSTEM

1. Foundations:
   a) Foundations will be spread footings which rest on bedrock for the majority of the site or rest on suitable soils.
   b) Footings and grade beams to be 4,000 psi stone concrete reinforced with ASTM A615, Grade 60 steel reinforcing bar.

2. Cellar:
   a) The basement will be enclosed by the existing 16" thick and new 8" thick-4000psi foundation walls
   b) 6" thick slab on grade to be 4,000 psi stone concrete reinforced with ASTM A185 welded wire fabric

3. Superstructure:
   a) Floors and roof to be 8" flat slab which is 5,000 psi stone concrete reinforced with ASTM A615, Grade 60 steel reinforcing bar.
   b) Columns and 10" thick shear walls to be 5,000 psi stone concrete reinforced with ASTM A615, Grade 60 steel reinforcing bar.
   c) Concrete transfer girders and beams to be 5,000 psi stone concrete reinforced with ASTM A615, Grade 60 steel reinforcing bar.

4. New Exterior Walls:
   a) 4" Full Brick with hollow core lightweight aggregate back up concrete masonry units (CMU). CMU 1,800 psi, 28-day compressive strength. Reinforcement to be ASTM A615, Grade 60 steel reinforcing bars. Grout to be 1,500 psi, 28-day compressive strength. 2" "Therma Fiber" insulation to be fastened to the exterior face of CMU. Concrete bond beams used at all door and window openings. The systems U-value is .10, which exceeds code requirements. All structural installations will have controlled inspections performed by Domani consulting, a 3rd party independent testing lab.
   b) Existing 16" thick brick street façade will be retained from cellar through 5th floor roof level. The existing façade is in good condition and will be cleaned and repaired prior to completion.
   c) New standing seam zinc cladding on north facades on levels 7 and 8
   d) The interior side of exterior walls consists of 2-1/2" metal studs secured to existing masonry party walls and 5/8" gypsum wallboard.

e) 6th to 8th floor east party wall: thin brick (tabs II system) on 6" CMU. Interior side consists of 6" foil back insulation with 6" stud wall, vapor barrier on the warm side of insulation and 5/8" gypsum wallboard.
f) R factor: 19.
g) Local Law 10/80 is applicable.
h) Local Law 11 of 1998 does not apply to the existing building but will be applicable after certificate of occupancy is obtained. At the time of obtaining the Certificate of Occupancy, the schedule of façade inspections will be determined.

5. Balconies & Terraces:
   a) Terraces are designed to support individual planter boxes up to 2' wide by 2' deep by 6' long within 6' of perimeter/parapet walls to be provided by unit purchasers.
   b) Proposed planter box plans shall be submitted by unit purchasers to Condominium Association's Board of Managers and licensed Professional Engineer for approval.
   c) On all terraces, designed live load is 60 lbs per square foot. On the main roof, design live load is 60 lbs per square foot.
   d) Finish material on terraces are stone or precast masonry pavers on pedestals.
   e) All doors to balconies and terrace to be aluminum in/outswing, fabricated by Skyline windows #1700.
   f) All balconies to be exposed concrete slab with a concrete wearing surface.
   g) A wood pergola will be provided on the ground floor (maisonette) terrace.

6. Windows:
   Aluminum windows (Skyline DH-100) will be installed on the north side (East 72nd Street) elevation and aluminum windows and doors (Skyline 1000SG & 1700) shall be installed on East / west lot line elevations and south facing elevation.
   Glass will be:
   (1) Layer ¼" think annealed with solarban 60, 9/16" air gap.
   (1) Layer 8/16" think clear tempered.

   Window types:
   (a) Replacement windows in existing North street façade shall be aluminum double hung sash windows with exterior aluminum sheathing. Interior surface shall be factory painted white, exterior to be Benjamin Moore Yorkshire Tan.

   (b) New windows shall be aluminum inward swinging hinged windows. Interior surface shall be a single color prefinished powder coated epoxy white. Exterior will be Benjamin Moore Boothbay Gray.

   (c) Lot line windows will have a tempered outer layer. All windows facing East or West are lot line windows as identified on floor plans. All windows will have a 10 year manufacturer warranty. The cost of closing a lot line window is estimated at $2,500 per window. and if required, shall be done by the board of managers or the owner of the respective unit and billed to the unit owner at actual incurred costs.

7. Landmarks Status:
   The building is in The Upper East Side Historic Landmark District and the existing façade is protected. The 6th, 7th, and 8th floors of the building are set back from the street line pursuant to the requirements of the Landmark Preservation Commission Certificate of Appropriateness and Zoning Resolution.

8. Parapets & Coping:
   All parapets are 3'-6" from top of finish roof deck to top of railing. Limestone coping on the north façade was replaced with a new pre-cast masonry coping, securely fastened to existing wall on the 6th floor. New pre-cast coping was installed on the 7th floor terrace parapet. Roof coping at the rear façade is pre-cast concrete securely fastened to new cmu wall.

9. Chimneys & caps:
   Two (2) existing masonry chimney flues on the eastern property line will be re-lined and used. Six (6) Isokern 36" standard wood burning fireplaces will be provided, with horizontal flue (Suscon flue model SC-1) runs connecting to new or existing flues. One (1) wood burning fireplace each will be provided for Unit 1, Unit 2 and Unit 5. Unit 6 shall have three (3) fireplaces, one in the living room one in the dining and one on the 8th floor.

10. Exterior Entrances:
    a) Exterior Doors & Frames: Formed up bronze framed balance door with 1" low-e glazing manufactured by Dawson Doors
    b) Vestibule Doors & Frames: Formed to match sightlines and sizing of exterior entrance.
    c) USPS approved mailboxes will be provided for each unit and shall be located off the lobby's vestibule at ground level.
    d) Entrance to the building at grade will be provided with a minimum of two light fixtures, one of which will be provided with an integral battery pack. The service street entrance will be provided with two light fixtures. Lobby will be provided with ceiling mounted fixtures. All lighting levels have been designed in accordance with the NYC Building Code and the Housing Maintenance Code. These fixtures have been wired to the base building meter.

11. Secondary Entrance:
    A secondary entrance to the studio unit located at the ground floor will be provided from the exterior. The door will be a single leaf wood hinged door, painted black to match the original secondary entrance.

12. Roof & Roof Structures:
    a) The roofing system will be the Kemperol 2K-PUR by Kemper Systems over concrete with 3" high density insulation and with pavers on pedestals or shims. The roof is to be flashed with stainless steel or copper flashing, as noted. The roof system will achieve an insulation U value of .067 and an assembly U value of .063 which meets the NYS Energy Code requirements. The roof will have a 20 year manufacturer's warranty.

b) One drain and one overflow drain will be located on every roof and terrace. Gutters & leaders to be installed on the 7th & 8th floor façade to handle the sloped zinc roof. Gutters & downspouts to be made of zinc. All roof drainage to be circulated through leaders located within the building.

c) (2) 2'-6" x 7' skylights by Glazing Vision LTD to be located on the ground floor terrace. Skylights to be operable and fabricated from aluminum with tempered 10% transmitting tinted insulated glazing.

d) Stair bulkhead to be sloped and clad with zinc on north façade (slope) and on 7th and 8th floor terrace façades. All other facades to be brick masonry finish. Elevator bulkhead to be clad in zinc.

e) 7th and 8th floor terraces and roof to have 3'-6" high painted steel guardrails, fastened directly to roof slab. All roof membrane penetrations to be waterproofed with same membrane waterproofing used in the roof system, as required.

13. Fire Escapes: N/A.

14. Yards & Courts:
The only yard applicable is the rear private yard, which is only accessible from the maisonette unit at the cellar level. Rear yard to be stone paver on pedestal system with a perimeter, unfinished reinforced concrete retaining wall. Two drains to be provided.

15. Interior Stairs:
There are 3 interior stairs. One of the two interlocking public egress stairs (scissor stairs) connects floors Cellar through 7 of the building and one connects Cellar through roof level floor. An interior private switchback stair connects the ground floor to the Cellar of the maisonette unit. Additionally a portion of the concrete floor slab on the 4th Floor is designed to be removed to accommodate a private stair connecting floors 3 and 4 to be installed by the purchaser of Unit 3/4.

The egress stairs are reinforced concrete, with all risers, treads and stringers remaining exposed. One stair will discharge at the ground level into the 2hr fire rated lobby as well as both stairs into a cellar corridor that leads to a side yard easement provided by 50 E. 72nd St., which leads to the street. Stair vestibules and egress doors shall be of fire rated construction so as to comply with fire code requirements. A painted steel hand rail will be provided on one side of the stair run. The interior finish walls of the egress stairs are 5/8" gyp bd or parged masonry painted white.

The interior maisonette stair is a wood framed stair, with all stringers, supports, treads and riser constructed of wood, with wood carved balustrades and handrails.

16. Interior Doors & Frames:
a) Unit entrance doors shall be of fire rated construction so as to comply with fire code requirements. Entrance doors have metal frames and wood leafs with custom profiles and painted finish.
b) Interior unit doors are wood paneled with wood frames and a painted finish except unit 3/4 doors which are painted flush paneled hollow core doors.

c) Doors to back of house areas in the Cellar and egress stair doors for unit 3/4 are to be made of hollow metal with appropriate fire rating based on location.
d) All wood doors on the ground floor with access to lobby spaces such as trolley cart storage, package room and powder room to have wood frames and panels with a painted finish and metal frames and wood leafs with a painted finish where a fire rating is required.
e) Resident's Storage Rooms and storage space units in the Cellar are each to have chain link gates with lock to be provided by unit owner.

17. Elevators:

There will be two passenger elevators which will stop at the cellar level and all other floors up to floor 6. One elevator will stop at floor 7 and no elevator will stop at floor 8 or roof. The elevators will be an MRL type, a 2200 (10 person capacity) and 2500 (11 person capacity) pound lifting capacity and a travel speed of 200 feet per minute. The cars' interior cab dimensions will be approximately 6'-0" wide by 4'-5" deep and 6'-9" wide by 4'-4" deep. The passenger doors will be 3'-0" wide by 7'-6" high and 3'-6" wide by 7'-6" high, single speed automatic side opening type. The south elevator is for the exclusive use of Unit 6 subject to an easement for all Unit owners for emergency purposes such as when the north elevator is disabled, requires service or repair and in the case of emergency evacuation.

The elevator cabs will be custom finished with wood veneer walls, thin-set stone floor and an architectural ceiling with integral light fixture, maintaining a cab height of 8'-0".

The elevators will be manufactured as specified by Vertical Systems Analysis. Elevator machine room will be located remotely at the cellar level.

I. AUXILARY FACILITIES

1. Laundry Room: The building does not have a common laundry room. Each Unit, except Unit 1A, will be provided with water & electrical connections for washer and dryer. Units 1, 2 and 5 will be provided with washer and dryer. Dryers are gas heated and vented to the outside.

2. Refuse Disposal:
   a) There will be no incinerators in the building.
   b) There will be a 24" refuse chute by Chute Enterprises serving all units, except Unit 1A, which will convey trash down to the compactor room in the Cellar. Model CE-150 trash compactor will be provided by Chute Enterprises. The refuse chute will also organize recyclable materials to dedicated bins in the cellar using a Tower Recycling Systems Model TRC-2.
   c) Approvals for the installation will be part of the overall building permit by the NYC Department of Buildings.
   d) The initial storage for the refuse is in the compactor room on the cellar floor level. From the compactor room the refuse is taken to the street curbside by building personnel for pick-up.

e) Public pick-up of the refuse, at curbside, will be determined by the New York City Department of Sanitation.

J. PLUMBING & DRAINAGE SYSTEMS

1. Sanitary Drainage and Vent Systems:
   a) Sanitary waste will be collected and drained via gravity through a house drain to the sanitary system. The system will be vented with terminations through the roof.
   b) The piping system above grade shall be hub-less service weight cast iron pipe. Below grade piping will be extra heavy weight 8" cast iron pipe.

2. Storm Drainage and Vent Systems:
   a) Storm water will be drained via gravity to the site storm water system
   b) The basement and rear yard will be provided with drains and will drain by gravity to a sand interceptor and sump pit pump into the gravity system. The sump pit pump will be located in the compactor room and will be a 350 GPM, 3 HP, Federal model VSP-2A-1-4.
   c) Roof drains shall have coated cast iron bodies and dome strainers.

3. Domestic Water Systems:
   a) Domestic water will be supplied by a water service, metered and protected by a double check valve backflow preventer, Wilkins 4" model #375.
   b) Water will be distributed through 1" water distribution copper mains, risers and branches to plumbing fixtures and equipment.
   c) Heated domestic water will be provided by a central heating plant consisting of two (2) Turbomax 65 indirect fired instantaneous hot water heaters located in the Cellar mechanical space coupled with (1) Hamilton Evo 399 Boiler

4. Radiant Water Heating:
   a) Natural gas will be provided for heating radiant hot water. A central hot water heating plant will be provided and located in the Cellar mechanical space.
   b) The radiant hot water heating plant, consisting of three (3) Hamilton Engineering EVO 399 boilers with a 400 MBH capacity, will serve the perimeter heating system.
   c) Hot water will be provided to each unit at 120 deg. F. A mixing valve will temper the pre-heated water and the hot water to 110 deg. F.
   d) Hot water temperature will be maintained throughout the system by use of re-circulating piping and circulator pump, Taco #1619 10GPM ¾ MP.

5. Natural Gas Systems:
   a) A metered gas service, consisting of two meters; one for common and one for cooking & gas dryers in the residential units, will be provided for the building.
   b) Natural gas will be distributed through mains, risers and branches to required outlets and equipment.
   c) The piping system is schedule 40 black steel with threaded connections for gas pressures below 2 PSI and welded connections for pressures 2 PSI and above. All piping 4 inches in diameter and larger have welded connections.

6. Plumbing Fixtures:
   a) Fixtures within Units 1, 1A, 2, 3/4 and 5 are specified in Section U of this report.
   b) Sinks and other fixtures and equipment will be provided with all required trim and connection to services.
   c) All toilets and shower heads will be provided as low-flow water conserving fixtures.

K. FIRE PROTECTION SYSTEM

1. Fire Standpipe System:
   a) The building will be provided with an automatic wet fire standpipe system. The system will be supplied by an automatic fire pump drawing water from a fire service on E 72nd Street
   b) The system shall be designed so that all areas are within reach of 125 feet of fire hose.

2. Automatic Sprinkler Systems:
   a. The building will be protected throughout by automatic wet pipe sprinkler systems. The systems will be supplied by connections to the fire standpipe system.
   b. The systems are designed and hydraulically calculated in accordance with the following criteria:
      i. Classification: Light hazard:
         1. Coverage: 225 sq ft per head.
         2. Density: 0.10 gpm per sq ft.
         3. Area of application: 1,500 sq ft.
      ii. Classification: Ordinary Hazard:
         1. Coverage: 130 sq ft per head.
         2. Density: 0.16 gpm per sq ft.
         3. Area of application: 1,500 sq ft.
         4. Spaces: Storage rooms and mechanical rooms.
   c. The piping system is Schedule 40 black steel pipe with malleable iron fittings and either threaded joints or roll groove mechanical couplings.
   d. Lot line sprinkler heads will be required at select lot line windows at party walls above adjacent structures.

L. HEATING, VENTILATION, & AIR CONDITIONING

1. Heating & Air Conditioning Systems:
   a. Building will be cooled via air-cooled split heat pump systems utilizing variable refrigerant technology (VRV) and earth friendly refrigerant. Condensers will be mounted on the common roof; evaporator and fan units will be mounted within the floors serviced.

TAG	MODEL	FLOORS SERVICED
CU-C	DAIKIN RXYQ72PATJ	Common and 1A
CU-B	DAIKIN RXYQ72PATJ	Cellar & 1st Floor

CU-2	DAIKIN RXYQ72PATJ	2nd FLOOR
CU-3	DAIKIN RXYQ72PATJ	3rd FLOOR
CU-4	DAIKIN RXYQ72PATJ	4th FLOOR
CU-5	DAIKIN RXYQ72PATJ	5th FLOOR
CU-6	DAIKIN RXYQ72PATJ	6th FLOOR
CU-P	DAIKIN RXYQ108PATJ	PENTHOUSE

2. Heating:
   a. Perimeter Radiation: Hydronic hot water from the THREE (3) Hamilton Engineering EVO 399 cellar condensing boilers by RITTLING (Model #BARE FINNED TUBE, 4186 BTU/H-12864 BTU/H) will be distributed to perimeter radiators built into architectural enclosures of the north and south window walls. Supplemental heating can be provided by the air-cooled split heat pump systems if required.
   b. Radiant Floor Heat: All master bathrooms, except Unit 3/4, will have additional comfort control electric radiant floor heating by WARMLY YOURS.

3. Control Systems:
   a. Residential Condominiums: Each Heat Pump will be provided with an electronic digital programmable thermostat. Perimeter radiation will have thermostatic valves with wired thermostats.
   b. Back of House and Common Areas: An electronic control system will be provided for individual local control of equipment.

4. Special Requirements:
   a. Filters: Minimum 30% efficient pleated media filters will be provided in the AC unit. This is the responsibility of the unit owner to replace.
   b. Humidifiers: Humidification will only be provided for each condominium unit if required by unit owner at unit owner's expense. Additional humidification shall not be provided unless agreed to by sponsor.

5. HVAC Systems:
   a. Stairwells: Will be served by hot water cabinet unit heaters located at the top and bottom of the stairwells using a Slantfin TK-90 SMK.
   b. Mechanical and non-residential Cellar Areas: Will be served by forced air heat pump units as listed above.
   c. Elevator Machine Room: An air-cooled heat pump unit by Daikin FXAQ18MVJU.
   d. Cellar Exercise Room: N/A
   e. Lobby: An air-cooled heat pump unit, Daikin FXMQ30MVJU, will be located in the ceiling of the package room that will serve all the public spaces on the first floor. Ventilation air will be provided by an areaway intake at front of building, over exterior entrance to studio unit.

6. Ventilation & Exhaust Systems:
   a. Ventilation: Ventilation air shall be provided to the lobby via a fresh air intake over exterior entrance to studio unit. Ventilation shall be provided for spaces requiring code-mandated ventilation; Ventilation to the units shall be provided by natural means and by a central ventilation riser.
   b. Spaces to be exhausted directly outdoors: Centralized roof-mounted exhaust fans are provided to serve all bathrooms(Greenheck CUBE-141), laundry dryers

(Exhausto MBES250), general exhaust (Greenheck SQ-100B, and kitchens (Exhausto MBES500). Kitchens are provided with direct exhaust fan-powered vented range hood which will connect to local common kitchen exhaust riser with roof-mounted fans.

c. Unit 3/4 will only be provided with exhaust flues to the roof and will not be provided with exhaust fans or hoods.

M. ELECTRICAL SYSTEM

1. Electrical Power Service:
The electrical service will be 120/208 volt, 3-phase, 4-wire. Con Edison service enters the building in the Cellar along East 72nd Street. The service equipment will be 1600A. The new electrical service will consist of the following:
   a. Service entrance conductors as coordinated with Con Edison.
   b. 800A CT/meter for building loads and fire pump.
   c. 600A services switch for unit meter bank.

2. Electric Distribution Systems:
The distribution will consist of the following:

Cellar - House Panel	600 amp, 3-phase 4-wire.
Unit 1- Cellar/1st Floor	200 amp, 3-phase 4-wire.
Unit 1A – 1st Floor studio	100 amp, 3-phase 4 wire
Units 2, 3/4 & 5 - 2nd thru 5th Floors	200 amp each, 3-phase 4-wire.
6th through 8th Floors	200 amp, 3-phase 4-wire.

   a. Conduit and wire for electrical feeders from switchboard to power distribution panels in the electrical closet and from the distribution panels to each unit.
   b. Each Unit will have a 120/208V three-phase load center to feed all associated unit branch circuits. Each panel (for Units 1, 2, 3/4 & 5) will accommodate 60 breaker circuits adequate to serve all unit loads including modern appliances. For Unit 1A, the panel will accommodate 20 breaker circuits. For Unit 6, the panel will accommodate 84 breaker circuits
   c. Power panels will be provided for elevators, HVAC plumbing motor loads and lighting to common areas.
   d. House panel will be located in Cellar for common space lighting and receptacles.

2. Lighting: Lighting in common area will be Energy Star qualified and be fluorescent, compact fluorescent or LED.

3. Fire Alarm System: An automatic Fire Alarm System will be provided to conform with Group R-2 occupancies of the NYC Building Code. Smoke detectors (EST Model EC300-3) will be added in mechanical rooms and electrical rooms over 75 square feet and HVAC systems over 2,000 CFM, elevator machine rooms and elevator lobbies. Combination smoke/carbon monoxide detectors are wired to a 120-volt local power supply and are provided on each residential floor.

N. INTERCOMMUNICATION AND/OR DOOR SIGNAL SYSTEMS

1. The building will be equipped with a separate intercom system by Quantometrix Inc. model # EAP-23 head end equipment, which will control 72nd street lobby entrance door and elevator access.

O. PUBLIC LIGHTING

1. Entrance to the building at grade will be provided with a minimum of two light fixtures, one of which will be provided with an integral battery pack. The service street entrance will be provided with two light fixtures. Lobby will be provided with ceiling mounted fixtures. All lighting levels have been designed in accordance with the NYC Building Code and the Housing Maintenance Code. These fixtures have been wired to the base building meter.

P. GARAGE & PARKING AREAS – N/A.

Q. SWIMMING POOL – N/A.

R. TENNIS COURTS, PLAYGROUND, RECREATION FACILITIES & STORAGE

1. Tennis Courts – N/A.
2. Playground – N/A.
3. Recreation Facilities – N/A.
4. Children's Playroom – N/A.
5. Residential Storage – each unit, except Unit 1A and 3/4, will be sold including private storage space at the cellar level. There shall be 2 Storage Space Units for sale.

S. PERMITS & CERTIFICATES

1. Prior to closing contracts of units the sponsor will obtain a certificate of occupancy, or a temporary certificate of occupancy, and updated inspection certificates and permits for the elevator, sprinkler system and boiler.
2. The Certificate of Occupancy will be obtained upon the completion of the work filed under DOB Application No. 110419574.
3. All necessary permits will be obtained and all the required inspections will be completed prior to obtaining a new Certificate of Occupancy.
4. Building plans have been approved under DOB Application No. 1041366.

T. VIOLATIONS

Any violations of regulations will be on file at the New York City Department of Buildings and removed of record prior to the issuance of the Permanent Certificate of Occupancy.

U. UNIT INFORMATION

1. Occupancy:
   a. There will be six (6) new residential unit units above grade. One duplex unit includes space at Cellar Level and Ground Level.
   b. All units will comply with Local Law # 58 and have been designed for handicap adaptability.

Units	Floor	Storage	Approx. Unit Gross Area (SF)	Approx. Outdoor Area (SF)
1	**Maisonette:**	60		
	Cellar		1460	863
	Ground		1906	420
	Total SF		3366	1283
1A	Ground		352	
2	2nd Floor	53	3088	6
3/4	3rd Floor		3088	6
	4th Floor		3088	87
5	5th Floor	54	3088	87
Storage 3	Cellar	52	-	
Storage 4	Cellar	54	-	
	Penthouse:	75		
6	6th Floor		2596	430
	7th Floor		2035	550
	8th Floor		1363	230
	Roof			350
	Total SF		5994	1560
	TOTAL All Units SF:		**22,064**	**3,184**
	Floor		**Gross Area (SF)**	
	Cellar		3730	
	Ground Floor		3275	
	2nd Floor		3275	
	3rd Floor		3275	
	4th Floor		3275	
	5th Floor		3275	
	6th Floor		2889	
	7th Floor		2269	
	8th Floor		1504	
	Total Gross Area SF:		**26,767**	

2. Finish Schedule for Units 1, 1A, 2 & 5

Space	Floor	Wall	Base	Ceiling	Remarks
Living Room	WD	P	PWD	P	--
Bedrooms	WD	P	PWD	P	--
Kitchen	WD	P	PWD	P	--
Master Bathrooms	STT	WRWB/ST/P	WRWB/ STT	WRWB/ P	--
Secondary Bathrooms	GT Ceram ic Tile	WR WB/STP	GT	WRWB/ P	
Powder Rooms	STT	WRWB/STT/P	WRWB/ STT	WRWB/ P	--
Closets	WD	P	PWD	P	--

2(a). Finish Schedule Unit 3/4

Space	Floor	Wall	Base	Ceiling	Remarks
Kitchen	Vinyl Tile (VCT)	Painted	----	---	--
Bathroom	Vinyl Tile (VCT)	Ceramic Tile	---	painted	--
Throughout	Painted plywood subfloor	painted	---	---	--

3. Bathroom Fixtures for Units 1, 1A, 2 & 5

Lavatory	Normandy oval undermount in powder room/ master bath/ secondary bath	Or units of equivalent size and quality, or better.
Water Closet	Aquia wall-hung toilet in powder room & TOTO eco Guinevere in Master bath & TOTO Carlyle II in secondary bath	Or units of equivalent size and quality, or better.
Tub	Units 2 & 5 Margaux freestanding	Or units of equivalent size and

	tub in master bath, Mininna tub for Unit 1master bath & all secondary baths	quality, or better.

3(a) Bathroom Fixtures for Unit 3/4

Lavatory	AquaSource 33.66-in H White Vitreous China Complete Pedestal Sink (LL0302W)	
Water Closet	Project Source White 1.28-GPF 12-in Rough-in WaterSense Round 2-Piece Toilet (T803)	
Tub	Briggs Pendant White Porcelain Enameled Steel Rectangular Skirted Bathtub with Let-Hand Drain (255880)	

4. Kitchen Appliances Units 1, 1A, 2 & 5

Refrigerator	Sub-zero BI-36U over-and-under refrigerator/freezer 36" wide in units 1, 2 & 5. Sub-Zero UC-24C Refrigerator/Freezer 24" wide in unit 1A	Or units of equivalent size and quality, or better.
Stove	Wolf Gas Range 48" wide in units1, 2 & 5 Wolf Gas Cooktop 15" wide in unit 1A.	Or units of equivalent size and quality, or better.
Hood	Wolf Pro Wall Chimney Hood 48" wide in units 1, 2 & 5.	Or units of equivalent size and quality, or better.
Dishwasher	Double dish drawer by fisher & paykel 23 9/16" wide in units 1, 2 & 5.	Or units of equivalent size and quality, or better.
Sink	Universal sink in kitchen in units 1, 1A, 2 & 5.	Or units of equivalent size and quality, or better.
Microwave Oven	Built-in Microwave-Thermador 24" wide in kitchen in units 1, 2 & 5	Or units of equivalent size and quality, or better
Washer/dryer	Whirlpool 27" wide in units 1, 2 & 5	Or units of equivalent size and quality, or better

4(a) Kitchen Appliances Unit 3/4

Refrigerator	Vissani 24in. W 10 ch. Ft. Top Freezer Refrigerator in White	

	(HMDR1030WE)	
Stove	Hotpoint 4.8 cu. Ft. Gas Range in White (RGB525DEHWW)	
Hood	Whirlpool Undercabinet Range hood (UXT4030AYW)	
Dishwasher	NONE	
Sink	Yosemite Home Décor Undermount Stainless Steel 24x21x9 0-hole single Bowl Kitchen Sink in Satin (MAG2421)	
Microwave Oven	NONE	
Washer/dryer	NONE	

5. Finish Schedule of Other Spaces

Space	Floor	Wall	Ceiling	Remarks
Stairs including building egress stairs, unit stairs and boiler room maintenance stairs	DP	P	P	
Lobby	ST	ST/P	P	
Service Corridor	VCT	P	P	
Mech. Rooms	DP	P		

Note: All of the above are new finishes to be applied to new spaces.

ABBREVIATIONS FOR FINISHES

AT	ACOUSTICAL TILE
ST	STONE TILE
CPT	CARPET
CONC	CONCRETE
DP	DUST-PROOFING AND HARDENER
DP	DECK PAINT
GT	GRANITE TILE
GLT	GLASS TILE
GWB	GYPSUM WALLBOARD
HC	HUNG CEILING OF GYPSUM WALLBOARD WITH PRIMER AND TWO TOP COATS
LWP	LIQUID WATERPROOFING
MT	MARBLE TILE
MP	METAL PAN
P	PAINT
PWD	PAINTED WOOD BASEBOARDS, DOOR & WINDOW TRIM
SP	SPRAY PAINT
ST	STONE SLAB
STT	STONE TILE
V	VINYL

VCT	VINYL COMPOSITION TILE
VWC	VINYL WALL COVERING
WB	GYPSUM WALLBOARD PAINTED WITH PRIMER AND TWO TOP COATS.
WRWB	WATER RESISTANT GYPSUM WALLBOARD
WD	WOOD – ¾" THICK, 5" WIDE, RANDOM LENGTHS OF SOLID WHITE OAK WITH AN EBONIZED FINISH.

W. SAFETY & WARNING DEVICES

1. Unit Smoke & Carbon Monoxide Detection System:
   a. Each Unit will contain a sprinkler system and a smoke + carbon monoxide detector (EST Model EC300-3) located in the vicinity of the bedrooms. The detectors are hard wired to a 120-volt local power supply and are monitored by the concierge.

X. ADDITIONAL INFORMATION

1. A Site Plan/Area Map is included in Part II of the Plan.
2. Floor Plans of each unit, including approximate total area and approximate Floor to Ceiling Heights, are included in Part II of the Plan.

Y. FURTHER DEVELOPMENT – N/A.

Z. ASBESTOS

An "ACP5" has been executed during demolition as all asbestos has been removed from the site. Owner to provide report

AA. LEAD BASED PAINT – N/A.

10/1/14

Barry Rice – Barry Rice Architect, P. L.L.C.

Barry Rice, RA

(END OF REPORT)

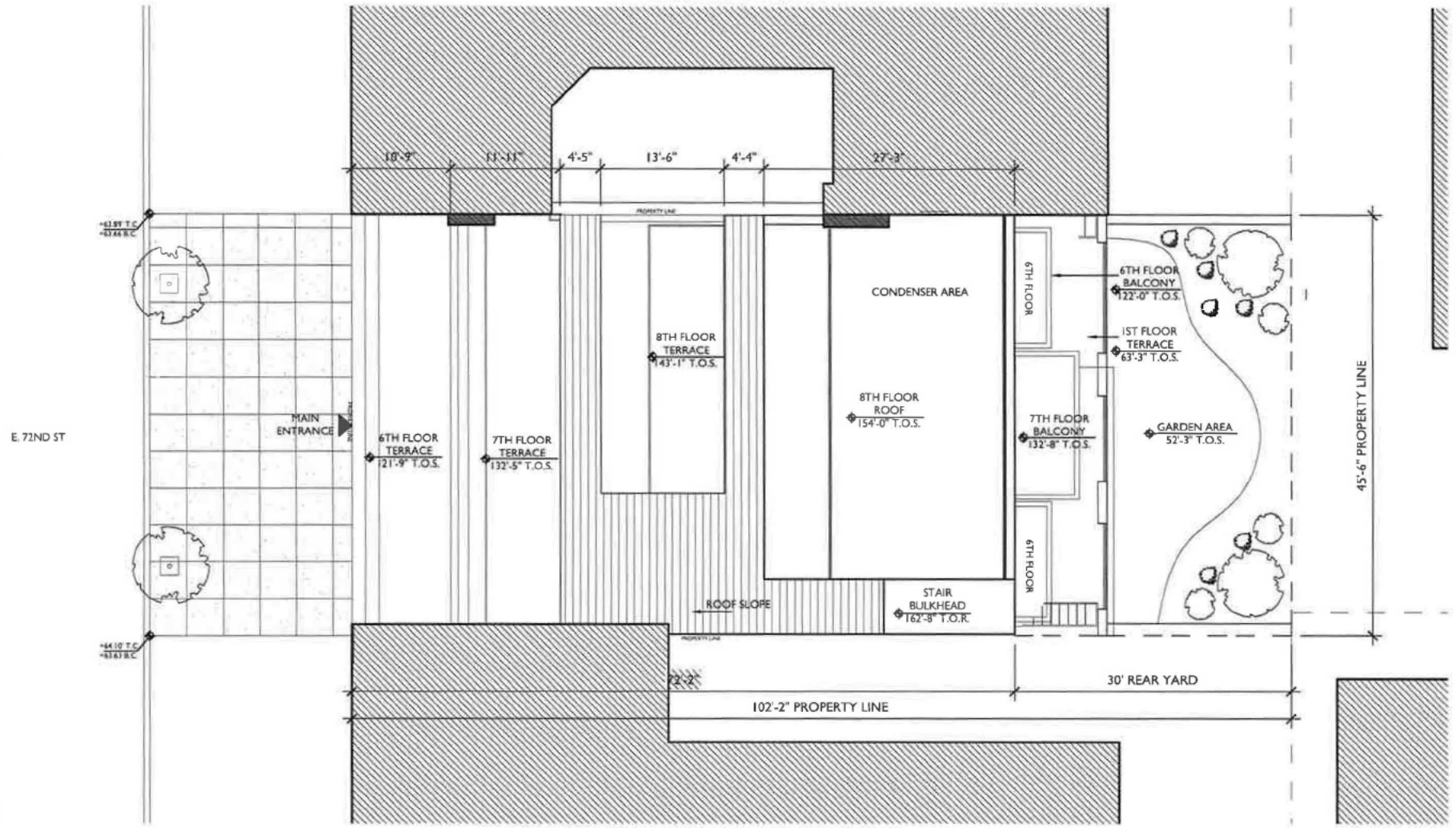
SITE PLAN AND FLOOR PLANS

Please note that all dimensions are approximate.

The approximate Square Footage of a Unit set forth on the Floor Plans is a gross square footage of the Unit, which is obtained by measuring the floor area of the Unit horizontally from the exterior side of the exterior walls at the Building or to the property line of exterior party walls or at the exterior face of aluminum frames and aluminum panels, or the exterior side of windows (concrete, brick and/or masonry columns, mechanical pipes, shafts, shaft ways, chases, chase ways, conduits, public corridors, stairs, the elevator and other mechanical equipment spaces and/or any Common Elements within a Unit are not deducted) to the centerline of the partitions separating one Unit from another Unit, or the exterior side facing the Common Elements of the interior walls and partitions separating a Unit from public corridors, stairs, the elevator and other mechanical equipment spaces or any Common Elements not within a Unit. Each Unit consists of the area measured vertically on each floor of the Building, if applicable, from the top of the floor slab below (located under the finished flooring and subfloor materials) to the underside of the floor slab above. The gross square footage of a Unit is greater than the Approximate Square Footage of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium in Part II of the Plan. As is customary in New York City, these gross square footages substantially exceed the useable floor area of each Unit.
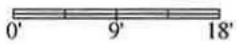
Exterior private yards, balconies and/or terrace areas are measured from the exterior face of the Unit to the exterior face of the yard or terrace walls.

Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question.

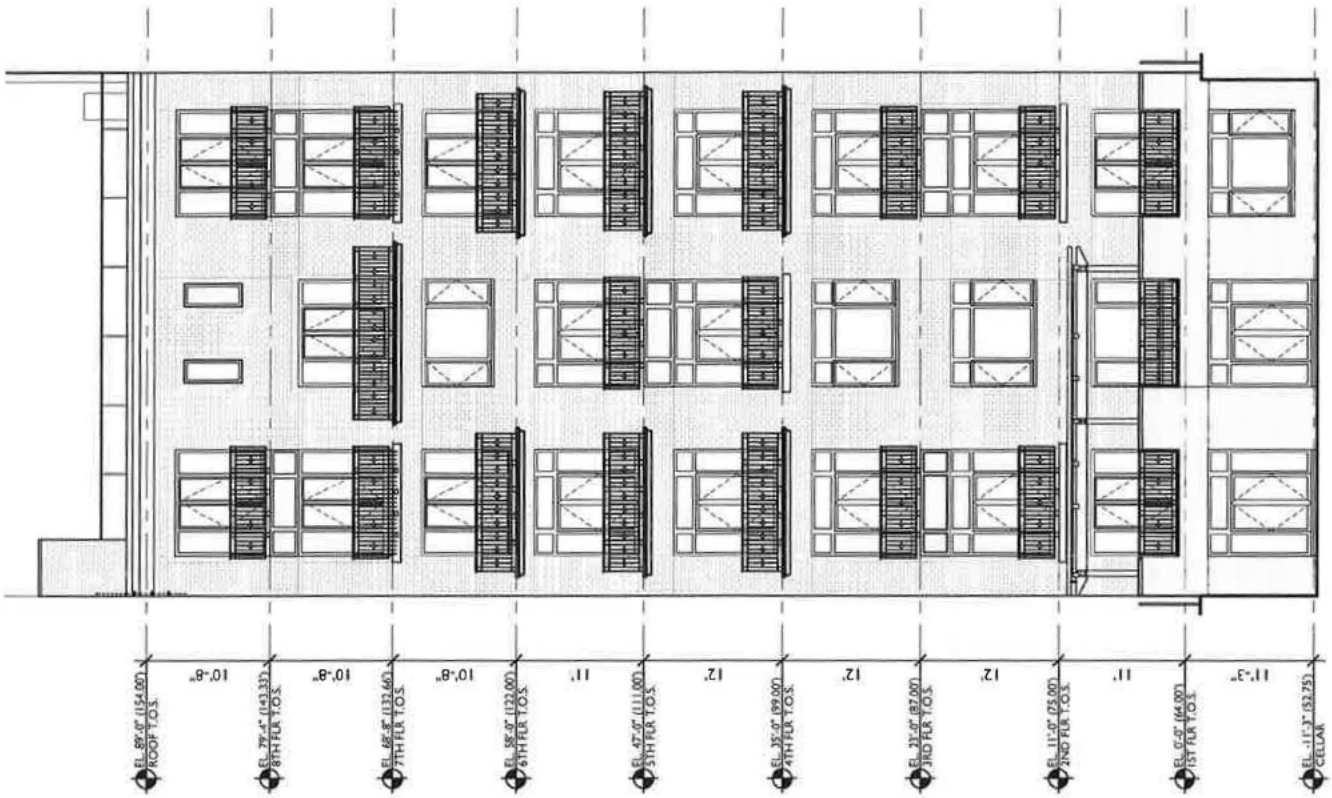

10'-9"
11'-11"
4'-5"
13'-6"
4'-4"
27'-3"
PROPERTY LINE
+43.89' T.C.
+43.44 B.C.
+44.10' T.C.
+43.63 B.C.
E. 72ND ST
MAIN ENTRANCE
6TH FLOOR TERRACE
121'-9" T.O.S.
7TH FLOOR TERRACE
132'-5" T.O.S.
8TH FLOOR TERRACE
143'-1" T.O.S.
CONDENSER AREA
8TH FLOOR ROOF
154'-0" T.O.S.
6TH FLOOR
6TH FLOOR BALCONY
122'-0" T.O.S.
1ST FLOOR TERRACE
63'-3" T.O.S.
7TH FLOOR BALCONY
132'-8" T.O.S.
GARDEN AREA
52'-3" T.O.S.
45'-6" PROPERTY LINE
6TH FLOOR
ROOF SLOPE
STAIR BULKHEAD
162'-8" T.O.R.
72'-2"
30' REAR YARD
102'-2" PROPERTY LINE

SITE PLAN

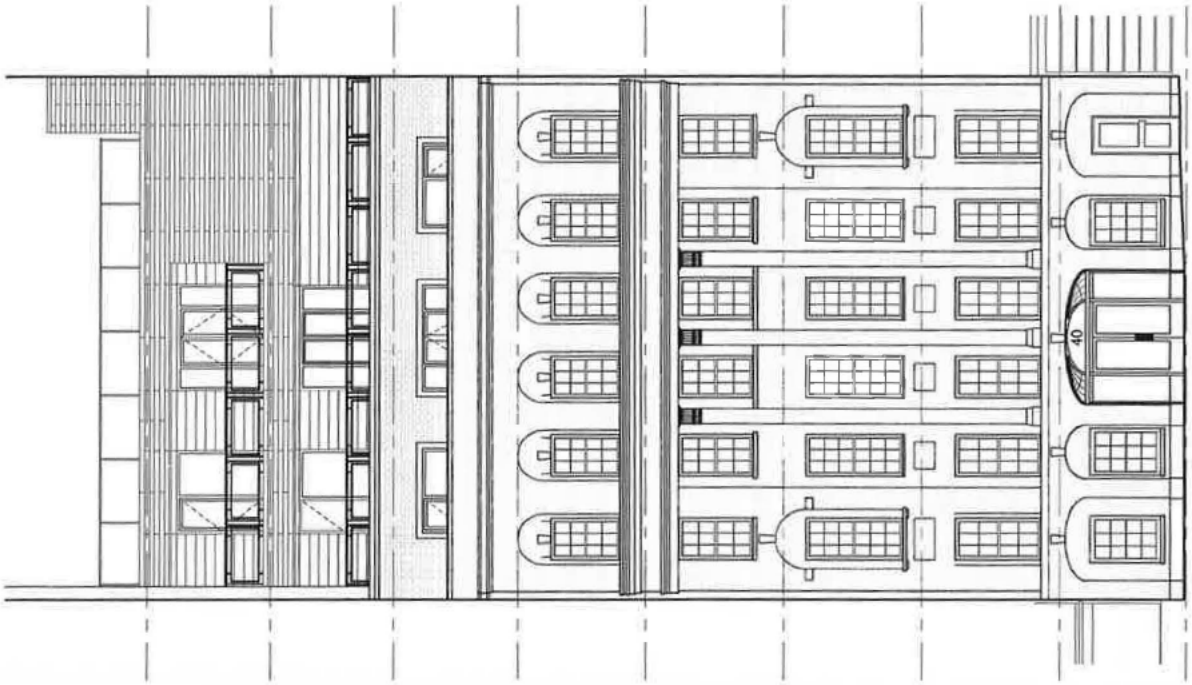

N


0'
9'
18'

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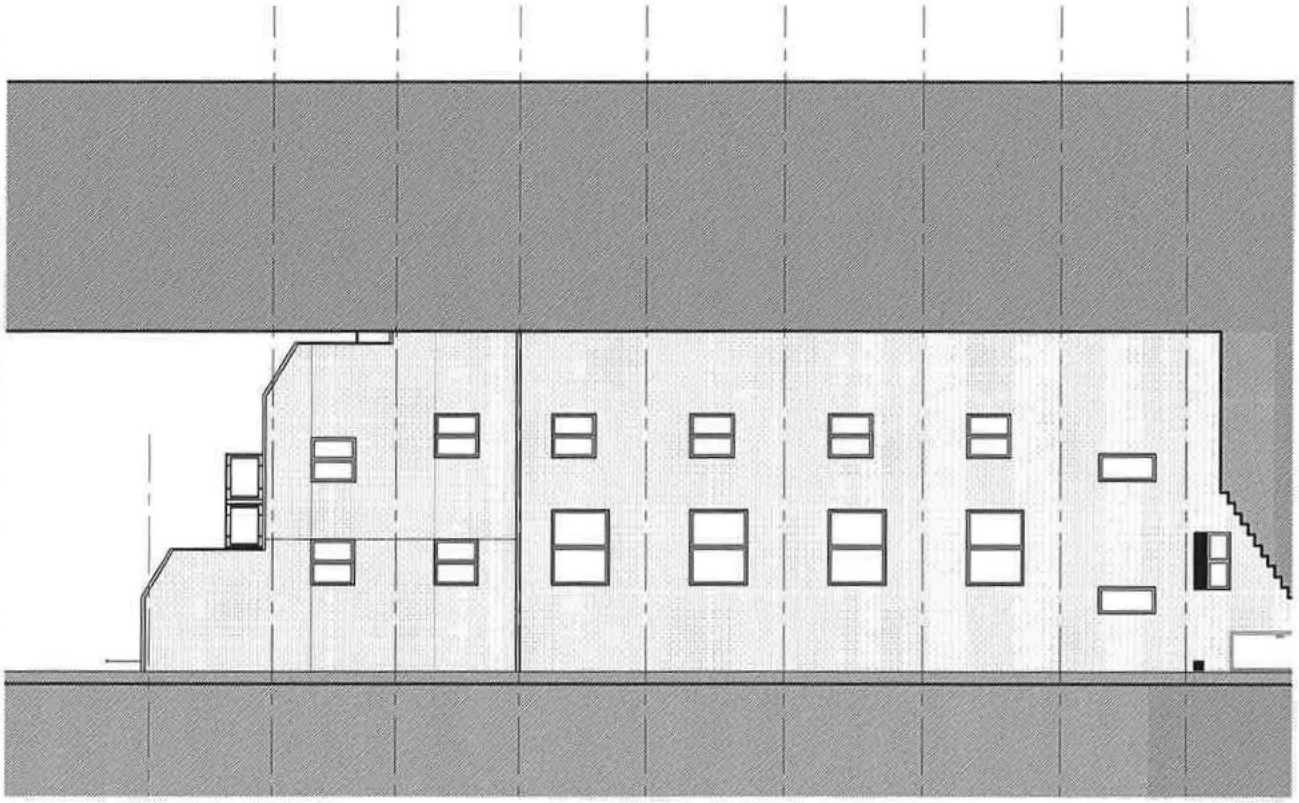
SOUTH ELEVATION



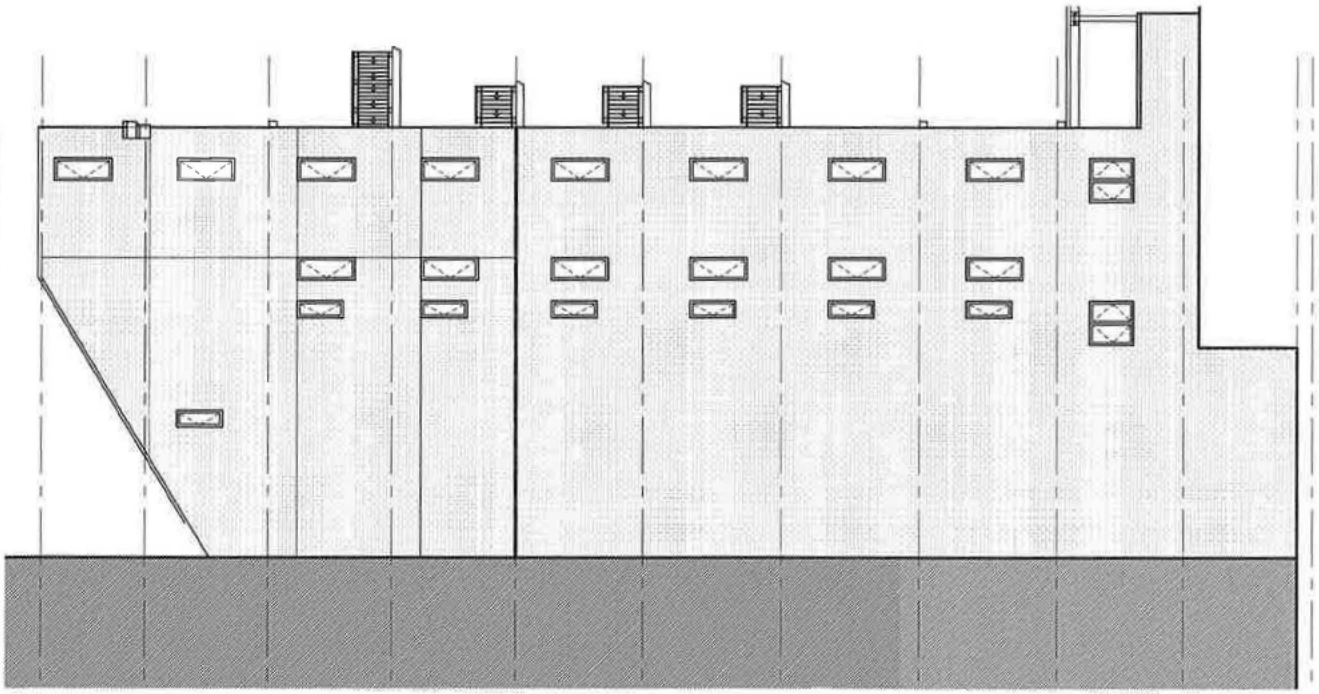
NORTH ELEVATION



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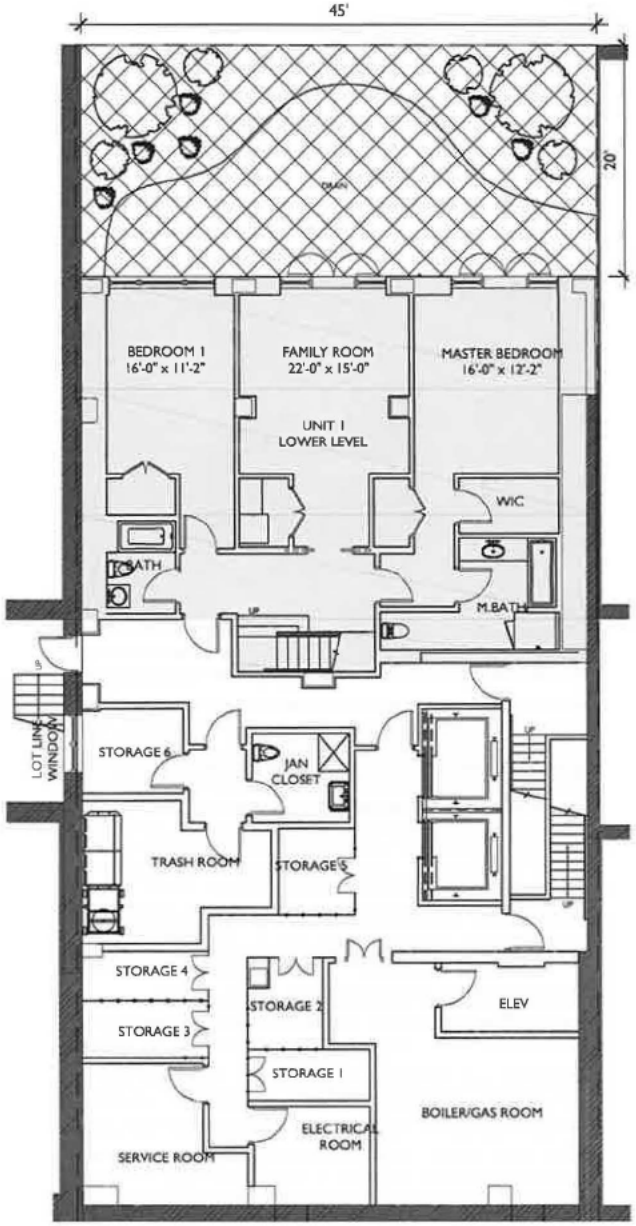


EAST ELEVATION

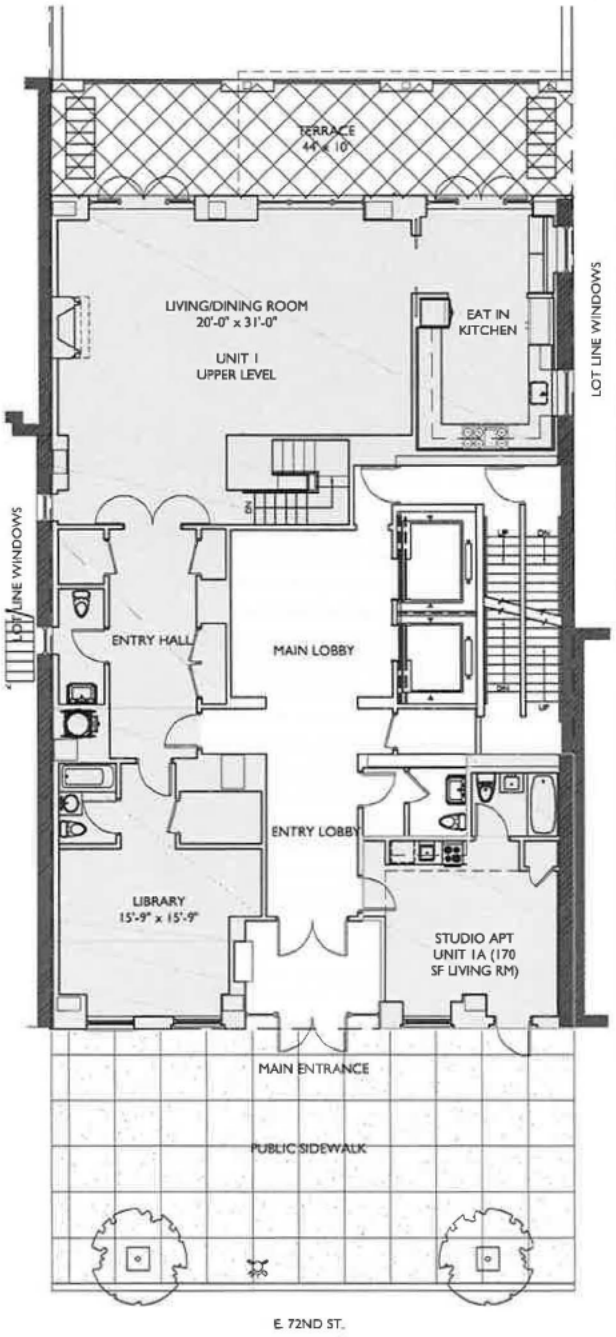


WEST ELEVATION





CELLAR FLOOR
UNIT 1 LOWER LEVEL



GROUND FLOOR
UNIT 1 UPPER LEVEL & STUDIO

LEGEND		AREA
	RESIDENTIAL UNIT	3718 SF
	GENERAL COMMON ELEMENT	3690 SF
	OUTDOOR AREA	1283 SF
CELLAR & GROUND FLOOR TOTAL GROSS SF.		8691 SF

40 EAST 72ND STREET
NEW YORK, NY

AG SUBMISSION - SEPTEMBER 25, 2013

0' 9' 18'

LOT 44 BLOCK 1386

ARCHITECTURAL 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 LAYOUT, LOCATION, UNIT DESIGNATION AND APPROXIMATE DIMENSIONS OF THE UNITS.

SWORN BEFORE ME THIS _____DAY OF_____20_____

DECLARANT:

TAX LOT CERTIFICATION

THE UNIT DESIGNATION AND THE TAX LOT NUMBERS HEREON CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE REAL PROPERTY ASSESSMENT BUREAU OF THE CITY OF NEW YORK, BOROUGH OF MANHATTAN.
MEASUREMENT OF UNITS:

EACH UNIT WILL CONSIST OF THE AREA MEASURED HORIZONTALLY FROM THE CENTERLINE OF SHARED WALLS AND TO THE OUTERMOST SURFACE OF THE EXTERIOR WALLS. AREAS OF COMMON ELEMENTS WITHIN THE UNITS HAVE NOT BEEN DEDUCTED FROM THE STATED SIZE OF FLOOR AREAS. ANY COMMON ELEMENTS LOCATED WITHIN ANY UNIT SHALL NOT BE CONSIDERED AS PART OF THAT UNIT.

EACH UNIT WILL CONSIST OF THE AREA MEASURED VERTICALLY FROM THE TOP OF THE CONCRETE FLOOR TO THE UNDERSIDE OF THE CEILING.

THE SIZE OF EACH BALCONY OR TERRACE HAS BEEN COMPUTED FROM THE EXTERIOR FACE OF SUCH BALCONY OR TERRACE TO THE OPPOSITE EXTERIOR SURFACE OR THE EXTERIOR FACE OF THE EXTERIOR WALL OF THE BUILDING

DECLARANT:

NAME: EAST 72ND STREET
ADDRESS: 152 WEST 57TH STREET, 60TH FLOOR, NEW YORK, NEW YORK 10019

UNIT 1A: STUDIO

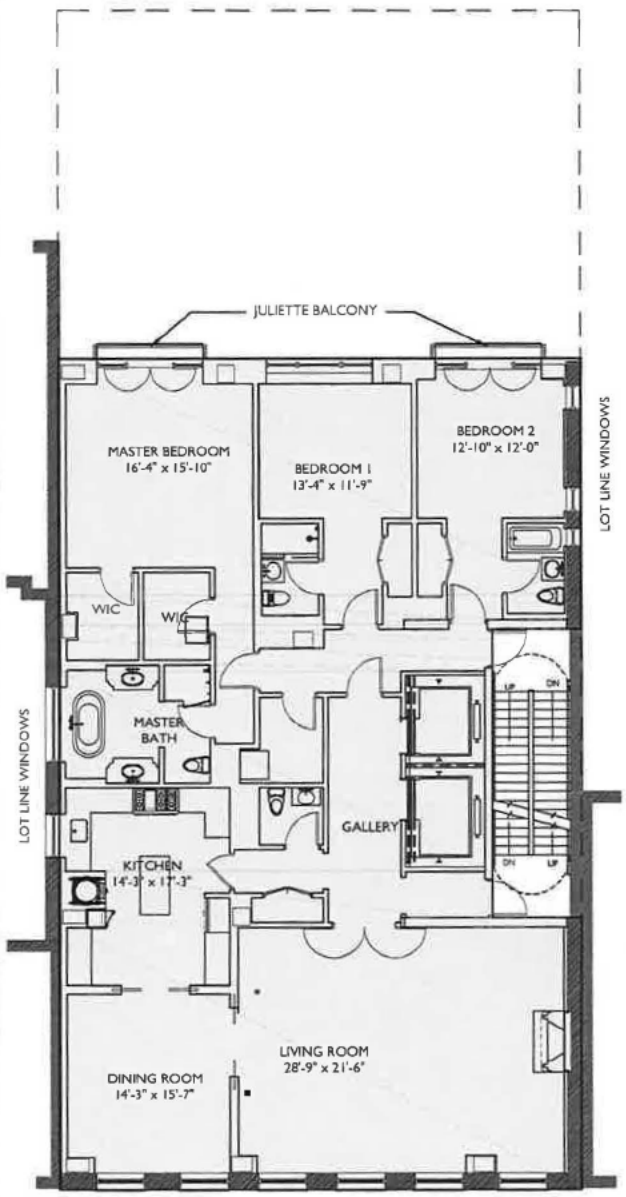
UNIT 1: 3 BR & 3.5 BA

1ST FLOOR RESIDENTIAL & CELLAR GROSS SF

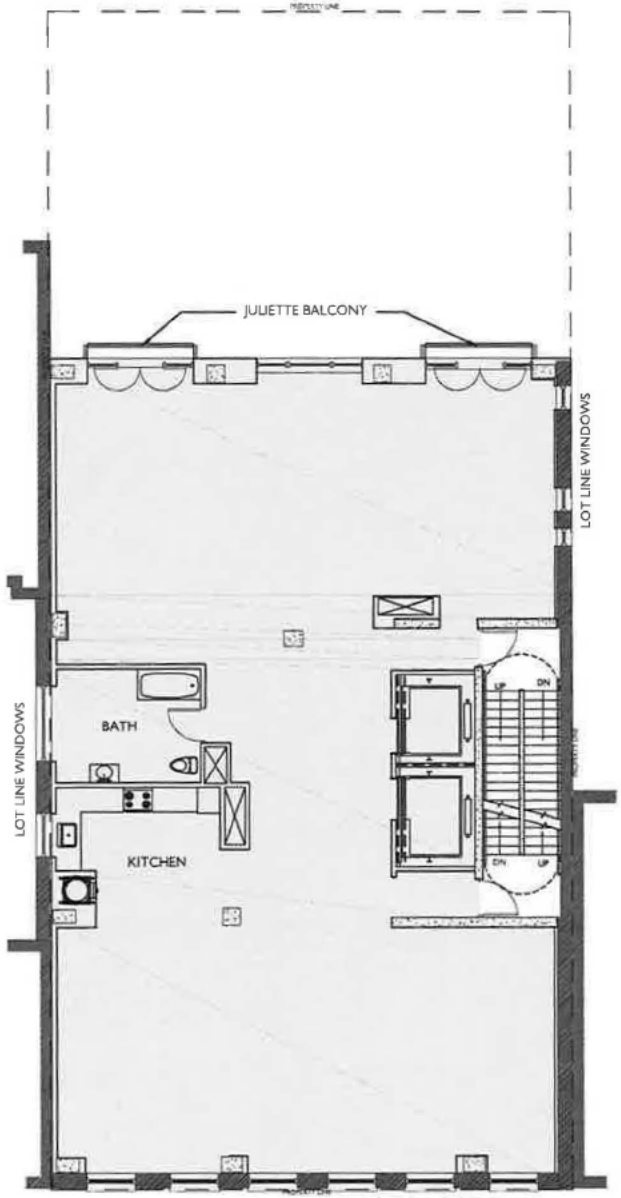
(DUPLEX) - TOTAL AREA: 3,366 SF
STUDIO - TOTAL AREA: 352 SF

TERRACE AREA: 420 SF
GARDEN AREA: 863 SF
TOTAL BUILDING STORAGE AREA: 348 SF

BARRY RICE ARCHITECT PLLC.
37 West 17th Street, New York, New York 10011
T: 212.944-1929



SECOND FLOOR
UNIT 2



THIRD FLOOR
UNIT 3/4 LOWER LEVEL

LEGEND		AREA
	RESIDENTIAL UNIT	6176 SF
	GENERAL COMMON ELEMENT	354 SF
	OUTDOOR AREA	12 SF
SECOND & THIRD FLOOR TOTAL GROSS SF.		6542 SF

40 EAST 72ND STREET
NEW YORK, NY

AG SUBMISSION - SEPTEMBER 25, 2013

0' 9' 18'

LOT 44 BLOCK 1386

ARCHITECTURAL CERTIFICATION
STATE OF NE YORK
COUNTY OF NEW YORK

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DECLARANT:

NAME: EAST 72ND STREET
ADDRESS: 152 WEST 57TH STREET, 60TH FLOOR, NEW YORK, NEW YORK 10019

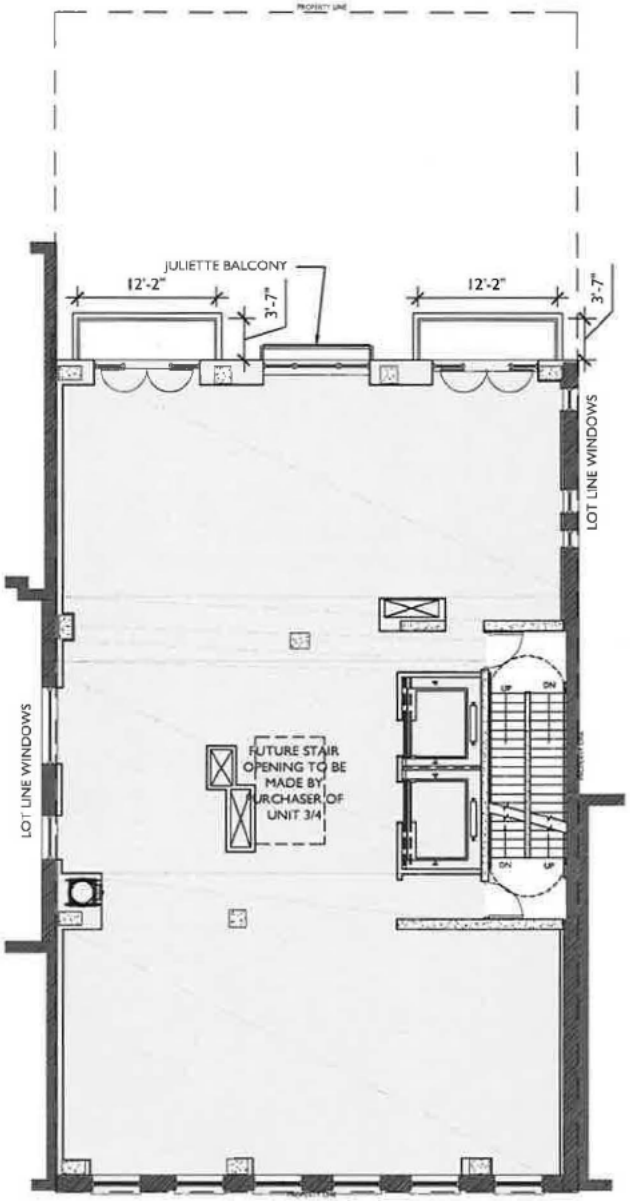
UNIT 2: 3 BEDROOMS & 3.5 BATHS

UNIT 3/4: LOWER LEVEL

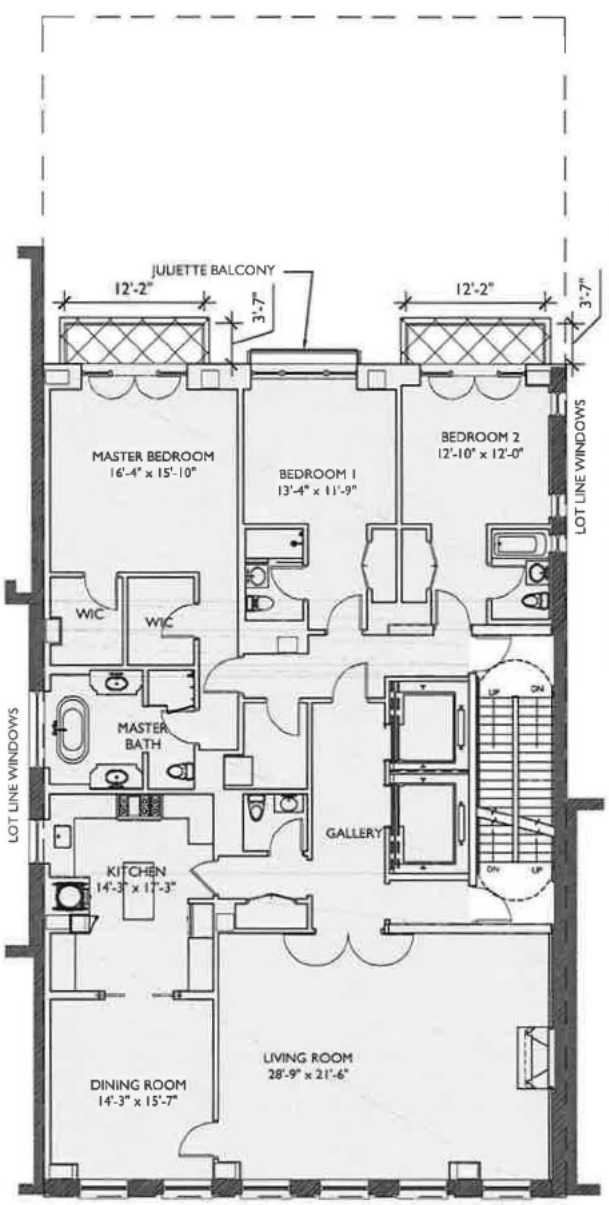
TOTAL RESIDENTIAL GROSS SF PER UNIT: 3088 SF

UNIT 2 BALCONY AREA - 6 SF
UNIT 2 STORAGE AREA - 53 SF
UNIT 3/4 BALCONY AREA - 6 SF
UNIT 3/4 STORAGE AREA - N/A

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37 West 17th Street, New York, New York 10011
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FOURTH FLOOR
UNIT 3/4 UPPER LEVEL



FIFTH FLOOR
UNIT 5

LEGEND		AREA
	RESIDENTIAL UNIT	6176 SF
	GENERAL COMMON ELEMENT	354 SF
	OUTDOOR AREA	174 SF
FOURTH & FIFTH FLOOR TOTAL GROSS SF.		6704 SF

40 EAST 72ND STREET
NEW YORK, NY

AG SUBMISSION - SEPTEMBER 25, 2013

0' 9' 18'

LOT 44 BLOCK 1386

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DECLARANT:

NAME: EAST 72ND STREET
ADDRESS: 152 WEST 57TH STREET, 60TH FLOOR, NEW YORK, NEW YORK 10019

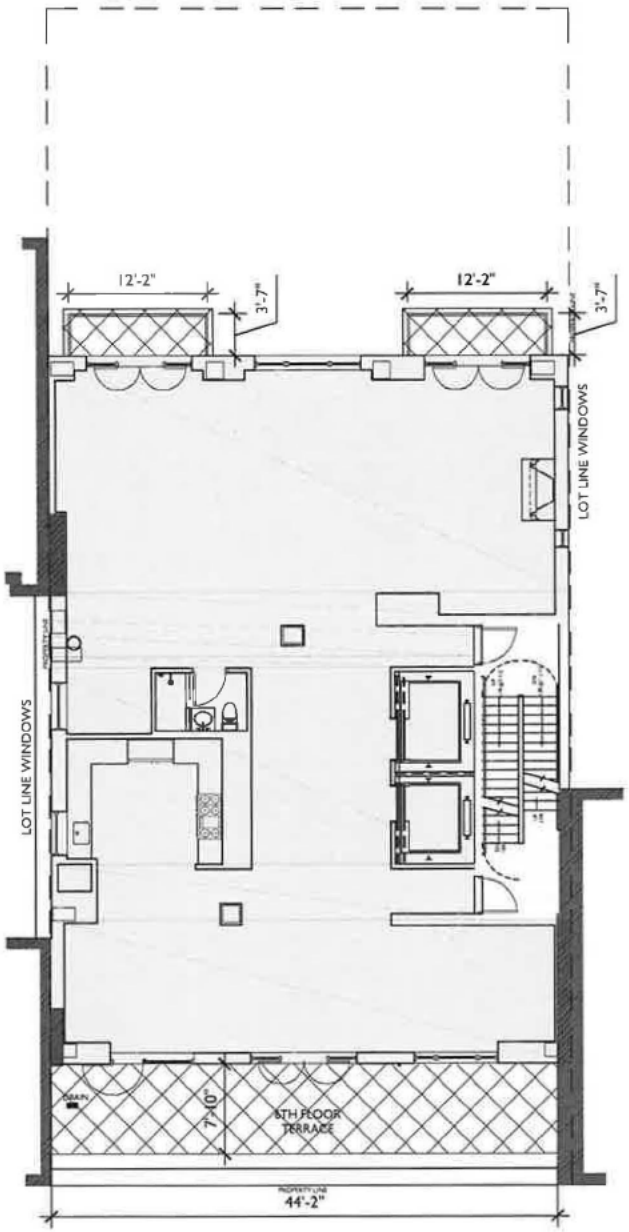
UNIT 3/4: UPPER LEVEL

UNIT 5: 3 BEDROOMS & 3.5 BATHS

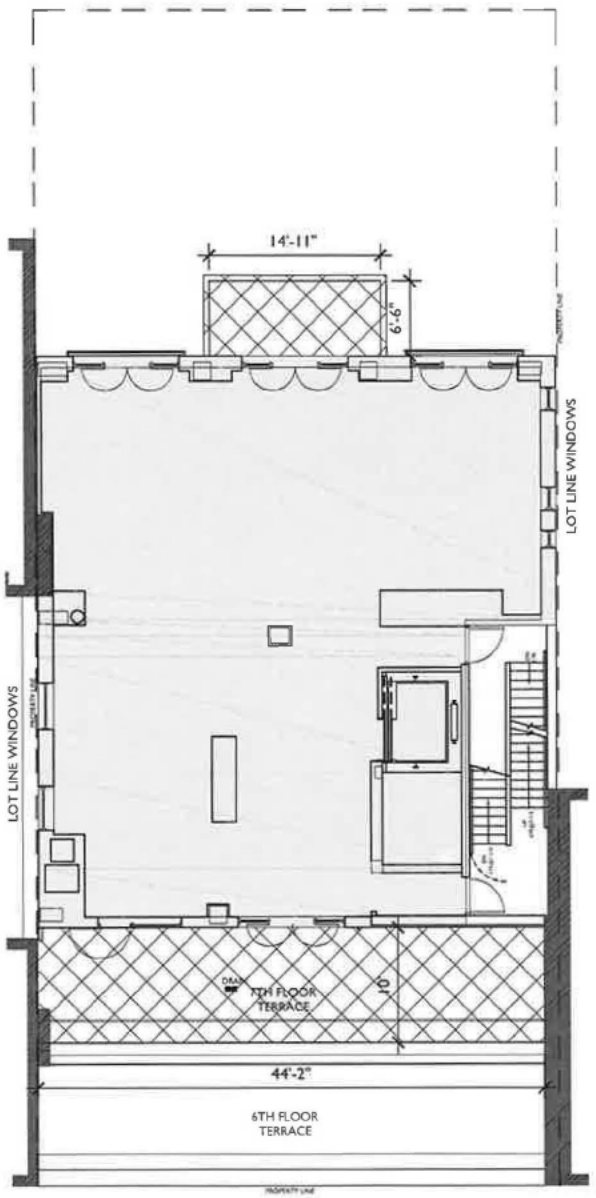
TOTAL RESIDENTIAL GROSS SF PER UNIT: 3088 SF

UNIT 3/4 BALCONY AREA - 87 SF
UNIT 3/4 STORAGE AREA - N/A
UNIT 5 BALCONY AREA - 87 SF
UNIT 5 STORAGE AREA - 54 SF

BARRY RICE ARCHITECT PLLC.
37 West 17th Street, New York, New York 10011
T: 212.944-1929



SIXTH FLOOR
UNIT 6 LOWER LEVEL TRIPLEX PENTHOUSE



SEVENTH FLOOR
UNIT 6 MIDDLE LEVEL TRIPLEX PENTHOUSE

LEGEND		AREA
	RESIDENTIAL UNIT	4631 SF
	GENERAL COMMON ELEMENT	354 SF
	OUTDOOR AREA	980 SF
SIXTH & SEVENTH FLOOR TOTAL GROSS SF.		5965 SF

40 EAST 72ND STREET
NEW YORK, NY

AG SUBMISSION - SEPTEMBER 25, 2013

0' 9' 18'

LOT 44 BLOCK 1386

ARCHITECTURAL CERTIFICATION
STATE OF NE 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 LAYOUT, LOCATION, UNIT DESIGNATION AND APPROXIMATE DIMENSIONS OF THE UNITS.

SWORN BEFORE ME THIS _____DAY OF_____20_____

DECLARANT:

TAX LOT CERTIFICATION

THE UNIT DESIGNATION AND THE TAX LOT NUMBERS HERON CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE REAL PROPERTY ASSESSMENT BUREAU OF THE CITY OF NEW YORK, BOROUGH OF MANHATTAN.

MEASUREMENT OF UNITS:

EACH UNIT WILL CONSIST OF THE AREA MEASURED HORIZONTALLY FROM THE CENTERLINE OF SHARED WALLS AND TO THE OUTERMOST SURFACE OF THE EXTERIOR WALLS. AREAS OF COMMON ELEMENTS WITHIN THE UNITS HAVE NOT BEEN DEDUCTED FROM THE STATED SIZE OF FLOOR AREAS. ANY COMMON ELEMENTS LOCATED WITHIN ANY UNIT SHALL NOT BE CONSIDERED AS PART OF THAT UNIT.

EACH UNIT WILL CONSIST OF THE AREA MEASURED VERTICALLY FROM THE TOP OF THE CONCRETE FLOOR TO THE UNDERSIDE OF THE CEILING.

THE SIZE OF EACH BALCONY OR TERRACE HAS BEEN COMPUTED FROM THE EXTERIOR FACE OF SUCH BALCONY OR TERRACE TO THE OPPOSITE EXTERIOR SURFACE OR THE EXTERIOR FACE OF THE EXTERIOR WALL OF THE BUILDING

DECLARANT:

NAME: EAST 72ND STREET
ADDRESS: 152 WEST 57TH STREET, 60TH FLOOR, NEW YORK, NEW YORK 10019

UNIT 6: LOWER & MIDDLE LEVEL TRIPLEX PENTHOUSE

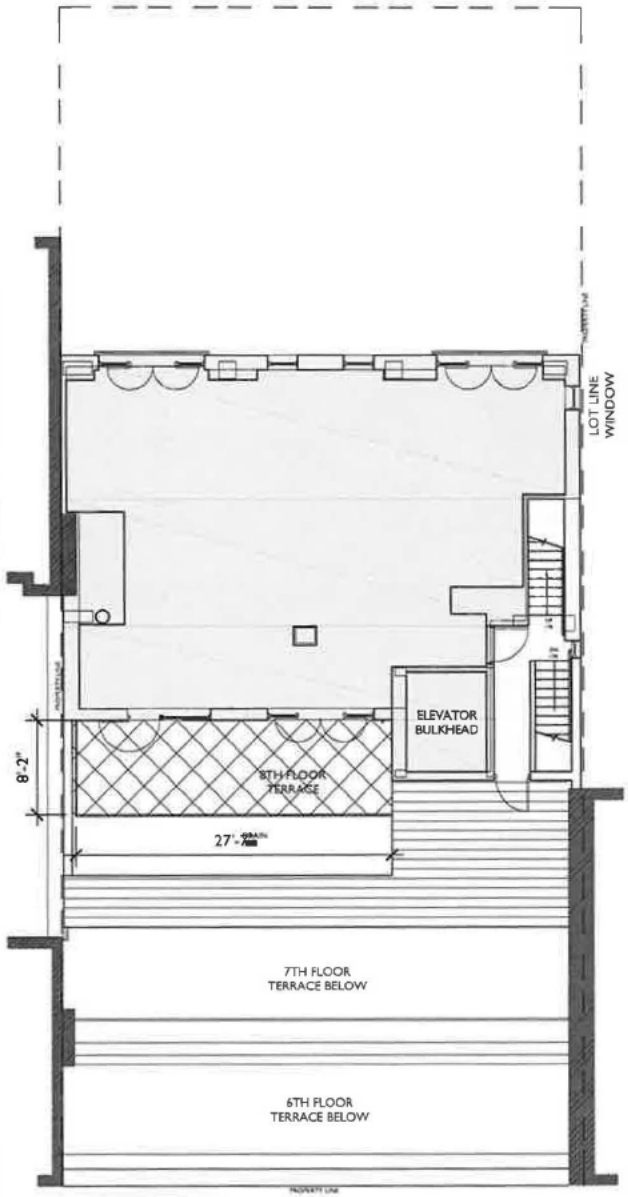
TOTAL LOWER LEVEL RESIDENTIAL GROSS SF: 2596 SF

TOTAL MIDDLE LEVEL RESIDENTIAL GROSS SF: 2035 SF

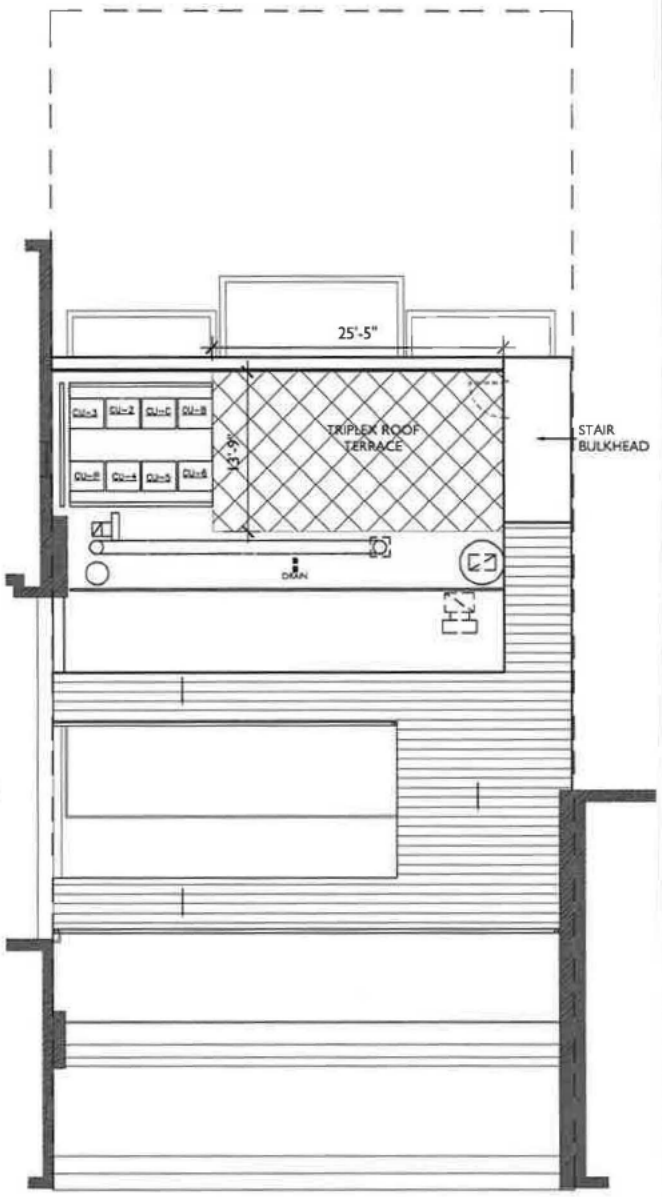
LOWER LEVEL BALCONY & TERRACE AREA: 430 SF
MIDDLE LEVEL BALCONY & TERRACE AREA: 550 SF

TOTAL PENTHOUSE STORAGE AREA: 75 SF

BARRY RICE ARCHITECT PLLC.
37 West 17th Street, New York, New York 10011
T: 212.944-1929



EIGHTH FLOOR
UNIT 6 TOP LEVEL TRIPLEX PENTHOUSE



ROOF

LEGEND		AREA
	RESIDENTIAL UNIT	1363 SF
	GENERAL COMMON ELEMENT	508 SF
	OUTDOOR AREA	580 SF
EIGHTH FLOOR TOTAL GROSS SF.		1868 SF

40 EAST 72ND STREET
NEW YORK, NY

AG SUBMISSION - SEPTEMBER 25, 2013

0' 9' 18'

LOT 44 BLOCK 1386

ARCHITECTURAL CERTIFICATION
STATE OF NE 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 LAYOUT, LOCATION, UNIT DESIGNATION AND APPROXIMATE DIMENSIONS OF THE UNITS.

SWORN BEFORE ME THIS _____DAY OF_____20_____

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TAX LOT CERTIFICATION

THE UNIT DESIGNATION AND THE TAX LOT NUMBERS HERON CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE REAL PROPERTY ASSESSMENT BUREAU OF THE CITY OF NEW YORK, BOROUGH OF MANHATTAN.
MEASUREMENT OF UNITS:

EACH UNIT WILL CONSIST OF THE AREA MEASURED HORIZONTALLY FROM THE CENTERLINE OF SHARED WALLS AND TO THE OUTERMOST SURFACE OF THE EXTERIOR WALLS. AREAS OF COMMON ELEMENTS WITHIN THE UNITS HAVE NOT BEEN DEDUCTED FROM THE STATED SIZE OF FLOOR AREAS. ANY COMMON ELEMENTS LOCATED WITHIN ANY UNIT SHALL NOT BE CONSIDERED AS PART OF THAT UNIT.

EACH UNIT WILL CONSIST OF THE AREA MEASURED VERTICALLY FROM THE TOP OF THE CONCRETE FLOOR TO THE UNDERSIDE OF THE CEILING.

THE SIZE OF EACH BALCONY OR TERRACE HAS BEEN COMPUTED FROM THE EXTERIOR FACE OF SUCH BALCONY OR TERRACE TO THE OPPOSITE EXTERIOR SURFACE OR THE EXTERIOR FACE OF THE EXTERIOR WALL OF THE BUILDING.

DECLARANT:

NAME: EAST 72ND STREET
ADDRESS: 152 WEST 57TH STREET, 60TH FLOOR, NEW YORK, NEW YORK 10019

UNIT 6 TOP LEVEL TRIPLEX PENTHOUSE

TOTAL TOP LEVEL RESIDENTIAL GROSS SF: 1363 SF

TOP LEVEL TERRACE AREA - 230 SF
ROOF TERRACE AREA - 350 SF

BARRY RICE ARCHITECT PLLC.
37 West 17th Street, New York, New York 10011
T: 212.944-1929

DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 40 East 72nd Street, New York County, City and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: "40 EAST 72ND STREET CONDOMINIUM"
Located at 40 East 72nd Street
New York, New York 10021

SPONSOR:

Axia Realty, LLC
1790 Broadway
Suite 1700
New York, New York 10019

DATE OF DECLARATION: _____, 20__.

The land affected by the within instrument lies in Block 1386 Formerly Tax Lot 44 and Now Known as Tax Lots ____ to ____ on the Tax Map of the Borough of Manhattan, County, City and State of New York.

Record and Return:

D'AGOSTINO, LEVINE, LANDESMAN & LEDERMAN, LLP
Attorneys for Sponsor
345 Seventh Avenue, 23rd Floor
New York, New York 10001
Attn: Jose M. Rivera, Esq.
(212) 564-9800

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as "40 East 72nd Street, Condominium" located at 40 East 72nd Street, County, City and State of New York, Pursuant to Article 9-B of Real Property Law of the State of New York.

Axia Realty, LLC, a New York limited liability company, with an office at 1790 Broadway, Suite 1700, New York, New York 10019, hereinafter referred to as "the Sponsor" and/or "Declarant" does hereby declare:

1. **Submission of Property**: Sponsor hereby submits the land hereinafter described, together with the building and improvements thereon erected (the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land or Building, which rights are being reserved by Sponsor for itself and any successors or assigns.

2. **Area and Location of Land**. The land ("Land") has an area of approximately 4,648.58 square feet and consists of all that certain tracts, plots, pieces and parcels of land situate, lying and being in the County, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple.

3. **Name of Condominium**. The Condominium shall be known as "40 East 72nd Street Condominium".

4. **Description of the Building**. The Sponsor is newly constructing the eight (8) story building situated at the Property. Hereinafter, the to-be-built structure shall be referred to as the "Building." The newly constructed Building shall be comprised of six (6) residential units (the "Residential Units"), two (2) storage space units (the "Storage Space Units"), plus other common elements of the Building as defined herein (the "Common Elements"). Hereinafter any or all of the Residential Units are individually or collectively referred to as the "Unit" or "Units." The Common Elements shall either be for the use of all the Unit Owners ("General Common Elements") or for the exclusive use of one (1) or more Unit Owners ("Limited Common Elements").

   The Building lies within the "Upper East-Side Historic District" and Sponsor's renovations will be in compliance with the standards established by the Landmarks' Preservation Commission of the City of New York. Any new exterior finishes of the Building, including any windows which are being installed by Sponsor, must be maintained in the future by the Condominium at its sole cost and expense. No renovation, alteration and/or improvement in the future may be made by the Condominium without the prior approval of the Landmarks' Preservation Commission. Each Unit Owner and the Board of Managers of the Condominium will be subject to the restrictions, covenants, easements, obligations and agreements, hereinafter collectively the "Agreements," set forth in the "Declaration of Designated Landmark Structure" recorded against the

Property. The possible effect of such Agreements may result in a higher cost to maintain the Building as opposed to a building which is not a designated structure.

The cellar level and first (1st) floor contain one (1) duplex Unit and a studio Unit. One (1) Residential Unit will be located on each of the second (2nd) and fifth (5th) floors. One duplex Unit will be located on the third (3rd) and fourth (4th) floors. One (1) triplex Unit will be located on the sixth (6th) through the eighth (8th) floor and will be known as the PH Unit. All Units (on the cellar through second (2nd) floors and fifth (5th) and sixth (6th) floors) will be either studio, three (3) or four (4) bedroom Units. Some of the Residential Units will have adjacent private yards, terraces and/or balconies which are directly accessed from those Units. These yards, terraces and/or balconies will be Limited Common Elements for the exclusive use of the respective individual Unit Owners of those apartments.

Additionally, there are four (4) individual storage spaces on the cellar level of Building. These storage spaces, if any, will be part of Residential Units 1, 2, 5 and PH, respectively.

Other than a Storage Space Unit held by Sponsor or a Sponsor-designee, Storage Space Units may only be owned by the owner of a Residential Unit. With regard to storage spaces and Storage Space Units held or owned by the Sponsor or a Sponsor-designee, the rental of storage spaces and a Storage Space Unit held or owned by Sponsor or a Sponsor-designee does not require the simultaneous ownership of a Residential Unit.

All private balconies or terraces adjacent to and directly accessed from a Unit shall have a traffic bearing surface consisting of either concrete or concrete pavers or such other equivalent material.

The Building being newly constructed is projected to be completed by December 2014. Pursuant to the New York City Building Code, the Class of Construction for the Building is Class 1-C Type non-combustible construction. A new Certificate of Occupancy will be obtained by the Sponsor upon final completion of the project.

Common Elements at the cellar level of the Building include mechanical rooms, electrical closet, superintendent's closet and bathroom, trash room, pump room, public corridors and staircases, the elevator switch room, the northernmost passenger elevator and its elevator pit located at the central core of the Building, the trash room and chute, a boiler/gas room, a service room, the electrical room, the fire pump room, as well as common service corridors and the fire staircases. The southernmost passenger elevator shall be a Limited Common Element for the exclusive use of the Owner of the Penthouse Unit, subject to an easement in favor of all Unit Owners for emergency access purposes or the mechanical breakdown of the northernmost passenger elevator.

Common Elements located at the first floor level include the main residential entrance to the Building located on East 72nd Street, the residential vestibule and lobby, mail area,

the elevator lobby, one-half bath, two (2) passenger elevators at the central core of the Building, as well as common service or public corridors and fire staircases.

Common Elements located at the second through seventh floors include a compactor chute, the elevator shaft for the northernmost passenger elevator at the central core of the Building, as well as a service corridor and the common fire staircases.

Common Elements located at the eighth floor include the elevator bulkhead, bulkhead, compactor chute as well as the fire staircases exiting at the eighth floor roof.

There are no other common recreational areas or facilities at the Property. Any other roofs or courtyards and/or areaways of the Building, including, but not limited to, the mechanical areas located at the main roof or other roofs of the Building and courtyards or areaways at the sides of the Building, are either common areas not meant for public access or use or Limited Common Elements for the exclusive use of one of the Unit Owners. Additionally, there are no parking facilities which are part of the Property and the Building does not have balconies or terraces other than described above.

There are two (2) "scissor stair" fire staircases at the core of the Building which run from the cellar level to the seventh (7th) floor roof level of the Building. The Building will have two (2) passenger elevators at the central core of the Building. There shall be a fire stairwell from the seventh (7th) floor to the eighth (8th) floor and the eighth (8th) floor to the main roof. The northernmost passenger elevator will service substantially all of the floors of the Building from, and including, the cellar, to and including, the sixth (6th) floor of the Building. The southernmost passenger elevator shall be a Limited Common Element for the exclusive use of the Owner of the Penthouse Unit, subject to an easement in favor of all Unit Owners for emergency access purposes or the mechanical breakdown of the northernmost passenger elevator. The elevator machinery room is located at the cellar of the Building and the elevator bulkheads on the seventh (7th) and (8th) floor roofs. There are no fire escapes at the Building.

There are two (2) "scissor stair" fire staircases at the core of the Building which run from the cellar level to the main roof of the Building. The Building will have two (2) passenger elevators at the central core of the Building. The elevators will service substantially all of the floors of the Building from, and including, the cellar, to and including, the seventh floor of the Building. The elevator machinery room is located at the cellar of the Building. There are no fire escapes at the Building.

The foundation system of the Building will be spread footings which rest on bedrock for the majority of the site or rest on suitable soils. Footings and grade beams to be 4,000 psi stone concrete reinforced with ASTM A615, Grade 60 steel reinforcing bar. The basement will be enclosed by the existing 16" thick and new 8" thick 4,000 psi foundation walls, 6" thick slab on grade to be 4,000 psi stone concrete reinforced with ASTM A185 welded wire fabric.

The superstructure of the Building shall consist of floors and roof to be 8" flab slab which is 5,000 psi stone concrete reinforced with ASTM A615, Grade 60 steel reinforcing bar; and concrete transfer girders and beams to be 5,000 psi stone concrete reinforced with ASTM A615, Grade 60 steel reinforcing bar.

The new exterior walls shall consist of: 4" full brick with hollow core lightweight aggregate back up concrete masonry units (CMU). CMU 1,800 psi, 28-day compressive strength. Reinforcement to be ASTM A615, Grade 60 steel reinforcing bar. Grout to be 1,500 psi, 28-day compressive strength; "Therma Fiber" rigid insulation to be fastened to exterior face of CMU; and the systems U Value is .10, which will exceed code requirements. The existing 16" brick street façade will be retained from cellar through 5th floor roof level. The existing façade is in good condition and will be cleaned and repaired prior to completion. There shall also be new standing seam zinc cladding on north façades on levels 7 and 8.

Windows shall consist of aluminum windows (Skyline DH-100) will be installed on the north side (East 72nd Street) elevation and aluminum windows and doors (Skyline 1000SG & 1700) shall be installed on east/west lot line elevations and south facing elevation. The window glass will be: (1) layer 1/4" thick annealed with solarban 60, 9/16" air gap, (1) layer 8/16" thick clear tempered glass. Window types shall be: replacement windows in existing north street façade shall be aluminum double-hung sash windows with exterior aluminum sheathing. Interior surface shall be factory painted white, exterior to be Benjamin Moore Yorkshire Tan; and new windows shall be aluminum inward swing hinged windows. The interior surface of windows shall be a single color prefinished powder coated epoxy white. Exterior will be Benjamin Moore Boothbay Gray.

Lot-Line Windows will have a tempered outer layer. All windows facing east or west are Lot-Line Windows as identified on floor plans located in Part II of the Plan. All windows will have a 10 (ten) year manufacturer warranty. The cost of closing a Lot-Line Window is approximately $2,500 per window.

The Lot-Line Windows do not provide the legal light and air required for residential occupancy. If an adjacent property owner builds a structure which covers the Lot-Line Windows, then they must be closed-up. Legal light and air which is required for the issuance of the certificate of occupancy for the Building, is being provided by the windows on the north and south facades. The Lot-Line Windows provide supplementary light and air only. The subsequent sealing of these Lot-Line Windows will not affect the validity of the certificate of occupancy. As Lot-Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new building or structure is constructed or expanded on an adjoining property.

In the event that any or all of the Lot-Line Windows must be sealed, all construction to enclose the windows shall be performed by the Sponsor, during the time period that Sponsor controls the Board of Managers of the Condominium, or after such control

period, by the Board of Managers of the Condominium. The cost and expense of such construction shall be the sole responsibility of the Unit Owner or Owners affected and such cost and expense shall be charged to the individual Unit Owners affected as a Special Assessment.

The Sponsor, if applicable, or the Board of Managers, their agents, contractors and employees, will have the right to enter any Unit(s) necessary to effect the enclosure of such lot-lined windows, should same be necessary. The Unit side of the enclosure will be finished with the same material originally used therein, if available, or if not available, then with such other finish material as will nearly as possible resemble such original material. Decoration of the affected area on the Unit side of the enclosure will also be the responsibility of the Unit Owner, at his or her sole expense.

The roof will be an applied membrane roof by "liquid plastics" (or equal) over concrete with 3"/high-density tapered insulation and gravel ballast, achieving an insulation U value of .067 and a system U value of .063 which meets the NYS Energy Code requirements. The roof will have a twenty (20) year manufacturer warranty which shall be assigned to the Condominium.

UTILITIES:

Domestic Water Supply: The domestic water supply, consisting of potable water, will be supplied via new domestic water service from New York City's public water main located on East 72nd Street. Water service will be metered, with one (1) meter for the residential and common areas of the Building, from which consumption will be measured and charges paid by the Condominium Association and the Unit Owners as a Common Expense.

Fire Protection Water Supply: The fire protection water supply will consist of providing new fire service from New York City's public water system.

Sewer: Combined Sanitary and Storm Sewer discharge from the Building will connect via new piping to the public combined storm/sewer system to East 72nd Street. Annual sewer charges will be paid by the Condominium Association and the Unit Owners as a Common Expense. The cost of the initial connection will be paid by Sponsor.

Natural Gas: Natural gas service will be supplied via Consolidated Edison's street gas main located on East 72nd Street. There will be two (2) meters, one (1) for base Building heating and hot water and one (1) for cooking for the Units. Usage charges will be paid by the Condominium Association and the Unit Owners as a Common Expense.

Electricity: New electric service shall enter the Building underground from East 72nd Street to the Building's electrical room located at the cellar level. The service shall supply all base Building mechanical loads, lighting and apartments. A utility meter will be provided for the power consumption of all base Building and common space areas.

Each Unit in the Residential Condominium will be individually metered with a remote Con-Edison direct meter located at the cellar level. The costs of the electricity consumption in each Unit shall be the responsibility of the respective Unit Owners.

There is no public or common laundry room at the Building. The Units will be provided with a laundry closet or laundry room with individual hook-ups for one (1) washer and one (1) dryer or, at the sole discretion of Sponsor, for a stackable unit which is a combination thereof. The washer and dryer units are being supplied by the Sponsor as part of the Offering Plan.

The Building is being constructed in accordance with all applicable zoning and buildings laws, regulations, codes and other requirements of the New York City Building Code and applicable zoning requirements.

5. **The Units**. Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: unit designation; tax lot number; percentage interest in the Common Elements; approximate square footage area of the Unit and its exclusive Limited Common Elements, if any; location; number of rooms and baths; and the portion of the Common Elements to which the Unit has immediate access. The location of each Unit is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit.

As shown on the Floor Plans of the Building (the "Floor Plans"), certified by Barry Rice Architects, PLLC, and intended to be filed in the New York County Office of the Register of the City of New York, simultaneously with the recording of this Declaration, the approximate physical dimensions of each Unit consists of the area of the Unit measured horizontally from the Unit side of the glass or the inside face of the exterior walls of the Building (concrete, brick and/or masonry columns and mechanical pipes and chases, whether located at the perimeter of the Unit and/or within the Unit, are not deducted for square footage calculations) to the centerline of the interior walls and partitions separating the Unit for another Unit, corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements; or to the Unit side of the glass or the line of the outside face of the drywall attached to the opposite exterior walls of the Building. Vertically, each Unit consists of the space at each floor of the Building between the upper face of the slab below (located under the finished floor and subfloor materials) and the upper face of the drywall ceiling above or where there is no dry wall ceiling, the under face of the floor slab above. Doors and windows which open from or form a border of a Unit shall be deemed part of the Unit.

Any mechanical equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, with all related ductwork and piping attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit

Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.

Any Common Elements located within a Unit will not be considered a part of such Unit.

6. **Common Elements**. The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon other than the Units or unless otherwise specified. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, without limitation, the following:

i. General Common Elements:

(1) The land on which the Building is physically erected, including any rear or side yard or courtyard areas, if any which are not a Limited Common element as set forth below, and all other lands comprising the Property, if any. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. Yard and/or courtyard areas or other areaways at the Property, if any, and the Limited Common Elements as described below are not intended for public use except for fire egress purposes; and are subject to the easement rights, if any, in favor of the Sponsor and/or a Sponsor-designee;

(2) To the extent they exist, all foundations, footings, columns, girders, floor slabs and concrete ceilings, beams, supports, and interior bearing walls (except to the extent included below as Limited Common Elements); those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or where applicable, those portions of the exterior walls beyond the interior face of the exterior walls or the concealed blockwork, brickwork or masonry or concealed structural members of those walls; those portions of the walls and partitions dividing the Units from the corridors, the elevator shafts, mechanical equipment spaces which are not part of a Unit, fire staircases and stairs located beyond the unexposed face of the dry walls enclosing the Units, or, where applicable, the blockwork, brickwork, masonry or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the elevator shafts, which are not specifically designated below as a Limited Common Element, fire staircases, stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads and roof areas which are not for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights and/or glass enclosures, if any, other than those

directly over Units; sprinkler systems, standpipe systems; service corridors, fire corridors, halls, stairs, and stairway areas located at all levels of the Building which are beyond the unexposed face of the dry walls or blockwork, brickwork, masonry or concrete work of the walls enclosing a Unit and are not specifically designated below as a Limited Common Element; storage and utility areas, if any, located at all levels of the Building and which are not part of a Unit or which are not specifically designated below as Limited Common Elements, and are located beyond the unexposed face of the drywalls or blockwork, brickwork, masonry or concrete work enclosing a Unit; all cellar areas which are not specifically designated below as a Limited Common Element and not part of a Unit; the sidewalks in front of the Building, including any tree, shrubbery, flower or other planting or horticulture tub or box located thereon; the service entrances to the Building, if any; the entrances to and exits from the Building, including any handicapped ramp adjacent thereto, together with any awnings or canopies, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;

(3) The boiler and gas room, mechanical rooms or other rooms located at the cellar level of the Building, including, but not limited to, building service room, boiler/gas room, telecommunication room, the electrical room, closets, including janitor's closet with a half-bath and the gas meters, water meters, electric meters, pumps and other equipment in the cellar; any and all cellar or other areas of the Building and Facilities which are not designated as part of a Unit or a Limited Common Element;

(4) The trash room together with any refuse room or rooms and compactor machinery and related Facilities located at the cellar level of the Building; the compactor chutes located on any floors of the Building, all of which shall be used in a manner to be determined by the Board of Managers in its sole discretion;

(5) The elevators, elevator machinery, their shafts and pits; the elevator switch room, the elevator bulkhead and elevator machine room, if any, for the elevators, together with all Facilities related thereto, located on any floor or roof of the Building, which are not specifically designated below as a Limited Common Element;

(6) The elevator lobbies, together with any compactor chute access room and/or trash room, mechanical rooms or equipment closets, if any, located on all floors of the Building and all Facilities related thereto;

(7) The lobby to the Building together with the adjoining 1/2 bathroom, mail and any storage areas, the mailboxes for all of the Units;

(8) All installations and Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which service the Units and/or the General Common Elements;

(9) All sewer pipes and drainage pipes;

(10) Those portions of the main roofs located at any level of the Building and those portions of the land, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, any ventilation or air-conditioning equipment or other related Facilities, if any, which service the Units and/or the General Common Elements;

(11) The heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service both the Units and/or the General Common Elements;

(12) Any piping and/or ductwork which is necessary for the functioning of the heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service both the Units and/or the General Common Elements;

(13) Any and all windows of the Building which are not part of a particular Unit;

(14) All street vaults, if any. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Owners as a Common Expense;

(15) Any common tanks, common water and cooling towers or tanks, pumps, including, but not limited to, motors, fans, compressors, ducts, siamese connections, and, in general, all apparatus and installations and Facilities existing for common use;

(16) All other apparatus, installations and Facilities existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building and the Units.

ii. Limited Common Elements. The following portions of the Common Elements will be Limited Common Elements which shall be for the exclusive use of an individual Unit Owner:

(1) The skylights, if any, existing or installed at some future date, that are directly above any Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units;

(2) Any fireplace, together with any flue and/or ductwork attached thereto, whether gas-fired or wood-burning, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner;

(3) The private yard, terraces and/or balconies, together with any fencing delineating such area, which are adjacent to or directly accessed from a particular Unit, as delineated on the Floor Plans. Nonstructural, ordinary repairs and maintenance of the private yard, terraces and/or balconies, together with any fencing which delineates such area, shall be the responsibility of the individual Unit Owner(s) who have the exclusive use thereof;

(4) The southernmost passenger elevator, its elevator machinery, shafts and pits, together with all Facilities exclusively related thereto, located on any floor or roof of the Building, which shall be a Limited Common Element to the Penthouse Unit, subject to an easement in favor of all Unit Owners for emergency access purposes and in the event of a mechanical breakdown to the northernmost elevator.

Notwithstanding anything to the contrary in this Paragraph numbered 6, since a Limited Common Element benefits only a particular Unit Owner, the costs of alteration, additional, repair, replacement and restoration thereto shall be borne solely by the Unit Owner who benefits from the Limited Common Element. In addition, except as otherwise provided in Article VI, Section 10 of the By-Laws, such Unit Owner shall be responsible for the normal operation, maintenance and repair of any such Limited Common Element at their sole cost and expense.

7. **Use of Units**. Subject to compliance with the By-Laws of the Condominium, each of the Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. Notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain

ownership of one or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

Any recreation rooms which are part of any Residential Unit and located at the cellar level are not meant for living or sleeping purposes. Such use of a recreation room is prohibited by the Zoning Resolution of the City of New York, as amended.

A Unit may only be occupied by: (i) any individual who is a Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Unit and is not being designated to use the Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of the foregoing.

Certain balconies are "Juliet Balconies," which are for decorative purposes only and are not to be stepped out onto. The Juliet Balconies are located adjacent to Units 2, 3/4, 5 and the PH Unit. for the exact location of each Juliet Balcony, please see the respective Unit drawings located in Part II of the Plan.

Notwithstanding anything herein to the contrary, any Rules and Regulations pertaining to the use of a storage space or Storage Space Unit will not be applicable to a storage space or Storage Space Unit held, owned or rented by Sponsor or Sponsor designee.

8. **Determination of Percentages in Common Elements**. The percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

9. **Encroachments**. If any portion of the Common Elements now encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of

condemnation or eminent domain proceedings; a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

10. **Maintenance and Operation of Internal Drains.**

A. Pursuant to the requirements of all applicable laws, ordinances and/or building codes, each Unit Owner, together with the Condominium, shall be responsible for the maintenance and operation of the internal drains within the Property which are Common Elements ("Internal Drains"). The cost of such maintenance and operation shall be a Shared Common Expense of all the Unit Owners.

B. Any charge or assessment for said maintenance and operation of the Internal Drains shall be a charge upon the Land or Unit against which the same are made and shall be a continuing lien upon the Land or Unit so charged or assessed. In addition such charge or assessment shall be the personal obligation of the record owner of such Land or Unit against which the same is made.

C. The Sponsor and/or Condominium and each Unit Owner thereof shall keep the Internal Drains wholly within the boundary lines of the Property, and its point of exit from the Property shall not be altered.

D. The Sponsor and/or Condominium and each and every Unit Owner thereof shall maintain the Internal Drains at all times throughout the life of the Condominium and Property. They shall be responsible for the abatement of any nuisance due to the use of the Internal Drains that would have an adverse effect on the health, safety and welfare of the City and State of New York.

E. The Sponsor shall insure that the utilization of the Internal Drains for the conveyance of the sanitary flow is to be designed as to size, shape, slope and velocity to have sufficient capacity to take the estimated peak sanitary flow from the Property.

F. The Sponsor and/or Condominium and each and every Unit Owner thereof, shall utilize the Internal Drains in such a manner, that it will not in any way have an adverse effect on the City of New York's complete or pending sanitary and storm water drainage plans for the tributary drainage area or the separate sewer outlets.

11. **Easements.**

A. Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of

Managers shall have a right of access to all General Common Elements, to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained within a particular Unit or elsewhere in the Building. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit and in favor of other Units and the Common Elements.

B. The Sponsor and its designees, their successors, assigns, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon of recreation facilities, if any, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, flues, cables, wires, storm drainage facilities, water, sewer and other utility lines for the benefit of the recreation facilities, if any, and (ii) construction and installation of, whether on the interior or exterior of the Building, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables necessary for the use of its Units, and (iii) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

C. The Sponsor, its designees and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one (1) or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and (ii) reserve the right to establish, grant and create easements for any additional underground, exterior wall mounted, or roof-top electric transformer, amplifier, gas, cable television, telephone, satellite, telecommunication equipment, water, storm drainage, sewer or other utility lines or services and appurtenances in, under, over and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility or equipment easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Sponsor or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of the recreation facilities, if any, provided that such additional utilities or equipment or the relocation of existing utilities or equipment will not

prevent or unreasonably interfere with the use of the Residential Units for dwelling purposes or home occupation purposes. Any utility company or service company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as to not unreasonably interfere with the use of the Units.

D. All Unit Owners, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the common entrances to the Building and through the public staircase in, on, over and across the main roofs or other applicable roofs of the Building for the sole purpose of maintaining, repairing and/or replacing any mechanical equipment, including but not limited to, air-conditioning equipment, located on such roofs of the Building which services one or more of the Units.

E. Sponsor, its assignee or designee and their respective successors, assigns, invitees, licensees, contractors, employees, agents and tenants shall have such rights of access, storage and use necessary to fulfill obligations under the Plan (in the case of Sponsor) and/or to effectuate the rights of such parties to make alterations, additions, improvements or repairs to Units owned by each, respectively, including without limitation the right to (i) use the elevator, stairs and other Building facilities during customary industry practice construction hours; (ii) maintain roll-off refuse containers on the Property and dumpsters adjacent to the Property; (iii) store and maintain tools and materials on the Property; (iv) connect to and use the Building's common electricity, water and other utility services and facilities with the cost thereof being a Common Expense paid by all Unit Owners as part of their Common Charges; (v) compel Unit Owners to facilitate penetration and entry into Units to permit the extension and provision of Building services to space under construction or to work, and (vi) erect and maintain hoists, sidewalk sheds, sidewalk fences and temporary walkways, construction shacks and trailers in the street adjacent to and on the Property.

F. Sponsor and its designee(s) shall have the right, until the tenth (10th) anniversary of the First Unit Closing, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions (e.g., with respect to any sales programs for Unsold Units). Such activities will result in excess traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building.

G. The Board of Managers, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the common entrances to the Building and through the public staircase in, on, over and across the Units, Limited Common Elements and General Common Elements,

including, but not limited to, storage spaces, the main roofs or other applicable roofs of the Building and private terraces, for the sole purpose of maintaining, cleaning, repairing and/or replacing (i) any windows of the Building; (ii) the exterior facade of the Building; and (iii) any mechanical equipment, including but not limited to, air-conditioning equipment and/or window washing equipment, located on such roofs of the Building which services or is for the benefit of one or more of the Units. Such easement in favor of the Board of Managers, their servicemen, consultants and/or repairmen, shall include the right to temporarily remove any fencing or other improvements located on and/or which demarcate any such roof areas.

H. Each Unit Owner shall have an easement in common with the Owners of other Units to use for the sole purpose of fire ingress and egress through a passage which runs along the easterly side of the premises located at 50 East 72nd Street for the sole purpose of permitting Unit Owners ingress to and egress from the premises to the public street on 72nd Street in the event of a fire in the Unit Owners' premises. The owner of 50 East 72nd Street may alter the exact route of passageway provided that the Unit Owners are given an equivalent route to gain ingress to and egress from the Unit Owners' premises in the event of a fire on the Unit Owners' premises. A copy of the recorded easement is located in Part II of the Plan.

I. In addition, each Unit shall have an easement for the exclusive use, alone or in common with one or more other specified Units, of its Limited Common Elements.

J. All Unit Owners shall have an easement to use the southernmost passenger elevator, which is a Limited Common element for the exclusive use of the Penthouse Unit Owner, for emergency access or in the event of a mechanical breakdown of the northernmost passenger elevator.

K. The user of any easement granted by subparagraphs B, C, D, E, F, G, H, I and J of this Paragraph 11 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Board of Managers for any easement granted herein.

12. **Power of Attorney to Board of Managers and Sponsor**. Each Unit Owner, their successors assigns and/or heirs, shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers. Each Unit Owner, their successor, assigns and/or heirs,

shall also grant to the Sponsor or its designee, an irrevocable power of attorney, coupled with an interest, to exercise Sponsor's or Sponsor designee's rights hereunder, including but not limited to, the Sponsor's or Sponsor designee's rights set forth in Paragraph numbered 20 hereinafter. The Form of Power of Attorney to the Board of Managers and Sponsor is attached hereto as **Exhibit D**.

13. **Acquisition of Units by Board of Managers**. In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium; (hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase from any Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, pursuant to Section 1 of Article VIII of the By-Laws, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

14. **Person to Receive Service**. For the period during which Sponsor is in control of the Board of Managers, Axia Realty, LLC with an office at 1790 Broadway, Suite 1700, New York, New York 10019, is hereby designated to receive notice of process in any action which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the Office of the Condominium, at 40 East 72nd Street, New York, New York 10021. In addition, the Secretary of State of the State of New York, as agent of the Board of Managers, and any successor to the jurisdiction thereof, is hereby designated to receive service of process in any action that may be brought against the Condominium.

15. **Units Subject to Declaration, By-Laws and Rules and Regulations**. All present and future 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, as they may be amended from time to time. The initial By-Laws of the Condominium are attached hereto as Exhibit E. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to

be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

16. **Amendment to Declaration**. This Declaration may be amended, modified, added to or deleted from by the vote of at least sixty-seven percent (67%) in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by sixty-seven percent (67%) in number and in Common Interest of all Unit Owners, provided, however:

(a) No amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgagee;

(b) No amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagee(s) of such Unit, or Units, if any;

(c) No amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee, or any Unsold Unit until Sponsor or such designee, as the case may be, shall consent thereto in writing.

The Sponsor hereby reserves to itself and its designee(s) the right to amend the Condominium Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of (i) filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions 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 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 330-p; and/or (ii) conforming the Declaration to the requirements of applicable state and local condominium laws and/or the legal requirements of the Department of Housing and Urban Development of the United States of America ("HUD"), including, but not limited to, HUD Revised Legal Policy which is attached as appendix 24 of HUD Handbook 4265.1, as same may be amended from time to time, or any other governmental authority or agency, to qualify the Condominium for any applicable Unit financing, including, but not limited to, financing of the Federal Housing Authority of the United States of America ("FHA") and/or Fannie Mae financing.

No such amendment shall be effective until recorded in the New York County Office of the Register of the City of New York.

17. **Changes in Unsold Units.** For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities, including the Landmarks Preservation Commission, if applicable, having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

In connection with the foregoing as it relates to the Unsold Units, the Sponsor or its designee shall cause the Declaration to be amended, if necessary. Sponsor or its designee shall have the right pursuant to the Powers of Attorney granted by Unit Owners to amend and record any amendment to the Declaration on behalf of the Condominium and all Unit Owners as required to reflect the foregoing without any further consent of the Condominium Board, Unit Owners or Permitted Mortgagees. Sponsor or its designee shall each have the right, upon its request, to require any other Unit Owners or the Condominium Board or its officers to execute, file and/or record any amendment to the Declaration, together with any application, documents or instruments as they deem appropriate to effectuate the same, or any application, documents or instruments required by any governmental or quasi-governmental agency having or asserting jurisdiction in connection with the foregoing, or any application, documents or instruments necessary in connection with any change, addition, decoration, alteration, improvement, repair or subdivision of any Units owned by said parties or any operation of any Unit owned by said parties, at which time, the requesting party shall indemnify and hold the Condominium Board and the other Unit Owners and Sponsor or its designee harmless from any expense or liability by virtue of the execution of any of such applications, document or instruments. As an alternative, Sponsor or its designee shall have the right pursuant to the Powers of Attorney granted by Unit Owners to execute, file and/or record any such applications, documents or instruments on behalf of the Condominium Board and all Unit Owners. For purposes of recording any amendment to the Declaration or executing, filing or recording any applications, documents or instruments, Sponsor or its designee may rely on the authority contained in the Power of Attorney and no further consent of the Board or the Unit Owners or Permitted Mortgagees is required.

In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit

Owners, if any, who are adversely and directly affected as a result of the above changes. The provisions of this paragraph 17 may not be added to, amended or deleted without the prior written consent of the Sponsor or its designees(s).

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

18. **Invalidity**.

(a) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or 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 the 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 or 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 or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

(b) Subject to the terms of paragraph (a) of this clause 18, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration or 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 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.

19. **Termination of Condominium**. The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if

authorized by an affirmative vote of Unit Owners that own not less than eighty percent (80%) in number and in Common Interest of the Units and the affirmative vote of Eligible Holders of first mortgages on Units to which not less than sixty-seven percent (67%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty percent (80%) in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the 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 off out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

20. **Sponsor's Retention of Transferable Air Rights and/or Development Rights.**

(a) As against all other Unit Owners, their successor, assigns and/or heirs, and the Board of Managers of the Condominium and any mortgagees thereof, the Sponsor, its successors and assigns, shall have the exclusive right to cause any part or all unused transferable air rights and/or development rights pertaining to the Property, which Sponsor is herein reserving for itself, its successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three terms are now defined in the Zoning Resolution of the City of New York, as amended. Sponsor has also bound itself, its successors and assigns from transferring, assigning, or surrendering in whole or in part any transferable air rights and/or development rights, if such transfer, assignment or surrender shall (i) make illegal the erection, existing or restoration or use of the Building at the time of the recordation of this Declaration, or (ii) will allow any party, including Sponsor as the holder of Unsold Units, to build on or directly above the land and/or expand the Building. However, with regard to (ii) above, the Sponsor, its successors and assigns may transfer in whole or in part any transferable air rights and/or development rights to the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers, but in such event, any construction by the Condominium shall be made only in accordance with the Condominium's Declaration and By-Laws. As defined herein, "transferable air rights and/or development rights" shall include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution.

(b) The Sponsor, its successors and assigns, herein have the right to cause the Board of Managers and all of the Unit Owners to take such action and execute, acknowledge, deliver and record, at the sole cost and expense of Sponsor, and/or

its successors and assigns, in the Register's Office of the County of New York in the City of New York and elsewhere, if required by law, such instruments and documents, including, but not limited to (i) lease(s), zoning lot agreement(s), declaration(s), and/or grant(s) of such Unit Owner's and such Board's interests, if any, in the Property with respect only to any transferable air rights and/or development rights for the purpose of confirming the ownership of Sponsor and/or its successors and assigns in such rights and/or for the purpose of effectuating the transfer, assignment or surrender of such rights by Sponsor and/or its successors and assigns; (ii) any amendment to this Declaration which the Sponsor and/or its successors and assigns deems necessary or appropriate to effectuate the purpose of this Paragraph 20.

(c) Failure of the Unit Owners and Board of Managers to comply with the terms of this Paragraph 20 shall result in liquidated damages payable by the Board of Managers to the Sponsor, and/or its successors and assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor and/or its successors and assigns for the transfer, assignment or surrender of such transferable air rights and/or development rights.

(d) If any provision that is necessary to effectuate the purposes of this Paragraph 20 is missing, then such provision shall be deemed included as part of paragraph 20, including, but not limited to, any provision required by law to limit the reservation of the contingent rights as set forth herein. Any term of limitation, if required to be measured, may be determined by the use of the life of Sponsor, any principal thereof or the children of any principal thereof plus twenty-one (21) years.

21. **Common Expense**. Common Expenses of the Condominium shall mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws.

22. **Covenant of Further Assurances**.

(a) Any person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person, such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(b) If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledgment, 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 take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Board of Managers or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Board of Managers, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of Sponsor, then the Sponsor is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner, or other Person, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other Person, as the case may be.

23. **Definitions**. All capitalized terms used in this Declaration that are not defined herein shall have the meanings set forth in **Schedule C** which is annexed to this Declaration and made a part hereof. Each of the capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

24. **Waiver**. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

25. **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 this Declaration nor the intent of any provision thereof.

26. **Gender**. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the party has caused this Declaration to be executed by its duly authorized representative this _____ day of _____, 20__.

Sponsor/Declarant:

Axia Realty, LLC

By:_____
Name: _____
Title: _____

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

On the _____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE A
TO THE DECLARATION
OF CONDOMINIUMS OF THE PREMISES
KNOWN AS

"40 EAST 72ND STREET CONDOMINIUM"

40 EAST 72ND STREET
NEW YORK, NEW YORK 10021

ALL THAT CERTAIN plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of 72nd Street, distant 177 feet westerly from the corner formed by the intersection of the southerly side of 72nd Street, and the westerly side of Park Avenue (formerly 4th Avenue);

RUNNING THENCE southerly parallel with Park Avenue (formerly 4th Avenue) and through a party wall, 102 feet 2 inches to the center line of the block between 71st and 72nd Streets;

THENCE westerly along said center line of the block 45 feet 6 inches;

THENCE northerly parallel with Park Avenue and through a party wall, 102 feet 2 inches to the southerly of 72nd Street; and

THENCE easterly along the southerly side of 72nd Street, 45 feet 6 inches to the point or place of BEGINNING.

Being and intended to be the same Premises as the premises conveyed to the Grantor herein by deed from Goodhope LLC, dated November 3, 2009 and recorded November 17, 2009 in City Register File No. 2009000376311.

Said Premises being commonly known as 40 East 72nd Street, New York, New York 10019, and designated on the Tax Map of New York County as Block 1386 formerly known as Lot 44.

TOGETHER with all right, title and interest, if any, to any interior strips or gores adjoining the above-described premises on any sides thereof.

SCHEDULE B
TO THE DECLARATION OF
40 EAST 72ND STREET CONDOMINIUM
40 EAST 72ND STREET
NEW YORK, NEW YORK
BLOCK 1386 F/K/A LOT 44 N/K/A Lots ___ through ____

11/12/2014

Unit*	Tax Lot Number	Percentage Interest In Common Elements	Approximate Square Foot Area of Unit*	Approximate Square Foot Area of Terrace, Balcony and/or Yard Which is Limited Common Element	Location	Number of Rooms/Baths	Common Elements To Which Unit Has Immediate Access
1	TBD	14.5680%	3180	1283	Cellar & 1st Floor	3 BD/3.5/D/G	Public Hall, Elevator & Stairs
1A	TBD	0.7308%	288	-	1st Floor	0 BD/1/S	Public Hall, Elevator & Stairs
2	TBD	13.4961%	2893	6	2nd Floor	3 BD/3.5/B	Public Hall, Elevator & Stairs
3/4	TBD	27.0897%	5680	93	3rd & 4th Floor	TBB/D	Public Hall, Elevator & Stairs
5	TBD	14.0808%	2894	87	5th Floor	3 BD/3.5/B	Public Hall, Elevator & Stairs
PH**	TBD	29.5698%	5491	1560	6th & 7th Floors & PH	4 BD/6/Tr/T	Public Hall, Elevator & Stairs
Total Residential		99.5352%	20426	1746			
Storage 3	TBD	0.2280%	52		Cellar		Public Hall, Elevator & Stairs
Storage 4	TBD	0.2368%	51		Cellar		Public Hall, Elevator & Stairs
Total Storage		0.4648%	103				
Grand Totals:		100.0000%	20529	3029			

BD - denotes Bedroom(s).
B - denotes balcony(s).
D - denotes Duplex Unit.
PH - denotes Penthouse Unit.
S - denotes Studio Unit.
T - denotes private terrace(s).
Tr - denotes Triplex Unit.

* The approximate gross square footage of Residential Units 1, 2, 5 and PH include the approximate gross square footage of its respective storage area which is located in the cellar level of the Building.

Residential Unit	Storage Area	Approx. Sq. Ft of Storage Area
1	Storage 1	57
2	Storage 2	53
5	Storage 5	54
PH	Storage 6	72
		236

TBB - denotes to be built by purchaser and based upon the to be determined build out by the purchaser of the Unit.

** The southern most passenger elevator shall be a Limited Common Element for the exlcusive use of the PH Unit subject to an easement for use by all Unit Owners in the case of an emergency or in the event of a mechanical breakdown of the northern most elevator.

SCHEDULE C
TO THE DECLARATION
OF CONDOMINIUMS OF THE PREMISES
KNOWN AS

"40 EAST 72ND STREET CONDOMINIUM"

LOCATED AT
40 EAST 72ND STREET
NEW YORK, NEW YORK 10021

DEFINITIONS

"Appurtenant Interest"	-	With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers 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.
"Assessments"	-	The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, (except as otherwise provided in the Declaration or in the By-Laws).
"Board of Managers" or "Condominium Board"	-	The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.
"Building"	-	The structure known as "40 East 72nd Street Condominium", a condominium being newly constructed at 40 East 72nd Street, New York, New York.
"Common Charges"	-	Each Unit Owner's proportionate share of the Common Expenses (as defined in the Condominium Documents), payable by the individual Unit Owner.

"Common Elements"	-	All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.
"Common Expenses"	-	(a) Expenses of operation of the Property, and (b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.
"Common Interest"	-	The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
"Condominium"	-	A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan "Condominium" specifically refers to "40 East 72nd Street" also known as the "40 East 72nd Street Condominium."
"Condominium Act"	-	Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
"Condominium Documents"	-	The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
"Consummation of the Plan"	-	Means filing the Declaration of Condominium and the first transfer of title to a condominium unit to at least one (1) purchaser under the Plan following a declaration of effectiveness by the Sponsor and acceptance of the Amendment by the Department of Law confirming or declaring the Plan effective.
"Declaration"	-	The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium

Act, consistent with the provisions of the New York Condominium Act and the By-Laws.

"Eligible Holder" - A holder, insurer or guarantor of a first (1st) mortgage on a Unit.

"Facility" or "Facilities" - As used in the Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the board scope of that term: system, equipment, apparatus, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off value or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mailbox, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering.

"Filing" - Means the issuance of a letter from the Attorney General stating that an Offering Plan and/or an Amendment has been accepted for filing.

"First Unit Closing" - The first closing of title with a bona fide purchaser of a Residential Unit.

"Floor Plans" - The floor plans of the Units certified by a licensed engineer or registered architect, and filed in the Register's Office of New York County simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

"General Common Elements" - The General Common Elements include, without limitation:

(1) The land on which the Building is physically erected, including any rear or side yard or courtyard areas, if any which are not a Limited Common element as set forth below, and all other lands comprising the Property, if any. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. Yard and/or courtyard areas or other areaways at the Property, if any, and the Limited Common Elements as described below are not intended for public use except for fire egress purposes; and are subject to the easement rights, if any, in favor of the Sponsor and/or a Sponsor-designee;

(2) To the extent they exist, all foundations, footings, columns, girders, floor slabs and concrete ceilings, beams, supports, and interior bearing walls (except to the extent included below as Limited Common Elements); those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or where applicable, those portions of the exterior walls beyond the interior face of the exterior walls or the concealed blockwork, brickwork or masonry or concealed structural members of those walls; those portions of the walls and partitions dividing the Units from the corridors, the elevator shafts, mechanical equipment spaces which are not part of a Unit, fire staircases and stairs located beyond the unexposed face of the dry walls enclosing the Units, or, where applicable, the blockwork, brickwork, masonry or concrete work of the interior

walls of the Building separating one Unit from another Unit, or from corridors, the elevator shafts, which are not specifically designated below as a Limited Common Element, fire staircases, stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads and roof areas which are not for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights and/or glass enclosures, if any, other than those directly over Units; sprinkler systems, standpipe systems; service corridors, fire corridors, halls, stairs, and stairway areas located at all levels of the Building which are beyond the unexposed face of the dry walls or blockwork, brickwork, masonry or concrete work of the walls enclosing a Unit and are not specifically designated below as a Limited Common Element; storage and utility areas, if any, located at all levels of the Building and which are not part of a Unit or which are not specifically designated below as Limited Common Elements, and are located beyond the unexposed face of the drywalls or blockwork, brickwork, masonry or concrete work enclosing a Unit; all cellar areas which are not specifically designated below as a Limited Common Element and not part of a Unit; the sidewalks in front of the Building, including any tree, shrubbery, flower or other planting or horticulture tub or box located thereon; the service entrances to the Building, if any; the entrances to and exits from the Building, including any handicapped ramp adjacent thereto, together with any awnings or canopies, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;

(3) The boiler and gas room, mechanical rooms or other rooms located at the cellar level of the Building, including, but not limited to, building service room, boiler/gas room, telecommunication room, the electrical room, closets, including janitor's closet with a half-bath and the gas meters, water meters, electric meters, pumps and other equipment in the cellar; any and all cellar or other areas of the Building and Facilities which are not designated as part of a Unit or a Limited Common Element;

(4) The trash room together with any refuse room or rooms and compactor machinery and related Facilities located at the cellar level of the Building; the compactor chutes located on any floors of the Building, all of which shall be used in a manner to be determined by the Board of Managers in its sole discretion;

(5) The elevators, elevator machinery, their shafts and pits; the elevator switch room, the elevator bulkhead and elevator machine room, if any, for the elevators, together with all Facilities related thereto, located on any floor or roof of the Building, which are not specifically designated below as a Limited Common Element;

(6) The elevator lobbies, together with any compactor chute access room and/or trash room, mechanical rooms or equipment closets, if any, located on all floors of the Building and all Facilities related thereto;

(7) The lobby to the Building together with the adjoining 1/2 bathroom, mail and any storage areas, the mailboxes for all of the Units;

(8) All installations and Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat,

telephone and water which service the Units and/or the General Common Elements;

(9) All sewer pipes and drainage pipes;

(10) Those portions of the main roofs located at any level of the Building and those portions of the land, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, any ventilation or air-conditioning equipment or other related Facilities, if any, which service the Units and/or the General Common Elements;

(11) The heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service both the Units and/or the General Common Elements;

(12) Any piping and/or ductwork which is necessary for the functioning of the heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service both the Units and/or the General Common Elements;

(13) Any and all windows of the Building which are not part of a particular Unit;

(14) All street vaults, if any. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Owners as a Common Expense;

(15) Any common tanks, common water and cooling towers or tanks, pumps, including, but not limited to, motors, fans, compressors, ducts, siamese connections, and, in general, all apparatus and

installations and Facilities existing for common use;

(16) All other apparatus, installations and Facilities existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building and the Units.

"Insurance Trustee" - A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.

"Land" - All that certain tracts, plots, pieces and parcels of land situate, lying and being in City of New York, County and State of New York as more particularly described in Schedule A to the Declaration.

"Law" - The laws and ordinances of any or all of the Federal, New York State, New York City, and New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities, including the Landmarks Preservation Commission, having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

"Limited Common Elements" - Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners and, unless otherwise specified, the maintenance and repair of which is the responsibility of the Unit Owners or Owners to which the exclusive use has been allocated. In this Plan, the following are Limited Common Elements which shall be for the exclusive use of an individual Unit Owner(s):

(1) The skylights, if any, existing or installed at some future date, that are directly above any Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be

the responsibility of the individual Unit Owners of such Units;

(2) Any fireplace, together with any flue and/or ductwork attached thereto, whether gas-fired or wood-burning, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner;

(3) The private yard, terraces and/or balconies, together with any fencing delineating such area, which are adjacent to or directly accessed from a particular Unit, as delineated on the Floor Plans. Nonstructural, ordinary repairs and maintenance of the private yard, terraces and/or balconies, together with any fencing which delineates such area, shall be the responsibility of the individual Unit Owner(s) who have the exclusive use thereof;

(4) The southernmost passenger elevator, its elevator machinery, shafts and pits, together with all Facilities exclusively related thereto, located on any floor or roof of the Building, which shall be a Limited Common Element to the Penthouse Unit, subject to an easement in favor of all Unit Owners for emergency access purposes and in the event of a mechanical breakdown to the northernmost elevator.

"Majority" - Majority of Unit Owners means either (i) more than fifty percent (50%) in Common Interest in the aggregate, or (ii) more than fifty percent (50%) in number of Units in the aggregate, or (iii) more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common

Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.

"Managing Agent" - A person employed by the Condominium Board pursuant to Article II, Section 4 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.

"Offering Plan" - The document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".

"Operation of the Property" - The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.

"Person" - A natural person, corporation, limited liability company, partnership, association, trustee or other legal entity.

"Power of Attorney" - The document, signed by Unit Owners, which appoints:

(i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine.

(ii) the Sponsor, its designee and/or the Commercial Unit Owner, as attorney- in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the

Condominium or any of said documents under certain conditions set forth in the Power of Attorney.

(iii) the Sponsor, as attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the unused transferable air rights and/or development rights which Sponsor has retained for itself, and/or its successors and assigns.

"Property" - Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple absolute, (ii) all easements, rights and appurtenances belonging thereto, and (iii) all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.

"Purchaser" - Any Person who has entered into an agreement with Sponsor to purchase a Residential Unit and is not in default thereunder.

"Recording officer and "Recording" or "Recorded" - Shall have the meanings stated in Section Two Hundred Ninety (§290) of the New York State Real Property Law.

"Residential Unit" - A designated apartment in the Building comprising the Condominium which is owned in fee simple absolute.

"Residential Units" - Collectively, all the apartments in the Building.

"Residential Unit Owner" - Means the person, persons or entity owning a Residential Unit in fee simple absolute.

"Rules and Regulations" - The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not

in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

"Selling Agent" - The entity which will, on behalf of the Sponsor, originate and supervise sales of Units. Town New Development Sales & Marketing LLC is the Selling Agent pursuant to the terms of the Offering Plan.

"Sponsor" - The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; Axia Realty, LLC is the Sponsor of this Offering Plan.

"Sponsor-designee" - Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".

"Storage Space Unit" - A designated storage space in the Building comprising the Condominium which is owned in fee simple absolute.

"Storage Space Units" - Collectively, all the Storage Space Units in the Building.

"Storage Space Unit Owner" - Means the person, persons or entity owning a Storage Space Unit in fee simple absolute.

"Unit" - Any space in the Building designated as a Unit. Each Residential Units 1, 2, 5 and PH include their respective designated storage spaces located in the cellar level of the Building. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a private yard, balcony and/or a private terrace. Any mechanical equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, with all

related ductwork and piping attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.

"Unit Deed" - The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.

"Unit designation" - The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the floor plans.

"Unit Owner" - The person or persons, or entity owning a Unit in fee simple absolute. It collectively means the respective owners of the Residential and Storage Space Units.

"Unsold Units" - Any Unit owned by Sponsor or its designee at the time in question.

EXHIBIT D
TO THE DECLARATION
OF CONDOMINIUMS OF THE PREMISES
KNOWN AS

"40 EAST 72ND STREET CONDOMINIUM"

LOCATED AT
40 EAST 72ND STREET
NEW YORK, NEW YORK 10021

POWER OF ATTORNEY

The undersigned, _____ the Owner of Residential Unit No. _____ located at 40 East 72nd Street, New York, New York, in the Condominium known as "40 East 72nd Street Condominium" consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 20__, and recorded in the Office of the Register of the City of New York, County of New York, as CRFN _____ and on the Floor Plans on file in said office as CRFN _____, do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of "40 East 72nd Street Condominium" jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their common interests, any Unit whose Owner desires to abandon or sell the same, including the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) to otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

The acts of majority of such persons shall constitute the acts of said attorneys-in-fact.

The undersigned do hereby nominate, constitute and appoint Axia Realty, LLC, a New York limited liability company ("Sponsor") and/or Sponsor's designee as attorneys-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to severally amend from time to time the Declaration, the By-Laws and the Rules

and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to effectuate the provisions of Articles 17 and 18 of the Declaration and any other provision thereof or set forth in the Condominium's By-Laws and/or Rules and Regulations, or to reflect any change 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 Articles 17 and 18 of the Declaration or any other provision thereof or set forth in the Condominium's By Laws and/or Rules and Regulations, or (2) shall be required by (a) an institutional lender procured by Sponsor or its designee, 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 or its designee, to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. With regard to Sponsor's Unsold Units, the terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

The undersigned do further nominate, constitute and appoint Axia Realty, LLC, a New York limited liability company, as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to execute any document on behalf of the undersigned, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, in whole or in part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its successors and assigns in accordance with Paragraph numbered 20 of the Declaration. This power of attorney shall in no way be construed to grant any interest in such transferable air rights and/or development rights to the undersigned.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this _____ day of _____, 20__.

_____

_____

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

On the _____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the _____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

EXHIBIT E

BY-LAWS

OF

THE CONDOMINIUM OF THE PREMISES

KNOWN AS

"40 EAST 72ND STREET CONDOMINIUM"

LOCATED AT
40 EAST 72ND STREET
NEW YORK, NEW YORK 10021

Borough of Manhattan

New York County, City and State of New York

D'AGOSTINO, LEVINE, LANDESMAN & LEDERMAN, LLP
ATTORNEYS FOR SPONSOR
345 SEVENTH AVENUE, 23RD FLOOR
NEW YORK, NEW YORK 10001
ATTN: JOSE M. RIVERA, ESQ.

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BY-LAWS
OF
THE CONDOMINIUMS OF THE PREMISES
KNOWN AS

"40 EAST 72ND STREET CONDOMINIUM"
LOCATED AT 40 EAST 72ND STREET
NEW YORK, NEW YORK 10021

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. **Unit Ownership**. The property, located in the borough of New York, New York County, City and State of New York at 40 East 72nd Street, New York, New York (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the New York County Office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as "40 East 72nd Street Condominium" and is sometimes referred to as the "Condominium" or "Condominiums."

Section 2. **Applicability of By-Laws**. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Units and the Common Elements, whether General Common Elements or Limited Common Elements), but excluding any unused transferable air rights and/or development rights pertaining to the land and building which rights are being reserved by Sponsor for itself and any successors or assigns, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units."

Section 3. **Application**. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Addendum To The By-Laws.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. **Definitions**. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in **Schedule C** to the

Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 5. **Office**. The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

BOARD OF MANAGERS

Section 1. **Status of the Board of Managers**. Unless and until the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Board of Managers shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2. **Number and Term**. The number of Managers which shall constitute the whole Board shall be not less than three (3) and not more than five (5). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners; thereafter, all Managers, other than a representative of Sponsor or its designee, shall be Unit Owners, the principal or officer of a Unit Owner or the spouse of a Unit Owner. The number of Managers elected at the first (1st) such meeting shall be three (3). Thereafter, within the limits above specified, the number of Managers shall be determined by the Unit Owners at their annual meetings. The Managers shall be elected at the annual meeting of the members. There shall always be an odd number of Managers. The Managers shall hold office until their successors have been elected and hold their first meeting. But, in any event, the terms of the members of the Board of Managers shall expire annually.

Section 3. **Powers and Duties**. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

a. Contracting for the necessary services for operation, care, upkeep and maintenance of the Common Elements.

b. Determination of the Common Expenses and Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.

c. Collection of the Common Charges and expenses of the Condominium from the Unit Owners.

d. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.

e. Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property subject to a right of the Unit Owners to overrule the Board (See Article VI, Section 16).

f. Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

g. Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers.

h. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

i. Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws.

j. Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

k. Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.

l. To incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (i) 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 (ii) the terms of the Declaration and these By-Laws shall prevail in the

event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and bylaws;

m. Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof.

n. Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

o. Negotiation and settlement of all claims and actions relating to the Condominium.

p. Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of a majority of all Unit Owners shall be required for the borrowing of any sum in excess of $10,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Unit Owner. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (p) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

q. Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property and levying late payment charges against Unit Owners for late payment of their Common Charges, including Assessments and Special Assessments.

r. Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interests allocated to the Units, but in no event for a period in excess of five (5) years from the closing of title to the first Unit ("First Unit Closing"), the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to any contingency fund

and/or capital replacement reserve provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed four percent (4.00%) of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan to be filed for the Property or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan to be filed for the Property, unless the annual cost of all other services being provided, is no greater than the total cost of those provided for in Schedule B. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with the offer and sale or leasing of Units; (iii) interfere with the operation of general or sales and leasing offices at the Property or the actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of this Section 3r, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulations or to remedy any notice of violation or to remedy any work order by an insurer.

Section 4. **Managing Agent and Manager**. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the manager or managing agent, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (l), (o), (p) and (q) of Section 3 of this Article II. Except with respect to Sponsor or Sponsor's designee, the managing agent or manager may not be a member of the Board of Managers.

Section 5. **First Board of Managers**. The first (1st) Board of Managers shall consist of persons designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first (1st) meeting of Unit Owners called for the purpose of electing Managers. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 7 of this Article.

Section 6. **Removal of Members of the Board of Managers**. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or a Sponsor-designee, may be removed with or without

cause by an affirmative vote of Unit Owners whose aggregate Common Interest exceed fifty percent (50%) of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units) owning in the aggregate, a percentage in Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor or Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is a designee of the Sponsor or a Sponsor-designee, such Board Member shall be deemed to have resigned effective as of the date such ownership interest ceased.

Section 7. **Vacancies**. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until a successor shall be elected at the next annual meeting of the Unit Owners to serve the remaining term. Notwithstanding the foregoing, vacancies of members designated by the Sponsor or Sponsor-designee, shall be filled only by the Sponsor or Sponsor-designee, as the case may be.

Section 8. **Organization Meeting**. The first (1st) meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers elected at the meeting at which they shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 9. **Regular Meetings**. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least five (5) business days prior to the day named for such meeting.

Section 10. **Special Meetings**. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers, given by mail, telegraph or personal delivery to the Unit owned by such member of the Board of Managers, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Section 11. **Waiver of Notice**. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. **Quorum of Board of Managers**. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

Section 13. **Fidelity Bonds**. The Board of Managers shall, in its discretion, obtain fidelity bonds in the amount of $50,000.00 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent, if any. The premiums on such bonds shall constitute a Common Expense.

Section 14. **Compensation**. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 15. **Liability of the Board of Managers**. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers who are members of the Sponsor to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the

manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 16. **Executive Committee**. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of two (2) or more members of the Board of Managers, at least one of whom shall be a member designated by the Sponsor or Sponsor-designee so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the managing of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Charges and expenses required for the affairs of the Condominium, (b) to determine the Common Charges payable by the Unit Owners to meet the Common Charges and expenses of the Condominium, (c) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property or (d) to exercise any of the powers set forth in subdivisions (g), (h), (i) and (p) of Section 3 of Article II.

Section 17. **Other Committees**. The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one (1) of whom shall be designated by the Sponsor or a Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. The members of any such committee need not be a member of the Board of Managers, but must be eligible to be elected to the Board of Managers. Such committee shall not have power to do any act which the Executive Committee may not do under subsections (a)-(d) of Section 16 of Article II.

ARTICLE III

UNIT OWNERS

Section 1. **Annual Meetings**.

(a) Within thirty (30) days after the earlier of (i) one hundred twenty (120) days after the date on which seventy-five percent (75%) of all of the Units have been conveyed to Unit Purchasers; (ii) the date on which the closing of title to Units whose aggregate Common Interest exceeds ninety (90%) percent of the Common Interest allocated to all of the Residential Units; or (iii) two (2) years from the First Unit Closing, or such earlier time as Sponsor deems to be in the best interest of the parties the Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting the First Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the

requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

(b) Until the first annual meeting of the Board of Managers, Sponsor shall have the right to designate all of the members of the Board of Managers. Until the date that is the earlier to occur of (i) Sponsor owns Units having less than ten percent (10%) of the Common Interests appurtenant thereto, or (ii) five (5) years after the First Unit Closing, Sponsor shall have the right to designate a majority of the members of the Board of Managers. For so long as Sponsor owns at least one (1) Unit, Sponsor shall have the right to designate one (1) member (or, in the event that the number of members of the Board of Managers has been increased from three (3) members pursuant to the By-Laws, the number of seats that is a majority of the Board of Managers minus one (1) member) to the Board of Managers. Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety percent (90%) of the Common Interest allocated to all the Residential Units, or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though the total percentage of Common Interest may otherwise enable it to do so.

(c) Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint hereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in such event, any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

Section 2. **Place of Meetings**. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. **Special Meetings**. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 9 of this Article III having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. **Notice of Meetings**. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of

meeting shall be mailed at least ten (10) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. **Adjournment of Meetings**. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are 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 the original meeting was called.

Section 6. **Order of Business**. The order of business at all meetings of the Unit Owners shall be as follows:

a. Roll call;

b. Proof of notice of meeting;

c. Reading of minutes of preceding meeting;

d. Reports of officers;

e. Report of Board of Managers;

f. Reports of committees;

g. Election of inspectors of election (when so required);

h. Election of members of the Board of Managers (when so required);

i. Unfinished business;

j. New business.

Section 7. **Title to Units**. Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation or limited liability company or partnership, or in the name of a fiduciary or trust, estate, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent or condonation of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. **Voting**. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at

any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of the Unit Owners. The Owners of each Unit (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one (1) or more Units) shall be entitled to cast one (1) vote for each .0001% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one vote for each .0001% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. If Units are owned by more than one (1) person as joint tenants, tenants by the entirety or as tenants in common or by a partnership, corporation, limited liability company, or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 9. **Majority of Unit Owners**. As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than fifty percent (50%) of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. **Quorum**. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 11. **Majority Vote**. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

Section 12. **Action Without Meeting**. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV

OFFICERS

Section 1. **Designation**. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Managers.

Section 2. **Election of Officers**. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 3. **Removal of Officers**. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. **President**. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. **Vice President**. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers is to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. **Secretary**. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. **Treasurer**. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. **Agreements, Contracts, Deeds, Checks, etc**. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. **Compensation of Officers**. No officer shall receive any compensation from the Condominium for acting as such.

Section 10. **Liability of Officers**. The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II Section 15 of these By-Laws.

ARTICLE V

NOTICES

Section 1. **Definition**. Whenever, under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Unit Owner or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

Section 2. **Service of Notice Waiver**. Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. **Determination of Common Expenses and Fixing of Common Charges**. The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective percentage of Common Interest. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any. The Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for replacements, to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Unit(s).

The Board of Managers shall also, where necessary, impose an Assessment or additional Common Charge in order to meet any unanticipated Common Expense. All such Assessments or additional Common Charges shall be levied against all Unit Owners in proportion to their respective Common Interest. Assessments may be payable either in one lump sum or in installments, as the Board of Managers shall determine, provided, however, that the Board of Managers shall give each Unit Owner not less than fifteen (15) days written notice prior to the date upon which such Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purposes thereof. The Board of Managers shall have all rights and remedies for the collection of Assessments as are provided herein for the collection of Common Charges, such Assessments constituting a Common Charge. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

The Condominium Board shall advise all Unit Owners in writing promptly after same are determined 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, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common 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.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser. Until title to all Units has been conveyed, the Sponsor or its designee as owner of any Unsold Units, may decide that Sponsor will, at Sponsor's or Sponsor's designee's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan. In the event that Sponsor or its designee as the owner of all Unsold Units elects to have Sponsor make in lieu payments, Sponsor or its designee shall (i) file an amendment to the Offering Plan prior to the First Unit Closing indicating that the collection of Common Charges will not commence with the beginning of Condominium operations and the anticipated length of such delay period; (ii) file an amendment to the Offering Plan disclosing the expiration of the delay period at least thirty (30) days prior to such expiration; (iii) during any such delay period timely pay all expenses of the Condominium out of the aggregate in lieu payments, including, but not limited to, insurance premiums; (iv) pay from Sponsor's funds any reserve fund

payments required by Sponsor's lenders; and (v) remain obligated to update the budget for the Condominium, as provided in the governing regulations. Additionally, Sponsor represents that upon commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved Budget of the Condominium.

Section 2. **Insurance**. The Board of Managers shall be required to obtain and maintain the following insurance: (a) an all-risk property policy insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including any improvements and betterments installed by Unit Owners or any furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than the greater of the agreed upon replacement cost of the Building, including the above noted items but exclusive of footings and foundations and without deduction for depreciation, as approved by a fire insurance company or a qualified insurance broker, or in any event the amount of insurance necessary to avoid the effects of co-insurance; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, if any, as herein provided; (b) worker's compensation insurance, if the Condominium has employees; (c) a fidelity bond or bonds in sufficient amounts, to fully protect the interest of the Condominium, shall be carried on each member of the Board of Managers, officers of the Condominium, managing agent and managers, including any person or persons handling or responsible for funds of the Condominium; (d) disability benefits insurance if the Condominium has employees; (e) directors' and officers' liability coverage covering the Board of Managers; and (f) such other insurance, including, but not limited to, boiler and machinery insurance, as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than $100,000.00), and that the total proceeds thereof, if $100,000.00 or less, shall be payable to the Board of Managers and if more than $100,000.00 shall be payable to the Insurance Trustee, if any.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium shall be primary insured to the extent as their interests shall also appear. Notwithstanding anything herein to the contrary, at the request of the Commercial Unit Owner, the Board of Managers of the Condominium, at the sole cost and expense of the Commercial Unit Owner, shall have its property insurance policies extend the waiver of subrogation to all occupants of the Commercial Unit and waive any claim against and release any occupants of the Commercial Unit from liability for damage to property covered by the Condominium's property insurance policies. Such policies may not be cancelled or substantially

modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies if so requested in writing by them.

In the event that the damage resulting from a fire or other casualty loss shall (a) render one (1) or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (b) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such casualty loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a family member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Board of Managers with respect to such Unit.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another and for any and all claims which may arise from the public use or Unit Owner use of the sidewalks in front of the Building. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 covering all claims for bodily injury, property damage and products liability with respect to any one occurrence together with a Commercial umbrella liability policy in the amount of $5,000,000.00.

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 insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers.

The insurance policy for the Condominium obtained by the Board of Managers should require the insurer to notify in writing the Board of Managers (or insurance trustee) and each first mortgage holder named in the mortgage clause at least ten (10) days before it cancels or substantially changes the Condominium's coverage.

If, by reason of the occupancy or use of a particular Unit, the rate of fire or liability insurance for the Property shall be increased, such Unit Owner shall (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers

specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

Section 3. **Repair or Reconstruction After Fire or Other Casualty**. In the event of damage to or destruction of the Building containing the Units as a result of fire or other casualty, unless seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five (75%) in the aggregate of the total Common Interest do duly and promptly resolve not to proceed with repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, if any, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. If the cost of such repair and restoration is in excess of the insurance proceeds, the Board of Managers shall 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 to be disbursed by the Insurance Trustee, if any, or the Board of Managers, as the case may be. Notwithstanding anything contained herein, any restoration or repair of the Condominium made in accordance with the terms of this Section shall be substantially in accordance with the specifications set forth in the Offering Plan, as amended, unless the Board of Managers obtains the approval of the holders of first mortgages on the Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated.

If seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five percent (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, if any, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first payment out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety (90) days after Insurance Trustee notified said Board of Managers and Unit Owner or Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required

completion bond, if necessary. If there is no Insurance Trustee then the aforementioned sixty (60) and ninety (90) day periods shall be from the date of notification by an insurance adjustor retained by the Board of Managers. Wherever the words, "promptly resolve" are used it shall also mean not more than sixty days from the date of receipt of said insurance funds.

Section 4. **Payment of Common Charges**. All Unit Owners shall be obligated to pay the Common Charges, including Assessments, assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges, including Assessments, assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his Unit, together with the "Appurtenant Interests" to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges, including Assessments, assessed and unpaid against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of Common Charges, including Assessments, assessed prior to the foreclosure sale.

Section 5. **Collection of Common Charges and Assessments**. The Board of Managers shall assess Common Charges against the Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any Assessment due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date thereof. Common Charges shall be paid by the fifth day of the month in which they are due or they shall be deemed to be late.

Pursuant to Real Property Law Section 339-kk, the Board of Managers has the right to collect rents directly from a "Non-Occupying Owner's rental tenant" ("Tenant"), if a Non-Occupying Unit Owner is not current on his or her Common Charges, Assessments or late fees, hereinafter ("Charges"). In order to collect rents directly from the Tenant, the Non-Occupying Unit Owner must fail to make the payment of Charges within sixty (60) days of the earliest expiration of any grace period. Prior to collecting the rents the Board shall provide written notice to the Tenant and the Non-Occupying Unit Owner providing that, commencing immediately and until such time as all payments for all Charges are made current, all rental payments are to be made directly to the Condominium at the address provided in the notice. Once all charges are current the Board shall then within three (3) business days, provide notice to the Tenant and Unit Owner of such payment and that thereafter all future rental payments should be made to the Non-

Occupying Unit Owner. Should a Unit Owner wish to contest the Board's claim to rental payments he or she shall be entitled to present his or her supporting facts at the next scheduled Board meeting (which must be held within thirty (30) days of Board receiving notice of contest). The Board shall have the option to forgo collecting rents directly from the Tenant so long as a majority of the Board has been elected by and from among the Occupying Unit Owners.

Section 6. **Default in Payment of Common Charges or Assessments.** In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any Assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such Common Charges or Assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or Assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or Assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339aa thereof. A Unit Owner defaulting in payment of Common Charges or Assessments shall not be permitted to vote at any regular or special meeting of Unit Owners.

Section 7. **Foreclosure of Liens for Unpaid Common Charges.** In any action brought by the Board of Managers 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 of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. **Statement of Common Charges and Assessments.** The Board of Managers, managing agent or manager shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges, including Assessments, due from such Unit Owner.

Section 9. **Abatement and Enjoinment of Violations by Unit Owners.** The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or

required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and (c) in any event charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Section 10. **Maintenance and Repairs.**

a. All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except the painting of the exterior side of the Unit's entrance door), windows (except the painting of the exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning units, together with any and all related ductwork and piping attached thereto, inside or outside the Unit(s) or belonging to the Unit Owner(s) and only servicing such Unit(s), shall be at the individual Unit Owner's sole cost and expense or at the sole cost and expense of the individual Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein. Additionally, the replacement of heating and/or hot water fixtures and air-conditioning units, together with any and all related ductwork and piping attached thereto, outside or inside the Unit(s) or belonging to the Unit Owners(s) and only servicing the Unit(s), shall be at the Unit Owner's sole cost and expense or at the sole cost and expense of the Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein.

   Further, the individual Unit Owner shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air-conditioning or other mechanical equipment.

b. All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and Unit windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner.

c. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, if such Limited Common Element is a Limited Common Element for the exclusive use of all of the Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and

exclusive access thereto), or (ii) by the individual Unit Owner having direct and exclusive access thereto and use thereof at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iii) by the Board of Managers at the sole cost and expense of the individual Unit Owner, having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (iv), at the election of the Board of Managers, by the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect.

d. Promptly upon obtaining knowledge thereof, each Unit Owner shall report in writing delivered by mail to the Board of Managers or to the Managing Agent any defect or need for repairs for which the Board of Managers 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 (i) comply with all applicable law and building codes; (ii) shall not unreasonably disturb or interfere with any Unit Owners or tenants and occupants of any Units; and (iii) shall not affect the structural integrity of the Building.

e. Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any yard or courtyard, terrace, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Board of Managers, whichever is responsible for the maintenance thereof as set forth herein (the cost of debris and snow removal from the sidewalks in front of the of the Building shall be a Common Expense and shall only be the responsibility of the Board of Managers; the Board of Managers shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. Notwithstanding anything herein to the contrary, the maintenance, repair and/or replacement of all sidewalks, plantings and/or shrubbery, including the planters in which they are contained, in front of or at the sides of the Building shall be a Common Expense. 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 Board of Managers, 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 yards or courtyards, terraces, windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit.

Section 11. **Restrictions on Use of Units**. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

a. The Residential Units shall be used for private residences only, except that a Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Any Residential Unit may also be used as a professional office by a resident thereof provided such professional use does not violate zoning law, regulations or ordinance and provided further, that the prior consent of the Board of Managers to such professional use is obtained. Further, any recreation rooms which are part of any Unit at the cellar level are not meant for living or sleeping purposes. Such use of a recreation room is prohibited by the Zoning Resolution of the City of New York, as amended.

A Residential Unit may only be occupied by: (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Residential Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Residential Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Residential Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Residential Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Residential Unit and is not being designated to use the Residential Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of the foregoing.

Certain balconies are "Juliet Balconies," which are for decorative purposes and are not to be stepped out onto. The Juliet Balconies are located adjacent to Units 2, 3/4, 5 and the PH Unit. for the exact location of each Juliet Balcony, please see the respective Unit drawings located in Part II of the Plan.

Notwithstanding anything herein to the contrary, (i) any Rules and Regulations pertaining to the use of a storage space, if any, which is part of its respective Residential Unit, or Storage Space Unit, will not be applicable to a storage space or Storage Space Unit owned by Sponsor or Sponsor-designee; and (ii) notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one (1) or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

b. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units. In addition, no furniture, doormats, packages, or objects of any kind shall be placed in the lobbies, public halls, public stairways, the elevator or any other part of the Common Elements (except for those areas designated as storage areas, if any) without the prior written consent of the Board of Managers. The lobbies, public halls, public stairways and elevator shall be used only for normal passage through them.

c. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.

d. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies, including the Landmarks Preservation Commission, if applicable, having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

e. Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

f. No portion of a Unit or other Limited Common Elements appurtenant thereto (other than the entire Unit, including the Limited Common Elements appurtenant thereto) may be rented.

The terms of sub-paragraph (b) of this Section 11 shall not apply to Sponsor or its designee for so long as there are any Unsold Units. So long as Sponsor owns any Unit, Sponsor or its designee shall have the right, without charge or limitation, to: (i) erect and maintain signs of any size or content determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to any 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 Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Offering Plan.

g. The Building lies within the "Upper East-Side Historic District" and Sponsor's renovations will be in compliance with the standards established by the Landmarks' Preservation Commission of the City of New York. Any new exterior finishes of the Building, including any windows, which are being installed by Sponsor must be maintained in the future by the Condominium at its sole cost and expense. No renovation, alteration and/or improvement in the future may be made by the Condominium without the prior approval of the Landmarks' Preservation Commission. Each Unit Owner and the Board of Managers of the Condominium will be subject to the restrictions, covenants, easements, obligations and agreements, hereinafter collectively the "Agreements", set forth in the "Declaration of Designated Landmark Structure" to be recorded against the Property. The possible effect of such Agreements may result in a higher cost to maintain the Building as opposed to a building which is not a designated structure.

Section 12. **Additions, Alterations or Improvements by Board of Managers**. Subject to the provisions of Section 3 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of $10,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements costing $10,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 13. **Additions, Alterations or Improvements by Unit Owners**. Except as provided below, no Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or a structural or non-structural addition, alteration or improvement which affects the exterior of the Building or the value of other Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing

any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi- governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificate for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section 13 which require the consent of the Board of Managers in connection with a structural addition, alteration or improvement or a structural or non-structural addition, alteration or improvement which affects the exterior of the Building or the value of other Units shall not apply to Units owned by the Sponsor or its designee. Neither the Sponsor or its designee shall need such consent. All other provisions of this Section 13 shall apply to all Units.

For example, with respect to any structural addition, alteration or improvement to a Sponsor-owned Unit, such work shall be at the sole cost and expense of the Sponsor and/or its designee, and be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and workmen's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, shall be maintained in their entirety by said Sponsor or its designee, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary,

due to additional stresses caused by any structural alteration, addition or improvement, or due to improper design or construction of any structural alteration, addition or improvement. Additionally, the Sponsor and/or its designee shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with any services provided to such alteration, addition or improvement.

Notwithstanding anything to the contrary contained in this Section 13, however, Sponsor, any Sponsor-designee, or any partner of any entity affiliated directly or indirectly with Sponsor shall have the right, pursuant to the terms of Paragraphs 17 of the Declaration, without the approval of the Board of Managers and without paying any cost or charge to the Board of Managers to (i) make any alterations, additions, improvements, or repairs in or to any Units owned by any of them whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Units owned by any of them.

Non-structural alterations and improvements to Units that do not affect the exterior of the Building or the value of other Units may be made without the prior approval of the Board of Managers.

If at the time a Unit Owner seeks to perform alterations to his or her own Unit, a Permanent Certificate of Occupancy is not issued for the Building, the Unit Owner, prior to commencing any alteration, must obtain the consent of the Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. The Sponsor or its designee may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained therefor. In furtherance thereof, a Unit Owner, who has been granted the consent by the Sponsor or its designee, to perform alterations shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee as a result of any violation of Law or delay in obtaining a Temporary or Permanent Certificate of Occupancy. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the Certificate of Occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously, restoring the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in the By-Laws.

Section 14. **Use of Common Elements and Facilities**. A Unit Owner shall not place or cause to be placed in the public halls and stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The lobbies, public halls and stairways or other common areas shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-designee shall have the right to use the Common Elements, without charge, for the purposes set forth in Section 11 of this Article VI and in conjunction with the Sponsor's or a Sponsor-designee's exercise of the rights retained by Sponsor in the Condominium Declaration.

The Owner of a Unit or Owner or Owners of any two (2) or more Units, which Unit or Units is/are the only Unit(s) serviced or benefitted by any General or Limited Common Element adjacent or appurtenant to such Unit(s) (for example, the portion at the end of any hallway that is directly adjacent to any such Unit(s) located on opposite sides of such hallway) and not affecting access or service (including, without limitation, heating, ventilating and air-conditioning) to any other Unit or to any other portion of the Common Elements, shall, with the consent of the Board of Managers (which consent will not be unreasonably withheld or delayed and shall not be required if the Unit Owner or Owners is/are Sponsor or Sponsor's designee), have the right to use such General or Limited Common Elements exclusively, as if it were a part of such Unit(s) (including the right, in the example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests will be made by reason thereof. In such an event, however, such Owner or Owners shall, at his or their sole cost and expense, both (i) operate, maintain and repair such General or Limited Common Element for so long as such Owner or Owners exercise such exclusive right of use and (ii) restore such General or Limited Common Element to its original condition, reasonable wear and tear excepted, after such Owner or Owners cease to exercise such exclusive right of use.

Further, the Board of Managers shall have the authority to promulgate (except against Sponsor or Sponsor's designee) additional rules regarding use of and access to the Storage Spaces.

The storage spaces, if any, which are part of its respective Residential Units are located on the cellar level of the Building and the Board cannot make any representation that the storage spaces or Storage Space Units will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the storage spaces and Storage Space Units. Residential Unit Owners who place items in the storage spaces and Storage Space Units do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with applicable Law regarding the storage spaces and Storage Space Units, which may be subject to periodic inspection by the Board of Managers, the police and fire departments of the City of New York and other governmental agencies having jurisdiction thereover.

With regard to a storage space, if any, which is part of a Residential Unit and/or Storage Space Unit owned by the Sponsor or a Sponsor-designee, it may be rented to residents or non-residents in its sole discretion without charge and without the consent of the Board of Managers of the Condominium. However, a storage space and/or Storage Space Unit will only be sold by Sponsor or a Sponsor-designee as part of the respective Residential Unit or to a Residential Unit Owner, as the case may be.

Sponsor and its designee(s) shall have the right, until the earlier of the tenth (10th) anniversary of the First Unit Closing or the date of conveyance of the last Unsold Unit, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions (e.g., with respect to any sales programs for Unsold Units). Such

activities will result in excess traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building.

Section 15. **Right of Access**. A Unit Owner shall grant a right of access to his or her Unit and to his or her Storage Space, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and/or Storage Space and threatening another Unit and/or Storage Space or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 15, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI.

Section 16. **Rules of Conduct**. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A. Notwithstanding this provision, for as long as Sponsor or its designee remains the Owner of one (1) or more Units, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect Sponsor or its designee without Sponsor's or its designee's prior written consent.

Section 17. **Water Charges and Sewer Rents**. Water shall be supplied to all of the Units and the Common Elements on the basis of one (1) or more meters or submeters for the Building or pursuant to a frontage charge. Any water and sewer bills received by a Unit Owner shall immediately be rendered to the Board of Managers for payment. In no event shall the Board of Managers be responsible for loss of service to any Unit, interest or penalties, due to a delay in paying such bills resulting from a Unit Owner not tendering a bill. Any interest or penalties due for such late payments will be an additional assessment to be paid by the Unit Owner who failed to timely tender any bill. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Unit as of the date of closing of title to such Unit promptly after such charges shall have been billed.

Section 18. **Electricity and Gas**. Electricity shall be supplied by the public utility company serving the area directly to each Unit through separate meters or submeters. Each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit to the public utility.

The electricity serving the Common Elements shall be metered by one (1) or more meters or submeters, and the Board of Managers shall pay the bills for such consumption as a Common Expense.

Gas consumption for the Building, including any gas consumption for additional heat in the common areas, for hot water in all the Units and Common Elements, and gas consumed in the Common Elements, if any, shall be collectively metered by one (1) or more meters or submeters and the Board of Managers shall pay, as a Common Expense, the bills for such consumption.

Section 19. **Review of Real Estate Tax Assessments**. It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund attributed to a Unit, and all apportioned expenses incurred in connection with obtaining of such refund, shall belong to and be incurred by the Unit Owner receiving said refund. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining such refund, shall belong to and be incurred by the Sponsor alone.

Section 20. **Vault Charges**. All license fees and all periodic taxes and charges ("Vault Charges") for street vaults located in the Common Elements of the Building, if any, or other protrusions beyond the lot lines of the Building shall be paid by the Board of Managers as a Common Expense.

ARTICLE VII

MORTGAGES

Section 1. **Notice to Board of Managers**. A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. **Notice of Unpaid Common Charges**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. **Notice of Default**. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. **Examination of Books**. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on reasonable notice to the manager, managing agent or Board of Managers on business days.

Section 5. **Notice of Changes to Units and/or Common Elements**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of any proposed amendment to the Condominium Offering Plan, Declaration and/or By-Laws effecting a change in (i) the size or location of any Unit or the exclusive easement rights, if any, appertaining thereto; (ii) any change in the percentage of Common Interest of a Unit or Common Charges payable by a Unit Owner to the Condominium; (iii) any change in the number of votes each Unit Owner shall be entitled to cast at a meeting of Unit Owners; and (iv) any change to the restrictions on use of the Units or Common Elements.

Section 6. **Notice of Termination of the Condominium**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of any proposed termination of the Condominium.

Section 7. **Notice of Condemnation or Casualty**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of any taking in condemnation or by eminent domain or any casualty loss of a material portion of the Common Elements or a portion of any Unit on which there is a first mortgage.

Section 8. **Notice of Insurance**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of any lapse, cancellation or material modification of any insurance policy maintained by the Condominium.

Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to a mortgagee, there shall be implied mortgagee approval when a mortgagee fails to respond after sixty (60) days written notice provided notice was delivered by certified or registered mail with a return receipt requested.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF UNITS

Section 1. **Sales and Leases**. No Unit Owner other than the Sponsor or a Sponsor-designee may sell or lease his Unit or any interest therein except by complying with the provisions below. Sponsor or a Sponsor-designee need not comply with such provisions. Sponsor or a Sponsor-designee shall have the right, without the payment of any fees or charges to the Board of Managers or the Managing Agent, to sell its Unit(s) or lease its Unit(s) without the Board of Managers having any right of first (1st) refusal to purchase or lease such Unit, and all

sale and/or rental proceeds shall belong solely to such Sponsor or Sponsor-designee, as the case may be. However, any deed or lease made by a Sponsor or a Sponsor-designee with respect to a Unit as grantor or lessor, in the Building, shall provide that acceptance thereof by the grantee or lessee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as same may be amended from time to time.

With regard to a storage space, if any, which is part of its respective Residential Unit, the following restrictions apply. A storage space may only be sold to a purchaser of the Residential Unit as part of the Residential Unit. With regard to storage spaces owned by Sponsor and/or a Sponsor-designee, Sponsor and/or a Sponsor-designee may rent its storage spaces to residents or non-residents in its sole discretion without charge from and without the consent of the Board of Managers of the Condominium. However, a storage space will only be sold as part of its respective Residential Unit by Sponsor or a Sponsor-designee to a purchaser of a Residential Unit Owner.

Sponsor has also reserved the right to reconfigure, change, combine, relocate and/or modify any unsold storage space, including, but not limited to, increasing the number of Storage Space Units, in its sole discretion in order to sell and/or lease any of the Storage Space Units.

With regard to a Storage Space Unit, the following restrictions apply. A Storage Space Unit may only be sold to another Residential Unit Owner or simultaneously by such Unit Owner to a purchaser of the Residential Unit. Residential Unit Owners can only rent their respective Storage Space Units to other Residential Unit Owners in the Building after obtaining the written consent of the Board of Managers thereto which consent shall not be unreasonably withheld and/or delayed. With regard to Storage Space Units held, owned or rented by Sponsor and/or a Sponsor-designee, Sponsor and/or a Sponsor designee may rent its Storage Space Units to residents or non-residents in its sole discretion without charge and without the consent of the Board of Managers of the Condominium. However, a Storage Space Unit will only be sold by Sponsor or a Sponsor-designee to a Residential Unit Owner.

Sponsor has also reserved the right to reconfigure, change, combine, relocate and/or modify any unsold Storage Space Unit, including, but not limited to, increasing the number of Storage Space Units, in its sole discretion in order to sell, assign and/or lease any of the Storage Space Units.

Except as provided immediately above, any Unit Owner who receives a bona fide offer for the sale of his Unit together with: (i) the undivided interest of the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration, (hereinafter collectively called the "Appurtenant Interests"); or a bona fide offer for a lease of his Unit; (hereinafter called an "Outside Offer"), which he intends to accept, shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the

Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within twenty (20) days after receipt of such notice, the Board of Managers may elect, by notice given within five (5) days after making such election, and in any event, within said twenty (20) day period, to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or its designee fail to notify the offering Unit Owner of its decision to accept such offer within twenty (20) days after receipt of notice as aforesaid or notify the offering Unit Owner within said period of its decision not accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within thirty (30) days after the expiration of the twenty (20) day period in which the Board of Managers or its designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to any Outside Offeror shall provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior consent in writing of the Board of Managers, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. Except as hereinbefore set forth,

the form of any such lease for Units shall be the then current form of lease recommended by Julius Blumberg, Inc., or The Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner shall not, within such thirty (30) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit within such thirty (30) day period, but such sale or lease shall not be consummated pursuant to the terms of such contract, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VIII.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers.

Section 2. **Consent of Unit Owners to Purchase or Lease of Units by Board of Managers**. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners.

Section 3. **No Severance of Ownership**. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one (1) 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. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. **Release by Board of Managers of Right of First Refusal**. The right of first (1st) refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5. **Certificate of Termination of Right of First Refusal**. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers in favor of all persons who rely thereon in good faith. Such certificates shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request.

Section 6. **Financing of Purchase of Units by Board of Managers**. Acquisition or lease of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy a Special Assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his ownership in the Common Elements, as a Common Charge, which Assessment shall be enforceable in the same manner as provided in Sections 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers. Notwithstanding the above, no Assessment may be levied under this Section 6 against any mortgagee who has acquired title to a Unit, whether by foreclosure or deed in lieu thereof.

Section 7. **Exceptions**. The provisions of Section 1 of this Article VIII shall not apply with respect to the right of first (1st) refusal pertaining to any sale or conveyance or lease by a Unit Owner of his Unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one (1) or more of them, or to any Unit owned by the Sponsor or a Sponsor-designee, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of this section shall apply with respect to any purchaser of a Unit from a mortgagee.

Section 8. **Gifts and Devises, etc**. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction.

Section 9. **Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its Designee, on Behalf of All Unit Owners as Tenants in Common**. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10. **Payment of Common Charges and Assessments**. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and Assessments theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 11. **Mortgage of Units**. No Residential Unit Owner shall mortgage his Unit, except by a first (1st) and/or second (2nd) mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender or a purchase money mortgage made to the Sponsor, Sponsor-designee, or to the seller of the Unit. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A mortgage encumbering a Residential Unit may be made to a reputable private

lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or Assessments and discharge any liens therefor. The Sponsor and/or its designee may encumber its Unit or Units with a mortgage or mortgages without being subject to the aforementioned restrictions.

Section 12. **Fees and Charges**. The Board of Managers shall have the right to require the Residential Unit Owner who is selling or is a prospective lessor to pay a fee to the Board of Managers and/or the Managing Agent to cover reasonable legal and other expenses of the Board of Managers and the Managing Agent in connection with the sale or lease of a Residential Unit pursuant to the provisions of this Article VIII except such charges and fees shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor. Any other fees in connection with the sale or lease of a Residential Unit may only be enacted by action of Unit Owners, except any such fee shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor.

ARTICLE IX

CERTAIN REMEDIES

Section 1. **Self Help**. If any Unit Owner shall violate or breach 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 VI hereof, and shall fail to cure such violation or breach within five (5) days after receipt of written notice of the same from the Board of Managers, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five (5) day period and, thereafter, to prosecute such cure with due diligence to completion), the Board of Managers 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, in the event that the Board of Managers shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Board of Managers may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 2. **Abatement and Enjoinment.**

a. In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Board of Managers 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.

b. The violation or breach of any of the terms of the Condominium Documents with respect to any of the rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 3. **Remedies Cumulative**. The remedies specifically granted to the Board of Managers or to the Sponsor or its designee in this Article IX or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one (1) time or at different times, concurrently or in any order, in the sole discretion of the Board of Managers or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 4. **Costs and Expenses**. All sums of money expended, and all costs and expenses incurred, including, but not limited to, reasonable attorney's fees, by (i) the Board of Managers in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 1 or paragraph (a) of Section 2 hereof or (ii) Sponsor in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (b) of Section 2 hereof, shall be immediately payable by such Unit Owner to the Board of Managers in the event set forth in subparagraph (i) hereof or by the offering party (i.e., the Board of Managers or the Unit Owner) to Sponsor, in the event set forth in subparagraph (ii) hereof, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent (2%) per month, but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law. All sums payable by a Unit Owner to the Board of Managers pursuant to the terms of this Section 4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE X

CONDEMNATION

Section 1. **Condemnation**. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to $100,000.00 or less, and to the Insurance Trustee, if any, if such award amounts to more than $100,000.00. If seventy-five percent (75%) or more of the Unit Owners duly and promptly approve the repair and restoration of such

Common Elements, the Board of Managers or the Insurance Trustee, if any, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, if any, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five percent (75%) or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking. Notwithstanding anything contained herein, any restoration or repair of the Condominium made in accordance with the terms of this Section shall be substantially in accordance with the specifications set forth in the Offering Plan, as amended, unless the Board of Managers obtains the approval of the holders of first mortgages on the Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated.

If a portion of any Unit shall be taken in condemnation or by eminent domain and the Condominium shall not be terminated, 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 Board of Managers shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of a taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board of Managers and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

ARTICLE XI

RECORDS

Section 1. **Records and Audits**. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, it is the

obligation of the Board of Managers of the Condominium to give to all Unit Owners annually, the following:

(a) The financial statement of the Condominium prepared by a certified public accountant or, public accountant by March 15th of each calendar year for the prior fiscal year;

(b) Prior notice of the annual Unit Owner's meeting;

(c) A copy of the proposed annual budget, if any, of the Condominium, within ten (10) days prior to the date set for adoption thereof by the Board of Managers.

ARTICLE XII

MISCELLANEOUS

Section 1. **Invalidity**. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. **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 thereof.

Section 3. **Gender**. The use of the masculine gender in these By-Laws 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.

Section 4. **Waiver**. No restriction, condition, obligation, or provision contained in these By-Laws, 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.

Section 5. **Insurance Trustee**. The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of three (3) or more Unit first (1st) mortgages). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of two (2) or more Unit first (1st) mortgages). The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the Condominium.

Section 6. **Definition of "Mortgagee"**. As used in these By-Laws, the term "mortgagee" or "holder of a first (1st) mortgage" shall include the holder of any construction loan mortgage which shall be a lien on a unit.

Section 7. **"Lot-Line Windows".**

(a) The Lot-Line Windows do not provide the legal light and air required for residential occupancy. If an adjacent property owner builds a structure which covers the Lot-Line Windows, then they must be closed-up. Legal light and air which is required for the issuance of the certificate of occupancy for the Building, is being provided by the windows on the west and south facades. The Lot-Line Windows provide supplementary light and air only. The subsequent sealing of these Lot-Line Windows will not affect the validity of the certificate of occupancy. As Lot-Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new building or structure is constructed on an adjoining property.

(b) In the event that any or all of the Lot-Line Windows must be sealed, all construction to enclose the windows shall be performed by the Sponsor, during the time period that Sponsor controls the Board of Managers of the Condominium, or after such control period, by the Board of Managers of the Condominium. The cost and expense of such construction shall be the sole responsibility of the Unit Owner or Owners affected and such cost and expense shall be charged to the individual Unit Owners affected as a Special Assessment.

(c) The Sponsor, if applicable, or the Board of Managers, their agents, contractors and employees, will have the right to enter any Unit(s) necessary to effect the enclosure of such lot-lined windows, should same be necessary. The Unit side of the enclosure will be finished with the same material originally used therein, if available, or if not available, then with such other finish material as will nearly as possible resemble such original material. Decoration of the affected area on the Unit side of the enclosure will also be the responsibility of the Unit Owner, at his or her sole expense.

(d) All windows in the Units facing east or west are Lot-Line Windows.

ARTICLE XIII

AMENDMENTS TO THE BY-LAWS

Section 1. **Amendment to By-Laws**. These By-Laws may be modified or amended by the vote of sixty-seven percent (67%) in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, for as long as Sponsor or its designee remains the Owner of one (1) or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor or its designee, in the sole discretion of Sponsor or its designee, as the case may be, without the prior written consent of Sponsor or its designee. Additionally, the By-Laws, including the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect the lien of any mortgage without the prior written consent of the mortgagee.

Notwithstanding anything contained herein, Sponsor hereby reserves itself and its designee(s) the right to amend these By-Laws at any time without the requirements of a vote and

without the approval or consent of the Board of Managers, any Unit Owners or mortgagees of any Unit Owners for the sole purpose of conforming the By-Laws to the requirements of applicable state and local condominium laws and/or the legal requirements of the Department of Housing and Urban Development of the United States of America ("HUD"), including, but not limited to, HUD Revised Legal Policy which is attached as appendix 24 of the HUD Handbook 4265.1, as same may be amended from time to time, or any other governmental authority or agency to qualify the Condominium for any applicable Unit financing, including, but not limited to, financing of the Federal Housing Authority of the United States of America ("FHA") and/or Fannie Mae financing.

ARTICLE XIV

CONFLICTS

Section 1. **Conflicts**. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE XV

ARBITRATION

Section 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 preceding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least five (5) members whose principal office is located in the City of New York.

Section 2. **Variation by Agreement**. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3. **Binding Effect**. The decision in any arbitration conducted pursuant to the terms of Sections 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. **Costs and Expenses**. The fees, costs and expenses of the arbitrator shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

40 Plan

SCHEDULE A

ADDENDUM TO THE BY-LAWS OF THE CONDOMINIUMS OF THE PREMISES KNOWN AS "40 EAST 72ND STREET CONDOMINIUM" 40 EAST 72ND STREET NEW YORK, NEW YORK 10021

RULES AND REGULATIONS

1. The Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any public hallway. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers. Further, the recreation rooms which are part of the triplexed Units are not meant for living or sleeping purposes. Such use of a recreation room is prohibited by the Zoning Resolution of the City of New York, as amended.

A Residential Unit may only be occupied by: (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Residential Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Residential Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Residential Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Residential Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Residential Unit and is not being designated to use the Residential Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of the foregoing.

The balconies adjacent to Units 2 and 3/4 are "Juliet Balconies" for decorative purposes only and the Owner of Units 2 and 3/4 shall not step out onto said balconies, and access to and use of these balconies is strictly prohibited.

Notwithstanding anything herein to the contrary, (i) any Rules and Regulations pertaining to the use of a storage space and/or Storage Space Unit will not be applicable to a storage space and/or Storage Space Unit held, owned or rented by Sponsor or Sponsor-designee; and (ii) notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one (1) or more Units including its storage space, if any, which is part of the Unit for use as models, sales and/or production offices in connection with the sale or rental of the Units.

2. Except as set forth above and herein, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Residential Units or Common Elements nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Residential Unit therein or adjoining Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale", "For Rent" or "For Lease" or similar signs on any unsold and/or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1') foot by two (2') feet. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one (1) or more vacant and unsold Units in the Building as a sales office and/or model Unit(s). Sponsor and its designee shall have the right to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building or any portion of the Common Elements without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.

3. No group tour or exhibition of any Residential Unit or its contents shall be conducted nor shall any auction sale be held in any Residential Unit, without the consent of the Board of Managers or the Managing Agent in each instance.

4. Unless expressly authorized by the Board of Managers in each instance, not less than eighty percent (80%) of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

5. No window guards or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property be colored or painted.

6. No exterior shades, window guards, awnings, ventilators, fans or air-conditioning devices or units shall be used or installed in or about any Unit, unless otherwise required by law, without

the prior written approval of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board of Managers, unless such installation is required by law, nor shall anything be projected out of any window of any Unit without similar approval. In connection with the individual Unit, each Unit Owner shall be responsible for compliance with all applicable laws relating to the requirement of installing window guards in the Unit.

7. No exterior of any Residential Unit, including the private yards, balconies or terraces, or the windows or doors thereof, patios, if any, or any other portions of the Common Elements shall be painted or decorated by any Owner in any manner, without prior written consent of the Board of Managers or except as provided in the By-Laws.

8. Plantings on any private yard, balcony or terrace shall 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 private yard, balcony or terrace surface, and, if adjoining a wall, at least three (3") inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a wall, plantings may be contained in masonry or hollow tile walls which shall be at least three (3") inches from the wall, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such private yard or terrace, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. There shall be no blockage of drainage on any private yard or terrace by a Residential Unit Owner. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. The size of such plantings shall be subject to the consent of the Board of Managers.

9. No personal articles (including, but not limited to, garbage cans, bottles or mats) and no furniture, artwork, equipment or doormats shall be placed or stored in entrances, hallways, stairways, or other Common Elements which are not limited to the exclusive use of a specific Residential Unit Owner. No Residential Unit Owner shall change or alter in any way the design, layout, color scheme or furnishings in entrances, hallways, stairways or other Common Elements, which are not limited to the exclusive use of a specific Residential Unit Owner. Notwithstanding the foregoing, a Residential Unit Owner has the right to change the lock on the door to his Unit or to add an additional lock, provided that such lock conforms in color with the other lock or locks and a copy of the new key is provided to the Board of Managers.

10. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, stereo, television set, or other loudspeaker in such Residential Unit Owner's Unit between midnight 12:00 A.M. and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of

10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

11. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, or any private yard or terrace, any dirt or other substances. No clothes, sheets, blankets, or other articles of any kind shall be hung or shaken from any doors, windows, or open private yard or terraces, or placed upon the window sills of the Building.

12. Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

13. All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct. Each Unit Owner shall comply with all requirements of law and regulations of the Board of Managers regarding recycling of trash. All Unit Owners shall separate their trash into "recyclable" and "nonrecyclable" materials. The Board of Managers may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by the Unit Owner for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. The Board of Managers may also establish other regulations regarding recycling of trash. Any costs incurred by the Board of Managers in the enforcement against the Unit Owner of recycling requirements imposed by law or by the Board of Managers, including (but not limited to) legal fees and fines or penalties imposed on the Board of Managers by any governmental agency shall be payable by the Unit Owner as additional Common Charges.

14. Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

15. Except for Units owned by Sponsor and/or a Sponsor designee, no bird, reptile, or animal, other than one (1) domesticated dog or cat, shall be permitted, raised, bred, kept, or harbored in the Units unless, in each instance, the same shall have been expressly permitted in writing by the Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal, including, but not limited to, domesticated dogs and cats, be permitted on any public portions of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. However, notwithstanding the above, no Unit Owner

shall be permitted to have a pit bull terrier or similar type dog which has shown vicious propensities without express prior written permission of the Board of Managers. The individual Unit Owners who keep an animal in their Unit shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in their Unit. All Unit Owners shall be responsible for immediately cleaning up any droppings from their pets.

16. Except as provided in the Declaration and By-Laws of the Condominium, no radio or television aerial or satellite dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units.

17. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

18. The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

19. No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in any heating, electrical or mechanical equipment area without the express permission of the Board of Managers.

20. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

21. No Unit Owner shall interfere in any manner with any portion of the lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit.

22. No Unit Owner shall use or permit to be brought into the Building any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.

23. Except as provided above, the Unit Owner shall not be allowed to put his name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

24. Any damage to the Building or equipment caused by Unit Owners, Unit Owner's family members, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

25. Complaints regarding the management of the Building and grounds or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

26. No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

27. Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and of providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

28. Except as otherwise provided for in the Condominium Declaration and/or By-Laws, the sidewalks, entrances, passages, public halls, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the 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 shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building by another vehicle.

29. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

30. There shall be no playing or lounging in the entrances, passages, public halls, corridors, stairways of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Board of Managers.

31. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the General Common Elements devoted to parking, storage, recreation, or service purposes in the Building.

32. Nothing shall be done or kept in any Residential Unit, including its Storage Space at the cellar level, or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall 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 the contents thereof, or that would be in violation of any law.

33. The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one (1) day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

34. The Board of Managers or the Managing Agent shall retain a pass-key to each Residential Unit. No Residential Unit Owner shall change any lock on any door leading into his Residential Unit, including its Storage Space, without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Residential Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If a Residential Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit promptly after such Unit Owner moves into his Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Residential Unit for emergency purposes and a Residential Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Residential Unit Owner shall be liable and responsible for any damage to the Common Elements or such Residential Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Residential Unit Owner is not personally present to open and permit an entry to his Residential 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 of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

35. If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent shall be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

36. No Unit Owner or other occupant of the Building shall use any employee of the Condominium or of the Managing Agent for private business or send any employee of the Condominium or of the Managing Agent out of the Building on any private business without the written consent of the Condominium Board except as a real estate broker for the sale or lease of a Unit.

37. The use of the residential storage spaces, if any, which are part of their respective Residential Units and the Storage Space Units and are located at the cellar level of the Building, by any of the Residential Unit Owners shall be subject to any and all restrictions and/or regulations established by the Board of Managers in its sole discretion.

38. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

39. Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (1) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; and (f) refrain from depositing waste of an explosive nature therein.

40. Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the main roofs of the Building.

41. No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product (hereinafter referred to collectively as "Smoking Apparatus") in any of the Common Elements at any time. No person may smoke or otherwise burn any Smoking Apparatus in any Unit or Limited Common Element in a manner which causes smoke to be a nuisance or annoyance to any other resident of the Condominium. In addition, and in accordance with the Leadership in Energy and Environmental Design (LEED NC 2.2) guidelines if applicable to the Condominium, no person may smoke or otherwise burn any Smoke Apparatus within twenty-five (25) feet of any outside entrance to the Condominium or within twenty-five (25) feet of any outdoor air intake or operable window opening onto Common Elements or Units.

42. The Rules and Regulations govern the use of the Units and Common Elements and may be amended from time to time by the Board of Managers. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit unless agreed to by Sponsor or a Sponsor-designee, as the case may be.

RECORDED FIRE EGRESS EASEMENT

EASEMENT

THIS INDENTURE dated ~~June~~ July 18, 1985 between 50 EAST 72ND STREET CONDOMINIUM, with offices at 50 East 72nd Street, New York, New York (the "Grantor") and GOODHOPE REALTY CORP., with offices c/o Ionian Transport Inc., 964 Third Avenue, New York, New York (the "Grantee").

Preliminary Statement

1. Grantor is the owner of all that certain plot of land with the buildings and improvements thereon erected being in New York County, bounded and described as follows:

BEGINNING at a point on the southerly side of 72nd Street, distant 95 feet westerly from the corner formed by the intersection of the southerly side of 72nd Street and the westerly side of Park Avenue; running

THENCE southerly and parallel with said westerly side of Park Avenue and part of the way through a party wall 102 feet 2 inches to the center line of the block;

THENCE westerly along the said center line of the block 82 feet;

THENCE northerly and again parallel with said westerly side of Park Avenue and part of the way through another party wall 102 feet 2 inches to the said southerly side of 72nd Street;

THENCE easterly along the said southerly side of 72nd Street, 82 feet to the point or place of BEGINNING.

Such PREMISES being known as 50 East 72nd Street.

2. Grantee is the owner of all that certain plot of land, with the buildings and improvements thereon erected, being in New York County, bounded and described as follows:

BEGINNING at a point on the southerly side of 72nd Street, distant 177 feet westerly from the corner formed by the intersection of the southerly side of 72nd Street, and the westerly side of Park Avenue (formerly 4th Avenue); running

THENCE Southerly parallel with Park Avenue (formerly 4th Avenue) and through a party wall, 102 feet 2 inches to the centre line of the block between 71st and 72nd Streets;

THENCE Westerly along said center line of the block 45 feet 6 inches;

THENCE Northerly parallel with Park Avenue and through a party wall, 102 feet 2 inches to the southerly side of 72nd Street; and

THENCE Easterly along the southerly side of 72nd Street, 45 feet 6 inches to the point or place of BEGINNING.

Such PREMISES being known as 40 East 72nd Street.

NOW, THEREFORE, in consideration of the sum of $1 and other good and valuable consideration paid to Grantee by Grantor, Grantor assigns and transfers to Grantee a right of access through a passageway which runs along the westerly side of Grantor's premises for the sole purpose of permitting Grantee ingress and egress from Grantee's premises to the public street on 72nd Street in the event of a fire on Grantee's premises.

Grantor may alter the exact route of passageway provided that Grantee is given an equivalent route to gain ingress and egress from Grantee's premises in the event of a fire on Grantee's premises.

TO HAVE AND TO HOLD the right and interest of access over such passageway or its equivalents unto Grantee and assigns forever.

GRANTEE shall be liable for any claims or damages incurred by Grantor as a result of any use of the passageway or its equivalents by Grantee, its tenants, invitees or any other persons.

50 EAST 72ND STREET
CONDOMINIUM

By Everett Cook, President

GOODHOPE REALTY CORP.

By Spiros Milonas - pres

1111 958 PG 35

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

On the 27th day of ~~June~~ July, 1985, before me personally came SPIROS MILONAS to me known, who being by me duly sworn, did depose and say that he resides at [redacted], that he is the President of GOODHOPE REALTY CORP., the corporation described in and which executed the foregoing instrument; ~~that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was affixed~~ by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Andrew G. Dafnos

ANDREW G. DAFNOS
Notary Public, State of New York
No. 31-4643324
Qualified in New York County
Commission Expires March 30, 1987

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

On the 12th day of ~~June~~ July, 1985, before me personally came EVERETT COOK, to me known, who being by me duly sworn, did depose and say that he resides at [redacted], that he is the President of 50 EAST 72ND STREET CONDOMINIUM, the Condominium association described in and which executed the foregoing instrument, and acknowledged that he executed the same by order of the Board of Managers of said association.

P. Baxter Lanius

P. BAXTER LANIUS
Notary Public, State of New York
No. 31-4790108
Qualified in New York County
Certificate filed in New York County
Commission Expires March 30, 1987

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comp - E.M. JH

Acl-52306

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72nd Street Condominium

to

Good Hope Realty Corp.

TICOR TITLE GUARANTEE
120 BROADWAY
N.Y.C. 10271

EASEMENT AGREEMENT

N.Y. County

Block: 1386

Premises: 50 E. 72 St.
Lot # 41

40 E. 72 St.
Lot # 44

LOC. [illegible]

CITY REGISTER N.Y. COUNTY
1985 SEP -6 PM 12:12

OFFICE OF CITY REGISTER
New York County
RECORDED
Witness my hand
and official seal
R. Wilhelm Rizzo
CITY REGISTER

Record and Return to:
GOLDBERG WEPRIN & USTIN
ATTORNEYS AT LAW
1501 BROADWAY
NEW YORK, N.Y. 10036

Att: Jack Weprin, Esq.

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INTERIM USE AND OCCUPANCY AGREEMENT

The Sponsor and Purchaser/Occupant agree as of _____ that Purchaser/Occupant shall use and occupy the Apartment (Apartment shall mean "Unit" where applicable herein) as follows:

SPONSOR/OWNER: **Axia Realty, LLC** **1790 Broadway** **New York, New York 10019**	**PURCHASERS/OCCUPANTS:** [TBD]
Address for Notices	**Same as Above**

Apartment #___ at 40 East 72nd Street, NY 10021

Term see **paragraph** 33

Security $TBD; **Rent** $TBD

Bank: Not Applicable

Use and Occupancy Fee is $TBD per month for each of the maximum of Twelve (12) months. At the closing of title to the Unit Purchaser/Occupant and Sponsor shall adjust the use and occupancy fee on a pro rata basis for the month in which the closing occurs.

1. **Use.** The Apartment must be used only for residential use as a private Apartment to live in and for no other reason. Only a party signing this Interim Use and Occupancy Agreement and/or the spouse and children of that party may use the Apartment. All references to "Purchaser/ Occupant" shall be read to mean "Purchaser and/or Occupant."

2. **Failure to give possession.** Sponsor and Owner, hereinafter collectively referred to as Sponsor, shall not be liable for failure to give Purchaser/Occupant possession of the Apartment on the beginning date of the Term. Use and Occupancy Fee shall be payable as of the beginning of the Term unless Sponsor is unable to give possession. Use and Occupancy Fee shall then be payable as of the date possession is available. Sponsor must give possession within a reasonable time, if not, Purchaser/Occupant may cancel and obtain a refund of money deposited for Use and Occupancy Fee. Sponsor will notify Purchaser/Occupant as to the date possession is available. The ending date of the Term will not change.

3. **Use and Occupancy Fee, added use and occupancy fee.** The use and occupancy fee payment for each month must be paid on the first day of that month at Sponsor's address. Sponsor need not give notice to pay the use and occupancy fee. Use and Occupancy Fee must be paid in full. The first month's use and occupancy fee and security is to be paid when Purchaser/Occupant signs this Interim Use and Occupancy Agreement. Purchaser/Occupant may be required to pay other charges to Sponsor under the terms of this Interim Use and Occupancy

Agreement. They are to be called "added use and occupancy fee." This added use and occupancy fee is payable as use and occupancy fee, together with the next monthly use and occupancy fee due. If Purchaser/Occupant fails to pay the added use and occupancy fee on time, Sponsor shall have the same rights against Purchaser/Occupant as if Purchaser/Occupant failed to pay use and occupancy fee.

4. **Notices.** Any bill, statement or notice must be in writing. If to Purchaser/Occupant, it must be delivered or mailed to the Purchaser/Occupant at the Apartment. If to Sponsor it must be mailed to Sponsor's address. It will be considered delivered on the day mailed or if not mailed, when left at the proper address. A notice must be sent by certified mail. Sponsor must notify Purchaser/Occupant if Sponsor's address is changed.

5. **Security.** Purchaser/Occupant has given security to Sponsor in the amount stated above. The security has been deposited in the Bank named above and delivery of this use and occupancy agreement is notice of the deposit. If the Bank is not named, Sponsor will notify Purchaser/Occupant of the Bank's name and address in which the security is deposited.

If Purchaser/Occupant does not pay use and the occupancy fee on time, Sponsor may use the security to pay for use and occupancy fee past due. If Purchaser/Occupant fails to perform any other term in this Interim Use and Occupancy Agreement, Sponsor may use the security for payment of money Sponsor may spend, or damages Sponsor suffers because of Purchaser/Occupant's failure. If the Sponsor uses the security, Purchaser/Occupant shall, upon notice from Sponsor, send an amount equal to the sum used by Sponsor. At all times Sponsor is to have the amount of security stated above.

If Purchaser/Occupant fully performs all terms of this Interim Use and Occupancy Agreement, pays the use and occupancy fee on time and leaves the Apartment in good condition on the last day of the Term or closes title pursuant to the Purchase Option Agreement, as amended, , then Sponsor will return the security being held.

If Sponsor sells or leases the Building, Sponsor may give the security to the buyer or lessee. Sponsor will notify Purchaser/Occupant by certified mail of the name and address of the new buyer or lessee of the building to whom the deposit has been transferred. In that event Purchaser/Occupant will look only to the buyer or lessee for the return of the security. The security is in a trust fund for Purchaser/Occupant. The Sponsor may use the security as stated in this Section. Sponsor may put the security in any place permitted by law. If the law states the security must bear interest, unless the security is used by Sponsor as stated Sponsor will give Purchaser/Occupant the interest less the sum Sponsor is allowed to keep for expenses. If the law does not require security to bear interest, Purchaser/Occupant will not be entitled to it.

6. **Services.** Sponsor will supply: (a) heat as required by law, (b) hot and cold water for bathroom and kitchen sink, (c) use of elevator, if any, and (d) cooling if central air conditioning is installed. Stopping or reducing of service(s) will not be reason for Purchaser/Occupant to stop paying use and occupancy fee, to make a money claim or to claim eviction. Purchaser/Occupant may enforce its rights under the warranty of habitability. Damage to the equipment or appliances

supplied by Sponsor, caused by Purchaser/Occupant's act or neglect, may be repaired by Sponsor at Purchaser/Occupant's expense. The repair cost will be an added use and occupant fee.

Purchaser/Occupant must pay for all electric, gas, telephone and other utility services used in the Apartment and arrange for them with the public utility company. Purchaser/Occupant must not use a dishwasher, washing machine, dryer, freezer, heater, ventilator, air cooling equipment or other appliance unless installed by Sponsor or with Sponsor's written consent. Purchaser/Occupant must not use more electric than the wiring or feeders to the Building can safely carry.

Sponsor may stop service of the plumbing, heating, elevator, air cooling or electrical systems, because of accident, emergency, repairs, or changes until the work is complete.

7. **Alterations.** Purchaser/Occupant must obtain Sponsor's prior written consent to install any paneling, flooring, "built in" decoration, partitions, railings or make alterations or to paint or wallpaper the Apartment. Purchaser/Occupant must not change the plumbing, ventilating, air conditioning, electric or heating systems. If consent is given, the alterations and installations shall become the property of Sponsor when completed and paid for. They shall remain with and as part of the Apartment at the end of the Term. Sponsor has the right to demand that Purchaser/Occupant remove the alterations and installations before the end of the Term. The demand shall be by notice, given at least fifteen (15) days before the end of the Term. Purchaser/Occupant shall comply with the demand at Purchaser/Occupant's own cost. Sponsor is not required to do or pay for any work unless stated in this Interim Use and Occupancy Agreement.

If a Mechanic's Lien is filed on the Apartment or Building for Purchaser/Occupant's failure to pay for alterations or installations in the Apartment, Purchaser/Occupant must immediately pay or bond the amount stated in the Lien. Sponsor may pay or bond the Lien if Purchaser/Occupant fails to do so within twenty (20) days after Purchaser/Occupant is given notice of the Lien. Sponsor's reasonable costs shall be an added use and occupancy fee.

8. **Repairs.** Purchaser/Occupant must take good care of the Apartment and all equipment and fixtures in it. Sponsor will repair the plumbing, heating and electrical systems. Purchaser/ Occupant must, at Purchaser/Occupant's cost, make all repairs and replacements whenever the need results from Purchaser/Occupant's act or neglect. If Purchaser/Occupant fails to make a needed repair or replacement, Sponsor may do it. Sponsor's reasonable expense will be an added use and occupancy fee.

9. **Fire, accident, defects, damage.** Purchaser/Occupant must give Sponsor prompt notice of fire, accident, damage or dangerous or defective condition. If the Apartment can not be used because of fire or other casualty, Purchaser/Occupant is not required to pay the use and occupancy fee for the time the apartment is unusable. If part of the apartment can not be used, Purchaser/Occupant must pay use and occupancy fee for the usable part. Sponsor shall have the right to decide which part of the Apartment is usable. Sponsor need only repair the damaged part of the Apartment. Sponsor is not required to repair or replace any equipment, fixtures,

furnishings or decorations unless originally installed by Sponsor. Sponsor is not responsible for delays due to settling insurance claims, obtaining estimates, labor and supply problems or any other cause not fully under Sponsor's control.

If the apartment can not be used, Sponsor has thirty (30) days to decide whether to repair it. Sponsor's decision to repair must be given to Purchaser/Occupant within 30 days of the fire or casualty. Sponsor shall have a reasonable time to repair. In determining what is a reasonable time, consideration shall be given to any delays in receipt of insurance settlements, labor trouble and causes not within Sponsor's control. If Sponsor fails to give Purchaser/Occupant notice of its decision within thirty (30) days, Purchaser/Occupant may cancel this Interim Use and Occupancy Agreement as of the date of the fire or casualty. The cancellation shall be effective only if it is given before Sponsor begins to repair or before Sponsor notifies Purchaser/Occupant of its decision to repair. If the fire or other casualty is caused by an act or neglect of Purchaser/Occupant or guest of Purchaser/Occupant all repairs will be made at Purchaser/Occupant's expense and Purchaser/ Occupant must pay the full use and occupancy fee with no adjustment. The cost of the repairs will be an added use and occupancy fee.

Sponsor has the right to demolish or rebuild the Building if there is substantial damage, by fire or other casualty. Even if the Apartment is not damaged, Sponsor may cancel this Use and Occupancy Agreement within thirty (30) days after the substantial fire or casualty by giving Purchaser/Occupant notice of Sponsor's intention to demolish or rebuild. This Interim Use and Occupancy Agreement will end thirty (30) days after Sponsor's cancellation notice to Purchaser/Occupant. Purchaser/Occupant must deliver the Apartment to Sponsor on or before the cancellation date in the notice and pay all use and occupancy fee due to the date of the fire or casualty. If this Interim Use and Occupancy Agreement is cancelled Sponsor is not required to repair the Apartment or Building. The cancellation does not release Purchaser/Occupant of liability in connection with the fire or casualty. This Section is intended to replace the terms of New York Real Property Law Section 227.

In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor within a one hundred twenty (120) day period notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit, the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Deposit, together with any interest earned thereon, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

10. **Liability.** Sponsor is not liable for loss, expense, or damage to any person or property, unless due to Sponsor's negligence. Sponsor is not liable to Purchaser/Occupant for permitting or refusing entry of anyone into the Building.

Purchaser/Occupant must pay for damages suffered and reasonable expenses of Sponsor relating to any claim arising from any act or neglect of Purchaser/Occupant. If an action is brought against Sponsor arising from Purchaser/Occupant's act or neglect Purchaser/Occupant shall defend Sponsor at Purchaser/Occupant's expense with an attorney of Sponsor's choice.

Purchaser/Occupant is responsible for all acts of Purchaser/Occupant's family, employees, guests or invitees.

11. **Entry by Sponsor.** Sponsor may enter the Apartment at reasonable hours to: repair, inspect, exterminate, install or work on master antennas or other systems and perform other work that Sponsor decides is necessary. At reasonable hours Sponsor may show the Apartment to possible buyers, lenders, or lessee of the entire Building or land. At reasonable hours Sponsor may show the Apartment to possible or new purchaser/occupants during the last four (4) months of the Term, if applicable. Entry by Sponsor must be on reasonable notice except in emergency.

12. **Assignment and Sublease.** Purchaser/Occupant may not assign this Interim Use and Occupancy Agreement or sublet all or part of the Apartment or permit any other person to use the Apartment, unless consented to in writing by Sponsor.

13. **Subordination.** This Interim Use and Occupancy Agreement and Purchaser/Occupant's rights, are subject and subordinate to all present and future (a) leases for the Building or the land on which it stands, (b) mortgages on the leases or the Building or land, (c) agreements securing money paid or to be paid by a lender, and (d) terms, conditions, renewals, changes of any kind and extensions of the mortgages, leases or lender agreements. Purchaser/Occupant must promptly execute any certificate(s) that Sponsor requests to show that this Interim Use and Occupancy Agreement is so subject and subordinate. Purchaser/Occupant authorizes Sponsor to sign these certificate(s) for Purchaser/Occupant. This Interim Use and Occupancy Agreement and Purchaser/Occupant's rights are also subject and subordinate to the Condominium Offering Plan and the Condominium Declaration for **40 East 72nd Street Condominium, New York, New York 10021**, as amended. This Interim Use and Occupancy Agreement and Purchaser/Occupant's rights are also subject and subordinate to the Condominium Declaration for the Love Lane Mews Condominium, as amended and any further amendments thereto.

14. **Condemnation.** If all of the Apartment or Building is taken or condemned by a legal authority, the Term, and Purchaser/Occupant's rights shall end as of the date the authority takes title to the Apartment or Building. If any part of the Apartment or Building is taken, Sponsor may cancel this Interim Use and Occupancy Agreement on notice to Purchaser/Occupant. The notice shall set a cancellation date not less than 30 days from the date of the notice. If this Interim Use and Occupancy Agreement is cancelled, Purchaser/Occupant must deliver the Apartment to Sponsor on the cancellation date together with the total use and occupancy fee due to that date. The entire award for any taking belongs to Sponsor. Purchaser/Occupant gives Sponsor any interest Purchaser/Occupant may have to any part of the award. Purchaser/Occupant shall make no claim for the value of the remaining part of the Term.

15. **Purchaser/Occupant Duty to Obey Laws and Regulations.** Purchaser/Occupant must, at Purchaser/Occupant's expense, promptly comply with all laws, orders, rules, requests and directions, of all governmental authorities, Sponsor's insurers, Board of Fire Underwriters, or similar groups. Notices received by Purchaser/ Occupant from any authority or group must be promptly delivered to Sponsor. Purchaser/Occupant may not do anything which may increase Sponsor's insurance premiums. If Purchaser/Occupant does, Purchaser/Occupant must pay the increase in premium as an added use and occupancy fee.

16. **Purchaser/Occupant's Default.** A. Sponsor must give Purchaser/ Occupant written notice of default stating the type of default. The following are defaults and must be cured by Purchaser/Occupant within the time stated:

(1) Failure to pay the use and occupancy fee or an added use and occupancy fee on time. Three (3) days in which to cure.

(2) Failure to move into the Apartment within fifteen (15) days after the beginning date of the Term. Ten (10) days in which to cure.

(3) Issuance of a court order under which the Apartment may be taken by another party. Ten (10) days in which to cure.

(4) Improper conduct by Purchaser/Occupant annoying other purchaser/occupants. Ten (10) days in which to cure.

(5) Failure to comply with any other term or Rule in this Use and Occupancy Agreement. Ten (10) days in which to cure.

A. If Purchaser/Occupant fails to cure the default in the time stated, Sponsor may cancel this Interim Use and Occupancy Agreement by giving Purchaser/Occupant a cancellation notice. The cancellation notice will state the date the Term will end which may be no less than ten (10) days after the date of the notice. On the cancellation date in the notice the Term of this Interim Use and Occupancy Agreement shall end. Purchaser/Occupant must leave the Apartment and give Sponsor the keys on or before the cancellation date. Purchaser/Occupant continues to be responsible as stated in this Interim Use and Occupancy Agreement. If the default can not be cured in the time stated, Purchaser/Occupant must begin to cure within that time and continue diligently until cured.

B. If Purchaser/Occupant's application for the Apartment contains any material misstatement of fact, Sponsor may cancel this Interim Use and Occupancy Agreement. Cancellation shall be by cancellation notice as stated in Paragraph 16A.

C. If (1) this Interim Use and Occupancy Agreement is cancelled; or (2) use and occupancy fee or an added use and occupancy fee is not paid on time; or (3) Purchaser/Occupant vacates the Apartment, Sponsor may, in addition to other remedies, take any of the following steps: (a) peacefully enter the Apartment and remove Purchaser/Occupant and any person or property, and (b) use eviction or other lawsuit method to take back the Apartment.

D. If this Interim Use and Occupancy Agreement is cancelled, or Sponsor takes back the Apartment, the following shall occur:

(1) The Use and Occupancy Fee and an added use and occupancy fee for the unexpired Term become immediately due and payable.

(2) Sponsor may relet the Apartment and anything in it. The reletting may be for any Term. Sponsor may charge any rent or no rent and give allowances to the new tenant. Sponsor may, at Purchaser/Occupant's expense, do any work Sponsor reasonably feels needed to put the Apartment in good repair and prepare it for renting. Purchaser/Occupant shall be liable for any cost and expense of Sponsor for any necessary repair.

(3) Any use and occupancy fee received by Sponsor for the re-renting shall be used first to pay Sponsor's expenses and second to pay any amounts Purchaser/Occupant owes under this Interim Use and Occupancy Agreement. Sponsor's expenses include the costs of obtaining possession and re-renting the Apartment, including, but not only reasonable legal fees, brokers' fees, cleaning and repairing costs, decorating costs and advertising costs.

(4) From time to time Sponsor may bring actions for damages. Delay or failure to bring an action shall not be a waiver of Sponsor's rights. Purchaser/Occupant is not entitled to any excess of use and occupancy fees collected over the use and occupancy fee paid by Purchaser/Occupant to Sponsor under this Interim Use and Occupancy Agreement.

(5) If Sponsor relets the apartment combined with other space an adjustment will be made based on square footage. Money received by Sponsor from the next purchaser/occupant other than the monthly use and occupancy fee, shall not be considered as part of the use and occupancy fee paid to Sponsor. Sponsor shall be entitled to all of the use and occupancy fee.

If Sponsor relets the Apartment the fact that all or part of the next purchaser/occupant's use and occupancy fee is not collected does not affect Purchaser/Occupant's liability. Sponsor has no duty to collect the next purchaser/occupant's use and occupancy fee. Purchaser/Occupant must continue to pay use and occupancy fee, damages, losses and expenses without offset.

E. If Sponsor takes possession of the Apartment by Court order, or under this Interim Use and Occupancy Agreement, Purchaser/Occupant has no right to return to the Apartment.

17. **Jury Trial and Counterclaims.** Sponsor and Purchaser/Occupant agree not to use their right to a Trial by Jury in any action or proceeding brought by either against the other, for any matter concerning this Interim Use and Occupancy Agreement or the Apartment. This does not include actions for personal injury or property damage and warranty of habitability actions. Purchaser/Occupant gives up any right to bring a counterclaim or set-off in any action by

Sponsor against Purchaser/Occupant on any matter directly or indirectly related to this Interim Use and Occupancy Agreement.

18. **No Waiver, illegality.** Sponsor's acceptance of use and occupancy fee or failure to enforce any term in this Interim Use and Occupancy Agreement is not a waiver of any of Sponsor's rights. If a term in this Interim Use and Occupancy Agreement is illegal, the rest of this Use and Occupancy Agreement remains in full force.

19. **Insolvency.** If (1) Purchaser/Occupant assigns property for the benefit of creditors, or (2) a non-bankruptcy trustee or receiver of Purchaser/Occupant or Purchaser/Occupant's property is appointed, Sponsor may give Purchaser/Occupant thirty (30) days' notice of cancellation of the Term of this Interim Use and Occupancy Agreement. If any of the above is not fully dismissed within the thirty (30) days, the Term shall end as of the date stated in the notice. Purchaser/Occupant must continue to pay the use and occupancy fee, damages, losses and expenses without offset. If Purchaser/Occupant files a voluntary petition in bankruptcy or an involuntary petition in bankruptcy is filed against Purchaser/Occupant, Sponsor may not terminate this Interim Use and Occupancy Agreement.

20. **Rules.** Purchaser/Occupant must comply with these Rules. Notices of new Rules will be given to Purchaser/Occupant. Sponsor need not enforce Rules against other Purchaser/Occupants. Sponsor is not liable to Purchaser/Occupant if another purchaser/occupant violates these Rules. Purchaser/Occupant receives no rights under these Rules:

(1) The comfort or rights of other Purchaser/Occupants must not be interfered with. This means that annoying sounds, smells and lights are not allowed.

(2) No one is allowed on the roof. Nothing may be placed on or attached to fire escapes, sills, windows or exterior walls of the Apartment or in the hallways or public areas.

(3) Smoking is not permitted in elevators. Messengers and trade people must only use service elevators and service entrances.

(4) Purchaser/Occupant must give to Sponsor keys to all locks. Doors must be locked at all times. Windows must be locked when Purchaser/Occupant is out.

(5) Apartment floors must be covered by carpets or rugs.

(6) Dogs, cats or other animals or pets are not allowed in the Apartment or Building.

(7) Garbage disposal rules must be followed. Wash lines, vents and plumbing fixtures must be used for their intended purpose.

(8) Laundry machines, if any, are used at Purchaser/Occupant's risk and cost. Instructions must be followed.

(9) Moving furniture, fixtures or equipment must be scheduled with Sponsor. Purchaser/Occupant must not send Sponsor's employees on personal errands.

(10) Purchaser/Occupant must not allow the cleaning of the windows or other part of the Apartment or Building from the outside.

Purchaser/Occupant shall also comply with the Rules and Regulations at the end of the By-Laws in the Condominium Offering Plan for **40 East 72nd Street Condominium, New York, New York 10021**.

21. **Representations, Changes in This Interim Use and Occupancy Agreement.** Purchaser/Occupant has read this Interim Use and Occupancy Agreement. All promises made by the Sponsor are in this Interim Use and Occupancy Agreement. There are no other Sponsor representations. This Interim Use and Occupancy Agreement may be changed only by an agreement in writing signed by and delivered to each party.

22. **Sponsor Unable to Perform.** If due to labor trouble, government order, lack of supply, Purchaser/Occupant's act or neglect, or any other cause not fully within Sponsor's reasonable control, Sponsor is delayed or unable to (a) carry out any of Sponsor's promises or agreement, (b) supply any service to be supplied, (c) make any required repair or change in the Apartment or Building, or (d) supply any equipment or appliances, this Interim Use and Occupancy Agreement shall not be ended or Purchaser/Occupant's obligations affected. Purchaser/Occupant may enforce its rights under the warranty of habitability.

23. **End of Term.** At the end of the Term, Purchaser/Occupant must: leave the Apartment clean and in good condition, subject to ordinary wear and tear; remove all of Purchaser/Occupant's property and all Purchaser/Occupant's installations and decorations; repair all damages to the Apartment and Building caused by moving; and restore the Apartment to its condition at the beginning of the Term. If the last day of the Term is on a Saturday, Sunday or Federal holiday the Term shall end on the prior business day.

24. **Punchlist.** Purchaser/Occupant has inspected the Apartment and Building and submitted a Punchlist Inspection Statement to Sponsor, a copy of which is attached hereto. Purchaser/Occupant states that the Apartment is in good order and repair and takes the Apartment as is except for items listed on the Punchlist Inspection Statement attached hereto which are Sponsor's obligation to cure pursuant to the terms of the Offering Plan. Since Purchaser/Occupant will be occupying the subject condominium apartment prior to the closing under his Purchase Option Agreement, as amended, , Purchaser/Occupant agrees to assume all risk and responsibility for the condition of the Apartment from and after the date hereon, and agrees to accept the condominium apartment at closing under the Purchase Option Agreement, as amended, in its then existing condition, without any obligation of the Sponsor to make any repairs, improvements or alterations except as may be required above.

25. **Sponsor's Warranty of Habitability.** Sponsor states that the Apartment is fit for human living and there is no condition dangerous to health, life or safety. This warranty applies to all

sections of this Interim Use and Occupancy Agreement. Purchaser/Occupancy may not waive any of Purchaser/Occupant's rights under this warranty.

26. **Sponsor's Consent.** If Purchaser/Occupant requires Sponsor's consent to any act and such consent is not given, Purchaser/Occupant's only right is to ask the Court to force Sponsor to give consent. Purchaser/Occupant agrees not to make any claim against Sponsor for money or subtract any sum from the use and occupancy fee because such consent was not given.

27. **Use and Occupancy Agreement Binding On.** This Interim Use and Occupancy Agreement is binding on Sponsor and Purchaser/Occupant and their heirs, distributees, executors, administrators, successors and lawful assign.

28. **Sponsor.** Sponsor means the owner, or the lessee of the Building, or the holder of unsold Units or shares, or a lender in possession. Sponsor's obligations end when Sponsor's interest in the Unit or Building, as the case may be, is transferred. Any acts Sponsor may do may be performed by Sponsor's agents or employees.

29. **Paragraph headings.** The paragraph headings are for convenience only.

30. Notwithstanding anything above to the contrary, it is hereby acknowledged and agreed that simultaneously with the execution of this Interim Use and Occupancy Agreement, the Purchaser/Occupant shall execute the Rider to Purchase Agreement, as amended amending the Purchase Agreement, as amended (collectively the "Purchase Option Agreement, as amended,"), with the Sponsor for the purchase of Unit ___ at **40 East 72nd Street Condominium, New York, New York 10021**. It is herewith agreed that in the event Purchaser/Occupant shall default in the payment or performance of any of Purchaser/Occupant's obligations under said Purchase Agreement, as amended, which default shall not be cured by the default cure period set forth in the Purchase Agreement, as amended, then Sponsor (at Sponsor's sole option) shall have the right to cancel this Interim Use and Occupancy Agreement so long as such default shall be continuing, it being intended that a default under the Purchase Agreement, as amended, shall constitute a default under this Interim Use and Occupancy Agreement. In the event Sponsor exercises its right of cancellation, then this Interim Use and Occupancy Agreement shall cease and come to an end upon Sponsor's sending Purchaser/Occupants five (5) days prior written notice of its intention to cancel this Interim Use and Occupancy Agreement, except Purchaser/Occupants shall remain liable for any amounts unpaid up to the date such cancellation becomes effective (it being intended that the provisions of this sentence shall survive such cancellation). It is also herewith agreed that in the event Purchaser/Occupant shall default in the payment or performance of any of Purchaser/Occupant's obligations under this Interim Use and Occupancy Agreement, then the Sponsor, shall have the right to cancel such Purchase Agreement, as amended, it being a default under the Purchase Agreement, as amended (the provision of this sentence shall be deemed to supplement said Purchase Agreement, as amended, and shall inure to the benefit of said Sponsor). If Sponsor elects to cancel, Purchaser/Occupant shall have five (5) days after the sending of the cancellation notice to Purchaser within which to cure the specified default. Time is of the essence to cure such default within said five (5) day period. If such default is not so cured the Purchase Agreement, as amended, shall be deemed

terminated and Sponsor shall have the right to retain, as and for liquidated damages all Down Payments previously made by Purchaser/Occupants (Purchasers) and released to Sponsor under said Purchase Agreement, as amended. Before the Sponsor may utilize the default under the Interim Use and Occupancy Agreement to declare a default under the Purchase Agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit.

31. Notwithstanding anything above to the contrary, Purchaser/Occupants hereunder agree and understand if Purchaser/Occupants fail to pay the balance of the purchase price for Unit ___ pursuant to the Purchase Agreement, as amended, or fails to close title to Unit ___ pursuant to such Purchase Agreement, as amended, the Purchase Agreement, as amended, shall be deemed null and void and of no further force and effect and the Sponsor/Owner and Purchaser/Occupant shall have no further obligations to each other, except that Purchaser/Occupant shall remain liable for any amounts unpaid up to the date such cancellation becomes effective.

32. Notwithstanding anything above to the contrary, Purchaser/Occupant shall be the purchaser of the Apartment pursuant to the Purchase Agreement, as amended, and hereby assumes the risk of loss to Apartment not covered by Sponsor's or Condominium's Insurance Policies resulting from fire or other casualty unless the cause of such loss originated outside the Apartment and did not result from the acts of Purchaser/Occupant or other occupants of the Apartment or Purchaser/Occupants' guests, invitees or workmen.

33. Notwithstanding anything above to the contrary, this Interim Use and Occupancy Agreement shall commence on _____, 20__ (the "Commencement Date") and terminate on the earlier of (i) twelve (12) months (_____ __, 20__) from the date of commencement; or (ii) on the date of and immediately prior to the closing of title to Unit ___ located at **40 East 72nd Street Condominium, New York, New York 10021**; or, (iii) at the option of Sponsor, upon a default pursuant to this Interim Use and Occupancy Agreement or the Purchase Agreement, as amended.

34. Purchaser/Occupant covenants and agrees to provide on or before the Commencement Date and to keep in force during the term hereof the following insurance coverage which coverage shall be effective on the Commencement Date:

(a) A comprehensive policy of liability insurance naming Sponsor as an additional insured protecting Sponsor and Purchaser/Occupant against any liability whatsoever occasioned by accident in or about the Apartment or any appurtenances thereto. Such policy shall have limits of liability of not less than One Million ($1,000,000.00) Dollars combined single limit coverage on a per occurrence basis, including property damage;

(b) Fire and Extended coverage in an amount adequate to cover the cost of replacement of all personal property, fixtures, furnishings and equipment located in the Apartment.

All such policies shall be issued by companies of recognized responsibility licensed to do business in New York State and rated by Best's Insurance Reports or any successor publication of comparable standing and carrying a rating of A+ VIII or better or the then equivalent of such rating, and all such policies shall contain a provision whereby the same cannot be canceled or modified unless Purchaser and any additional insured are given at least thirty (30) days prior written notice of such cancellation or modification.

Prior to the time such insurance is first required to be carried by Purchaser/Occupant and thereafter, at least fifteen (15) days prior to the expiration of any such policies, Purchaser/Occupant shall deliver to Sponsor either duplicate originals of the aforesaid policies or certificates evidencing such insurance, together with evidence of payment for the policy. Purchaser/Occupant's failure to provide and keep in force the aforementioned insurance shall be regarded as a material default hereunder, entitling Sponsor to exercise any or all of the remedies as provided in this Interim Use and Occupancy Agreement in the event of Purchaser/Occupant's default. In addition, in the event Purchaser/Occupant fails to provide and keep in force the insurance required by this Interim Use and Occupancy Agreement, at the times and for the durations specified in this lease, Sponsor shall have the right, but not the obligation, at any time and from time to time, and without notice, to procure such insurance and/or pay the premiums for such insurance in which event Purchaser/Occupant shall repay Sponsor within five (5) days after demand by Sponsor, as an additional use and occupancy fee, all sums so paid by Sponsor and any costs or expenses incurred by Sponsor in connection therewith without prejudice to any other rights and remedies of Sponsor under this Interim Use and Occupancy Agreement.

C. If, by reason of a failure of Purchaser/Occupant to comply with the provisions of Paragraph 34, the rate of fire insurance with extended coverage on the building or equipment or other property of Sponsor shall be higher than it otherwise would be, Purchaser/Occupant shall reimburse Sponsor, on demand, for that part of the premiums for fire insurance and extended coverage paid by Sponsor because of such failure on the part of Purchaser/Occupant.

D. Each policy evidencing the insurance to be carried by Purchaser/Occupant under this Interim Use and Occupancy Agreement shall contain a clause that such policy and the coverage evidenced thereby shall be primary with respect to any policies carried by Sponsor, and that any coverage carried by Owner shall be excess insurance.

35. Notwithstanding anything above to the contrary, Purchaser/Occupant agrees that TIME IS OF THE ESSENCE as to Purchaser concerning its surrender to landlord of the Apartment upon the expiration or other termination of the term of this Interim Use and Occupancy Agreement. If Purchaser/Occupant fails to grant and surrender to Sponsor said Apartment, broom clean, in good order and condition, ordinary wear excepted upon the expiration or other termination of this Interim Use and Occupancy Agreement, Purchaser/Occupant shall pay to Sponsor additional rent of $1,500.00 per day until it so surrenders the Apartment.

36. In the event of any conflict between the terms of this Use and Occupancy Agreement and the terms of the Offering Plan filed, the terms of the Offering Plan shall govern.

37. IT HAS BEEN FULLY AND CLEARLY EXPLAINED TO PURCHASER/ OCCUPANT AND PURCHASER/OCCUPANT AGREES AND ACKNOWLEDGES, THAT THE APARTMENT IS NOT SUBJECT TO THE EMERGENCY TENANTS PROTECTION ACT, THE RENT CONTROL LAWS OF THE STATE OF NEW YORK, OR ANY OTHER RENT LAWS AND REGULATIONS.

38. If any provision of paragraphs 30 - 36 conflict or are otherwise inconsistent with any other provision of this Use and Occupancy Agreement, the provisions of paragraphs 30 - 36 shall prevail.

If any provisions of this Use and Occupancy Agreement conflict with the terms of the offering plan filed, regarding the Apartment, with the New York State Department of Law the terms of the filed offering plan shall prevail.

39. **Signature, Effective Date.** Sponsor and Purchaser/Occupant have signed this Interim Use and Occupancy Agreement as of the above date.

This Interim Use and Occupancy Agreement may be executed by facsimile signature and/or in any number of counterparts and each of such facsimile signature and/or counterpart shall for all purposes be deemed to be an original; and all such facsimile signatures and/or counterparts shall together constitute but one and the same Interim Use and Occupancy Agreement.

OWNERS/SPONSORS:

Axia Realty, LLC

By:_____ _____

Name:
Title:

PURCHASER/OCCUPANT:

_____ _____

[TBD] [TBD]

PUNCHLIST INSPECTION STATEMENT

Date:_____

Axia Realty, LLC
1790 Broadway, Suite 1700
New York, New York 10019

RE: "40 East 72nd Street Condominium"
Unit #____

Building Address: 40 East 72nd Street
New York, NY 10021

Gentlemen:

As a result of my/our final inspection, please be advised that the following items need either completion, adjustment or repair:

ITEM

1. _____
2. _____
3. _____
4. _____
5. _____

I/we understand that certain items, as set forth in the Offering Plan, are not the responsibility of Sponsor. I/we also understand that to prevent pilferage certain items such as medicine cabinet doors, shower heads, toilet seats and bifold door knobs,

_____
_____
_____
_____
will be installed just prior to my/our date of moving.

_____Purchaser's signature

_____Purchaser's signature

_____
Seller's Representative

REAL ESTATE TAX ESCROW AGREEMENT WITH BOARD OF MANAGERS

ESCROW AGREEMENT, dated as of _____, 20__, by and between _____ ("Unit Owner") residing at 40 EAST 72ND STREET, New York, New York 10021, and the Board of Managers of the Condominium known as the "40 East 72nd Street Condominium" ("Board of Managers"), with an office at 40 East 72nd Street, New York, New York 10021.

WHEREAS, pursuant to the terms of the Offering Plan for the conversion to condominium ownership of the premises located at 40 East 72nd Street, New York, New York 10021, each Unit Owner is obligated to pay the real estate taxes attributable to his or her condominium unit during such Unit Owner's period of ownership, despite the fact that the condominium units may not yet have been separately assessed as independent tax lots.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. That until a separate assessment for each condominium unit has occurred, the Unit Owner of the Units it owns, shall pay, or shall cause its mortgagee to pay, to the Board of Managers on January 1st and July 1st of each year, or quarterly if required, an amount equal to one-half (1/2) or one-quarter (1/4), as the case may be, of the result obtained by multiplying such Units' percentage of Common Interest which the Units comprise in the Condominium by the aggregate annual real estate taxes assessed against the tax lot(s) comprising the entire Property for the fiscal year in which such January 1st and July 1st dates occur.

2. The Board of Managers hereby agrees to place any amounts paid by Unit Owner and/or its mortgagees in a special, segregated escrow account in a savings institution or commercial bank of its choice until such real estate taxes are due and payable, at which time the Board of Managers shall have such funds paid to the City of New York.

3. The Board of Managers shall receive no compensation for its services to be performed hereunder.

Agreed:

Board of Managers of the
40 East 72nd Street Condominium

By:_____
Name:
Title:

Unit Owner

_____

_____

**CERTIFICATION OF SPONSOR
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
120 Broadway
23rd Floor
New York, New York 10271

Attn: Real Estate Finance Bureau

Re: 40 East 72nd Street Condominium
40 East 72nd Street
New York, New York 10021

The undersigned certify as follows:

We are the Sponsor and the principal of Sponsor of the condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond

reasonable expectation or unwarranted by existing circumstances; and

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the 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.

SPONSOR: Axia Realty, LLC

By: S. Milonas
Spiros N. Milonas, Manager

Sworn to before me this
21 day of MAY, 2014

Andrew G Dafnos
Notary Public
ANDREW G DAFNOS
NOTARY PUBLIC STATE OF NEW YORK
LIC. #01DA4645324
QUALIFIED IN NEW YORK COUNTY
COMM. EXP. JULY 31, 2017

PRINCIPALS OF SPONSOR:

S. Milonas
Spiros N. Milonas

Sworn to before me this
21 day of MAY, 2014

Andrew G Dafnos
Notary Public
ANDREW G DAFNOS
NOTARY PUBLIC STATE OF NEW YORK
LIC. #01DA4645324
QUALIFIED IN NEW YORK COUNTY
COMM. EXP. JULY 31, 2017

A. Milonas
Antonia K. Milonas

Sworn to before me this
21 day of MAY, 2014

Andrew G Dafnos
Notary Public
ANDREW G DAFNOS
NOTARY PUBLIC STATE OF NEW YORK
LIC. #01DA4645324
QUALIFIED IN NEW YORK COUNTY
COMM. EXP. JULY 31, 2017

CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO SEC 20.4(c) OF PART 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

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

Attn: Real Estate Financing Bureau

Re: "40 East 72nd Street Condominium"
Premises: 40 East 72nd Street
New York, New York 10021

The Sponsor of the Offering Plan to convert the captioned Property to condominium ownership retained our firm, Barry Rice Architects, PLLC ("Rice"), to prepare a report describing the construction of the Property (the "Report"). On October 1, 2014, we visually inspected the property, and we subsequently examined the building plans and specifications that were prepared by Rice, dated December 15, 2011, amended on September 19, 2012 and amended again on June 12, 2013 and prepared the Report dated September 30, 2014, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report. We are registered architects in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This Certification is made for the benefit of all persons to whom this offer is made. We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire Property as it will exist upon completion of construction and/or renovation, provided that construction and/or renovation is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description

New York State Department of Law
Premises: 40 East 72nd Street
New York, New York 10021
October 1, 2014

and/or physical condition of the Property as it will exist upon completion of construction and/or renovation in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing this Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

Barry Rice Architects PLLC

By: _____
Barry Rice, Principal

REGISTERED ARCHITECT BARRY RICE 026020 STATE OF NEW YORK

10/1/14

Sworn to before me this
1st day of October, 2014

_____
Notary Public

BAHRIJA PERAZIC
Notary Public, State of New York
No. 01PE6058555
Qualified in New York County
Commission Expires May 14, 2015

SANDBERG MANAGEMENT CORP.
345 SEVENTH AVENUE, 8TH FLOOR, NEW YORK, NY 10001 (212) 268-0494 FAX (212) 268-0397

CERTIFICATION BY EXPERT OF THE ADEQUACY OF SCHEDULE B PURSUANT TO SECTION 20.4(d) OF PART 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

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

Re: "40 East 72nd Street Condominium"
Premises: 40 East 72nd Street
New York, New York 10021

The sponsor of the condominium Offering Plan for the captioned property retained our firm, Sandberg Management Corp., to review Schedule B containing projections of income and expenses for the first year of condominium operation.

Our firm, or the principals thereof, have been in the real estate management business for a period in excess of nineteen (19) years. We currently manage and in the past have managed residential brownstone and conventional elevator and non-elevator apartment buildings which are either operated in the cooperative or condominium form of ownership or as rental properties. We also manage commercial property. Some of the properties that we manage or have managed are as follows:

1. 45 West 11th Street
   New York, New York

2. 125 West 12th Street
   New York, New York

3. 88 Jane Street
   New York, New York

4. 1200 Broadway
   New York, New York

5. 227 Central Park West
New York, New York

6. 245 West 74th Street
New York, New York

We certify that the projections in Schedules 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 Schedules:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Sandberg Management Corp.

By: _____
Name: Louis Sandberg
Title: President

Sworn to before me this 17
day of March, 2014.

_____
Notary Public

YEKATERINA SHTERENBERG
Notary Public, State of New York
No. 01SH6242719
Qualified in Kings County
Commission Expires 06/06/20 15