

ON THE SOUND CONDOMINIUM

**CONDOMINIUM OFFERING PLAN
ISLAND POINT ROAD
CITY ISLAND
BRONX, NEW YORK 10464**

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Total Purchase Price of Offering of (43 Units).....	\$29,104,550.00
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NAME AND ADDRESS OF SPONSOR:
CITY ISLAND RESERVE LLC
C/O Greystone City Island Development LLC
152 West 57th Street
New York, New York 10019

**NAME AND ADDRESS OF SELLING
AGENT:**
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207 Wolfs Lane
Pelham, New York 10803

NAME AND ADDRESS OF SPONSORS ATTORNEY:
Davidoff Hutcher & Citron LLP
605 Third Avenue
New York, New York 10158
Attn: Derek Wolman, Esq.

Date of Acceptance for Filing: February 4, 2015

This Plan may not be used for more than twelve (12) months from this date unless extended by a duly filed amendment.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS

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. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

THIS OFFERING PLAN IS SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS 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.

ON THE SOUND CONDOMINIUM

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PART I

SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS

1. The purchase of a condominium unit has many significant legal and financial consequences and may be one of the most important financial transactions that you may enter into. The Attorney General of the State of New York strongly urges you to read this offering plan carefully and to consult with an attorney before signing an agreement to purchase a condominium unit.

2. At the time a Purchase Agreement is executed, a Purchaser is required to make a down payment in an amount equal to at least ten (10%) percent of the purchase price. In the event a Purchaser defaults under his or her Purchase Agreement, time being of the essence with regard to the obligations of the Purchaser thereunder, and does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, cancel such Purchase Agreement and retain, as liquidated damages, the entire down payment made by the Purchaser together with interest earned thereon, if any. Additionally, if a Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's Purchase Agreement as a result of the same, (a) the closing apportionments to be made at the Closing will be made as of midnight of the date preceding the originally scheduled Closing Date, and (b) the Purchaser will be required to pay to Sponsor an amount equal to 0.03% of the purchase price of his or her Unit for each day that the Closing is adjourned. (See the Section entitled "Procedure to Purchase" for further details.)

3. Although a Purchaser may obtain financing from a lending institution or any other source, his or her obligation to purchase a Unit pursuant to his or her Purchase Agreement shall not be contingent on obtaining financing for such purchase. Neither Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to pre-qualify for financing with their lender 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 Date. (See the Section entitled "Procedure to Purchase" for further details.)

4. Prior to the closing of title to a Unit, Purchasers are expressly prohibited from advertising, listing the Unit with a broker or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease ("Advertising Activities") without Sponsor's prior written consent. If any Purchaser engages in any of the foregoing Advertising Activities, it shall be considered an event of default under the terms of the Purchase Agreement, thereby entitling Sponsor to any and all remedies under the terms of the Purchase Agreement. After the closing of title to a Unit, Purchasers are expressly prohibited from Advertising Activities or from selling any Units without the prior written consent of Sponsor until Sponsor has sold 80% of the Units, or until 1 year after Closing, whichever occurs first. Purchasers are referred to the Purchase Agreement set forth in Part II of the Plan for further details.

5. Sponsor is retaining the unconditional right to rent rather than sell units. Sponsor will endeavor in good faith to sell all of the Units in a reasonably timely manner; however, there is no certainty as to the period of time required to sell all of the Units. In the event market conditions preclude the Sponsor from selling Units for the prices indicated on Schedule "A", as it may be amended from time to time, Sponsor may elect to rent Units until such time as the Units can be sold on terms acceptable to Sponsor. As a consequence of the foregoing, residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or other Unit Owners. Accordingly, it is possible that a significant proportion of Unit owners will not be residents of the Buildings and that a significant portion of tenants in the Condominium may not be Unit Owners, and a Unit Owner seeking to resell or refinance a Unit may experience difficulty. Since Sponsor will not declare the Plan effective until fifteen (15%) percent of the units are sold (8 Units), is likely that the Unit Owners will obtain control of the Condominium Board at the expiration of the Sponsor Control Period. (See Section of the Plan entitled "Rights and Obligations of Sponsor" for further detail.)

6. Sponsor as the owner of Unsold Units will have voting control of the Condominium Board during the period which continues until the earlier to occur of: (i) the sale by the Sponsor of more than fifty (50%) percent of the aggregate Common Interests Units or (ii) five (5) years after the First Closing (the "Sponsor Control Period"). Thereafter, Sponsor will continue to have the right to vote its interest in the Unsold Units in all elections. During the period that Sponsor controls the Condominium Board Sponsor will have control of maintenance, facilities and services to be provided to Unit Owners and will determine the Common Charges to be paid by all Owners. (See the Section entitled "Control By Sponsor" for further details.)

7. Sponsor and its designees may exercise veto power over some actions of the Condominium Board. Sponsor may not exercise veto power over expenses in Schedule B, or expenses required to remedy any notice of violation, or to remedy any work ordered by an insurer. Until Sponsor and its designees have conveyed title to seventy-five (75%) percent of all of the Units, but in no event later than five (5) years after the closing of the first Unit, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium (see the Section entitled "Control By Sponsor" for further details).

8. No amendment, modification, addition or deletion of the Declaration, By-Laws or Rules and Regulations shall be effective in any way without the prior written consent of Sponsor

or its designee or the owner of any Unsold Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Condominium or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Unit, as the case may be, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Unit, as the case may be (See the Section entitled “Rights and Obligations of Unit Owners and the Board of Managers” for further details).

9. The real estate tax estimates for each Unit were calculated on the assumption that the real estate taxes for the residential portion of the Condominium payable with respect to each Unit for the first year of Condominium operation will be allocated in proportion to the Unit's percentage interest in the Common Elements. Upon determination of individual tax lots and individual Unit assessments, the New York City tax authorities may allocate taxes between the Units in proportion to each Unit's purchase price or imputed market value rather than its percentage interest in the Common Elements. Units having the same percentage interest may pay different real estate taxes. The Plan describes certain real estate tax benefits. There is no certainty that the real estate tax benefits described in this Plan will be obtained or, if obtained, will be at the level projected or last as long as projected. No representation or warranty is being made with regard to such benefits other than that Sponsor will seek to obtain them. (Please refer to the Section of the Plan entitled “Real Estate Taxes” for further details.)

10. 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 the lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It may also 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.

11. No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, special assessments and real estate taxes with respect to Unsold Units or assure that Sponsor performs its obligations for completion of construction of all Units and Common Areas or for obtaining Permanent Certificates of Occupancy. In addition, the Offering Plan permits closing of title to Units before issuance of a permanent Certificate of Occupancy for a Unit. Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Units. Investors are advised to visit the New York City Department of Buildings website/nyc.gov/CONSUMER_TIPS for its recommendation when purchasing units in a condominium that does not have a Final Certificate of Occupancy. Please refer to the Section of the Plan entitled “Rights and Obligations of Sponsor” in Part I of the Plan for further details.

12. Purchasers shall be obligated to pay the NYC Real Property Transfer Tax and NYS Real Property Transfer Tax (Deed Stamps) which by law are the primary obligation of the Seller. If the purchase price of the Unit is \$1,000,000 or more, Purchaser shall also be obligated to pay

the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the “Mansion Tax”, currently one (1%) percent of the purchase price, which by law is the primary obligation of the Purchaser. For purposes of calculating the taxes payable, the amounts of such taxes (other than the Mansion Tax) will be included in the consideration subject to such tax. (See the Section entitled “Closing Costs and Adjustments” for further details).

13. All legal costs, fees and expenses charged by the Purchaser’s attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor’s attorney, Davidoff Hutcher & Citron LLP, in connection with the closing of title to Purchaser’s Unit: (i) the sum of \$3,500 to reimburse Sponsor for its legal fees in handling the closing, (ii) if the Purchaser requests the Closing to occur other than at the offices of Davidoff Hutcher & Citron LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of \$500 for each Closing (iii) if Sponsor, in its sole discretion, consents to a Purchaser’s request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, Purchaser shall pay a fee of \$750 to Sponsor’s attorneys, payable in advance, for preparation of an assignment agreement (Purchaser may pay more than one fee pursuant to this paragraph with respect to a single Unit), (iv) if Purchaser obtains mortgage financing, then Purchaser shall pay Sponsor’s attorneys an additional fee of \$500 to defray the additional costs associated therewith, and (v) if the closing is adjourned through no fault of Sponsor, the Purchaser will be required to pay to Sponsor’s attorneys an additional fee of \$350 for each adjournment to help defray the cost of preparing for and coordinating the new closing. Please refer to the Section of the Plan entitled “Closing Costs and Adjustments” for further details.

14. According to law, the Condominium’s building type is not subject to Window Guard requirements. No Residential owner shall install Window Guards in any windows of the Unit.

15. Sponsor’s offer to sell the Units under this Plan is contingent upon the Plan being declared effective pursuant to Part 20 of Title 13 NYCRR. Purchasers should note that Sponsor may declare the Plan effective after entering into Purchase Agreements for a minimum of eight (8) of the Units offered for sale under this Plan. The construction financing commitment provides that Sponsor may not declare the plan effective until at least 15% of the Units have been sold. (Please refer to the Section entitled “Effective Date” in Part I of the Plan for further details.)

16. While Unsold Units are being offered for sale or lease by Sponsor or its designees there will be a greater number of visitors to the Building than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Subject to applicable law to the contrary, neither Sponsor or its Sales Agent nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Building's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages. No representation or warranty is made and no assurance is given that the security systems and procedures of the Condominium will prevent personal injury or damage to or loss of personal property.

17. In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of any Board, Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering the boundary walls between one or more Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Unit in such Unsold Unit, (c) designate a Common Element as part of a newly created Unit or designate all or part of a Unit as a newly created Common Element and (d) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. Please see the Section of the Plan entitled "Changes in Prices and Units" for further details.

18. The present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of the Condominium's income in excess of expenses related to such income is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Schedule B, Budget for the First Year of Condominium Operation, does not contemplate any income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership income. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. Please refer to the Attorney's Income Tax Opinion and the Section entitled "Taxes—Deductions to Unit Owners and Tax Status of Condominium" in Part I of the Plan for further discussion.

19. Purchasers should note that the insurance coverage maintained on behalf of the Condominium does not cover the individual Units or any property contained in a Unit. Purchaser should refer to the Declaration in Part II of the Plan for a description of the Units. Sponsor will maintain commercially reasonable insurance coverage for each of the Units Sponsor owns after Closing.

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

21. The Contingency provided for in the Projected Budget for the First Year of Condominium Operation (Schedule B) is intended to provide a fund for unanticipated expenses not included in the budget and for increases in operating expenses above the amounts projected.

No other reserve fund for capital expenditures has been established. The Contingency is not intended and may not be sufficient to meet the cost of any major capital repairs or replacements which may be required. If funds are required to meet such costs, it may be necessary to increase Common Charges or institute a special assessment. See the Section of the Plan entitled "Working Capital Fund" for further discussion.

22. No representation or warranty is made and no assurance is given that the security systems and procedures of the Condominium will prevent personal injury or damage to or loss of personal property.

23. Changes in zoning or construction of new buildings within the vicinity of the Property could affect existing views. No assurance can be given that the views currently existing (or existing when Purchaser first purchases or occupies the Unit) will continue to exist unchanged.

24. The approximate indoor floor area of each Unit has been measured from the exterior side of the façade or exterior Building walls or glass windows at the Building line and/or Property line enclosing the Unit, to the midpoint of the interior demising walls separating the Unit from another Unit, the public corridors or public stairs, or from the mechanical space or other mechanical equipment space of any other Common Elements. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. The floor area occupied by any Common Elements bordering or within a Unit (such as the Building's façade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit. As a result, the square footage shown are taken from points behind the walls enclosing the Unit and exceed the Unit's usable floor area. Minor inaccuracies in a Unit's square footage will not excuse a Purchaser from completing the purchase of a Unit.

25. The deed to be given to each Purchaser is without any covenant against grantors acts. Purchasers may obtain title insurance to protect against possible defects in title. The form of deed is contained in Part II of the Plan. At the Closing the Purchaser will be required to execute a Power of Attorney in the form set forth in Part II which will be delivered to the Title Company at the Closing to be recorded with the Unit Deed. Failure to execute and deliver the Power of Attorney shall be an event of default by Purchaser who shall not have an opportunity to cure the default, unless he agrees to pay the cost and fees for an adjourned closing set forth in Part I, Section O.

26. Balconies/Terraces may not be used for any type of occupancy – including, but not limited to dining, sleeping, living room, office, etc. To do so may result in a violation against the building being issued by the Department of Buildings.

27. In those apartments that have a room without a use designated on the floor plans, such room may not be used for any type of residential occupancy – including but not limited to dining, sleeping, living room, office, etc. To do so may result in a violation against the building being issued by the Department of Buildings.

28. The site is located in two flood zones utilizing NAVD 88 datum. The eastern portion of the site is located in FEMA Advisory Base Flood Elevation Map: V with a base flood elevation of elevation 16 and all structures in that zone will comply with the base flood elevation. The western portion of the site is in a FEMA Flood Zone X and all structures in that zone will comply with the base flood zone heights. The budgeted line item for insurance set forth in Schedule B represents current insurance premiums at current rates, including flood insurance.

Your mortgage lender will require you to purchase flood insurance in connection with your purchase of this property. The National Flood Insurance Program provides for the availability of flood insurance and establishes flood insurance policy premiums based on the risk of flooding in the area where properties are located. Recent changes to federal law (The Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014, in particular) will result in changes to flood insurance premiums that are likely to be higher, and in the future may be substantially higher, than premiums paid for flood insurance prior to or at the time of sale of the property. As a result, purchasers of property should not rely on the premiums paid for flood insurance on this property previously as an indication of the premiums that will apply after completion of the purchase. In considering purchase of this property you should consult with one or more carriers of flood insurance for a better understanding of flood insurance coverage, current and anticipated future flood insurance premiums, whether the prior owner's policy may be assumed by a subsequent purchaser of the property, and other matters related to the purchase of flood insurance for the property. You may also wish to contact the Federal Emergency Management Agency (FEMA) for more information about flood insurance as it relates to this property.

29. The Sponsor will deliver a Housing Merchant Implied Warranty (General Business Law Article 36-B) in the form annexed to the Purchase Agreement. A copy of the statute is included in the Plan, Part II. Certain of limitations contained in the Limited Warranty provides coverage for the first Home Buyer only; Sponsors liability is limited to 75% of the purchase price, exclusive of all options; incidentals, special, indirect consequential or other similar damages are excluded and detailed procedures must be followed for giving notice of a warranty claim to Sponsor, and for commencing a lawsuit against Sponsor.

30. Sponsor generally will not make additional amenities available to Purchasers. However, amenities may be ordered on an individual negotiated basis as requested by a Purchaser at additional cost, one-half of which will be due at the time each extra is ordered with the balance due at Sponsor's sole election upon either commencement of installation of the extra or at the closing. All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, Purchaser should note as a special risk that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds to pay for such upgrades or extras. In the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid or deposited for upgrades or extras. Further, in the event that one or more extras have been ordered and paid for in part and Purchaser shall thereafter fail to close, except for the default of Sponsor, the sum paid on account of the extra may be lost. The costs of any extras will depend upon the nature thereof as requested by each Purchaser and therefore are not now available and will be agreed upon by Sponsor with each purchaser.

31. 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 is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire building within two years from the date of the 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 exercise 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. As described in greater detail in the plan, sponsor will maintain sufficient funds in escrow to cover the anticipated costs of obtaining a PCO. However, the TCO may lapse for reasons outside the sponsor's control. In the absence of a PCO or TCO it is unlawful to reside in or rent a unit and will be difficult for owners or purchasers to obtain financing or pass clear title.

32. A Site Management Plan (SMP) will be prepared to ensure long-term management of the engineering and institutional controls (ECs and ICs) at the site. The SMP will require future site monitoring by the condominium association in the form of annual site-wide inspections, emergency inspections after storms or natural disasters, and periodic reporting and certification that the controls are performing as intended.

Additional costs may be incurred for the implementation of the SMP. Specifically, there could be costs associated with the following: (1) inspections and periodic reporting; (2) maintenance of the composite cover system, such as replacement of damaged concrete or repair of surface erosion; and (3) disturbance of the composite cover system, which could occur during the repair or installation of utilities. Any future disturbance of the composite cover system must be performed in accordance with the requirements outlined in the Excavation Work Plan portion of the SMP. A copy of the SMP will be submitted to the condominium association upon closing.

33. The Project is subject to certain restrictions dated August 20, 2009, and recorded under Certified Register File No. ("CRFN") 2012000306859 (the "Declaration"), that provide for a publically accessible waterfront sitting area and that once the PAA has been substantially completed, which completion is certified by the CPC or Department of Parks and Recreation, (the "DPR"), only then shall the Sponsor be permitted to apply for or accept any building permit or temporary certificate of occupancy or permanent certificate of occupancy from the New York City Department of Buildings. A Maintenance and Operation Agreement (the "M&O Agreement") dated September 9, 2009, which is attached as an exhibit to the Declaration, was entered into and set forth that all

portions of the PAA are to be open and accessible to the public between the hours of dawn and dusk. The PAA may be closed to the public to the extent necessary in the event of an emergency or hazardous condition or in order to accomplish the repair and/or renovation of the PAA, pursuant to the M&O Agreement. The PAA may also be closed to the public for one day in each calendar year pursuant to the M&O Agreement to preserve Sponsor's ownership interest in the PAA.

To secure Sponsor's obligation to maintain the PAA, prior to application by Sponsor for, or issuance by the DOB of a TCO for the development, Sponsor must post security with DPR in a form acceptable to DPR in an amount sufficient to cover 125% of the current annual cost of maintaining the PAAs in accordance with the requirements of the Zoning Resolution and the Declaration (the "Security"). The Security is to be replaced every five years with a new Security in an amount sufficient to cover 125% of the then current annual cost of maintaining the PAA for the duration of the existence of the proposed development. Failure to replace the Security constitutes a default under the Declaration, the M&O Agreement and the Security.

In the event Sponsor fails to perform any part of its obligation to maintain the PAA or is in default under any provision contained in this Declaration or the M&O Agreement and such failure or default is not cured or Sponsor has not commenced and diligently prosecuted efforts to effect such cure within fifteen (15) business days after the Commissioner of DPR has notified Sponsor in writing of such failure, and if such a cure is not effected pursuant to the terms and conditions in the M&O Agreement, then, following ten (10) business days additional notice pursuant to the M&O Agreement, Sponsor (i) consents to the enforcement by the City of such obligation by any means reasonably deemed appropriate by the City, including but not limited to drawing down on the Security and applying such monies to the performance of such obligation and (ii) agrees that, subject to the provisions of the Declaration, the City and DPR and the CPC shall have the right to exercise any and all of its administrative, legal and equitable remedies including, but not limited to, a mandatory injunction compelling the defaulting Sponsor to comply with its obligations under the Declaration. Sponsor also granted to the City, and the City's agents and employees, a right to enter upon the PAA solely for the purpose of enforcing Sponsor's obligations under the Declaration. If the City draws down on the Security for the purposes of enforcing any of such obligations, Sponsor must, within sixty (60) days of such enforcement by the City, deposit with the DPR additional Security in an amount equal to the amount expended by the City in enforcing Sponsor's obligation. Notwithstanding the foregoing, and pursuant to the M&O Agreement, Sponsor may, with the approval of the Commissioner of DPR, defer until the appropriate season, the planting of vegetation (which planting the Sponsor agrees to complete within the next available and appropriate planting season). Upon the Sponsor's depositing with the DPR an irrevocable letter of credit or performance bond equal to 175% of the cost of completing such work, as such cost is reasonably determined by DPR, Sponsor may apply for and accept a TCO without the completion of the planting of such vegetation. The performance bond required under the M&O Agreement may satisfy Sponsor's obligation under the Declaration.

Pursuant to the M&O Agreement, the Sponsor must carry paid up insurance in the sum of not less than Three Million Dollars (\$3,000,000) per occurrence to protect the Sponsor, the CPC, DPR and the City against all claims for injuries arising on the PAA. Such policy of insurance shall be primary to the City's obligation to indemnify and hold harmless the Sponsor, its successors or assigns pursuant to the relevant provisions of the Zoning Resolution.

Subject to the provisions of the Declaration, the City must indemnify and hold harmless the Sponsor, its successors or assigns for any judgment or settlement arising out of a claim of injury to

persons who are members of the public (i.e., not employees or agents of owner, tenants, shareholders or other residents, or invitees of any of the same) as a result of any defect or otherwise dangerous condition in, or on the PAA to the extent such judgment or settlement exceeds the amount of three million dollars, provided that the City's obligation to indemnify and hold harmless hereunder shall not arise: (i) if DPR determines that the Sponsor has not fully complied with its maintenance obligations set forth in Section 62-72 of the Zoning Resolution and the M&O Agreement; or (ii) the injury is determined to have resulted from intentional wrongdoing or recklessness on the part of Sponsor or his or her agents or employees.

The City's obligation to indemnify and hold harmless is conditioned upon: (i) Sponsor's maintenance of insurance in accordance with the provisions of the Declaration and the M&O Agreement; (ii) delivery to the Chief, Torts Division of the Law Department of the City of New York at 100 Church Street, New York, NY 10007 a copy of any summons, complaint, process, notice, demand or other pleadings initiating an action or proceeding, within ten (10) business days after Sponsor's receipt thereof; (iii) the full cooperation of Sponsor in providing DPR with such information as DPR may require in order to determine whether Sponsor has fully complied with its design and maintenance obligations set forth in Section 62-72 of the Zoning Resolution and the M&O Agreement; and (iv) prompt notification to the Chief, Torts Division of the Law Department of the City of New York of any settlement demand as well as upon the further condition that no offer of settlement for an amount in excess of three million dollars (\$3,000,000) shall be made or communicated to the claimant, nor shall Sponsor or his or her counsel concede liability or waive any material right, including the right to appeal, without first obtaining the consent of the City.

In order to guarantee that the PAA will be properly managed and maintained in accordance with the approved drawings and the terms of the Declaration and the M&O Agreement, and in order to set forth and establish duties, rights and obligations of the Sponsor, the Condominium shall be responsible for all costs associated with owning, maintaining, improving and repairing the PAA as required by this Declaration and the M&O Agreement. In addition, the Condominium shall be subject to the terms of this Declaration and M&O Agreement or amendments thereto.

The Sponsor must cause the Association to have as members all lot or unit owners. To the extent permitted by law, Sponsor shall cause the Association to be established with the power and authority to impose fines or assessments against lot or unit owners with respect to the PAA for the purpose of collecting funds reasonably necessary for the maintenance, improvements, and repair of the PAA including the payment of taxes. In addition, the Association or Associations must assume all of the obligations of the Sponsor relating to the PAA that are contained in this Declaration and the M&O Agreement upon transfer to the Association. Sponsor shall cause the Association to be organized with all of the powers which may be necessary and proper for the Association to carry out the duties, obligations and requirements of this Declaration and the M&O Agreement. Furthermore, in connection with an application filed with CPC for an amendment, modification, or cancellation of the Declaration with respect to the provisions regarding the PAA, Sponsor shall cause the Association to be authorized to act on behalf of each party holding legal title to an affected lot or unit. It will not be necessary for each lot- or unit-owner to execute or waive the right to execute the application or approve the modified, amended or cancelled Declaration.

The Declaration also provides, in part, that in no event shall the proposed development contain more than forty-three (43) dwelling units or contain any community facility use unless Sponsor demonstrates that such additional development will not result in a significant adverse environmental impact. Declarant may not apply for nor accept any building permit that would permit

more than forty-three (43) dwelling units or any community facility use unless and until the Chairperson of the CPC certified to the New York City Department of Buildings that an Environmental Assessment Statement or Revised Environmental Assessment Statement has been submitted to City Planning demonstrating that such additional development will not result in a significant adverse environmental impact.

The Declaration also provides that failure to comply with the terms of the Declaration may constitute the basis for a denial of a certificate of occupancy or constitute grounds for the CPC to disapprove any application for a modification or amendment of the Declaration.

INTRODUCTION

The purpose of this Plan is to set forth all the material terms of the offer of sale of the Units. The Plan may be amended from time to time when an amendment is filed with the New York State Department of Law and served on all Purchasers and Unit Owners as defined in Section 20.1(d).

The Condominium is subject to and complies with the New York Condominium Act. The Property will be developed as condominiums to be known as On The Sound Condominium (the "Condominium").

Sponsor

City Island Reserve LLC (the "Sponsor"), a limited liability company formed and existing under the laws of the State of New York, with an office at 152 West 57th Street, New York, New York 10019, acquired a parcel known as Island Point, City Island, New York 10464 a/k/a 226 Fordham Place, Bronx, New York 10464 on December 21, 2010.

Offer Of Sale

Under the terms of Plan, the Sponsor is offering for sale 43 Single Family Residential Condominium Units (the "Units") constructed on approximately 6.4 acres of land with a newly constructed private road with sidewalks located on a parcel known as Island Point, City Island, New York 10464 a/k/a 226 Fordham Place, Bronx, New York 10464. Upon completion of construction there will be 43 Units in 21 two family semi-attached residential unit buildings, 1 single family residence and a Club House with pool. There will be 15 free standing garages. Each unit will have a dedicated parking garage either free standing, within the unit, in the driveway or at two group parking areas as identified in the site plan. A public access esplanade of approximately 360 feet in length with benches and a seating area with a gazebo of approximately 650 square feet will be in open year round. The maintenance of the public access esplanade and seating area will be a residential common expense.

There will be no separate Homeowners' Association to own or operate the common facilities under this Plan.

The development will be gated with a motorized electric gate at the entrance to Island Point Road that will operate for vehicular traffic. All residents will be able to operate the gate electronically. Pedestrian access will be through a pedestrian gate that will be accessed by a code, card key or physical key.

The prices for each of the Units offered under the Plan are listed in Schedule A entitled "Purchase Prices and Related Information for the Projected First Year of Condominium Operation." **THE PRICES CONTAINED IN THIS PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.**

Each Purchaser of a Unit will be required to make a contribution to the Working Capital Fund. Such contribution, to be made at the time of Closing of the Unit, shall be in an amount

equal to two (2) month's Common Charges in effect at the time of closing for each Unit purchased. (See the Section entitled "Working Capital Fund and Apportionments").

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against his or her Unit, interest and amortization payments on the mortgage, if any, which such Purchaser may, at his or her option, obtain, and charges for utilities consumed in his Unit.

The charges for utilities consumed by each Unit Owner individually will be separately metered and billed to each Unit Owner. Electric and gas usage will be billed by Con Ed. Water charges and sewer rents, assessed by The City of New York, will be billed as a Common Expense. Schedule A sets forth estimates of the amounts of real estate taxes which will be payable with respect to each Unit. See the Notes to Schedule A with respect to the bases of such estimates.

This offering is restricted to individuals the age of eighteen (18) years or older, corporations, partnerships, limited liability companies, trusts, estates and other business entities that may hold title to real estate pursuant to New York Law. If the Purchaser is a trust, the Purchaser must, prior to executing a Purchase Agreement, provide Sponsor's attorney with documentation satisfactory to Sponsor's attorney which shall include, without limitation, a copy of the trust agreement, affidavit from trustee regarding the validity of the trust and all other information as may be required by Sponsor's attorney.

Sale and Financing of Units

The Units can be purchased for cash or partly for cash and partly by mortgage, provided that any financing obtained by a Purchaser is in compliance with this Plan, the Declaration, and the By-Laws of the Condominium. The Offering Price and the Minimum Purchase Price of each Unit may be found in Schedule A. The Offering Price is conditioned on the equipment and fixtures selected. Please consult Part I, Section F to determine the price at which you may purchase a Unit.

THESE PRICES HAVE BEEN SET BY THE SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE NEW YORK STATE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.

Sponsor represents that it will endeavor in good faith and in a timely manner to sell Units rather than rent. However, Sponsor is reserving the right to rent rather than sell Units. This decision will be made during the period Units are not sold and may be for no reason or because of market conditions. The Sponsor's Construction Loan from 100 Mile Fund, LLC provides that the Sponsor may not declare the plan effective until at least fifteen (15%) percent of the units, or at least 8 units, have been sold. The minimum release price is \$450,000 per Unit. See Section P.

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. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

If Sponsor makes a bulk sale of all or some of its unsold Units the transferee, successor sponsor, is bound by sponsor's representation regarding its commitment to sell Units.

Features Of Condominium Ownership

(i) The ownership of a Unit in the Condominium is similar in many respects to the ownership of a private one-family Unit. Each Unit Owner owns his or her Unit outright (in fee simple absolute) and generally is entitled to its exclusive possession and to its use for any legal purpose, subject to the provisions of the Declaration, By-laws of the Condominium, and any rules and regulations promulgated by the Condominium. Each Unit consists of the sheetrock of the perimeter walls and the interior space bounded by such walls.

The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known, and hereinafter referred to as the "Condominium Act". The Property will be submitted to the provisions of the Condominium Act by Sponsor's recording of the Declaration in the City Register's Office. From and after the date of recording the Declaration, Sponsor will be the owner of the Units until each is sold or conveyed. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

(ii) Each Unit Owner also has the right to use and to own, in common with the Owner of all other Units, an undivided interest in the Common Elements which, as more particularly set forth herein and in the Declaration, include all parts of the Property other than the Units themselves, including, without limitation, the land, the roofs, foundations, and superstructure of the Buildings.

(iii) Each Unit Owner must pay monthly Common Charges for the Condominium in accordance with the Declaration, the By-Laws, and Section 339-I, Section 339-m, and other applicable provisions of the Condominium Act, to meet the Common Expenses incurred in the operation of the Condominium and the maintenance of their respective Common Elements. The Board of Managers will assess Common Charges against the Unit Owners in proportion to their respective interests in the Common Elements based on its estimate of Common Expenses. The estimated Common Charges for each Unit for the first year of operation of the Condominium are set forth in Schedule B, Section G.

Each Owner will, aside from being responsible for payment of Common Charges and real estate taxes, will also be required to pay interest and amortization on any first or second mortgage on their unit, the cost of gas and electricity used in their Unit, insurance on their personal belongings and for liability insurance within their Unit. The cost of electricity and gas for cooking, hot water and heating will be individually metered. Gas to heat, electricity, water, cable TV, telephone, internet service, landscaping, road and sidewalk repairs in the common areas will be included in the Condominium budget.

(iv) Each Unit Owner is obligated to comply with the Declaration, By-laws of the Condominium, and any rules and regulations promulgated by the Condominium or Board of Managers.

(v) NOT APPLICABLE

(vi) A Board of Managers, which will be elected by the Unit Owners after an initial period of control by the Sponsor, will be charged with the primary obligation for operating the Condominium. Unit Owners have the right to vote for members of the Condominium Board in proportion to the Common Interest allocated to each Unit. A description of a Unit Owner's right to vote for and to serve as a member of the Board of Managers, and a description of the rights and obligations of the Board of managers is contained in Part I, Section S and in the Condominium By-Laws (Part II, Section KK). A discussion of the Sponsor's initial control of the Board of Managers is contained in Part I, Section Q of this Plan.

The Board of Managers will make almost all decisions concerning the manner in which the Condominium will be maintained. While Sponsor is the Owner of Unsold Units, Sponsor may make certain decisions discussed elsewhere in this Plan. This will include making decisions regarding hiring of a management company to manage the day-to-day operations of the Condominium, preparing budgets, entering into service contracts, and the making of common area repairs and improvements, all of which may impact on the amount of Common Charges for the Condominium. There will not be a separate homeowner's association that will own and operate the common facilities.

The Board of Managers will be responsible for paying the cost of electricity consumed in the Common Elements; repairing, maintaining, and making necessary replacements to the respective Common Elements; and insurance against casualties causing damage to the Buildings and Common Elements. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-Laws. See the Section entitled "Rights and Obligations of Unit Owners and the Condominium Boards" for a more complete discussion. Also see Schedule B in Part I, Section G and the notes thereto which more fully discuss the Common Expenses which will be paid by the Board of Managers. The estimated Common Charges for each Unit for the first year of condominium operation are set forth in Schedule A.

After the closing of title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the fixtures, equipment and personal property situated within his Unit, as well as liability insurance with respect to occurrences in or about his Unit.

FIRE AND LIABILITY AND ANY OTHER INSURANCE DESIRED BY THE UNIT OWNER TO COVER PERSONAL FURNISHINGS AND EFFECTS, THE INTERIOR OF THE UNITS OR OTHER AREAS OF INDIVIDUAL RISK OR RESPONSIBILITY MUST BE OBTAINED BY THE INDIVIDUAL UNIT OWNER.

On or before the first closing of title to a Unit, the Board of Managers may retain the Managing Agent to conduct the day-to-day maintenance and operations of the Condominium, subject to the supervision of the Board of Managers. A description of the Managing Agent and its duties appears in Part I, Section Y. The cost of retaining the services of the Managing Agent will be included in the Common Charges.

(vii) Subject to certain conditions contained in the By-Laws, each Unit may be separately mortgaged and the Unit Owner will be responsible for interest and amortization payments on the mortgage, if any, encumbering such Unit. However, Sponsor makes no representations about whether a Purchaser will be able to finance the purchase of any Unit. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

Each Unit Owner will be assessed and taxed separately for real estate tax purposes on the Unit and undivided portions of the Common Areas and, therefore, no Unit Owner will be liable for the payment of real estate taxes on any other Unit or the common areas.

In the opinion of counsel for the Sponsor, a Unit Owner will be entitled to deductions for federal, state, and local income tax purposes for payments of real estate taxes and interest on any mortgage affecting the Owner's Unit. (See Part II, Section-MM).

(viii) Each Unit Owner may decorate the interior of his Unit in any way that the Unit Owner desires, subject to the provisions of the By-Laws and the rules and regulations promulgated by the Condominium. In addition, each Unit Owner will be solely responsible for the cost of Unit decoration and maintenance of, and the ordinary and extraordinary repairs to the Unit Owner's Unit.

Each Unit Owner will be responsible for the cost of electricity consumed by light fixtures and electric appliances and devices within the Unit Owner's Unit, as measured by individual electric meters and for the cost of heating the Unit and for making hot water. Water and sewage charges will be a common expense.

The Offering Plan

The Plan delivered to prospective Purchasers contains all of the material terms of the transaction and is presented in two parts in one volume. Part I sets forth a general description of the Plan, including the relevant provisions of various agreements known as the Project Documents. Part II contains a detailed physical description of the Condominium, together with copies of the forms of many of the documents that will affect the use, resale, or mortgaging of each Unit. Both Parts, including all Schedules and Exhibits, constitute the entire offering by Sponsor. These documents should be reviewed carefully by each prospective Purchaser and his or her attorney prior to signing a Purchase Agreement. Copies of the Plan, all exhibits to the Plan, and Project Documents are available for inspection by prospective Purchasers and their attorneys at the office of the Sponsor. See Part I, Section C for definition of certain capitalized terms used in this Plan.

A Plan will be made available to any person who wishes his or her own copy upon delivery to Sponsor of a deposit in the amount of \$250.00 payable by check or money order. The deposit will be refunded if (a) the depositor executes a Purchase Agreement and the required down payment is paid or (b) if the copy of the Plan is returned undamaged, except for normal wear, within 30 days of the date such person received a copy of the Plan. Copies of the Plan and exhibits will also be available for inspection and copying (subject to payment of copying fees) at the Department of Law, 120 Broadway, 23rd Floor, New York, New York. All capitalized terms

used in the Plan shall have the meanings ascribed thereto in the Section entitled “Certain Definitions”, unless otherwise indicated.

PURCHASER IS ADVISED THAT THIS SUMMARY IS NOT A COMPLETE DISCUSSION OF THEIR RIGHTS AND OBLIGATIONS AS PURCHASER OF UNITS IN ON THE SOUND. A COMPLETE COPY OF ALL RELEVANT AGREEMENTS IS AVAILABLE FOR INSPECTION AT THE OFFICES OF THE SPONSOR. PURCHASER SHOULD CONSULT WITH THEIR ATTORNEYS AND EXAMINE THESE DOCUMENTS IN ORDER TO UNDERSTAND FULLY THEIR RIGHTS AND OBLIGATIONS AS PURCHASER OF A UNIT IN ON THE SOUND.

Purchaser Limitations

There are no limitations on who may purchase Units. Under the New York Real Property Law, a condominium unit may be owned by an individual, a corporation, a partnership, an association, a trust, or any other entity which is permitted to take title pursuant to New York law. Notwithstanding the foregoing, Sponsor is not obligated to offer or sell any Units and may, if it chooses, withhold one or more Units for future sale for any reason whatsoever, without the consent of the Condominium Board, any Unit Owner, or mortgagee. Sponsor may refuse to approve and execute (a) a Purchase Agreement for any Unit and (b) a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Unit to any one person or entity; provided, however, that, in either event, Sponsor shall not discriminate against any person because of his or her race, creed, color, sex, disability, material status, age, ancestry, national origin or other ground proscribed by law. No binding obligation will arise for the sale of a Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor, has been exchanged and Sponsor has collected the funds constituting Purchaser’s required Down Payment thereunder (see the Section entitled “Procedure to Purchase” for more details). Sponsor will not accept an offer of purchase from an individual younger than eighteen (18) years of age or an incompetent under law. If the Purchaser is a trust, the Purchaser must, prior to executing a Purchase Agreement, provide Sponsor’s attorney with documentation satisfactory to Sponsor’s attorney which shall include, without limitation, a copy of the trust agreement, affidavit from trustee regarding the validity of the trust and all other information as may be required by Sponsor’s attorney.

Each Purchaser of a Unit shall agree to own or occupy such Unit as a dwelling residence which may be leased to residential occupants. Initial purchasers of a Unit are not subject to Board approval. All subsequent purchasers of Units are subject to a right of first refusal in the Board. See Section S. There is no limit on the number of owners who may purchase for investment rather than personal occupancy. Accordingly, there may always be a substantial percentage of Owners who are non-residents.

Any sale or lease of a Unit will be subject to a right by the Condominium Board to acquire or lease such Unit or to produce a third party to acquire or lease such Unit on the same terms as were offered to the owner of such Unit. (For a more complete discussion of the foregoing, see the Section entitled “Rights and Obligations of Unit Owners and the Board of Managers – Sales and Leases of Units”).

Construction Financing

Sponsor has obtained a construction loan an amount up to \$4,983,234.08 and a project loan in an amount of \$566,765.92, both from 100 Mile Fund, LLC (“100 Mile”). These funds are for the specific construction of ten (10) residential condominium Units sometimes referred to as Units 1/3 5/7 69/71 65/67 and 61/63 in the condominium project and related site improvements including without limitation the publicly accessible waterfront seating area to be constructed pursuant to the restrictive declarations. The Lender, 100 Mile, requires a minimum release price in the amount of \$450,000.00 for each of these Units in order for it to release its lien from the Unit being sold.

The construction financing commitment provides that the Sponsor may not declare the plan effective until at least fifteen (15%) percent of the units, or at least 8 units, have been sold. If Sponsor fails to sell the Property as a condominium and the property reverts to a rental property, 100 Mile reserves the right to determine the net rental income of the Property.

Current zoning permits the residential use of all Units offered for sale, except as noted in Special Risks.

THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT FOR A CONDOMINIUM UNIT.

CERTAIN DEFINITIONS

For convenience of presentation, general definitions of certain of the terms used in the Plan are set forth below, which definitions are subject in most cases to the more particular definitions of such terms set forth in the Declaration and the By-Laws:

“Adversely affect”, or “adverse effect”, as used in the Condominium Documents, shall mean, with respect to any action or proposed change and with respect to any Unit Owner or Owners, that such action or change could, if realized, (i) increase the proportion of Common Interest allocated to Unit Owner or Owners, (ii) materially interfere with such Unit Owner’s access to its Unit or Units, (iii) obstruct or degrade the view from the windows of such Unit Owner’s Unit or (iv) otherwise materially diminish such Unit Owner’s use and enjoyment of its Unit or Units.

“Appreciation” refers to the gross consideration received by a Unit Owner on any resale of such Unit Owner’s Unit less the original Purchase Price paid by such Unit Owner on acquisition of the Unit.

“Association Property” refers to all land and any improvements constructed thereon which are owned by the Association at the time in question which Association Property shall be a part of the Common Property.

“Balcony” – see the definition for “Terrace”

“Board” or “Condominium Board” refers to the Board of Managers representing Unit Owners which will conduct the affairs of the Condominium and supervise operations of the Property.

“Buildings” refers to the structures and improvements including above and below grade segments, situated on the Land on which the Condominium is located.

“By-Laws” refers to the By-Laws governing the operations of the Condominium, the form of which is set forth in Part II of the Plan.

“City Register’s Office” refers to the New York County office of the Register of The City of New York.

“Closing” refers to the time, place and procedure by which fee title to the Unit in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.

“Common Charges” refers to assessments payable to the Board by the Unit Owners for the purpose of meeting Common Expenses.

“Common Elements” refers to the Land, all parts of the Buildings (other than the Units) including the foundations, roofs, and superstructure of the Buildings, interior streets and walks, private road, clubhouse, public access esplanade, playground, pool, sidewalks and all areas for the common use of the Units and the Unit Owners.

“Common Expenses” refers to costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements. These expenses are calculated on a percentage basis of each Unit to the total common interest.

“Common Interest” refers to the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appertaining to each Unit determined in accordance with the Declaration. The total of all Common Interest percentages allocable to all Units equals 100%. The Common Interest is the basis of determining, among other things, a Unit Owner’s share of any distributions upon termination of the Condominium.

“Common Property” or “Common Area” shall mean and refer to certain areas of land as shown on the Description of Property set forth as Exhibit “HH”.

“Condominium” refers to the Units and Common Elements constituting the condominium to be located on the Land and known as On The Sound Condominium. The word “Property” shall be used interchangeably and shall have the same meaning as the term “On The Sound Condominium” as defined herein.

“Condominium Act” refers to the New York Condominium Act, as amended from time to time and presently found in the New York Real Property Law, Article 9B.

“Condominium Documents” refers to the Declaration, By Laws, and Rules and Regulations of the Condominium.

“Declaration” refers to the recorded written instrument creating the Condominium, pursuant to the New York Condominium Act, the form of which is set forth in Part II of the Plan, but which form may, from time to time, be amended consistent with applicable laws, the Declarations, and the By-Laws of each.

“Department of Law” refers to the New York State Department of Law.

“Effective Date” refers to the date on which the Plan is declared effective as set forth in the section of the Plan entitled “Effective Date.”

“Filing Date” refers to the date on which the Department of Law accepts the Plan for filing.

“First Closing”, or words of similar import, refers to the date fee title to a Unit is first conveyed to a Purchaser pursuant to the Plan.

“Floor Plans” refers to the floor plans of the Buildings, as the same may be amended from time to time, which are approved by the Real Property Assessment Bureau of The City of New York and filed with the City Register’s Office.

“Land” refers to the parcel of land known as Block 5643, Lots 1101-1157 (formerly Lot 235), located in the Borough of Bronx, City of New York, upon which the Units and Common Property shall be constructed.

“Managing Agent” refers to the entity which will supervise the day-to-day operation of the Condominium. The Managing Agent is expected to be Gramatan Management, Inc., or any other Managing Agent selected by Sponsor prior to or shortly after the Plan is declared effective.

“Permitted Encumbrances” refers to those title encumbrances on a Unit subject to which a Purchaser agrees to take title, as more particularly itemized on Schedule A annexed to the form of Purchase Agreement set forth in Part II of the Plan.

“Permitted Mortgage” refers to a mortgage permitted to be placed upon a Unit or Units pursuant to the provisions of the By-Laws.

“Permitted Mortgagee” refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the construction loan mortgages given by Sponsor to acquire and construct the Property.

“Plan” refers to this offering plan for the establishment of condominium ownership, as the same may be amended from time to time.

“Plans and Specifications” refers to the plans and specifications for the Buildings which (to the extent required by law) are filed with, and approved by, the Department of Buildings of The City of New York, which plans and specifications may, from time to time, have been amended or changed, or may hereafter be amended or changed in accordance with the provisions of the Plan.

“Property” refers to the Units and Common Elements constituting the Condominium to be located on the land and known as On The Sound Condominium. The word “Condominium” shall be used interchangeably and shall have the same meaning as the word “Property” as defined herein.

“Purchase Agreement” refers to the agreement to purchase a Unit pursuant to the Plan, the form of which is set forth in Part II of the Plan.

“Purchase Price” refers to the full purchase price for acquisition of a Unit under the relevant Purchase Agreement.

“Purchaser” refers to person(s) or entity(ies) named as Purchaser(s) in a Purchase Agreement which has been duly executed by such person(s) or entity(ies) and accepted by Sponsor.

“Rules and Regulation” refers to the rules and regulations made in accordance with the By-Laws and attached thereto.

“Residents” refers to the people residing in the Buildings regardless of whether they are Unit Owners, renters, or other occupants of the Units.

“Schedule A” refers to Schedule A, “Purchase Price and Related Information for the Projected First Year of Condominium Operation” set forth in Part I of the Plan.

“Schedule B” refers to Schedule B, “Projected Budget for the First Year of Condominium Operation” set forth in Part I of the Plan.

“Selling Agent” refers to McCellan Sotheby’s International Realty or any successor selling agent at the time in question.

“Sponsor” refers to the initial offeror of interests in the Condominium. The Sponsor of this offering is City Island Reserve LLC, a New York limited liability company, and its successors and assigns.

“Sponsor and/or its designee(s)”, “Sponsor or a designee of Sponsor” or similar terms refers to Sponsor and any designee of Sponsor including a purchaser of Unsold Units.

“Sponsor Control Period” refers to the period ending the earlier to occur of: (i) the Sponsor and its designees as Holders of Unsold Units owning less than fifty (50%) percent of the aggregate Common Interests pertaining to all Units or (ii) five (5) years after the First Closing.

“Terraces” and “Balconies” refers to the terraces and/or balconies appurtenant to Units.

“Unavoidable Delays” refers to delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, terrorist acts, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or lightning, earthquake, fire, storm, hurricane, flood, explosion, act of God or any cause similar to any of the causes hereinabove state; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause similar to the causes stated above.

“Unit” or “Condominium Unit” refers to space designated as a Unit in the Declaration, consisting, generally, of either a specific residence in a Building or a Building itself, together with an appurtenant proportionate undivided interest in the Common Elements. All of such Units are collectively referred to as “Units”. As used herein is equivalent in meaning to the term “Unit” and “Units” as used in Article 9-B of the Real Property Law.

“Unit Owner” refers to an owner of any Unit, collectively referred to as the “Unit Owners”.

“Unsold Unit” refers to (a) any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee, or a Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of their principals, is a member or (b) any Unit for which there is a signed Purchase Agreement but for which Closing has not yet occurred.

All other capitalized terms used in Part I of the Plan not separately defined in Part I shall have the meanings ascribed thereto in the By-Laws or in the Declaration, as the case may be.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

General Description

If fully constructed as currently planned, On The Sound Condominium will consist of 43 Residential Condominium Units (the "Units"), consisting of twenty-one (21) detached two-family Townhomes and one (1) single family home, clubhouse with a pool and fifteen (15) free standing garages, located in the manner set forth in the Description of Property annexed hereto in Part II, Section HH. The total height of all the building from the average curb elevation is a maximum of 35 feet. There are no crawl spaces or cellars. Each building consists of two stories and an attic.

The single-family home will consist of two-stories totaling 3,300 sq. feet and have 3.5 bedrooms, 3.5 bathrooms, garage, backyard, attic and no basement.

The two-family townhomes will consist of one upper unit and one lower unit. Upper units will consist of 1,700-2,500 square feet depending on the model type and have 3 bedrooms, 3.5 bathrooms, a terrace and interior garage. Lower will consist of 1,400-1,900 square feet depending on the model type and have 2 bedrooms, 2 bathrooms, a backyard and detached garage.

Each unit will have a dedicated parking garage either free standing, within the unit, in the driveway owned in fee simple by the related Unit Owner or at one of two group parking areas as identified in the site plan located in Section II-1, Part II. The group parking areas will provide 11 parking spaces, 6 in one group and 5 in the other. Visitor's spots will also be available.

The Buildings will be two stories built over a concrete slab. All Units will have separate heat, hot water and electric service. Each Unit will have a separate electric, gas and water meters to measure electric, gas and water consumption. Gas will be for cooking, hot water and heating. Electric and gas will be separately metered for all the Units and water costs will be a common expense. The Units will be prewired for cable TV, telephone and internet service. Each Unit Owner is responsible for contacting a service provider for such services. Each Unit Owner will pay the utility directly for electricity, gas, telephone, cable, telephone and internet service.

A private sanitation company will pick up the garbage and recycling curbside on a weekly schedule. Each Unit Owner will dispose of trash to the curb for sanitation pick-up.

The Condominium will pay the cost, if any, of refuse removal, snow removal and landscape maintenance for any Common Elements.

Easements

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Boards and the adjacent property owners. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements, as the case may be, provided that such easements shall be exercised in such

a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Unit or with the use of the Unit for their permitted purposes. Sponsor shall have an easement to erect, maintain, repair and replace utility and other lines through the Unit. In addition, Sponsor and its designees shall have an easement to erect, maintain, repair and replace any sign permitted by law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

Major Fixtures or Equipment

Each Unit will have a gas fired furnace with humidifier in utility space or attic. Each Unit will have an individual, electric air-cooled air-conditioning unit. Heat for the Clubhouse will be provided by a separate heating system and air-conditioning unit with a separate meter and the cost of gas and maintenance to be a common expense. Each full bathroom will include a bathtub with shower, a lavatory, sink, medicine cabinet and a vanity base cabinet. Each half bath will have a toilet and pedestal sink. Sponsor will furnish a refrigerator, stove/oven, built-in microwave, garbage disposal in sink, dishwasher, and washer-dryer.

All Units will have engineered wood floors with varying finishes in the living/dining rooms, kitchen, bedrooms and closets, and stone and ceramic tiles on the floors and walls in the bathrooms.

Improvements

The Property will be improved and the Units constructed in accordance with all applicable zoning and building laws, regulations, codes, and other governmental requirements, including requirements of the City of New York Building Code.

A public access esplanade of approximately 360 feet in length with benches and a seating area with a gazebo of approximately 650 square feet will be in open year round. The maintenance of the esplanade and seating area will be a residential common expense and shall be open annually with operating hours of 6:00A.M. - 10:00P.M. beginning April 15th through October 31st and 7:00 A.M. - 8:00 P.M. beginning November 1st through April 14th.

The club house will be 2 stories a fitness room will be located on the 1st floor, 2nd floor will have tables and chairs and a pantry area with microwave. Fluorescent and/or incandescent down lights and/or wall sconces will be provided in the lobby, fluorescent fixtures in the stairs, and fluorescent and/or incandescent fixtures in the corridors and other public spaces.

A heated pool will be located adjacent to the club house, the hours of operation from the last weekend in May through September are 10:00 AM – 7:00 PM during which a life guard will be on duty. There will be a 4'-0" high fence with a self-closing gate surrounding the pool and lounge area. The swimming pool will be a gunite structure with precast concrete coping stone around the perimeter. The pool will be a 16' x 20' rectangle with recessed stairs 8.5' x 15'. The area of the pool is 767.5 square feet allowing for 30 bathers. The depth will vary from 3'-6" to 4'-6". This pool is an outdoor seasonal pool, it is not enclosed. The filtration system will include an NSF approved high rate sand filter, NSF approved recirculation pump and schedule 80 pvc

pipe. The water treatment will be liquid chlorine for disinfectant and CO2 for pH balance. The pool will be heated by a dedicated gas fired pool heater. The pool requires final certification and a separate operations permit from the NYC Department of Health.

The development will be gated with a motorized electric gate at the entrance to Island Point Road that will operate for vehicular traffic. All residents will be able to operate the gate electronically. Pedestrian access will be through a pedestrian gate that will be accessed by a code, card key or physical key.

Landscaping will be maintained by the condominium unit owners and all costs associated with the maintenance will be borne as a Residential Common Expense. Fencing will be powder coated aluminum 6 feet high. The Esplanade railing that sits atop the 21” stone wall will be 24” and powder coated. The fencing atop the retaining walls and rip rap slopes will be 42.” The gates will be constructed of aluminum tubing, powder coated and be located at both the main entrance and the esplanade. The gates at the main entrance will service both cars and pedestrians while the esplanade will only have a pedestrian function. The retaining walls located at the north side of the property along Fordham St. and south side of the property from the clubhouse to top of slope at Long Island Sound and on each side of the esplanade will be constructed of segmental concrete block, “Keystone” or an equal will be the material used. The drainage for these walls will be via a perforated pipe and crushed stone backfill to carry water away from these structures

Balconies will be cantilevered wood framed or supported on columns depending on the unit. Terrace flooring will be wood decking. Railings at the balconies and terraces will be vinyl 1 ½ x 1 ½ inch vinyl rail with posts as required. The roof where applicable will be comprised of a rubber membrane roofing system on a wood deck. Doors to all the balconies and terraces will be Andersen Patio Doors or approved equal. Exterior fasteners to be corrosion resistant and all railings will be vertical spindles. Balconies & terraces must remain unenclosed.

Construction Timetable

The Buildings will be entirely new construction and all Units are being offered under this Plan. The Sponsor is committed to the full build with estimated construction completion dates as follows:

Structure / Amenity	Estimated Construction Start and End Dates
Nine (9) two-family townhouses creating eighteen (18) Units using three (3) model types (A, F and G)	November 2014 - July 2015
Remaining two-family townhouse and single family house	July 2015 - December 2015
Construction of Island Point Road	November 2014 - December 2015
Playground	November 2014 - July 2015

Waterfront Esplanade	November 2014 - April 2015
Shoreline Seawall	November 2014 - December 2015
FDNY Access	November 2014 - July 2015
Clubhouse	November 2014 - July 2015
Pool	November 2014 - July 2015

Sponsor may experience unforeseen delays in completing construction and/or in obtaining requisite governmental approvals. Prior to declaring the Plan effective, Sponsor may abandon the Plan by returning all down payments to Purchaser and filing an amendment abandoning the Plan with the Department of Law. Once the Plan is declared effective, Sponsor is obligated to complete all Units unless Sponsor files an amendment reducing the number of Units offered for sale, which amendment will require the approval of all Unit Owners and all contract-vendees.

To construct the Condominium, Sponsor plans to engage SCE Environmental Group, Inc, with offices at 1380 Mt. Cobb Road, Lake Ariel, Pennsylvania 18436 as general contractor (“Contractor”). Sponsor has also engaged Kutnicki Bernstein Architects PLLC, with an office at 434 Broadway, New York, New York 10013 (“Sponsor’s Architect”), as architect. (See Part I, Section Z, Identity of Parties). The Plans and Specifications have been prepared by Sponsor’s Architect.

Part II Section HH of this Plan contains a detailed description of the Condominium and outline specifications prepared by Kutnicki Bernstein Architects PLLC. Part II Section OO also contains a legal description of the Condominium area. The final legal description of the Condominium and its common areas will be contained in the Condominium Declaration when it is filed. It is anticipated that the areas will be substantially in conformance with those shown on the site plans. Part II, Section II contains Floor Plans for each type of Unit.

The working drawings for On The Sound Condominium have been filed with the Building Department of the City of New York, approved and are, or will be, available for inspection at the Sponsor’s office during regular business hours.

Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details) and to substitute in place of any materials, appliances, equipment, and fixtures set forth therein, materials, appliances, equipment, and fixtures of substantially equal or better quality, provided only that any necessary approval of any governmental authority having jurisdiction there over is first obtained. Notwithstanding the foregoing, Sponsor may not change the size or configuration of Units unless an amendment is made to the Plan.

For all purposes under this Plan, the Buildings shall be deemed fully completed in accordance with the Plans and Specifications when final Certificates of Occupancy for the

Building shall have been issued by the Building Department of the City of New York (See Part I, Section P, “Rights and Obligations of Sponsor”).

In no event, unless the Purchaser consents or is in default of his or her Purchase Agreement, shall any material adverse change be made in the size or layout of a Unit, the percentage of the Common Interest attributed to a Unit, or the amount or quality of the Common Elements directly affecting or servicing the Unit.

Roadways

The Condominium contains frontage on Fordham Place and Fordham Street. The streets adjacent to the site are paved with asphalt topping and are in fair condition. The existing curbs will be replaced and new curbs will be installed at locations as required at the property frontage on both Fordham Place and Fordham Street. All sidewalks providing access to the buildings shall be free of tripping hazards. The condominium association shall be responsible for maintaining the sidewalks per the requirements of Department of Transportation. All new sidewalks, curb cuts, ramps and aprons shall be ADA compliant. All sidewalks, drives and ramps are to be sloped so as to drain water away from foundations. The streets are presently pitched to drain into the Long Island Sound. New drywells are being constructed on Fordham Place for storm water management and Fordham Street will continue to drain into the Sound. The maintenance of the street lighting will be a residential common expense.

Island Drive, a newly constructed private road, will consist of a 34 foot wide road, new concrete curbs, 3 foot wide planting strip and a 4 foot wide sidewalk. Within the road, all new underground utilities to service the development will be laid including electric, gas, water, telephone, cable, fire loop, fire hydrants & street lighting. The maintenance of all these elements with the exception of electric, telephone and cable will be the responsibility of the unit owners.

The Sponsor reserves an easement for the benefit of its invitees, licensees, and agents over the walkways and other access areas for the purpose of ingress and egress and access to any unsold Units, in order to exhibit then to prospective Purchaser, as well as to the prospective Purchaser or tenants of Units or of any other property in the vicinity which may be developed by the Sponsor, its affiliates, transferees, and successors in interest.

Public Access Esplanade & Maintenance

The Declaration of Restrictions dated August 20, 2009, and recorded under Certified Register File No. (“CRFN”) 2012000306859 (the “Declaration”), provides, in part, that: (1) the Declarant is to provide a publically accessible waterfront sitting area (the “PAA”) in connection with the New York City Planning Commission (the “CPC”) approvals under ULURP Nos. 060288ZMX, 060289ZSX, 060290ZSX, N060291ZCX and N060292ZCX (the “Approvals”); and (2) the Declarant may not apply for or accept any building permit or temporary certificate of occupancy or permanent certificate of occupancy from the New York City Department of Building until the Declarant substantially completes the PAA and the CPC or Department of Parks and Recreation, (the “DPR”) has certified such completion.

In connection with the Approvals, Declarant and DPR executed the Maintenance and Operation Agreement (the "M&O Agreement") dated September 9, 2009, which is attached as an exhibit to the Declaration.

In accordance with the Declaration and the M&O Agreement, all portions of the PAA are to be open and accessible to the public between the hours of dawn and dusk. Notwithstanding the preceding sentence, the PAA may be closed to the public to the extent necessary in the event of an emergency or hazardous condition or in order to accomplish the repair and/or renovation of the PAA, pursuant to the M&O Agreement. The PAA may also be closed to the public for one day in each calendar year pursuant to the M&O Agreement to preserve Declarant's ownership interest in the PAA.

Moreover, the Declaration provides, in part, that to secure Declarant's obligation to maintain the PAA, prior to application by Declarant for, or issuance by the DOB of a TCO for the development, Declarant must post security with DPR in a form acceptable to DPR in an amount sufficient to cover 125% of the current annual cost of maintaining the PAAs in accordance with the requirements of the Zoning Resolution and the Declaration (the "Security"). The Security is to be replaced every five years with a new Security in an amount sufficient to cover 125% of the then current annual cost of maintaining the PAA for the duration of the existence of the proposed development. Failure to replace the Security constitutes a default under the Declaration, the M&O Agreement and the Security.

The maintenance and operation expenses for the PAA are salaries, electric, landscaping, snow removal, and refuse removal for the esplanade area which are itemized in Schedule B - The Projected Budget for the First Full Year of Condominium Operations and discussed in greater detail in the corresponding footnote. It is anticipated that the annual expenses for the PAA will increase each year by the standard CPI of 3%.

In the event Declarant fails to perform any part of its obligation to maintain the PAA or is in default under any provision contained in this Declaration or the M&O Agreement and such failure or default is not cured or Declarant has not commenced and diligently prosecuted efforts to effect such cure within fifteen (15) business days after the Commissioner of DPR has notified Declarant in writing of such failure, and if such a cure is not effected pursuant to the terms and conditions in the M&O Agreement, then, following ten (10) business days additional notice pursuant to the M&O Agreement, Declarant (i) consents to the enforcement by the City of such obligation by any means reasonably deemed appropriate by the City, including but not limited to drawing down on the Security and applying such monies to the performance of such obligation and (ii) agrees that, subject to the provisions of the Declaration, the City and DPR and the CPC shall have the right to exercise any and all of its administrative, legal and equitable remedies including, but not limited to, a mandatory injunction compelling the defaulting Declarant to comply with its obligations under the Declaration. Declarant also granted to the City, and the City's agents and employees, a right to enter upon the PAA solely for the purpose of enforcing Declarant's obligations under the Declaration. If the City draws down on the Security for the purposes of enforcing any of such obligations, Declarant must, within sixty (60) days of such enforcement by the City, deposit with the DPR additional Security in an amount equal to the amount expended by the City in enforcing Declarant's obligation. Notwithstanding the foregoing, and pursuant to the M&O Agreement, Declarant may, with the approval of the Commissioner of DPR, defer until the appropriate season, the planting of vegetation (which planting the Declarant agrees to complete within the next available and appropriate planting season). Upon the Declarant's depositing with the DPR an irrevocable letter of credit or performance

bond equal to 175% of the cost of completing such work, as such cost is reasonably determined by DPR, Declarant may apply for and accept a TCO without the completion of the planting of such vegetation. The performance bond required under the M&O Agreement may satisfy Declarant's obligation under the Declaration.

Pursuant to the M&O Agreement, the Declarant must carry paid up insurance in the sum of not less than Three Million Dollars (\$3,000,000) per occurrence to protect the Declarant, the CPC, DPR and the City against all claims for injuries arising on the PAA. Such policy of insurance shall be primary to the City's obligation to indemnify and hold harmless the Declarant, its successors or assigns pursuant to the relevant provisions of the Zoning Resolution.

Subject to the provisions of the Declaration, the City must indemnify and hold harmless the Declarant, its successors or assigns for any judgment or settlement arising out of a claim of injury to persons who are members of the public (i.e., not employees or agents of owner, tenants, shareholders or other residents, or invitees of any of the same) as a result of any defect or otherwise dangerous condition in, or on the PAA to the extent such judgment or settlement exceeds the amount of three million dollars, provided that the City's obligation to indemnify and hold harmless hereunder shall not arise: (i) if DPR determines that the Declarant has not fully complied with its maintenance obligations set forth in Section 62-72 of the Zoning Resolution and the M&O Agreement; or (ii) the injury is determined to have resulted from intentional wrongdoing or recklessness on the part of Declarant or his or her agents or employees.

The City's obligation to indemnify and hold harmless is conditioned upon: (i) Declarant's maintenance of insurance in accordance with the provisions of the Declaration and the M&O Agreement; (ii) delivery to the Chief, Torts Division of the Law Department of the City of New York at 100 Church Street, New York, NY 10007 a copy of any summons, complaint, process, notice, demand or other pleadings initiating an action or proceeding, within ten (10) business days after Declarant's receipt thereof; (iii) the full cooperation of Declarant in providing DPR with such information as DPR may require in order to determine whether Declarant has fully complied with its design and maintenance obligations set forth in Section 62-72 of the Zoning Resolution and the M&O Agreement; and (iv) prompt notification to the Chief, Torts Division of the Law Department of the City of New York of any settlement demand as well as upon the further condition that no offer of settlement for an amount in excess of three million dollars (\$3,000,000) shall be made or communicated to the claimant, nor shall Declarant or his or her counsel concede liability or waive any material right, including the right to appeal, without first obtaining the consent of the City.

If under the New York State Not-For-Profit Corporation Law, or as an unincorporated association, a home-owners association or pursuant to the New York State Business Corporation Law, a cooperative corporation is formed with respect to the Subject Property (any of the entities in any combination thereof hereinafter referred to separately or collectively as the "Association"), the by-laws and charter or certificate of incorporation of the Association must be consistent with the terms of the Declaration and shall not allow amendments or changes except pursuant to the terms of this Declaration.

In order to guarantee that the PAA will be properly managed and maintained in accordance with the approved drawings and the terms of the Declaration and the M&O Agreement, and in order to set forth and establish duties, rights and obligations of the Declarant, in the event that an Association is formed with respect to the subject property, the Association shall be responsible for all costs associated with owning, maintaining, improving and repairing the PAA as required by this

Declaration and the M&O Agreement. In addition, the By-laws and Charter or Certificate of Incorporation of the Association must be consistent with the terms of the Declaration and the M&O Agreement shall not allow amendments or changes except pursuant to the terms of this Declaration and M&O Agreement or amendments thereto.

The Declarant must cause the Association to have as members all lot or unit owners. To the extent permitted by law, Declarant shall cause the Association to be established with the power and authority to impose fines or assessments against lot or unit owners with respect to the PAA for the purpose of collecting funds reasonably necessary for the maintenance, improvements, and repair of the PAA including the payment of taxes. In addition, the Association or Associations must assume all of the obligations of the Declarant relating to the PAA that are contained in this Declaration and the M&O Agreement upon transfer to the Association. Declarant shall cause the Association to be organized with all of the powers which may be necessary and proper for the Association to carry out the duties, obligations and requirements of this Declaration and the M&O Agreement. Furthermore, in connection with an application filed with CPC for an amendment, modification, or cancellation of the Declaration with respect to the provisions regarding the PAA, Declarant shall cause the Association to be authorized to act on behalf of each party holding legal title to an affected lot or unit. It will not be necessary for each lot- or unit-owner to execute or waive the right to execute the application or approve the modified, amended or cancelled Declaration.

The Declaration also provides, in part, that in no event shall the proposed development contain more than forty-three (43) dwelling units or contain any community facility use unless Declarant demonstrates that such additional development will not result in a significant adverse environmental impact. Declarant may not apply for nor accept any building permit that would permit more than forty-three (43) dwelling units or any community facility use unless and until the Chairperson of the CPC certified to the New York City Department of Buildings that an Environmental Assessment Statement or Revised Environmental Assessment Statement has been submitted to City Planning demonstrating that such additional development will not result in a significant adverse environmental impact.

The Declaration also provides that failure to comply with the terms of the Declaration may constitute the basis for a denial of a certificate of occupancy or constitute grounds for the CPC to disapprove any application for a modification or amendment of the Declaration.

LOCATION AND AREA INFORMATION

1. Location.

City Island has been described as “Martha’s Vineyard with a Bronx accent”. City Island is a small island approximately 1.5 mi (2.4 km) long by .5 mi (1 km) wide and is located at the extreme western end of Long Island Sound, south of Pelham Bay and east of Eastchester Bay. It is part of the Pelham Islands, a group of islands originally belonging to Thomas Pell. At one time incorporated within the boundaries of Pelham, Westchester County, it is now part of the New York City borough of the Bronx. As of the 2010 census the island had a population of 4,362. Its land area is 1.023 km² (0.395 sq mi, or 252.835 acres). The island is part of Bronx Community Board 10.

The Property is located on City Island at Island Point between Fordham Place and Fordham Street. An area map and site plans are contained in Part II, Section PP. There are no undeveloped areas adjoining the Property. Property is in a Flood Zone as set forth in the Special Risk section and Section 2 G herein.

2. Area Information. The Property is located in an urban area.

A. Transportation.

The Property is located within less than a 1 mile walking distance of New York City Transit Subways and Buses:

- MTA Express bus MXM7B to and from Manhattan
- MTA bus BX29 to Pelham Bay Park subway station
- No. 6 Subway
- Free Seasonal Trolley to and from City Island to The Bartow-Pell Mansion on Shore Road from April-December

B. Educational Facilities.

The following New York City pre-schools, public schools, private schools and colleges are located within a roughly 1-mile radius of the Property:

- Dragon Path Academy - 229 City Island Ave, Bronx
- P.S.#175 Elementary School (K-8) *approximately 360 students* - 200 City Island Ave, Bronx
- St Mary Star of The Sea School - 580 Minnieford Ave, Bronx
- St Frances De Chantal School - 2962 Harding Ave, Bronx
- Fordham University Rose Hill Campus - 2486 Arthur Ave, Bronx

C. Religious Institutions.

- Trinity Methodist City Island - 113 Bay St, Bronx
- Grace Episcopal Church - 104 City Island Ave, Bronx
- Presbyterian Senior Services - 116 City Island Ave, Bronx
- St Mary Star of The Sea Roman Catholic Church - 595 Minnieford Ave, Bronx
- Temple Beth El - 480 City Island Avenue, Bronx

D. Parks, Recreation and Cultural Facilities.

The island has the look and feel of a small New England fishing village, with no spot more than a few minutes' walking distance to the water many marinas, yacht clubs and seafood restaurants. There are parks, public recreation and private health clubs offering a variety of athletic and recreational facilities as well as museums, within approximately 1 mile radius of the Property:

- Pelham Bay Park - Orchard Beach Road, Bronx
- City Island Historical Society and Nautical Museum - 190 Fordham Street, Bronx
- Turtle Cove Golf Center and Baseball Complex - 1 City Island Avenue, Bronx
- Sailing Center Yacht Club
- Krunch Time Fitness - 538 City Island Avenue, Bronx

E. Medical Facilities.

In addition to several smaller medical and dental practices and specialists, the nearest hospital is located at:

Albert Einstein College of Medicine- 1300 Morris Park Avenue, Bronx

F. Police, Fire, Water, Sanitation, Snow Removal and Road Maintenance.

The City of New York will maintain exterior streets and provides for rubbish removal. A Police Station is approximately 5 miles from the Property. A fire house is located approximately 8 miles from the Property.

- NYC Police Department 45th Precinct - 2877 Barkley Avenue, Bronx
- NYC Fire Department Ladder 53 Engine 70 - 130 W Kingsbridge Road, Bronx

There will be water and sewer mains that are designed to be adequate to service the Condominium and maintained by the City of New York from the street level.

G. Zoning.

Construction: The Property is located in a Zone which allows for construction of the Condominium to permit the construction of 43 residential units.

Flood: The site is located in two flood zones utilizing NAVD 88 datum. The eastern portion of the site is located in FEMA Advisory Base Flood Elevation Map: V with a base flood elevation of elevation 16 and all structures in that zone will comply with the base flood elevation. The western portion of the site is in a FEMA Flood Zone X and all structures in that zone will comply with the base flood zone heights. The budgeted line item for insurance set forth in Schedule B represents current insurance premiums at current rates, including flood insurance.

H. Postal Facilities.

The City Island Post Office is at 199 City Island Avenue, about 0.8 miles from the Property. There will be on-site clustered front loading metal finished mailboxes U.S. Government Postal Service approved.

I. Shopping and Restaurants.

.Most businesses are clustered along the central City Island Avenue. The island is most famous for its numerous seafood restaurants and antique stores, which line both sides of the avenue. City Island also has a wide variety of international fare, offering French, Italian, Japanese and Chinese to name a few. There are three grocery stores and a few delicatessens on the island.

J. Libraries within ½ mile of Building.

The City Island branch of the New York Public Library is located in the center of a mile long, three-block wide stretch of land at 320 City Island Avenue (between Bay & Fordham Sts.) and has been serving the island community since 1911. The branch has a unique 1,000+ volume Ship Collection on topics the topics of boat construction, naval history, pirates, the America's Cup, naval history, famous shipwrecks, fishing techniques, lighthouses, sailing how-to's, sea fiction, and surfing. Reference materials on City Island history are available for use inside the branch. In the spring of 1997, the City Island Library re-opened after undergoing a complete renovation that more than doubled its size.

The branch now features a separate reference and children's section and a landscaped backyard garden for public use. A new community room can accommodate 45 people for programs and meetings. Every Saturday in the community room the library hosts a free movie or a lecture on a historical topic.

Offering Prices and Related Information
First Year July 1, 2015 through June 30, 2016

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Notes to Schedule A

1. Any floor plan or sketch shown to a prospective purchaser including those set forth in the Plan, is only an approximation of the dimensions and layout of each Unit. Each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. Purchasers should note that the square footage of each Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan is approximate and may change upon remeasurement. No such variation will affect a Purchaser's obligations under a Purchase Agreement or the Plan unless the net footage area of the Unit is diminished by more than 5%. Sponsor's sole obligation if the net square foot area is diminished by more than 5% shall be to refund to Purchaser the Down Payment made under the Purchase Agreement and any interest earned thereon. Sponsor has reserved the right to negotiate with individual Purchasers to perform special work in a Unit which may require a modification in floor plans for certain Units. Any such modification requiring a material change in the Common Elements will only be made by a duly filed amendment. There is a rebuttable presumption that an area that is diminished by 5% or less is not material.
2. The approximate indoor floor area of each Unit has been measured from the exterior side of the façade or exterior Building walls or glass windows at the Building line and/or Property line enclosing the Unit, to the midpoint of the interior demising walls separating the Unit from another Unit, the public corridors or public stairs, or from the mechanical space or other mechanical equipment space of any other Common Elements. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. The floor area occupied by any Common Elements bordering or within a Unit (such as the Building's façade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit. As a result, the square footage shown are taken from points behind the walls enclosing the Unit and exceed the Unit's usable floor area. Minor inaccuracies in a Unit's square footage will not excuse a Purchaser from completing the purchase of a Unit. As is customary in New York, these square foot areas exceed the usable floor area of each Unit. Certain Units may have less clearance and certain rooms within other Units may have a lesser clearance as the result of the presence of beams and mechanical spaces in such Units.
3. THESE PRICES HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY. The purchase prices and other terms of sale of Units may be negotiated by Sponsor and, therefore, may be changed. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the purchase price or modification of such other terms of sale does not constitute a general

offering or an advertised price but is rather the result of an individually negotiated transaction (see the section of the Plan entitled “Changes in Prices and Units”). In addition to the purchase price, Purchaser will be responsible at Closing for certain closing costs as explained in the Section entitled “Closing Costs and Adjustments” in Part I of the Plan including, without limitation, the obligation to contribute two months’ common charges to the working capital fund of the Condominium. Purchasers are advised to consult with their attorneys as to the exact closing costs they will incur in purchasing their Units.

4. (a) The respective Percentage Interest of each Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the New York Condominium Act, is based upon the floor space of the Unit, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. In the event that Sponsor negotiates with individual purchasers to change the layout or dimensions of their respective Units and such changes involves the inclusion, in the Unit, of areas formerly designated as Common Elements, or involves adding to the Common Elements, space that was previously incorporated in the Units, the Common Elements of all of the Units may change slightly. Any such change in the Common Elements prior to the recording of the Declaration shall not be deemed a material change and shall not give rise to a right of rescission on the part of any purchaser.
- (b) The percent interest of each Unit in the Common Elements is apportioned in the same proportion that the Unit bears to the aggregate Common Interests of all Units.
5. The estimates contained in this schedule were computed by Sponsor’s Condominium Budget Expert on the assumption that the first year of Condominium operation are based on such Condominium Budget Expert’s estimate of the receipts and expenses of the Condominium for the projected year. The actual first year of Condominium operation may be earlier or later than such year. If the actual or anticipated date of commencement of condominium operation is delayed by more than six (6) months from the commencement of the projected first year of condominium operation, Sponsor will amend the Plan to include a revised budget disclosing current projections. If such amended projections exceed original projections by twenty-five (25%) percent or more, Sponsor will offer all purchasers the right to rescind for a period of fifteen (15) days after the date of the presentation of the amendment setting forth the right to rescind.

The estimated monthly Common Charges for each Unit are based on the Schedule B - Projected Budget for First Year of Condominium Operation prepared by Sponsor’s Condominium Budget Expert. The estimated monthly Common Charges include the cost of central heating for the Units. Until the Units are separately assessed, real estate taxes shall be part of Common Expenses, as provided in the Condominium By-Laws. In addition, capital repairs, additions, improvements, alterations and restorations to Units are Common Expenses which will be borne solely by the Unit Owners.

In addition to the Payment of Common Charges, each Unit Owner will incur additional expenses for, among other things:

- (a) mortgage payments under any loans or loans, if any, obtained to finance the purchase of the Unit;
- (b) the cost of electricity supplied to the Unit, which will be separately metered and payable as and when billed;
- (c) the cost of interior repairs, compliance with Legal requirements and maintenance, painting and decoration in, to, or of, the Unit, including, without limitation, the equipment and appliances contained in the same, and any appurtenant Common Elements;
- (d) the cost of any insurance that the Unit Owner may be required to (or desire to) carry covering the furniture, belongings, equipment and other personal property in the Unit, as well as the cost of any insurance the Unit Owner may be required to carry covering liability to others for personal injury or property damage as a result of occurrences in the Unit;
- (e) telephone, internet access and cable television charges; and
- (f) real estate taxes (see note 6 below, as well as the section of the Plan entitled “Real Estate Taxes”)

6. The estimated New York City real estate taxes for the first year of Condominium operation following the First Closing, along with the method of determining the assessed tax valuation for each condominium unit may be found in the section entitled “Real Estate Taxes” and more particularly in the January 30, 2014 letter of Mazursky Group, Inc., in Part I of the Plan. The projected tax rate is estimated to be 20.25%.

The projected Assessed Valuation for Real Estate tax purposes is anticipated to be \$190,350.00 for the 2014/2015 tax year. The real estate taxes that will be attributed to each unit are deductible by the Unit Owner with respect to income taxes. Any projected income tax deduction may vary in future years due to changes in the interest rate on the unit owner’s mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the changes in the assessed value, the tax rate or the method of assessing real property.

The real estate tax estimates for each Unit were calculated on the assumption that the real estate taxes for the Buildings payable with respect to each Unit for the first year of Condominium operation will be allocated in proportion to each Unit’s percentage interest in the Common Elements. However, the tax assessment for each unit may be allocated on a basis that differs from the allocation of common interests. Upon determination of individual tax lots and individual Unit assessments, the New York City tax authorities has allocated taxes between the Units in proportion to each Unit’s purchase price or imputed market value rather than its percentage interest in the Common Elements, and, if so,

Units having the same or similar percentage interest which are determined to have a higher purchase price or market value will pay higher real estate taxes that are reflected on Schedule A. After the Condominium is divided into individual tax lots and separately assessed, 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 for nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. Until the Units are separately assessed, the Condominium Board will pay all real estate taxes with respect to the property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest. See the Section of the Plan entitled "Real Estate Taxes" for further discussion.

SCHEDULE B

Projected Budget for the First Full Year of Condominium Operation

July 1, 2015 - June 30, 2016

On the Sound, City Island

Schedule B

Revised 01-29-2015

Projected Income

Common Charges	\$	344,090.00
Total Income	\$	344,090.00

Projected Expenses

Salaries (Including payroll taxes and benefits)	\$	17,341.00
Gas- Heating	\$	5,290.00
Gas- Hot Water	\$	200.00
Electric	\$	17,620.00
Esplanade Total	\$	14,982.00
<i>Salaries (Including payroll taxes and benefits)</i>	<i>\$</i>	<i>6,422.00</i>
<i>Electric</i>	<i>\$</i>	<i>3,010.00</i>
<i>Landscaping</i>	<i>\$</i>	<i>2,700.00</i>
<i>Snow Removal</i>	<i>\$</i>	<i>1,050.00</i>
<i>Refuse Removal</i>	<i>\$</i>	<i>1,800.00</i>
Water	\$	150.00
Landscaping	\$	42,300.00
Snow Removal	\$	13,950.00
Sprinkler Maintenance	\$	2,000.00
Pool Maintenance	\$	20,000.00
Elevator Maintenance	\$	3,300.00
Telephone/Cable	\$	2,400.00
Clubhouse Housekeeping	\$	2,210.00
Permits/Dues	\$	245.00
Refuse Removal	\$	14,712.00
Insurance	\$	99,440.00
Management Fee	\$	15,050.00
Legal	\$	3,000.00
Accounting Fees	\$	4,000.00
Miscellaneous	\$	5,000.00
Misc. Administrative	\$	600.00
Exterminating	\$	4,200.00
Gutter Cleaning	\$	3,850.00
Corporate Tax	\$	250.00
Repairs, Maintenance, and Supplies	\$	9,000.00
Capital Reserve (ADD/ALT)	\$	43,000.00
Total Expenses	\$	344,090.00

Prepared by: Gramatan Management, Inc.

The accompanying notes are an integral part of this Schedule B and should be read in conjunction herewith. It should be noted that certain footnotes discussed items not included in the budget but which items relate to Unit Owner's Expenses and based on full build-out.

Notes to Schedule B

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

These figures represent the total Common Charges to be levied against and collected from the Units during the first year of condominium operation. The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium. Generally, Common Expenses have been allocated among the Units on the basis of percentage of Common Interest. Where the allocation of Common Expenses is not based on percentage of Common Interest or Common Expenses have been allocated only to certain categories of Unit, such circumstances are set forth in the following notes.

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

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

2. Salaries, Wages, Payroll Taxes & Benefits. This figure is based on one part-time Superintendent for 24 hours per week at \$15 per hour. The superintendent will be a nonunion member, however, this staff position along with all others at this level will be comply with all applicable housing and labor laws. The remaining portions of this figure are estimates on payroll tax, payroll processing, workers compensation and disability insurance. The assumption is that the Superintendent will work 2 hours in the morning and two hours in the evening to accommodate opening and closing the Esplanade public entrance gate at designated times Monday through Friday, 2 hours per day for Saturday and Sunday for opening and closing of the gate, as well as any other tasks that may be required and 52 hours of overtime for the year.

3. Utilities. This figure is based on the engineers report provided by Barrett Associates and covers the estimated cost of electricity, gas and water for the common area lighting.

Gas- Heating & Hot Water

The estimate is based on the following computation: **\$1.00 per Thermal unit x 5,490 Thermal units**

Electric

The estimate is based on the following computation: **.25 per KWH x 82,520 KWH**

Water

The estimate is based on the following computation: **\$5.00 per 100 cubic feet x 3,000 cubic feet**
This figure does not include figures for common area sprinkler system and swimming pool.

4. Esplanade Maintenance. This figure is based upon required salaries, electric, landscaping, snow removal, and refuse removal for the esplanade area. The figure for salaries is based on one part-time Superintendent for 6.5 hours per week at \$15 per hour to accommodate opening and closing the Esplanade public entrance gate at designated times. The remaining portions of this figure are estimates on payroll tax, payroll processing, workers compensation and disability insurance. The figure for electric is based on 12 fixtures x .25 kilowatts/fixture x 11hrs/day x 365 days/year x \$.25 per kilowatt hour. The figure for landscaping is based on an estimate provided by Ron Vitti Turf & Landscaping, which includes spring and fall cleanup, weekly blowing and trimming, mulch, annual flowers, etc. The figure for snow removal is based upon an estimate provided by Ron Vitti Turf & Landscaping for removal of snow as well as inclusion of salt and calcium chloride needed throughout the winter. The figure for refuse removal is based upon an estimate provided by R & S Waste Services for two weekly trash pick-ups.

The second year of operation cost for the Esplanade area should be budgeted at **\$15,431.00**, which represents a standard 3% CPI.

5. Landscaping. This figure is based upon an estimate provided by ***Ron Vitti Turf & Landscaping***, which includes spring and fall cleanup, weekly mowing and blowing, 5 seasonal lawn treatments, mulch, annual flowers, pruning 2-3 times per year, etc. for all a common areas, the public access esplanade, and the playground.

6. Snow Removal. This figure is based upon an estimate provided by ***Ron Vitti Turf & Landscaping*** for removal of snow on all common roadways, individual driveways, and all walkways as well as inclusion of salt and calcium chloride needed throughout the winter.

7. Sprinkler Maintenance. This figure is based upon an estimate provided by ***Ron Vitti Turf & Landscaping*** for spring turn on and winterization of the common area system. This figure also includes a small contingency for yearly replacement of broken sprinkler heads.

8. Pool Maintenance. This figure is based upon an estimate provided by ***American Pool Management***. It includes opening and closing of the swimming pool, weekly vacuuming, and chemical supplies as well as Lifeguard Staff. This figure is based on the pool being open from Memorial Day weekend to Labor Day weekend. ***If the pool is heated and operates longer than the typical pool season there will be minor increases in operating costs.***

9. Elevator Maintenance. This figure is based upon an estimate provided by ***Guardsmen Elevator Company*** for a standard monthly maintenance contract. However, typically the installers provide one year of free maintenance and then have their own maintenance contracts for each year following. ***This budget figure is also assuming this elevator will need monthly maintenance, which may not be case.***

10. Telephone/Cable. This figure includes two telephone lines, one for the intercom system at the front gate and one for the swimming pool at the clubhouse. It also includes internet for the clubhouse, as well as two cable televisions, one for the fitness center and the other for the bar/lounge area. The prices are based on Cablevisions pricing for the area.

11. Clubhouse Housekeeping. This figure is based on the minimum hourly rate of *Molly Maid, Inc.* of \$85 per hour for two Maids every two weeks.

12. Permits/Dues. The pool permit is renewed yearly at the current renewal fee of \$245.00. However, please note that there is a one-time fee of \$1,980.00 for the first time pool permit application.

13. Refuse Removal. This figure is based upon an estimate provided by *R & S Waste Services* for two weekly trash pick-ups and one weekly recycling pick up of 43 units, the clubhouse, playground, and esplanade, as needed.

14. Insurance. Based on the proposal dated April 16, 2014 from *Mackoul & Associates, Inc.* having and office address at 25 Nassau Lane, Island Park, NY 11558, the following insurance coverage will be obtained for the Buildings the first year of Condominium operation:

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

Commercial Package \$38,000 Premium

\$13,400,000 for 22 Buildings/43 Units/89,000 sq ft; Special Form with Replacement Cost

\$5,000 Property Deductible

2% Wind and Hail deductible

Systems Breakdown Included

\$1,000,000 General Liability per occurrence

\$2,000,000 aggregate of General Liability

\$1,000,000 Hired/Non-Owned Auto Liability

Commercial Umbrella \$2,270 Premium

\$100,000,000 Limit

Director's & Officer's Liability \$1,406 Premium

\$1,000,000 Limit

\$2,500 deductible

Employee Dishonesty \$520 Premium

\$250,000 Limit

\$250 deductible

The annual premium for the above mentioned insurance policy is estimated to be \$42,696.00.

Flood Coverage \$54,969 Premium

\$500,000 per Building Limit

\$2,000 deductible

Total annual premium with Flood is estimated to be \$ 97,665.00.

The insurance costs are for the entire Condominium and have been allocated to all units within the Condominium based upon each unit's respective Percentage of Common Interest.

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

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

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

The insurance coverage procured by Sponsor meets the requirements of Sponsor's lender.

15. Management Fee. This figure is based on our standard fee of \$350.00 yearly per unit.

16. Legal. This figure is based on a standard monthly retainer of \$250 per month. This does not cover the cost of litigation.

17. Accounting Fees. This figure is based on standard Accounting fees as provided by Tobin & Company, CPA, PC in their fee quote dated June 5, 2014.

18. Miscellaneous. This item provides funds for unanticipated expenses not included in the budget or possible increases above the amounts projected during the first year of operation.

19. Miscellaneous Administrative. This figure is based on miscellaneous administrative expenses that may arise, such as copying and postage charges.

20. Exterminating. This figure is based upon an estimate provided by *Vito's Exterminating, Inc.* for monthly preventative extermination treatment of the exterior perimeters of all homes and the clubhouse. In addition, it includes optional individual service to each unit.

21. Gutter Cleaning. This figure is based upon an estimate provided by *Ron Vitti Turf & Landscaping* for cleaning the gutters of all 22 buildings and the clubhouse in the fall. However, given the height of the newly planted trees around the property it is conceivable that gutter cleaning may not be needed in its first year of operation.

22. Corporate Tax. This figure is based on the corporate tax of similar properties.

23. Repairs, Maintenance and Supplies. This figure is based on properties similar in size and layout.

24. Capital Reserve (ADD/ALT). Figure is based on \$1,000.00 per unit annually. This figure can be subject to change for final submission.

If the actual commencement of the budget year in this Plan is more than six (6) months from the projected date of closing of the first Unit, this Plan must be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by 25% or more, each Purchaser shall have the right for thirty (30) days to rescind his or her Purchase Agreement and receive a refund of his or her down payment with interest within ten (10) business days.

COMPLIANCE WITH RPL § 339(i)

Part II contains the opinion of Sponsor's independent expert for the effect that the allocation of common elements was made in accordance with the requirements of Real Property Law Section 339-i. *See Part II page 264.*

OPINION OF COUNSEL



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September 18, 2014

City Island Reserve LLC
C/O Greystone City Island Development LLC
152 West 57th Street
New York, New York 10019

**RE: OFFERING PLAN FOR ON THE SOUND CONDOMINIUM
Island Point a/k/a 226 Fordham Place, City Island, New York**

Gentlepeople:

We note that the Offering Plan for the above-captioned Condominium states that it is believed that the monthly payments of interest on any mortgage which becomes a lien on a condominium Residential Unit and real estate taxes payable by a Residential Unit Owner, which are assessed against the Residential Unit by any governmental taxing authority, are a proper deduction in connection with Federal, New York State and New York City Income Taxes payable by the owner of such Condominium Residential Unit.

We have given this matter careful study, and it is our opinion that, pursuant to the provisions of the Internal Revenue Code of 1986 (the "Code") (See Revenue Ruling 64-31, C.B.1964-300) and the corresponding provision of the New York State Law (See Section 615 of the Tax Law), such interest payments and the aforesaid real estate payments are proper deductions by the owner of a Condominium Residential Unit, in connection with their Federal, New York State and City income taxes. Similarly, we are of the opinion that each Condominium Residential Unit Owner whose Residential Unit is either their principal residence or the one other residence selected pursuant to Section 163 (h) (5) (A) (i) (II) of the Code will be entitled, under Section 216 (a) (2) of the Code and Section 615 (a) of the State Law,

to deduct interest paid or accrued by the Residential Unit Owner on any mortgage which becomes a lien on a Condominium Residential Unit. The Residential Unit may be so selected if the Residential Unit Owner either uses it as a residence within the meaning of Code Section 280A (d) (1) (i.e., uses it for personal purposes for a number of days which exceed the greater of fourteen (14) days, or ten (10%) percent of the number of days during the year for which the Residential Unit is rented at a fair rental), or neither rents nor uses the Residential Unit at any time during the year. In addition, certain Residential Unit Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their Residential Unit.

In adding a new Section 528 to the Code, the Tax Reform act of 1976 affords certain Condominiums, substantially all of whose Residential Units are used for residences, the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Residential Unit Owners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium properties, which properties, as defined in 528 of the Code, include property held by the Condominium, or property within the Condominium. Based upon our examination of the Offering Plan and subject to the Condominium, actually satisfying the minimum percentage income and expenditure criteria set forth above, it is our opinion that the Condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Code.

Such an election will exempt from Federal, New York State and New York City Income Taxation all amounts received by the Condominium from the Residential Unit Owners as membership dues, fees or assessments. The Condominium will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the Residential Unit Owners. In the event the Condominium fails to qualify for and elect Section 528 taxation status in any year, it may, to the extent it has any income from unrelated sources or from accumulated revenues received by virtue of dues, fees and assessments received from Residential Unit Owners not expended in any taxable year, be subject to Federal, New York State and New York City Income Taxation (see Rev. Ruling 74-99, 1974-1 C.B. 131).

We have considered the relevant cases and rulings on the tax status of the Condominium including Revenue Rulings 74-17, 74-99, 75-370 and 75-371. These

rulings, under certain circumstances, permit assessments for capital replacements and new or replacement equipment to be excluded from the Condominium's income and be treated for tax purposes as additional capital contributions. In such case each Unit Owner's assessment for such purposes would add to their tax basis. Although the Condominium described in the Plan may be deemed a taxable entity under such Rulings, assuming that all expenses are designated and accounted for and that certain other special purpose assessments are properly treated as trust funds, the Condominium should not realize any significant amount of taxable income, other than with respect to incidental investment income, such as interest earned on reserve funds deposited in bank accounts.

We have examined the exceptions to title set forth in the Offering Plan, and we are of the opinion that none of such exceptions of title are contrary to the terms of the Purchase Agreement nor do they interfere with the quiet use or enjoyment of the Purchaser's Unit as set forth in the Offering Plan.

We have examined the Declaration and By-Laws pertaining to the proposed Condominium. It is our opinion that the Declaration and By-Laws, when recorded, will validly create a Condominium in accordance with Article 9-B of the Real Property Law of the State of New York.

In addition, we note that the percentage of Common Interest for each Unit as contained in Schedule A has been determined pursuant to the method set forth in Real Property Law ("RPL") Section 339-i (1)(iv) of the New York Condominium Act, is based upon the floor space of the Unit, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The percent interest of each Unit in the Common Elements is apportioned in the same proportion that the Unit bears to the aggregate Common Interests of all Units. In our opinion, this is a proper method of determining the percentage of common interest in a Condominium and complies with Section 339-i(1)(iv) of the Real Property Law.

In our opinion, the Condominium will be eligible for tax exempt status, if it so elects, and Residential Unit Owners will be entitled to the above-mentioned income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the given facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium, any selling agent or any other person be liable if

there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the Condominium to cease to meet the requirements of Section 528 of the Code or the New York State tax law as amended or New York City tax law and Residential Unit Owners not to be entitled to income tax deductions.

It is our understanding that this letter will be made a part of the Offering Plan of the Condominium and we consent to its inclusion therein.

Very truly yours,

DAVIDOFF HUTCHER & CITRON LLP

By:  _____
Derek A. Wolman, Partner

CHANGES IN PRICES AND UNITS

Sponsor reserves the right at any time and from time to time before and after the Closing Date, without the consent or approval of the Selling Agent, the Managing Agent, the Condominium Board, any Shareholder or any mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect and with respect to which the purchaser is not in default may be made without the consent of the purchaser. If any price change is made, a purchaser of a Unit affected thereby may pay more or less than other purchasers under this Plan for similar Units, but this will not affect any prior or subsequent sale of Units not the subject of such change. The Purchase Prices set forth in Schedule A must be changed by a duly filed amendment to this Plan when the change in Purchase Price is an across the board increase or decrease affecting one or more lines of Units, or is to be advertised, or is a price increase for an individual purchaser. The prices and terms of sale are negotiable. Sponsor may enter into a negotiated Purchase Agreement with an individual purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment to this Plan.

Sponsor reserves the right to negotiate with each Purchaser, the terms and conditions of the Purchase Agreement, including but not limited to terms and conditions pertaining to: purchase price; the amount of the Down Payment; financing and other contingencies; the payment of Purchaser's financing fees and other closing costs; Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; extensions of time periods within which to perform obligations under the Purchase Agreement; the availability of interim leases and the amount of interim rent; and the application of rent towards the Purchase Price. Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers without further amendment to this Offering Plan. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any rights of rescission under the Purchase Agreement.

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law and except as to the Inclusionary Unit) at any time and from time to time, before and after the Closing Date, without giving prior notice and without the consent of the Condominium Board, Unit Owners or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering any boundary walls between one or more Unsold Units, or otherwise, including incorporating common areas (such as a portion of a hallway) which exclusively benefit an Unsold Unit into such Unsold Unit and (c) if appropriate, reapportion among the Unsold Units affected by any such change, their Common Interests. In the event of any change pursuant to either (b) or (c) above, such change shall be disclosed in a duly filed amendment to the Plan. No such change, including any change in the Share allocation or in the amount or quality of public

areas directly affecting or servicing an Unit, will be made with respect to any Unsold Unit for which a Purchase Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, percentage allocation, or layout of such Unsold Unit. No material change will be made in the total percentage or in the size or quality of the public areas except by amendment to the Plan and, in such event, Purchasers not in default shall receive a right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation of an amendment setting forth the right to rescind. Sponsor will return any deposit or downpayment promptly to Purchasers who rescind.

Unless an affected purchaser consents, no material change will be made in unit size, layout, or percentage of common interest if a purchase agreement has been executed and delivered to the sponsor for that unit and the purchaser is not in default. Unless all purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of common elements. Sponsor will have the right to amend or to cause the Board to amend the Declaration to reflect any such change and to file such amendment and any necessary plans and specifications in connection therewith.

It should be noted that as long as the layout and dimensions of a Unit conform substantially to the Unit Plans, a Purchaser will not be excused from purchasing his Unit and will not have any claim against Sponsor as a result of any insubstantial or immaterial change.

INTERIM LEASES

Sponsor reserves the right with respect to any Unsold Unit, prior to the date of closing thereto, to rent or lease such Unsold Unit on an interim basis for such rent and term and on such other conditions as may be agreed to between Sponsor and a Purchaser. Purchasers are advised that the tenancy under such Interim Lease is not subject to governmental regulation as to amount of rent or terms. The interim lease will provide, however, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unsold Unit which is the subject of the interim lease will constitute a default under the interim lease entitling Sponsor, on behalf of itself and the Condominium, at Sponsor's option, to terminate such interim lease in accordance with applicable Law. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any lease or use and occupancy agreement with respect to the Unsold Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, on behalf of itself and the Condominium, at Sponsor's option, to terminate such Purchase Agreement and to exercise any remedies therein provided; provided however, that before Sponsor or such owner utilizes the default under the interim lease to declare a default under the Purchase Agreement, Sponsor will 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 Unsold Unit. A Purchaser will have thirty (30) days to vacate an Unsold Unit after a default under the Purchase Agreement or the exercise of a right of rescission.

Purchasers entering into an interim lease for an Unsold Unit will be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the interim lease. All other charges or other fees due under an interim lease will be adjusted as of the Closing to the Unit. Notwithstanding any of the foregoing, Sponsor will be under no obligation to enter into any interim lease and no portion of the rent paid under an interim lease will be credited towards the Purchase Price of an Unsold Unit unless the interim lease expressly provides.

Part II of this Plan contains a sample interim lease.

PROCEDURE TO PURCHASE AND ESCROW REQUIREMENTS

A person desiring to purchase a Unit will be required to execute a Purchase Agreement in quadruplicate (i.e., four (4) original copies), which will be in the form set forth in Part II of the Plan.

Purchasers will be afforded not less than three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement unless fewer than three (3) business days remain in the statutory time period to declare the Plan effective. If a Purchaser has not been afforded at least three (3) business days prior to executing a Purchase Agreement, such Purchaser will have seven (7) days after delivering an executed Purchase Agreement together with the Down Payment to rescind the Purchase Agreement and have the Down Payment refunded promptly. Such rescinding Purchaser must either personally deliver a written notice of rescission to the Selling Agent within the 7-day period or mail the notice of rescission to the Selling Agent and have the mailing post-marked within the 7-day period.

When a Purchaser submits a signed Purchase Agreement and check payable to the Escrow Agent (as described below) for the Down Payment together with a Form W-9 or W-8 to the Selling Agent or Sponsor, such Purchaser will be notified within thirty (30) days after such submission whether the Purchase Agreement has been accepted or rejected. Purchase Agreements will not be binding on the Sponsor until approved and executed by it, and delivered by Sponsor to the prospective Purchaser or such Purchaser's attorney.

Sponsor reserves the right to request thorough personal information and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by Law. If the Purchase Agreement is accepted, a fully executed counterpart will be returned to the purchaser by the Selling Agent. Sponsor shall have the right to reject such Purchase Agreement without cause or explanation to purchaser, provided such rejection is not based on sex, race, creed, color, national origin or ancestry, disability, or other ground proscribed by Law. No prospective Purchaser will have any claim against Sponsor for Sponsor's failure to execute a Purchase Agreement.

Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on Purchaser obtaining financing for such purchase.

If a Purchase Agreement is not accepted by Sponsor within the aforesaid thirty (30) day period, the Purchase Agreement shall be deemed to have been rejected and canceled and all sums theretofore deposited thereunder, without interest, shall be promptly returned to the prospective Purchaser. The Purchase Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23A of the General Business Law of the State of New York.

At the time of execution of a Purchase Agreement, a Purchaser is required to make a payment to the Escrow Agent in an amount equal to the sum of ten percent (10%) of the purchase price (the "Down Payment") and to supply a form W-9 or W-8. All Down Payment checks must be made payable to the direct order of "Davidoff Hutcher & Citron LLP, as Escrow

Agent". All checks delivered in payment of the Down Payment shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be canceled and of no further force or effect.

Each prospective Purchaser should note that Sponsor is only obligated to provide the equipment, fixtures and furnishings described in the "Description of Property" set forth in Part II of this Plan. If a person desiring to purchase a Unit requests that Sponsor perform special work on such Unit or provide extra furnishings, including, but not limited to, any deviation from the materials or specifications described in the "Description of Property", and Sponsor agrees to perform such special work and/or provide such furnishings, then a description of such work or furnishings shall be inserted as an addition to the Purchase Agreement and Sponsor may require such person to pay for said special work or furnishings in advance together with the cost of removing the special work if the Purchaser fails to close. Any funds received by Sponsor for such special work must initially be placed in the Escrow Account. In the event the Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for special work. Sponsor shall be under no obligation whatsoever to agree to perform any special work or provide extra furnishings for a Purchaser, nor shall Sponsor have any obligation to allow a Purchaser or its agents to perform any special work or install extra furnishings prior to Closing. Any and all special or additional work which a Purchaser desires to be performed with regard to a Unit shall be done only upon Sponsor's written consent thereto and Sponsor's approval of all contractors and suppliers in connection therewith, which consent and approval are within the sole discretion of Sponsor. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Unit to Purchaser unless Purchaser agrees to pay Sponsor an amount determined by Sponsor in addition to the purchase price for such Unit.

The balance of the purchase price shall be payable to Sponsor at the Closing of the purchase, simultaneously with the delivery of the deed to the Unit to Purchaser, by an official bank check or an unendorsed certified check drawn on or issued by a New York bank or trust company which is a member of The New York Clearinghouse Association, and shall be payable to the direct order of Sponsor, or otherwise if Sponsor should so notify Purchaser. The deed will be substantially in the form set forth in Part II of the Plan. Interest, if any, on Purchaser's Down Payment will be credited or paid to Purchaser at Closing.

At Closing, Purchaser will also be required to sign the power of attorney for the Board of Managers (see Part II of the Plan).

TIME IS OF THE ESSENCE TO PURCHASER AS TO PURCHASER'S OBLIGATIONS PURSUANT TO THE PURCHASE AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF THE BALANCE OF THE PURCHASE PRICE. FUNDS DRAWN ON OUT-OF-STATE OR FOREIGN BANKS WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE FOR A UNIT UNLESS OTHERWISE AGREED BY SPONSOR.

After the amendment declaring the Plan effective has been accepted for filing, Purchasers will receive at least thirty (30) days' prior notice of the scheduled Closing Date. In the event Purchaser fails to close on the designated date, then Purchaser will have a thirty (30) day period after notice within which to cure, time being of the essence, such default, following which Sponsor shall have the remedies set forth below. A Purchaser may waive notice of such Purchaser's Closing Date. In the event of any default by Purchaser under his or her Purchase Agreement, and if Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of default, Sponsor may, at its option, cancel such Purchase Agreement and retain the Down Payment made by Purchaser, together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate. In addition, Sponsor shall also be entitled to retain (i) any amount spent by Sponsor for special work requested by Purchaser and (ii) the reasonable cost to restore the Unit to its condition prior to such special work being performed. Sponsor will fix dates for closing title to all Unsold Units for which Purchase Agreements have been executed by serving notice upon each Purchaser stating the date of the First Closing and setting such Purchaser's Closing Date.

If a Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date (a) the closing apportionments described in the Section entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing 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 this Plan, an amount equal to 0.03% of the purchase price of his Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

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

Prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease. Sponsor reserves the right to terminate the Purchase Agreement of any purchaser who violates this prohibition.

It is anticipated that the First Closing will occur by July 1, 2015. In the event the project commencement date of Condominium operation is twelve (12) months or later than the anticipated date of the First Closing, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements and have their Down Payments refunded to them. In the event that the project commencement date of Condominium operation is six (6) months later than the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. If the Common Charges in the revised budget

increase by twenty-five (25%) percent or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements and have their Down Payments refunded to them. Any Purchaser electing rescission will have their Down Payments and any interest earned thereon returned; provided however, that Sponsor may retain any escrow funds expended for special work at the request of the Purchaser as well as the cost of any work necessary to restore the Unit to its condition prior to such work having been performed. Rescission need not be offered to any Purchaser who is in default under such Purchaser's Purchase Agreement, beyond the expiration of any applicable grace period, provided that Sponsor shall only retain the Down Payment of a Purchaser in accordance with the escrow and trust fund requirements of General Business Law Sections 352-e(2b) and 352-h and the Attorney General's regulations promulgated pursuant thereto as described in the subsection of the Plan entitled "Escrow and Trust Fund Requirements" in this Section of the Plan.

If the Plan is withdrawn or abandoned, any Down Payment previously paid to and actually collected by Sponsor, together with any interest earned thereon, shall be returned to Purchaser within ten (10) business days of the date of such withdrawal or abandonment, in accordance with the provisions herein set forth. If the Plan is consummated and the Purchaser defaults on the Purchase Agreement, Sponsor will be entitled to retain the Down Payment.

From and after the Closing of each Unit, Purchaser will become obligated for the payment of Common Charges in proportion to the Purchaser's Common Interest, real estate taxes and assessments (including water charges and sewer rents, if separately assessed) and all other expenses with respect to his Unit, whether or not he has taken possession of his Unit, and whether or not all work required to be performed by Sponsor or anyone else in or to his Unit or the Building has been completed.

The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit, at which time such risk shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit to the condition required by this Plan, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price for the subject Unit. In such event Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. Sponsor shall be obligated to repair or restore the Inclusionary Unit. In the event of damage or destruction to any Unit (other than the Inclusionary Unit) by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit, or, if the casualty occurs after the first closing and the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of Unit Owners and Boards of Managers"), the Purchase Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited thereunder, together with interest earned thereon, if any, whereupon the parties to the

Purchase Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, 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.

Purchase Agreements are not assignable without the prior written consent of Sponsor, which consent may be granted or denied by Sponsor in its sole discretion.

Any conflict between the Plan and the Purchase Agreement will be resolved according to the terms of the Plan.

Escrow and Trust Fund Requirements

The Escrow Agent:

The law firm of Davidoff Hutcher & Citron LLP, with an address at 605 Third Avenue, New York, NY 10158, telephone number 212-557-7200, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Jeffrey Citron, Larry Hutcher or Derek Wolman. 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 Account:

The Escrow Agent has established the escrow account at Capital One Bank, with a location at 109 E 42nd Street, in the City and State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Davidoff Hutcher & Citron LLP, On the Sound escrow account ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions.

All Deposits received from Purchaser shall be in the form of checks, money orders or wire transfers, and shall be made payable to or endorsed by the Purchaser to the order of Davidoff Hutcher & Citron LLP, as Escrow Agent.

Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Escrow Agreement.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

Escrow Agreement:

The Escrow Agreement is attached hereto as Exhibit 17 in Part II of the Plan. The Escrow Agreement must be executed by the Sponsor, Purchaser, and Escrow Agent.

Notification to Purchaser:

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

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

Release of Funds:

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 Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

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

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

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

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

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

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

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

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

Waiver Void:

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

ASSIGNMENT OF PURCHASE AGREEMENTS

Purchase Agreements are not assignable. Prior to the closing of title to a Unit, Purchasers are expressly prohibited from advertising, listing the Unit with a broker or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease (“Advertising Activities”) without Sponsor’s prior written consent. If any Purchaser engages in any of the foregoing Advertising Activities, it shall be considered an event of default under the terms of the Purchase Agreement, thereby entitling Sponsor any and all remedies under the terms of the Purchase Agreement. After the closing of title to a Unit, Purchasers are expressly prohibited from Advertising Activities or from selling any Units, without the prior written consent of Sponsor, until Sponsor has sold 80% of the Units, or until 1 year after Closing, whichever occurs first. Purchasers are referred to the Purchase Agreement set forth in Part II of the Plan for further details.

EFFECTIVE DATE

The offering of the Units for sale under this Plan by Sponsor is contingent upon this Plan being declared effective, and upon compliance with the relevant conditions and time periods described in the Offering Plan. The following provisions will determine whether, and when, and how this Plan will be declared effective.

This Plan may not be declared effective until Purchase Agreements by bona fide purchasers, including investors, have been executed and delivered for at least eight (8) of the units of the Units offered under this Plan.

After the conditions in the preceding paragraph have been met, Sponsor may, at its option, declare this Plan effective.

When Purchase Agreements have been executed and delivered for the sale of eighty percent (80%) of the Units, equating to 35 Units in the Building, Sponsor must declare this Plan effective.

The Plan will not be declared effective based on Purchase Agreements: (i) signed by purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) if the purchaser was not afforded the protections required by Section 20.3(o)(15) of the Attorney General's regulations and at least three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement or at least seven (7) days to rescind; or (iii) signed by any purchaser who is Sponsor, the Selling Agent, the Managing Agent, or a principal of either, or is related by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner of Sponsor, the Selling Agent, the Managing Agent or a principal of either (except that such a purchaser other than Sponsor or a principal thereof may be counted only if Sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is bona fide).

This Plan will be declared effective either by: (a) personal service, or service by mail in the manner required by Section 20.1(d)(2) of the Regulations of the Attorney General, of written notice to all purchasers and, within five (5) business days following such notice, submitting an amendment to this Plan, confirming that this Plan was declared effective as of the date of such notice to the Department of Law, which amendment, upon acceptance for filing, will be delivered to all purchasers; or (b) by duly filed amendment to this Plan. The closing of title with respect to any Unit shall not occur until the Plan is declared effective and the acceptance for filing of such amendment to this Plan.

Prior to conveying title to the first Unit, Sponsor may, at its option, declare this Plan abandoned for any reason whatsoever before it is declared effective. If this Plan is abandoned by Sponsor, at its option, before it is declared effective, void and of no effect, all monies will be returned to purchasers, in full, with interest earned, if any, within thirty (30) days thereafter. In the event of such abandonment, Sponsor shall promptly submit an amendment to the Department of Law together with form RS-3 as promulgated by the Department of Law. Upon the return of the Down Payment, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to such purchaser under this Plan or the Purchase Agreement.

Once this Plan has been declared effective, it may not be abandoned except in the event of (i) a defect in title which cannot be cured without litigation or cannot be cured for less than 0.5% of the total offering amount; or (ii) substantial damage to or destruction of the Building or any portion thereof by fire or other casualty which cannot be repaired for less than 0.5% of the total offering amount; or (iii) the taking of any material portion of the Property by condemnation, or eminent domain or by other means. Any stated dollar amount relied upon as basis for abandonment after effectiveness must exclude attorneys fees or title defects, violations, work orders, or determinations of any authority or regulatory association which exist on the Filing Date and either are known to Sponsor or are a matter of public record. There will be no obligation on the part of Sponsor to incur expenses (except to the extent of up to 0.5% of the total offering amount in case of defects in title, casualty losses and violations as aforesaid) or engage in litigation to cure the same. If Sponsor does not abandon this Plan after the occurrence of any of the events set forth in (i), (ii), or (iii) above, then Sponsor shall be obligated to proceed with this Plan regardless of the cost to cure or repair such items. Whether or not this Plan will be abandoned or the expenses incurred will be in the sole discretion of Sponsor. For reference, 0.5% of the total offering amount is equivalent to \$145,522.75.

After an amendment declaring this Plan effective has been accepted for filing, Sponsor will fix dates for the Closing of Title to all Units as to which Purchase Agreements are outstanding, in accordance with the provisions of the respective Purchase Agreements. See this Section of this Plan entitled "Terms of Sale" for a discussion on the mechanics of Closing of Title to a Unit.

TERMS OF SALE AND CLOSING OF TITLE TO UNITS

The Closing of Title to each Unit shall be held at the office of Davidoff Hutcher & Citron LLP, 605 Third Avenue, New York, New York or at such other place as Sponsor may designate.

(i) The Closing shall take place only after or concurrently with the following events:

(a) the Plan has been declared effective in accordance with its terms and the amendment to the Plan disclosing same has been accepted for filing by the Department of Law;

(b) a temporary or permanent certificate of occupancy for the Unit is in effect (ongoing construction in the Building or other Units and/or the absence of a temporary or permanent certificate of occupancy for any other Unit shall not constitute a basis for Purchaser's failure or refusal to close).

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 is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire building within two years from the date of the 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 exercise 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. As described in greater detail in the plan, sponsor will maintain sufficient funds in escrow to cover the anticipated costs of obtaining a PCO. However, the TCO may lapse for reasons outside the sponsor's control. In the absence of a PCO or TCO it is unlawful to reside in or rent a unit and will be difficult for owners or purchasers to obtain financing or pass clear title.

(c) the recording or filing of the Declaration, By-laws, Floor Plans and engineer's and tax authority certifications required by Section 339-p of the New York Condominium Act or other applicable Law and such other documents as may be required by Law, at the office of the City Register;

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

(e) the delivery to Purchaser of written notice of the time and place of the Closing at least 30 days prior to the Closing Date specified therein, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Unit and the Property, during normal business hours and in the company of Sponsor's agent, prior to Closing;

(ii) At Closing the following shall occur:

(a) the delivery to Purchaser of a bargain and sale deed without covenant against grantor's acts, the form of which is set forth in Part II of the Plan, in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law.

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

(c) the execution by Purchaser of a notice to the Managing Agent indicating whether a child under the age of ten (10) will be living in the Unit or if the Purchaser wants to have window guards installed on the windows of the Unit even though no child under the age of ten (10) will be living in the Unit. In the event that window guards are to be installed in the Unit, such installation shall be performed at the direction of the Managing Agent and the cost thereof (for the window guards and installation) shall be charged to and paid by the Purchaser of the Unit.

(d) the delivery by Purchaser to Sponsor of the Exercise Price and such other checks and documents required pursuant to the Plan and the Purchase Agreement.

(e) prior to the closing, the sponsor will procure the Real Property Transfer Gains Tax Tentative Assessment and Return (or Statement of No Tax Due) and will, at closing, pay all Real Property Transfer Gains Tax and all other transfer taxes due and comply with the requirements of the New York State Department of Taxation and Finance.

(f) if existing mortgages or construction loans will not be satisfied at or prior to the closing of the first unit, at the time of conveyance of the first unit, each mortgagee will either:

(i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units;

(ii) subordinate the lien of its mortgage to the declaration of condominium; or

(iii) release its lien on the condominium unit being conveyed and its interest in the common elements.

(g) title to each unit and its appurtenant interest in the common elements will be conveyed at the closing free and clear of all liens, encumbrances and the title exceptions other than those described in the plan and the proposed unit deed. Specifically, title will be conveyed pursuant to these exceptions:

- (i) Declaration recorded 5/16/2007 in CRFN 2007000254232.
- (ii) Restrictive Declaration recorded 8/3/2012 in CRFN 2012000306859.
- (iii) Declaration of Restrictions recorded 8/3/2012 in CRFN 2012000306860.
- (iv) Zoning Lot Description and Ownership Statement recorded 7/29/2013 in CRFN 2013000297079.
- (v) Riparian rights and easements of others over the Long Island Sound.

There will be no leases, mortgages, liens, encumbrances or other title exceptions that will affect the property after the closing except that there will be liens on Sponsor's Unsold Units as a result of the construction financing, to the extent that they have not been paid in full. These liens will not render title unmarketable. The details of Sponsor's construction financing may be found in the Introduction of Part I of this Plan.

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

Sponsor shall be entitled to deliver a 30 day closing notice to a Purchaser once the Plan has been declared effective without regard to whether the closing prerequisites set forth in items (i)(a) through (e) have been met at the time of notice.

Ongoing construction in the Buildings or other Units and/or the absence of a temporary or permanent certificate of occupancy for any other Unit shall not constitute a basis for Purchaser's failure or refusal to close.

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

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

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

The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Units from such impermissible liens or encumbrances or otherwise enable the Title Company to omit such title exceptions from Purchaser's title insurance policy are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments.

Sponsor shall be entitled to adjourn the Closing to remove or correct any title exception that cannot be dealt with as set forth above. Sponsor is not obligated to cause Purchaser's title company to omit any exception if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception. Purchaser will be responsible to pay to the Title Company the entire premium for Purchaser's title insurance. Purchaser may obtain title insurance from any title insurance company or abstract company or not obtain any title insurance at all, at Purchaser's sole discretion (unless Purchaser's lender shall require Purchaser to purchase title insurance covering such lender).

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

Any personal property located within the Unit on the date the Option Agreement is executed or located within the Common Elements on the date the Declaration is filed, that is owned by Sponsor, is included in the conveyance unless specifically excluded in the Purchase Agreement or the Plan.

The risk of loss or damage to the Unit is discussed in the section of the Plan entitled “Procedure to Purchase.”

CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Purchase Agreement (see Part II of the Plan), in addition to Purchaser's own legal fees, Purchaser will pay the closing costs set forth below at the time of the closing of title of the Purchaser's Units. Recording charges, fees and taxes are based on rates in effect on the date of the Plan and are subject to change without notice.

(a) A contribution to the working capital fund in an amount equal to two (2) month's Common Charges then applicable to each Unit being purchased. As set forth in Schedule A, this payment will range from \$780.34 to \$1,854.00 depending on the size of the Unit.

(b) The premium for title insurance, which will vary depending upon the purchase price of the Unit. Purchasers may use the title insurance company of their choice without incurring additional fees from sponsor. If Purchaser elects to obtain fee title insurance from Excalibur Title Agency, LLC, a TitleVest company, writing for First American Title Insurance Company, having an office at 44 Wall St., 10th Floor, New York, NY 10005, (212) 542-5591 the premiums as of the date of this Plan will be reduced by reason of the reissue credit arising from the initial sale of the Unit by Sponsor. As of November 15, 2006, the discounted premium for owner's title insurance is seventy percent of the sum of \$402 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	
\$50,000.00	\$502.05	+ 5.43 per thousand up to \$100,000.00
100,000.00	773.55	+ 4.36 per thousand up to 500,000.00
500,000.00	2,517.55	+ 3.98 per thousand up to 999,999.00

(c) If a purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from First American Title Insurance Company, 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.

LOAN AMOUNT	PREMIUM	
\$35,000.00	\$344.00	+ 5.55 per thousand up to \$50,000.00
50,000.00	427.25	+ 4.54 per thousand up to 100,000.00
100,000.00	654.25	+ 3.64 per thousand up to 500,000.00
500,000.00	2,110.25	+ 3.31 per thousand up to 1,000,000.00

When an owner's policy and a loan policy are issued simultaneously covering identical property, the rate for the owner's policy shall be the applicable owner's rate. The rate on the amount of the loan policy that does not exceed the amount of the owner's policy shall be calculated at thirty percent (30%) of the loan rate. The rate on the amount of the loan policy in excess of the amount of the owner's policy shall be calculated at the full rate.

(d) A fee for recording the Unit Deed and Unit Power of Attorney. For the City Register's fees for recording the Unit Deed, Unit Owner's Power of Attorney, Excalibur Title Agency, LLC charges approximately \$475.00 for all such instruments plus \$5.00 for each page in addition to the first page. There are also additional filing fees for Transfer Tax Forms, NYS TP-584 and NYC-RPT of approximately \$165.00. Each title company establishes its own additional service and surcharges in this regard. Purchasers may use the title insurance company of their choice without incurring additional fees from sponsor;

(e) If Purchaser obtains a mortgage loan, the Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s). For the City Register's fees for recording the mortgage instrument, Excalibur Title Agency, LLC charges approximately \$300.00 dependent on the number of pages in the mortgage instrument;

(f) The New York City Real Property Transfer Tax ("RPT Tax"), which currently, for the purchase of a single Unit, is one (1%) percent of the purchase price of a Unit of \$500,000 or less, or 1.425% of the purchase price if over \$500,000, and the New York State Documentary Stamp Tax ("NYS Tax"), presently \$2.00 for each \$500.00 (or part thereof) of the purchase price of a Unit. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to tax. Therefore, the steps to compute the tax are:

- (i) Multiply the purchase price by the RPT Tax rate to compute the City tentative tax.
- (ii) Multiply the purchase price by the NYS Tax rate to compute the tentative NYS Tax.
- (iii) Add the tentative taxes to the purchase price.
- (iv) Multiply (iii) by the RPT Tax rate to determine the RPT Tax payable.
- (v) Multiply (iii) by the NYS Tax rate to determine the NYS Tax payable.

Example:

Purchase price = \$650,000.00

(1)	\$650,000.00 x 1.425%	= \$	9,262.50
(2)	\$650,000.00 x 0.4%	= \$	2,600.00
(3)	\$650,000.00 + 11,862.50	= \$	661,862.50 ("Adjusted Purchase Price")
(4)	\$661,862.50 x 1.425%	= \$	9,431.54 (plus \$100 filing fee for RPT)
(5)	\$661,862.50 x 0.4%	= \$	2,647.45 (NYS tax rate)

TOTAL \$9,431.54 + \$100 + \$2,647.45 = \$12,178.99

Where a purchaser purchases two or more Units the NYC RPT Tax rate where the consideration is \$500,000 or less will be 1.425%, while the tax rate where the consideration is in

excess of \$500,000 will be 2.625%. The City of New York Department of Finance has recently taken the position that the consideration for the transfer of each Unit is not aggregated for purposes of determining total consideration. There is no guarantee that The City of New York will not change its positions with respect to the purchase of multiple Units by the same purchaser.

(g) All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorney, Davidoff Hutcher & Citron LLP, in connection with the closing of title to Purchaser's Unit: (i) the sum of \$3,500 to reimburse Sponsor for its legal fees in handling the closing, (ii) if the Purchaser requests the Closing to occur other than at the offices of Davidoff Hutcher & Citron LLP or such other place in the county of New York, as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of \$500 for each Closing (iii) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, Purchaser shall pay a fee of \$750 to Sponsor's attorneys, payable in advance, for preparation of an assignment agreement (Purchaser may pay more than one fee pursuant to this paragraph with respect to a single Unit), (iv) if Purchaser obtains mortgage financing, then Purchaser shall pay Sponsor's attorneys an additional fee of \$500 to defray the additional costs associated therewith, and (v) if the closing is adjourned through no fault of Sponsor, the Purchaser will be required to pay to Sponsor's attorneys an additional fee of \$350 for each adjournment to help defray the cost of preparing for and coordinating the new closing.

(h) If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording tax, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees of Purchaser and lender) in amounts determined by governmental authorities and such lender. Currently, the mortgage recording tax for mortgages under \$500,000 is \$2.05 for each \$100 of principal and such tax for mortgages in the amount of \$500,000 or greater is \$2.75 for each \$100 of principal. This tax is reduced for Units in both instances by \$30.00 if the mortgage principal exceeds \$10,000. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources. As previously stated in paragraph (e) above, if a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure solely to the benefit of Sponsor. Accordingly, at Closing, each Purchaser utilizing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed and Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

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

Example: Mandatory Closing Costs

Purchaser will pay the following mandatory Closing costs based on rates in effect in April of 2014 and assuming the Purchase Price is \$650,000 and the form of documents in the Part II of this Plan are used (all amounts are approximate and rounded to the nearest whole dollar).

(1) Fee to record Unit deed (assuming 5 pages + 1 cover page) and Unit Owner's Power of Attorney (assuming 4 pages + 1 cover page). 475.00

(2) New York State transfer tax and filing fee (also called documentary stamps) at the rate equal to the Adjusted Purchase Price (see Example above) x .4% (rounded up to the nearest \$500) 2,748.00

(3) New York City transfer tax at the rate of 1% of an Adjusted Purchase Price of \$500,000 or less (or at the rate of 1.425% of an Adjusted Purchase Price of more than \$500,000) 9,431.54

Total estimated mandatory Closing costs: \$*12,554.54

* Note: This figure does not include the required Working Capital Fund payment equal to two (2) month's projected Common Charges and the legal fee due Sponsor's attorneys. In addition, governmental recording fees may vary from time to time. Title company service charges (if any) may also be imposed depending on the title agent or insurer.

Example: Elective Closing Costs

Assuming the purchase of the Unit is financed with a mortgage loan for 80% of the Purchase Price (or \$520,000) and both fee and mortgage title insurance are obtained simultaneously for Purchaser and Purchaser's mortgage lender, Purchaser would pay the following projected elective Closing costs based upon rates in effect as of November 13, 2006 (all amounts are approximate and rounded to the nearest whole dollar):

(1) Mortgage recording tax at a rate of 2.05% of the mortgage is less than \$500,000 (or 2.75% of the mortgage if \$500,000 or more), minus \$30.00 and minus .25% payable by the mortgage lender before deducting the statutory credit against the mortgage tax credit payable to Sponsor. \$ 9,980.00

(2) Mortgage recording fee (assuming 20 pages plus a cover page) at the rate of \$32 per instrument, \$5 per page. Includes municipal charge to record the mortgage tax credit affidavit. 300.00

(3) Premium for simultaneous fee (\$1,854) and mortgage (\$457) title insurance \$ 2,311.00

(4) Other projected potential mortgage loan costs (assuming: “points” of 1% of mortgage amount, appraisal of \$250, lender’s legal fee of \$750, UCC-1 filing fee of \$100 and \$200 allowance for miscellaneous expenses)	7,800.00*
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(5) Allowance for title closer gratuity and contingencies.	250.00
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Total estimated elective closing costs:	\$ 20,641.00
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* Note: This projection does not include: (a) escrows for real estate taxes, Common Charges or other sums that might be required by Purchaser’s mortgage lender, (b) a travel fee to Sponsor’s attorneys in the event the Purchaser’s lender or its counsel refuses to close at the office of Sponsor’s attorneys or (c) a fee to any attorney Purchaser may engage.

Purchaser’s actual Closing costs will be based upon the applicable governmental and title company rates in effect on the Unit Closing Date.

The foregoing projection of mandatory and elective Closing costs are only estimates and are not guaranteed. Although the projections are believed to be reasonable, there are a number of unknown factors (such as the mortgage loan closing costs, which may vary widely amongst different lenders). As a result, the actual closing costs may be higher or lower, perhaps substantially, than those projected.

All legal costs, fees and expenses of Sponsor’s attorneys, other than those specifically set forth above, will be the sole responsibility of Sponsor.

At Closing, adjustments will be made as of midnight of the day preceding the Closing Date between Sponsor and each Purchaser with respect to (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed) on the basis of the period for which assessed, (b) Common Charges for the month in which title closes and (c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering Purchaser’s Unit. In the event the Units have not been separately assessed for real estate tax purposes prior to the First Closing, each Unit Owner will pay a pro rata share (in the proportion that such Unit’s Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Condominium Board as Common Charges (please refer to Schedule A for an estimate of real estate taxes payable during the first year of Condominium operation). The Condominium Board will pay such taxes either directly to the Finance Administration of The City of New York, or to Sponsor if Sponsor has already paid such real estate taxes. If any Unit Owner fails to pay his pro rata share as set forth above, the Condominium Board may file a lien on such Unit for non-payment of Common Charges. (See the Section entitled “Rights and Obligations of Unit Owners and the Board of Managers-- Common Charges: Collection and Lien for Non-Payment” for further discussion.) At such time as a Unit is separately assessed and separately billed, its Unit Owner will pay such taxes directly to the taxing authority.

If a Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date, (a) the closing apportionments described above will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing 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 this Plan, an amount equal to 0.03% of the purchase price of his or her Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

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

RIGHTS AND OBLIGATIONS OF THE SPONSOR

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

(a) Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of the Units, or due to structural, architectural or mechanical considerations provided, however, that any such amendments, additions, or changes shall not materially and adversely affect a Unit Owner or Purchaser, increase any obligation of a Unit Owner or Purchaser to any adverse and material degree and any substitution of appliances, equipment or materials shall be of substantially equal or better quality. A change in the square foot area and dimensions of a Unit due to field conditions, construction variances and tolerances which do not increase or decrease the square feet area of the Unit by more than 5% (excluding interior partitions) shall not be deemed a material and adverse change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material.

(b) Construction financing is firmly committed, and there are no conditions on the availability of such financing that will prevent the Sponsor from completing the Units offered.

Even though the Condominium Board has the right of first refusal with respect to the sale or lease of apartments, it does not have the right to approve or disapprove purchasers. There is no limit on the number of owners who may purchase for investment rather than personal occupancy. There may always be a substantial percentage of owners who are non-residents.

Sponsor has obtained a construction loan in the amount of \$4,983,234.08 from 100 Mile. The construction financing commitment provides the following minimum sale prices and repayments for each type of Unit (which 100 Mile requires in order for it to release its lien from the Unit being sold):

The construction financing commitment provides that the Sponsor may not declare the plan effective until at least eight (8) of the units have been sold. If Sponsor fails to sell the Property as a condominium and the property reverts to a rental property, 100 Mile reserves the right to determine the net rental income of the Property. Sponsor will endeavor in good faith to sell all of the remaining Units in a reasonably timely manner; however, there is no certainty as to the period of time required to sell all of the Units. In the event market conditions preclude the Sponsor from selling Units for the prices indicated on Schedule "A", as it may be amended from time to time, Sponsor may elect to rent Units until such time as the Units can be sold on terms acceptable to Sponsor. If Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor sponsor is bound by Sponsor's representations regarding its commitment to sell units. As a result, it is possible that the Unit Owners will not obtain control of the Condominium Board at the expiration of the Sponsor Control Period.

(c) The offering by Sponsor under the Plan is contingent upon the Plan being declared effective and no Closing shall occur until the Plan has been declared effective. The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to its being declared effective (see the Section of the Plan entitled "Effective Date" for further details).

(d) Sponsor will perform such work and supply such materials, or will cause the same to be performed and supplied, as is necessary in order to complete the construction of the Condominium with a quality of construction comparable to the currently prevailing local standards and substantially in accordance with the Plans and Specifications for the construction work filed with the Buildings Department and other appropriate governmental authorities.

(e) Based upon its current construction schedule, sponsor presently contemplates that, unless delayed by Force Majeure, the construction of some Units will be sufficiently completed to permit Closings of Units to begin on or about July 1, 2015. Purchasers should note, however, that the Units will be completed at different times over a period that may extend beyond such date, and as such will close at different times. All Units are being offered under this Plan. Purchasers will not be excused from paying their full purchase prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to the Units is delayed or postponed by Sponsor. Notwithstanding the foregoing, if the First Closing does not occur within 12 months after the date set forth in the Schedule B as the commencement date for the first year of condominium operation, as such date may be extended from time to time by amendment to the Plan, Sponsor will offer all Purchasers (provided such Purchaser is not in default) a right for 15 days, to rescind their Option Agreement and receive a refund of the Down Payment together with any interest earned thereon, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras. In the event the actual or anticipated commencement date of the first year of condominium operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest projected budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind)

(f) Sponsor is obligated to bear all costs and expenses incurred in connection with completing construction of the Condominium substantially in accordance with the Plans and Specifications. During the course of construction, Sponsor reserves the right, in its sole and absolute discretion, without prior notice to Purchasers or amendment to the Plan to (i) amend from time to time the Plans and Specifications (including changes in layouts and designs in accordance with the Section of the Plan entitled "Changes in Prices and

Units”) and/or (ii) substitute materials, appliances, equipment and fixtures that are of substantially equal or better quality in place of those described in the Plan and the Plans and Specifications. Provided however that Sponsor will not:

(i) substitute equipment or materials of lesser quality or design; or

(ii) change the size, location of buildings or units other improvements or common elements if such changes affect the percentage of common interests or adversely affect the value of any unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected Unit Owners and Purchasers consent in writing to such change.

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

(h) Prior to the First Closing, Sponsor will cause a temporary certificate of occupancy to be issued for the Unit to be closed and will attempt to obtain a permanent certificate of occupancy within 2 years after the First Closing, subject, however, to Force Majeure, actions by Unit Owners or tenants of Unit Owners, or any other cause over which Sponsor has no control, but in any event, before the expiration of applicable temporary certificate of occupancy, as the same may be renewed, replaced or extended. Sponsor makes no representation or guarantee that the Buildings Department will issue a permanent certificate of occupancy within 2 years after issuance of the first temporary certificate occupancy. Sponsor will, at its sole cost and expense, do and perform all work, and will supply for the Condominium all materials that shall be necessary in order to cause the temporary certificate of occupancy to be continuously renewed and to obtain a permanent certificate of occupancy. Sponsor shall not be responsible for any costs or liabilities suffered by Unit Owners on account of delays in obtaining the permanent certificate of occupancy due to work undertaken in individual Units by Unit Owners or work undertaken in Common Elements by the Condominium Board after the Sponsor no longer controls the Condominium Board.

(i) If Sponsor fails to obtain a permanent certificate of occupancy for the Building prior to the First Closing, Sponsor will be obligated to: (i) direct the Escrow Agent to hold and maintain those monies received pursuant to all Purchase Agreements (see the Section of the Plan entitled "Escrow and Trust Fund Requirements") which

would otherwise be payable to Sponsor in the special trust accounts, required by the General Business Law of the State of New York, Sections 352-e(2)(b) and 352(h), provided, however, that if Sponsor's Architect certifies that a lesser amount than the amount held in the special trust account is reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy, then the amount exceeding the sum so certified by the Sponsor's Architect shall be released pro rata from the special escrow accounts to Sponsor; or (ii) Sponsor shall deposit with Escrow Agent cash or an unconditional, irrevocable letter of credit or post a surety bond in an amount Sponsor's Architect, from time to time, certifies is reasonably necessary to complete the work needed to obtain the permanent certificate of occupancy.

(j) Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems. No assurance can be given with regard the accuracy of any projected completion dates set forth herein. It is anticipated that during the first 2 years of Condominium operation, construction workers and related personnel will be at the Condominium from time to time, completing construction of the Condominium, making adjustments and corrections and performing various tasks relating to the completion of construction. During this period various building systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time after any Closing to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require substantial time after the First Closing to be completed. In addition, the presence of hoists or construction elevator shafts or similar temporary construction facilities, may delay the Closing of Title to certain Units or lines of Units until such hoists, elevators or temporary facilities are no longer needed and are removed. A Purchaser who closes title to his or her Unit during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibration, fumes, odors, dust, debris and other temporary interruption of services may affect Purchaser's enjoyment of the Unit during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser whatsoever or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the Condominium. Furthermore, Sponsor makes no representation or warranty (express or implied) that any noise, odors, fumes or vibrations, if any, emanating from mechanical equipment belonging to the Condominium will not disturb occupants of the Units, and Sponsor shall have no liability whatsoever for any such disturbance to any Unit Owner or occupant.

(k) Sponsor has no obligation to repair or improve the Units, the Common Elements or the Facilities used in connection with the operation of the Condominium except as otherwise expressly provided in the Plan. Sponsor agrees to complete construction and to cause all mechanic's liens with respect to the construction of the Condominium to be promptly discharged or bonded or to deliver any and all requested documents to the title company necessary to insure title to the Unit, if such mechanics lien creates a defect in title (all subject to Sponsor's rights to abandon the Plan).

(l) Each Unit and the fixtures and personal property contained therein, are being sold and delivered "AS IS," as described in the Plan, at the time of transfer of title to such Unit unless Sponsor and the Purchaser otherwise agree in writing. In no event shall Sponsor have any responsibility to repair any of the following: (1) nail pops and ridging on sheet rock walls and ceiling; (2) doors and windows sticking because of weather; (3) door warpage less than ½; (4) adjustment of bi-fold doors; (5) bath tile grouting; (6) slight separation in joints of flooring; (7) slight separation between base and floor; (8) normal settlement and deflection or any consequential damage resulting therefrom; (9) normal plumbing and heating noises; (10) repair of chips, scratches, mars, breaks, or other blemishes in windows, sliding glass doors, electric fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and counter tops, vanity tops and cabinets, medicine cabinets, ceramic tile, saddles, resilient flooring, appliances, woodwork, and doors; (11) partial or total death of trees, shrubs, bushes, ground cover, grass, or other landscape improvements. Subsequent to the Closing date the sponsor shall not be responsible for paint touch-ups, repair of dented appliances, carpet stretching or shrinkage, or the replacement of fluorescent light ballasts. The quality of construction shall be comparable to local standards customary in the particular trade and substantially in accordance with the Plans and specifications. The Sponsor shall not be liable for any defect in construction if the work and materials are in substantial compliance with the Architect's Plans and Specifications.

With respect to Units, upon receipt of the Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Unit within 7 days prior to the Closing Date and shall execute at such time an Inspection Statement acknowledging the Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if Purchaser finds that Sponsor's improvements as described in the Plan or in the Purchase Agreement or other writing duly executed and delivered by Sponsor, have not been fully completed, although such improvements have been substantially completed, then Sponsor or its designated representative and Purchaser will at the time of such execution agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed by Sponsor following the Closing without provision for escrow. Sponsor's obligation thereunder shall survive delivery of the deed to the Purchaser. The failure of Sponsor to complete such work shall not be grounds for Purchaser to delay the Closing or to unilaterally refuse to pay the full Exercise Price at Closing. Purchasers shall be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access to the Unit and any Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement.

(m) Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") shall apply to this offering as the Condominium is new construction. See Housing Merchant Implied Warranty Law, Article 36-B in Part II of the Plan.

(n) 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 and the Common Elements, consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder. Such rights specifically include, but not limited to, the following:

(i) The right to maintain general, sales and leasing office(s) and personnel on the Property, to post signs, and to conduct other activities connected with promotion, sales, or leasing Units, such as inspection by and display of vacant or eased Units, as well as Common Elements, to prospective Purchaser or lessees;

(ii) The right of access in and to any and all Units or the Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection), and similar work; and

(iii) The granting of utility and other easements for the benefit of Unit Owners or Common Elements.

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

(p) Sponsor agrees to repair damage resulting from exercise of the above rights of access and to exercise such rights so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners.

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

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

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

(t) No Closing of a Unit will occur prior to the issuance of a temporary certificate of occupancy for the particular Unit. Sponsor will perform any work and/or supply any material necessary to obtain a permanent certificate of occupancy.

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

(v) Following the issuance of a permanent Certificate of Occupancy, Sponsor will deliver to the Condominium Board copies of all of the "as built" plans for the Building.

(w) In accordance with Section 339-p of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans are an accurate copy of portions of the Plans and Specifications of the Building as filed with and approved by the municipal or other governmental authority having jurisdiction over the issuance of permits for the construction of the Building and, in addition, such architect or professional engineer shall make periodic inspections at various stages of construction to determine that the Building is built in accordance with the Plans and Specifications.

(x) Sponsor will pay all Common Charges (once Common Charges have been assessed by the Condominium Board), special assessments and real estate taxes allocated to any Unsold Units in accordance with the provisions of the By-laws, Sponsor expects to have the financial resources to meet the aforesaid obligations and to fund same from income from projected sales, the rental or leasing of Unsold Units and Sponsor's other financial resources. No bond or other security will be posted by Sponsor with respect to this obligation.

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

(z) Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection, by prospective Purchasers and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of 6 years from the date of the recording of the Declaration. In addition, a set of Floor Plans showing the layout, location and approximate dimensions of each Unit and its Unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the Register's Office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

(aa) Sponsor will deliver to the Condominium Board copies of all books of account and records pertaining to the Building' operation which are in Sponsor's possession.

(bb) In the event of the dissolution or liquidation of Sponsor or the transfer by Sponsor of 10 or more Units or 20% or more of the total number of Units in the Condominium, whichever is less, to a single Purchaser, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all obligations of Sponsor for those Units under the Plan and Laws,

(cc) Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Units and the Common Elements. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Unit or to the personal property or fixtures contained therein.

(dd) Sponsor intends, in good faith, to sell rather than rent Units. However, under this Plan, Sponsor has reserved the unconditional right to rent Units rather than sell Units, once the minimum number of Units are sold.

(ee) Sponsor intends to offer Unsold Units for sale both to Purchasers for personal occupancy as well as to those who are purchasing for investment or resale. Purchasers for investment or resale may, in turn, rent such Units and accordingly, such Units will not be used for the personal occupancy of the owner thereof. As a result, some and possibly many Units may be occupied by renters instead of Unit Owners. Since the Condominium Board does not have the right to approve or disapprove potential purchasers of Units, except as it may exercise its right of first refusal, the Condominium Board may be unable to limit the number of purchasers who purchase Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Unit Owners who are not occupants. It is possible that those Unit Owners who occupy their Units may have different interests than those Unit Owners who purchased such Units as an investment.

(ff) All representations under the Plan, all obligations pursuant to the General Business Law Section 352-e, and such additional obligations under the Plan which are to be performed subsequent to the Closing Date shall survive delivery of the deed. Obligations of Sponsor under the Plan with respect to the Condominium or 2 or more Units shall be enforceable by the Condominium Board on behalf of all Unit Owners. Obligations of Sponsor may be enforceable derivatively by Unit Owners if either (i) the Condominium Board fails to take reasonable action to enforce such obligations within 120 days following the giving of notice of such claim by any Unit Owner to the Condominium Board or (ii) the applicable statute of limitations with respect to any claim

by a Unit Owner which would otherwise be enforceable by the Condominium Board will expire during the aforesaid 120-day period.

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

Except as set forth above or as required by Law, Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time it is called upon to perform. No representation can be made that it will be financially able to perform any or all of such obligations. Unless expressly provided to the contrary herein, the obligations of Sponsor under the Plan shall survive the delivery of the respective deeds to the Units to Purchasers.

In the event Sponsor is unable to perform its material obligations under the Plan, all sales will cease, Sponsor will promptly submit an amendment to the Plan setting forth its inability to perform such material obligations under the Plan, and will offer all Purchasers the right to rescind their Option Agreements within 15 days after the Presentation Date of the amendment. Any Purchaser electing rescission pursuant to the offer will have their Premium Payment and any interest accrued thereon returned, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras.

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

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

Use of Unsold Units

Sponsor reserves the right, without prior notice or amendment to the Plan, to use any Unsold Units as sales, rental offices and model units and in any other manner in compliance with Law. In the event Sponsor thereafter elects to sell any such Unsold Unit, Sponsor may require Purchaser to purchase all or any of the furniture, furnishings, finishes, equipment or decorations (including wall coverings and carpeting) ("FFE") therein and pay, in addition to the purchase price for the Unit, such amounts as Sponsor may determine, for the FFE.

Sales Center/Model Units

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

CONTROL BY SPONSOR

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor. Sponsor presently anticipates that the initial members of the Condominium Board shall be Thomas Ryan, Jeffrey Simpson and Thomas Pugliese, who shall serve as President, Vice President and Secretary/Treasurer, respectively. Each of these individuals are employees of an affiliate of the Sponsor. Sponsor reserves the right to designate different individuals to serve on the initial Condominium Board in lieu of the above mentioned individuals. The initial Condominium Board shall conduct all affairs of the Condominium.

The first annual meeting of the Unit Owners will be held approximately 30 days after the earlier to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan to Units representing at least 50% in number of all Units offered for sale.

Commencing with the first annual meeting, the Condominium Board shall consist of 3 individuals, which shall be elected and/or designated in accordance with the terms of the By-laws by the Unit Owners (including Sponsor) (collectively, the "Members"). The number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-laws.

At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Units as it sees fit. When voting for members of the Condominium Board, each Unit Owner shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Unit per Member to be elected. However, at elections of members to the Condominium Board held during the Sponsor Control Period, Sponsor shall have the right to designate 3 of the 3 Members of the Condominium Board.

Sponsor as the owner of Unsold Units will have voting control of the Condominium Board during the period which continues until the earlier to occur of: (i) the sale by the Sponsor of more than fifty (50%) percent of the aggregate Common Interests Units or (ii) five (5) years after the First Closing (the "Sponsor Control Period"). Thereafter, Sponsor will continue to have the right to vote its interest in the Unsold Units in all elections. During the period that Sponsor controls the Condominium Board Sponsor will have control of maintenance, facilities and services to be provided to Unit Owners and will determine the Common Charges to be paid by all Owners.

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

Within 30 days after the expiration of the Sponsor Control Period, 2 of the 3 Members of the Condominium Board who were designated by Sponsor shall resign and a replacement shall be filled by a vote of the Unit Owners (including Sponsor) at a Special

or Annual meeting called for such purpose. After the Sponsor Control Period, a majority of the Members of the Condominium Board must be owner-occupants of the Buildings who are unrelated to Sponsor or its principals.

The number of members of the Condominium Board may not be increased or decreased without the consent of Sponsor for so long as Sponsor continues to own at least 5 Unsold Units.

During the Sponsor Control Period; Sponsor will through its control of the Condominium Board have control of the maintenance and operation of, and the services to be provided by, the Condominium and will determine the Common Charges to be paid by all Unit Owners.

So long as Sponsor continues to own at least 25% in number of all Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit; (b) assess any Common Charges or Special Assessments for the creation of, addition to, or replacement of or addition to all or part of a working capital, reserve, contingency or surplus fund; (c) increase or decrease the number, or change the kind of employees from those described in the First Year's Budget; (d) enter into any service or maintenance contract for work or otherwise contract for work or services in excess of those described in the First Year's Budget, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function is described in Schedule B or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

UNSOLD UNITS

Any Units that have not been subscribed to and fully paid for prior to the First Closing are Unsold Units. Sponsor, and other individuals or entities designated to hold Unsold Units by Sponsor, will be known as the holder(s) of Unsold Units. At or prior to the Closing, all of the Unsold Units will be acquired by Sponsor or by other financially responsible individuals or entities. A Unit will cease to be an Unsold Unit once purchased for occupancy, or if a holder of the Unsold Unit, a principal of Sponsor, or a person related by blood or marriage to a holder of Unsold Units or a principal of Sponsor, takes occupancy of the Unsold Unit.

In the event of the dissolution or liquidation of the Sponsor, or a transfer of twenty percent (20%) or more of the total number of units in the condominium, the principals of 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.

A holder of Unsold Units shall comply with the trust fund and escrow provisions of GBL sections 352-h and 352-e (2-b).

Sponsor represents that it has the financial resources to meet its obligations with respect to the Unsold Units, which it intends to fund in part from projected sales of the Units and from rents collected from tenants in the apartments whose Unit it holds. Sponsor has agreed that if a holder of Unsold Units fails to fulfill its obligations under the By-Laws, Sponsor will be liable therefor until such time as the Unsold Units cease to be Unsold Units (at which time Sponsor will no longer be responsible for the performance of the obligations under the By-Laws). The Condominium will have a lien on all Unsold Units to secure the payment of their obligations. Sponsor has furnished no bond or other security, and Sponsor's ability to perform will depend solely upon its financial condition if and when called upon to perform.

Unsold Units may be sold and assigned by their holders, and the corresponding apartments sublet, without the consent of or requesting or obtaining a waiver of the right of first refusal from, the Condominium Board and without payment of or incurring any charge imposed by the Managing Agent or the Condominium in connection with such sale or sublease.

Among other rights, a holder of Unsold Units shall have the right to mortgage the Unsold Units as collateral for a loan.

A holder of Unsold Units will have the same right as Sponsor to change the size and/or layout of the apartment(s) into 2 or more apartments or to combine all or any portion of any such apartment(s) into one or any desired number of apartments by duly filed amendment to this Plan. A resulting reallocation of common interests shall be based upon the fair market value of the equity in the Property attributable to the subdivided or combined apartment, but the total number of common interests reallocated shall remain the same. Changes in an apartment's layout will be made in

compliance with applicable law, ordinances, orders, rules and regulations. A holder of Unsold Units may use an Unsold Unit as a model or sales or rental office.

A holder of Unsold Units will amend the Plan to provide current and accurate information about the offering, including the same information about the holders of Unsold Units as is required for principals of Sponsor, until the Unsold Units have been sold to bona fide purchasers or have otherwise ceased to be Unsold Units. A holder of Unsold Units will also provide prospective purchasers with a copy of the Plan and all filed amendments.

BOARD OF MANAGERS

The affairs of the Condominium shall be governed by the Condominium Board. Initially, three Condominium Board members shall be designated by Sponsor. At the First Annual Meeting, the Unit Owners shall elect a new Board. (See the Section entitled “Control by Sponsor” for details of the number and composition of the Board.)

All members of the Board must be either Unit Owners or certain interested parties (e.g. directors, shareholders of Unit Owners) as described in the By-Laws. No member of the Board shall continue to serve on the Board if, during his term of office, said member shall cease to be a Unit Owner or an interested party. All Board members shall serve without compensation.

The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium.

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

Annual meetings of Unit Owners shall be held within approximately thirty (30) days of each anniversary of the First Annual Meeting. At such meetings, the Unit Owners shall elect the three (3) member Board Members, subject to any rights of Sponsor to designate Board members. There shall also be transacted such other business as may properly come before such meetings. The Secretary of the Board shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice, which will generally be given at least ten (10) days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Unit Owners, the presence in person or by proxy of Unit Owners owning more than fifty (50%) percent of the Common Interests attributable to all Units shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Unit Owners.

Special meetings of the Unit Owners can be called by the President of the Board, by a majority of the Board, or by a petition signed by 25% in Common Interests of Unit Owners.

At all meetings, each Unit Owner (or his proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each Unit that he or she owns, subject to the special rights of Sponsor to elect Board Members (see the Section entitled “Control by Sponsor”).

The principal officers of the Board shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board.

The term of office of the members of the Board shall be for one year or until their successors are elected and qualify. Any member of the Board may resign at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein.

A member of the Board designated or elected by the Unit Owners may be removed with or without cause by an affirmative vote of a majority of Unit Owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Unit Owners; provided, however, that Board members designated by Sponsor may only be removed with cause and replaced by another Sponsor designee. No member of the Board shall continue to serve as a Member if, during his term of office, said member shall cease to qualify provided, however, that this provision respecting Unit ownership and Board membership shall not apply to members of the Board designated by Sponsor or its designee.

Upon the affirmative vote of a majority of the members of the Board, any officer may be removed with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

Liability of Board of Managers and Unit Owners

The Members of the Board of Managers will as a general rule be entitled to indemnity from the Unit Owners. Every contract made by the Condominium Board or by any managing agent or manager thereof shall state that (a) it is made only as agent for all Unit Owners and such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and (ii) to the extent permitted by law, unless otherwise determined by the appropriate Board in its sole and absolute discretion, such Unit Owner's interest in his Unit and its appurtenant Common Interest. To the extent permitted by applicable law, Board members shall have no liability to Unit Owners except that a Board member shall be liable for his own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member and each Board member, as the case may be, against any liability or claim except those arising out of such member's own bad faith or willful misconduct. Any Board may contract or effect any transaction with any Board member, any Unit Owner, Sponsor or its designee, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

Generally, any provision of the Declaration, By-Laws or Rules and Regulations may be amended, modified, added to or deleted by affirmative vote of at least 66 2/3% in number and in Common Interest of all Unit Owners; provided, however, that the Common Interest appurtenant to each Unit may not be altered or increased without the written consent of all Unit Owners directly affected thereby.

No amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of Sponsor or its designee or the owner of any Unsold Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Buildings or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Unit, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Unit or (b) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Unit.

**RIGHTS AND OBLIGATIONS OF UNIT
OWNERS AND THE BOARD OF MANAGERS**

Sales and Leases of Units

Each Unit Owner may sell or lease his or her Unit, provided:

(i) until 80% of the Units are sold, but in no event longer than one year after the Closing of the Purchase of the Unit from the Sponsor, no Unit Owner may sell his or her Unit without prior written consent of the Sponsor; and

(ii) such Unit Owner (the “Transferor”) first gives the Board, notice of his or her intention to sell or lease such Unit and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically provided in Article 7 of the By-Laws. If the Board does not elect to purchase or lease the Unit within thirty (30) business days (fifteen (15) business days for a lease) after receipt of the offering Unit Owner’s notice, the Transferor will have sixty days to consummate the transaction. Following the expiration of said sixty-day period, the Transferor will be required to again first offer the same to the Board, provided that the Board shall be entitled to waive, or to permit an extension of, either or both of such sixty day periods. The Board may not exercise its option to purchase any Unit without prior approval of a majority in interest of all Unit Owners. In any vote of all the Unit Owners, the Transferor shall have the right to vote in any vote conducted by the Board for the purpose of determining whether the Board shall exercise its right of first refusal to purchase or lease the Transferor’s Unit.

Any deed given by a Transferor shall provide that the 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 lease shall be consistent with the By-Laws and shall provide that it is subject to such terms as may be required by the Condominium Board, and it may not be modified, amended, or extended without the prior consent in writing of the Board, that the tenant shall not assign the lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board, and that the Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed form of residential lease recommended by the Real Estate Board of New York, Inc., except it is subject to such terms as may be required by the Condominium Board, and it is subject to changes therein as provided in the By-Laws.

Any purported sale or lease of a Unit in violation of (ii) of this section shall be voidable at the election of the Board. Any purported sale of a Unit in violation of (i) of this section shall be voidable at the election of the Sponsor.

In exercising its rights of First Refusal, the Condominium Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law.

A Unit Owner may lease, sell or convey the Unit to an adult Family Member provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, the preceding restrictions.

The restrictions upon the sale and lease of Units shall not apply to Sponsor or its designee, or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, and they shall be free to sell or lease without first offering to sell or lease to the Board. If such Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Unit Owners, such purchase may be made from the funds in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 of the Bylaws and/or the Condominium Board may, in its discretion, finance the acquisition of such Unit; provided, however that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interests.

A Unit Owner may only sell or lease such Unit Owner's entire Unit. In addition, each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's undivided interest in (a) the Common Elements, (b) any Unit or Units acquired by the Board on behalf of all Unit Owners, or any proceeds of the sale or lease thereof and (c) any other assets of the Condominium. No part of the Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Unit Owners. A Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to closing. In addition, the Board may establish reasonable fees for the processing of sale and lease notices, which shall be payable by the selling or leasing Unit Owner, as the case may be, to the Managing Agent.

Notwithstanding anything contained herein to the contrary, prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from listing such Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent.

Use of Units

Units may be used as a residence or for any professional or home occupation purpose, provided such use is permitted by law, does not violate the then existing

Declaration, By Laws, House Rules or Certificate of Occupancy covering such Unit and complies with all applicable governmental regulations.

Sponsor or its designee may, without the permission of the Board (a) use or grant permission for the use of any Unsold Unit as a sales office or for any other purpose, provided such use is permitted by law, does not violate the then existing Certificate of Occupancy covering such Unit and the user of such Unit complies with all applicable governmental regulations and (b) retain ownership of one or more Units for use as models and sales, rental and/or promotion offices in connection with the sale or rental of other Units in the Condominium.

The current zoning law permits a person who resides in a Unit to use up to 25% of the floor area of his Unit (but in no event to exceed 500 square feet) for certain home occupations including a fine arts studio, Commercial offices (e.g., lawyer, doctor or dentist) and teaching of not more than four persons. No transient tenant may be accommodated in a Unit.

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Units or any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof relating to any portion of the Property shall be complied with at the sole expense of the respective Unit Owners or Boards, whoever or whichever shall have the obligation to maintain or repair such portion of the Property.

No "For Sale", "For Rent", "For Lease" sign, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Unit, except that these sign restrictions shall not apply with respect to Unsold Units.

No awnings, air conditioning equipment or ventilators shall be installed or modified in the Units without prior written approval of the Board. No radio or television aerial, satellites or other similar device shall be erected by Unit Owners on the roof or exterior walls, windows or terraces of the Buildings or on the Property, without obtaining in each instance the written consent of the Condominium Board.

A reasonable number of pets may be kept in a Unit without the consent of the Board.

Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his or her own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations concerning the use of Units may be amended from time to time by the Board provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective. Further restrictions on the use and leasing of Units are set forth in the By-Laws and Rules and Regulations.

Mortgage of Units by Unit Owners

Each Unit Owner may mortgage his or her Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with by him. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the Board is notified in writing of the making of such mortgage and receives a conformed copy of the note and mortgage and (b) the owner making such mortgage first satisfies all Common Charges and fees against his Unit.

Common Charges: Determination and Assessment

Common Expenses, which are payable only by Unit Owners and are included in their Common Charges, are allocated among Unit Owners as set forth in Schedule B, in Part I of this Plan. Common Charges are payable on the first day of each month. Special Assessments are due as determined by the Condominium Board.

The Condominium Board has the right to accumulate reserves for capital expenditures or otherwise provided that reserve funds may not be created that are not contemplated by the first year budget set forth in the plan without the Sponsor's prior written consent so long as the Sponsor owns any unsold Unit, or until five years have elapsed from the First Closing, whichever occurs first.

The liability of each Unit Owner for the payment of the Common Charges and special assessments shall be terminated upon sale of the Unit. In addition the Unit Owner can surrender his Unit together with its appurtenant interests to the Condominium Board, without being compensated therefore, and in such event be exempt from the payment of Common Charges and special assessments thereafter accruing provided that all Common Charges and Special Assessments then due and payable, have been paid and the Unit is free and clear of all liens and encumbrances.

The Board will furnish copies of each budget on which Common Charges are based to all Unit Owners and advise such Unit Owners of the amount of Common Charges payable by them at least 10 days in advance of any increase in charges.

Common Charges: Collection and Lien for Non-Payment

Pursuant to Real Property Law § 339-z, and under the provisions of the By-Laws the Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges together with interest thereon, assessed against such Unit. All such liens, however, to the extent permitted by applicable law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid Common Charges, against a Unit will be effective from and after filing of a verified notice thereof in the City Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall occur sooner. The By-Laws provide that such liens may be

foreclosed by a suit brought in the name of the appropriate Board (acting on behalf of all Unit Owners) pursuant to Real Property Law § 339-aa.

The Condominium Board may make any lien against a Unit Owner effective pursuant to Real Property Law §339-aa. The Sponsor will cause the Board to file a lien as provided in RPL §339-aa on a Unit owned by Sponsor if the Sponsor is more than thirty (30) days in arrears in paying Common Charges while Sponsor controls the Board.

No Unit Owner may exempt himself or herself from liability for his or her Common Charges by waiving use of any of Common Elements or by abandonment of his or her Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a permissible sale, transfer or other conveyance by him or her of such Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying his Unit without consideration to the Board and complying with certain conditions in connection therewith, exempt himself from Common Charges thereafter accruing.

On a resale of a Unit, the seller thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to his or her acquisition. In the event of a foreclosure by the Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the Unit Owner will remain liable for the unpaid balance. Neither (a) a Permitted Mortgagee (as defined in the Condominium Declaration) acquiring title to a Unit at foreclosure sale nor (b) a purchaser at a foreclosure sale shall be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such Permitted Mortgagee or purchaser. However, such Permitted Mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. The Board will have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

RPL §339-jj - Borrowing by Board of Managers

Section 339-jj of the Real Property law authorizes the Condominium Board to incur debt provided that such debt (a) is incurred no earlier than the fifth anniversary of the First Closing and (b) is approved by Unit Owners owning Units to which there is appurtenant a majority of the Common Interests. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be deemed trust funds for the purpose of paying such debt. The Condominium Board cannot secure such debt by a lien on the Common Elements without the consent of all Unit Owners.

Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, and routine maintenance, repairs and replacements, (a) in or to any Unit (other than to the Common Elements included therein), including the individual heating and cooling systems and the interior side of

entrance doors thereto, will be made by the owner of such Unit at such Unit Owner's sole cost and expense, (b) in or to the Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged as a Common Expense.

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

Notwithstanding the above, all normal maintenance, and cleaning of any Terrace or Balcony shall be made by the Unit Owner having access to same, at his or her own cost and expense, but any repairs to the structure of such Terrace or Balcony (including any leaks which are not caused by the negligence of the Unit Owner having access to the same) will be made by the Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense. Any Unit having access to a Terrace shall keep it clean and free of snow, ice and accumulation of water. In accordance with the Rules and Regulations, plantings on the Balconies and Terraces are subject to the consent of the Board, and the Board may require a Unit Owner to remove plantings and other installations on such Unit Owner's Terrace, if the Board, in its reasonable discretion determines that such plantings and other installments adversely affects the integrity of the roof.

The interior glass surfaces of all windows located in any Unit shall not be colored or painted and are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. The exterior glass surfaces of all Buildings windows may, at the option of the Board, be washed and cleaned by the Board and the cost thereof shall be a Common Expense; otherwise Unit Owners shall be obligated to clean such windows at their own cost and expense. Any replacement of glass windows in any Unit because of breakage or otherwise shall be made by the Board at the sole cost and expense of the owner of such Unit (unless such breakage is caused by the Board, the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Board, the Condominium Board or such Unit Owner).

The By-Laws further require that those public or other areas of the Buildings exposed to public view that are required to be maintained by each Unit Owner or each Board, be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or Board.

In addition, the Rules and Regulations require that at least eighty (80%) percent of the floor area of Units (except for kitchens, bathrooms, closets and foyers) be covered with rugs, carpeting or equally effective noise-reducing material.

Alterations and Improvements of Units and Common Elements

No Unit Owner may make any alteration, addition, improvement or repair in or to the structure of the Buildings without the prior written approval of the Board but, as more fully set forth in the By-Laws, this provision does not apply to an Unsold Unit. Except as otherwise permitted in the By-Laws, no Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the appropriate Board. The Board may impose fees upon such Unit Owner to reimburse the Condominium for costs incurred in connection with the review or supervision of such Unit Owner's work.

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, the Board shall have the right to reasonably approve the Unit Owner's contractors and suppliers and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done.

No application or other document shall be filed with any governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit, unless approved and executed, by the Board. The Board will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved structural alterations, additions, improvements or repairs, provided that the Board and the Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to any contractor, subcontractor, materialman, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Unit, provided any alteration to such Unit shall be in accordance with, and only as permitted by, the Condominium Act and all governmental regulations. Under the terms of the By-Laws, Sponsor is authorized on behalf of the Board to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units, and Common Elements as Sponsor is entitled to perform in accordance with the terms of the Declaration and the By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the "Required Documentation") and, the appropriate Board, if requested by Sponsor is obligated to execute the Required Documentation. In addition, the power of attorney to be executed by each Unit Owner upon acquisition of the Unit further grants to Sponsor a power of attorney to execute the Required Documentation.

In the event that any alterations, additions, improvements or repairs made by any Unit Owner materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance of a temporary or permanent certificate of occupancy for such Unit, other Units or the Buildings, then upon the written request of Sponsor, or the Board, 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 party requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any remedies provided in the By-Laws.

Generally all alterations or improvements in or to the Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged as a Common Expense. Repairs, maintenance replacements, restorations, improvements, alterations and additions in or to the Common Elements will be made by the Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense.

Sponsor, without the consent of the Board, may make any alteration, addition, improvement or repair in or to any Unsold Unit or the Common Elements provided that the work is performed by Sponsor in compliance with governmental laws and regulations and in accordance with all conditions described in the Declaration. In addition, Sponsor may erect, maintain, repair and replace, or permit their tenants to erect, maintain, repair or replace, from time to time, one or more signs on the Property for the purpose of advertising the availability of Units for sale or rental any Unsold Unit including, but not limited to, signs on the facade of the Building.

Rights of Access

As more fully set forth in the By-Laws, each Board and any managing agents, managers, superintendents and other persons authorized by any Board, will have a right of access to any Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Buildings, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by law or governmental regulation, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the tenants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Sponsor shall have a right of access to any Unit for the purpose of performing punch-list work or for the purpose of performing or completing construction in the Buildings.

Compliance with Terms of Declaration, By-Laws and Rules and Regulations

Each Unit Owner must strictly comply with the provisions of the Declaration, the By-Laws, and the Rules and Regulations. Pursuant to Section 339(j) of the Condominium Act, failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief shall not be exclusive of other remedies provided

by law. The By-Laws, together with the Rules and Regulations, will be recorded with the Declaration in the City Register's Office.

Examination of Books and Records

Each Unit Owner and each mortgagee of a Unit shall be permitted, upon prior request, to examine the books of account of the Condominium and the Condominium Documents during normal business hours on business days at the office of the Condominium.

Insurance

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

The amount of fire insurance and all risk extended coverage to be maintained until the first Condominium Board meeting following the First Annual Meeting of the Unit Owners shall be in at least the sum set forth in Schedule B.

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

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits

as such Board may from time to time determine, covering (1) the Board, the Managing Agent or agents thereof, each Board member and each officer and employee of the Condominium, (2) each Unit Owner. The Condominium Board shall review such limits not less than once each year. Until the first meeting of the Condominium Board following the First Annual Meeting of Unit Owners, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

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

The Condominium Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum coverage as established by the Condominium Board from time to time and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the apartment or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. The Condominium Board and the Managing Agent shall not be responsible for ensuring that Unit Owners as insured and shall have no liability for the failure of a Unit Owner to have insurance. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board to all Unit Owners within four months after the end of each fiscal year. The financial statement must be certified while sponsor is in control of the board of managers.

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain

as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of at least eighty (80%) percent in number and in Common Interest of all Unit Owners. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his or her Unit, in the order of priority of such liens.

Units Acquired by Board

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

The purchase of any Unit by the Board or their designees, on behalf of their respective Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of such Board. If the funds in such accounts are insufficient to effectuate any such purchase, such Board may levy an assessment against each Unit Owner, in proportion to his respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements.

Procedure to Review Real Estate Tax Assessments

The Board, on behalf of and as agent for all Unit Owners, will be authorized to commence, pursue and settle proceedings to obtain reduced real estate tax assessments with respect to Units. All Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Common Interests. In the event any Unit Owner individually seeks to have the assessed valuation of his Unit reduced by bringing a separate certiorari proceeding, the Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies the Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

Mechanics' Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners affected thereby. Liens may arise or be created against only the several Units and their respective Common Interests. Labor performed on, or materials supplied to, a

Unit may not be the basis for a mechanic's lien against the Unit of a Unit Owner not expressly consenting to or requesting such work, except in the case of emergency repairs. No labor performed on, or materials furnished to, the Common Elements shall be the basis for a lien thereon but (a) all Common Charges received by the Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Board or the Managing Agent for the Common Elements and (b) all Common Charges received by the Condominium Board shall constitute trust funds for the purposes of paying the cost of labor performed or materials furnished at the request or with the consent of the Condominium Board or the Managing Agent for the Common Elements.

Easements and Name of Condominium

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Boards and the adjacent property owners. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements, as the case may be, provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Unit or with the use of the Unit for their permitted purposes. Sponsor shall have an easement to erect, maintain, repair and replace utility and other lines through the Unit. In addition, Sponsor and its designees shall have an easement to erect, maintain, repair and replace any sign permitted by law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

As set forth in the Declaration, the Condominium and the Buildings shall be designated and known as "On The Sound Condominium". Any and all rights and interests appurtenant to such name, if same exist, are owned and controlled by Sponsor. Similarly, any and all obligations and liabilities appurtenant to such name shall be the sole responsibility and obligation of Sponsor. For so long as Sponsor owns any Units in the Buildings only Sponsor shall have the right to change the name of the Condominium and/or the Building, and such right may be exercised by Sponsor at any time without the vote or consent of any Board or Unit Owner.

The Declaration and By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan. A prospective purchaser should read the Plan in its entirety including the Declaration and By-Laws.

INCOME TAX – DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of Units by purchasers who use such Units as a personal residence was prepared by Sponsor based, in part, upon the income tax opinion of Davidoff Hutcher & Citron LLP, counsel to Sponsor, a copy of which is set forth in Part I of this Plan.

DAVIDOFF HUTCHER & CITRON LLP IS COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF UNIT OWNERSHIP UNDER THIS PLAN.

Deductibility of Mortgage Interest and Real Estate Taxes

Each Unit Owner will own his or her Unit and its appurtenant interest in the Common Elements in fee simple and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Unit Owner will own his Unit in fee simple, the owner may mortgage such Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Davidoff Hutcher & Citron LLP that a Unit Owner who uses his or her Unit as a personal residence and itemizes his or her deductions will, under present law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of \$1 million), plus (2) other debt (not in excess of \$100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of those limitations would not be deductible. Special limitations also apply with respect to the deductibility of points and other prepaid interest, if any, on the mortgage debt and to the overall allowance of itemized deductions.

Taxation of the Condominium

If the Condominium meets the requirements for qualification as a "homeowners association," which requirements are discussed in the Attorney's Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, and interest earned on any reserve funds (less expenses directly connected with the production of such income).

Sponsor anticipates that the Condominium will qualify as a homeowners association. If the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election noted above, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Schedule B, Budget for the First Year of Condominium Operation, does not contemplate any income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership income. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by United States Treasury Department regulations relating to entity classification.

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

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of the City of New York will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Davidoff Hatcher & Citron LLP, as counsel to Sponsor, bases its opinion, will not change. In no event will Sponsor, Davidoff Hatcher & Citron LLP, the Selling Agent, the Managing Agent or any other person connected with this offering be liable if at any time it is held that the Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid give any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Units offered under this Plan, and no one has been authorized to give any warranties.

Internal Revenue Service Circular 230 Disclosure.

This discussion was written to support the promotion of or marketing of the sale of Units. To ensure compliance with requirements imposed by the Internal Revenue Service, we are informing you that this discussion was not intended or written by us to be used, and cannot be used, by any taxpayer, including purchasers of Units, for the purpose of avoiding tax-related penalties that may be imposed on the taxpayer under the Code. Purchasers of Units should seek advice based on their particular circumstances from an independent tax advisor.

REAL ESTATE TAXES

The projected real estate taxes payable with respect to all Units for the first year of Condominium operation is set forth in Schedule A and in the January 30, 2014 letter of Mazursky Group, in Part I of the Plan.

Purchasers should note that once the Buildings are assessed as being fully constructed, it is estimated that the real estate taxes will total approximately \$190,350.00. The property is currently assessed in Tax Class 4. After completion of construction and the establishment of a residential condominium, the Units will be assessed in Tax Class 1A under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581), applicable to the assessment of cooperative apartments and condominiums. Tax Class 1A properties are assessed at no more than 6% of market value. Increases in value are limited to 6% per year or 20% over five years. The 2013/14 Class 1A tax rate is \$19.191 per \$100. The estimated Class 1A tax rates for 2014/15, 2015/16 and 2016/17 are \$20.25 per \$100. It is anticipated that the property will be assessed with an actual total value of \$940,000.00 making the estimated tax liability for the property post-construction \$190,350.00. Each Unit will be given a separate tax lot number. Individual tax liability may be estimated by apportioning the total tax among the unit owners in accordance with its percentage of common interest See Part I, Section F, Schedule A. The estimate of real estate taxes set forth on Schedule A is based upon a report prepared by The Mazursky Group, Inc. to Sponsor dated January 30, 2014.

In arriving at the assessed valuation for each Unit in the Condominium, the Condominium is first assessed as an entity. This overall assessment is then apportioned among the respective units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Floor Plans are filed with the Registers Office. It is expected that the apportionment will be based in part upon the proportion the projected selling price presented in the Plan for each Unit bears to the gross sellout price for all units available for purchase in the project and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular units. The tax assessment for each Unit may be allocated on a basis that differs from the allocation of Common Interests. The amounts set forth in Schedule A are only estimates.

The real estate taxes that will be attributed to each unit are deductible by the Unit Owner with respect to income taxes. Any projected income tax deduction may vary in future years due to changes in the interest rate on the unit owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the changes in the assessed value, the tax rate or the method of assessing real property.

The New York City Department of Finance ("Finance Department") prior to the First Closing, the obligation of the Condominium to pay real estate taxes to the Finance Department for the next ensuing tax period, ("Future Taxes") shall be secured by Sponsor

delivering at the First Closing to Davidoff Hutcher & Citron LLP ("Escrow Agent"), either cash, a letter of credit or a surety bond ("Tax Security") in the amount of the Future Taxes. Escrow Agent shall hold the Tax Security in escrow for the benefit of the Condominium. At each Closing prior to the date the Units are separately assessed and billed, Purchasers will be obligated to pay to Escrow Agent an amount equal to the Unit's pro-rata share of the Future Taxes (computed by multiplying the Common Interest of the Unit by the amount of the Future Taxes) ("Unit Tax Payment").

Unit Tax Payments will not be placed in an interest-bearing account by Escrow Agent. The Future Taxes shall be paid to the Finance Department when due by Sponsor, or by Escrow Agent using the Tax Security, either at Sponsor's direction, or upon Sponsor's failure to make such payment. If Sponsor pays the Future Taxes directly, the Tax Security shall be released to Sponsor upon delivery to Escrow Agent of proof of payment from the Finance Department of the Future Taxes. If at the time the Future Taxes are paid, the amount of the Future Taxes is reduced by the Finance Department as a result of the implementation of real estate tax benefits, Escrow Agent shall make appropriate refunds to Sponsor and Purchasers who deposited Unit Tax Payments with Escrow Agent.

At such time as the Units have been separately assessed for real estate tax purposes, and real estate tax bills are issued by the New York City taxing authorities to each Unit Owner, such Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to any lien arising from the non-payment of real estate taxes assessed against other Units.

The Unit Power of Attorney which each Purchaser shall be required to sign at Closing, the form of which is set forth in Part II of the Plan, authorizes the Condominium Board to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to the Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate.

The By Laws authorize the Condominium Board to prepare, execute, acknowledge and institute on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense. In the event any Unit Owner individually seeks to have the assessed valuation of his Unit reduced by bringing a separate certiorari proceeding, the Condominium Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies the Condominium Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceeding

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

No representation is made or warranty given as to: (a) whether or not there will be (i) any future increase or decrease in the assessed valuation of the Property, or (ii) an increase in the tax rate, or (iii) an increase or decrease in the assessed valuation of the Property by reason of the conversion of the Property to condominium ownership or (b) the method of determining the assessed valuation, or (c) the amount of any increase or decrease in the assessed valuation of the Property.

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the Units plus their Common Interest exceed the total valuation of the property were the property assessed as one parcel.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method to be employed by the New York City tax assessor in allocating individual Unit assessments; (ii) of the assessed values during the first year of Condominium operation, and (iii) of the tax rates for the first year of Condominium operation. Purchasers should note that given the current fiscal situation in the City of New York, real estate taxes may increase significantly. Sponsor makes no representations regarding levels of assessment or taxation in future years. As actual amounts are unavailable, the figures provided in this section are estimates.

WORKING CAPITAL FUND AND APPORTIONMENTS

A Purchaser of a Unit shall be required to make a contribution at the Closing to the working capital fund of the Condominium ("Working Capital Fund") in an amount equal to 2 month's Common Charges assessed against the Unit at the time of Closing. No payment to the Working Capital Fund will be made by the Condominium Board as Purchaser of a Unit by Right of First Refusal or otherwise, or the Owner of the Inclusionary Unit.

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

- (1) employees' wages, vacation and severance pay, pension and health benefits and accruals and all other payments or obligations relative to the employees of the Condominium.
- (2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any.
- (3) charges for electricity, gas and other utilities for the Common Elements.
- (4) charges and receipts in connection with service, maintenance and concession contracts.
- (5) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units).
- (6) cost of building supplies on hand at Sponsor's cost (including sales tax).
- (7) premiums for transferable insurance policies, if any.
- (8) janitorial service fees, if any.
- (9) management fees.
- (10) building supplies (including, but not limited, to uniforms, cleaning supplies, carts).
- (11) other customary closing adjustments.

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

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

The Working Capital Fund will be used for working capital, a reserve for repairs or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented by allocations from the monthly Common Charges. While Sponsor controls the Condominium Board, the Working Capital Fund will not be used to reduce Common Charges.

The Condominium Board will be able to utilize the funds in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Units. In addition, within 3 months following the end of the Sponsor Control Period, Sponsor shall deliver to the Condominium Board a statement from an officer of Sponsor, certifying in reasonable detail as to any changes in the amount of the Working Capital Fund which have occurred between the First Closing and the end of the Sponsor Control Period.

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

RESERVE FUND

The Condominium Budget includes a line item entitled “Capital Reserves”, which is calculated at \$43,000.00 for the first operating year, to be collected solely out of the Common Charges paid by the Unit Owners. This fund is to be used for the replacement of Common Elements which is the obligation of the Condominium to maintain. The Annual Budget, Part I (Section G, Schedule B) contains provisions for funding monthly payments into a Reserve Fund to be utilized to pay the cost of capital improvements or repairs that are anticipated in the future. The fund may only be drawn upon with the authorization of the Board. The fund is believed to be sufficient to pay the anticipated replacement costs of the Common Elements for the first five (5) years of operation. For so long as Sponsor controls the Board, the Reserve Fund will not be used to reduce Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR ANY GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUNDS.

It is possible that the Reserve Fund will not be adequate to cover future expenses of a capital nature such as replacing roofs or Common Elements. If additional funds are required over and above the Reserve Fund, it may be necessary to increase the Common Charges payable by Unit Owners or to collect a special assessment from each Unit Owner.

MANAGEMENT AGREEMENT

The Condominium Board will enter into a management agreement with Gramatan Management, Inc., located at 2 Hamilton Avenue, Suite 217, New Rochelle, NY 10801 as the Managing Agent, with respect to the Condominium at or prior to the first closing.

The Management Agreement provides for a term of one (1) year commencing on the First Closing and thereafter, the Condominium Board can terminate the management agreement giving the managing agent thirty (30) days written notice.

The Managing Agent will receive an annual fee of \$15,060.00 per annum, payable in equal monthly installments. The Condominium Board will also be required to reimburse the Managing Agent for its reasonable and customary out-of-pocket expenses incurred in managing the Building. The fees charged by the Managing Agent are consistent with fees charged with other managing agents managing buildings in Bronx.

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

- (1) billing and collecting Common Charges payable by Unit Owners;
- (2) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board. The approval of the Condominium Board is necessary for any expenditure of over \$2,000 for any one item of ordinary repairs or alterations (other than emergency repairs or repairs to comply with a governmental notice or order);
- (3) contracting for necessary services and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements subject to the approval of the Condominium Board; provided, however that any contract having a term longer than one (1) year or for an amount in excess of \$2,000 must be authorized by the applicable Board;
- (4) checking all bills received in connection with the maintenance and operation of the Common Elements and causing all such bills and other expenses to be paid;
- (5) supervising, hiring and discharging employees necessary for the proper maintenance and operation of the Condominium;
- (6) rendering monthly statements of receipts and disbursements to the Condominium Board or other designated entity, upon request;
- (7) maintaining payroll records and filing withholding tax statements for employees;
- (8) maintaining accurate sets of books for the Condominium Board;

- (9) cooperating with the Boards' accountants in preparing and submitting annually to the Condominium Board an operating budget of the anticipated income and expenses for the ensuing year;
- (10) attending meetings of the Boards and Unit Owners, and preparing agendas and sending notices relating to such meetings; and
- (11) generally, doing all things deemed reasonably necessary or desirable by the Boards for the proper management of the Building.

The Condominium Board is required to indemnify the Managing Agent against liability for claims arising from the Managing Agent's management of the Building provided the Managing Agent was acting pursuant to the terms of the Management Agreement and was not guilty of gross negligence or willful misconduct. The Management Agreement is assignable by the Managing Agent only with the prior written consent of the Condominium Board.

The Managing Agent will deliver a minimum \$250,000 fidelity bond to the Board to secure the Condominium against loss incurred by the Condominium or any Unit Owner through any improper acts or omissions of the officers, employees or agents of the Managing Agent.

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan is City Island Reserve LLC, a New York limited liability company, formed on November 18, 2010 with the New York Department of State. Sponsor's office address is c/o Greystone & Co., Inc., 152 West 57th Street, 60th Floor, New York, NY 10017. Sponsor has not been the Sponsor of any other cooperative or condominium conversion plan within the last five (5) years.

The principal of the Sponsor is Curtis A. Pollock. Mr. Pollock, a certified public accountant, who is Co-Chief Operating Officer for Greystone Property Development, ("Greystone"), an affiliate of the Sponsor. Mr. Pollock oversees business operations, new business development and strategic planning for several Greystone-affiliated companies and for the Sponsor of this offering. Mr. Pollock has been involved in real estate for more than 20 years. East 93rd Street LLC, a Greystone-affiliated company was the sponsor of the 180 East 93rd Street Condominium located at 180 East 93rd Street, New York, New York, CD08-0036, accepted for filing July 23, 2008, in which all units were sold, as well as North Moore Street Developers LLC, sponsor for Northmoore Condominium, located at 53 North Moore Street, New York, New York 10013, CD99-0005, accepted for filing April 15, 1999, in which all units were sold. Mr. Pollock is a principal of 47-51 Bridge Street Property LLC, sponsor for The 47 Bridge Street Condominium, located at 47 Bridge Street, Brooklyn, New York, 11201, submitted to the Department of Law on July 21, 2014, but not yet accepted for filing. Mr. Pollock was the Chief Financial Officer and Chief Operating Officer for the Greystone affiliate that was the developer for several projects that were not condominium or cooperative offerings, including the renovation of a commercial property located at 75 Broad Street, New York, New York in 1999, the conversion of a commercial building to residential use at 19 Rector Place in 1999 and a townhouse renovation at 130 East 70th Street, New York, New York in 2006. In addition, Mr. Pollock was the Chief Financial Officer and Chief Operating Officer for the Greystone company that developed Metropolitan Place Condominiums in Madison, Wisconsin (2004) and the Grande Villas at the Preserve, Indian Beach, North Carolina (2007).

Neither the Sponsor nor the principal of Sponsor have any prior bankruptcies, convictions, injunctions and judgments against the Sponsor, the principal of the Sponsor, and/or entities in which the principal of the Sponsor was a principal that would be material to the Offering Plan or to an offering of securities generally, and that occurred within the fifteen (15) years prior to the submission of this Plan.

In addition, the sponsors of the prior offerings listed above are current in their filings with the Attorney General.

Mr. Pollock has not been involved in any condominium or cooperative offering plans for the last five (5) years other than the 180 East 93rd Street Condominium and The 47 Bridge Street Condominium, described above, and does not own ten percent (10%) or more of the unsold units or unsold shares in any buildings.

Selling Agent

The Project's Selling Agent is Sona Davidian of McClellan Sotheby's International Realty, having an office at 207 Wolfs Lane, Pelham, New York 10803 and will act as the only Selling Agent with regards to this project. Sona was born and raised in [REDACTED] and attended Mount Holyoke College (B.A. Psychology) and the University of Pennsylvania (Masters in Social Work). She worked in psychiatric social work prior to her career in real estate and joined McClellan Real Estate in 1984. In 1989, with Mary and Carol, Sona purchased the company.

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

Managing Agent

The Managing Agent is Gramatan Management, Inc., which is not related to the Sponsor. The Managing Agent was founded in 1989 when Bram Fierstein and Gary M. Gutekunst joined forces to create a dynamic firm that would leverage their extensive knowledge of real estate development and brokerage, management, finance, technology, and construction. To date, Gramatan has worked with numerous co-ops, condominiums and homeowner associations of various sizes throughout Westchester, Bronx and Rockland Counties. From supervising a property's on-site staff and ensuring the safety of a building's infrastructure, to overseeing construction projects and tracking maintenance requests, Gramatan has provided "hands-on" property management to more than 70 properties and 5,000 units, a schedule of which will be available in the Sales Office for any Purchaser who wishes to review same. A representative listing of their Bronx properties are as follows:

11 Bronx River Road Owners Corp.
333 Bronx River Tenants
355 Bronx River Road Owners, Inc.
Bronxville Gardens Co-op Apartments Corp.
One Bronxville Road

277 Bronx River Road Owners, Inc.
345 Bronx River Road
365 Bronx River Road Owners, Inc.
Bronxville Terrace Owners
Parkway Towers Owners, Inc.

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

Attorneys for Sponsor

Sponsor has retained the law firm of Davidoff Hutcher & Citron LLP, having an office at 605 Third Avenue, New York, New York 10158 to represent it in connection with the Plan. Davidoff Hutcher & Citron LLP prepared the Plan, the Declaration, the By-Laws and the forms of Purchase Agreement, Unit Deed and Unit Power of Attorney and has also rendered an opinion with respect to the availability of income tax deductions to purchasers of Units and compliance with Section 339-i of the Real Property Law. Derek Wolman, Esq. had principal responsibility for the preparation of the Plan. Davidoff Hutcher & Citron LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to Unit Closings.

Sponsor's Architects

The architectural firm which prepared the "Architect's Report" ("Description of the Property") and issued its certification (both of which are set forth in Part II of this Plan) is Kutnicki Bernstein Architects PLLC, having an office at 434 Broadway, New York, New York 10013. Partners, Daniel Bernstein and Larry Kutnicki, have created the full service architectural firm of Kutnicki Bernstein Architects PLLC in 1986. Their combined experience includes design and construction of residential, commercial and educational projects in the United States. A list of their development projects are as follows:

1209 Dekalb Avenue	53 Broadway	109 Gold Street
154 Attorney Street	20 Broadway	201 W 17th Street
26 Broadway	300 E 23rd Street	300 W 18th Street
517 W 46th Street	432 Grand Street	Powers Street

All statements and representations made in this Plan with respect to the "Description of Property" have been made in reliance upon the Architect and its authority as an expert. The Architect has no financial interest in the Property, Sponsor, the Selling Agent and the Managing Agent, or any other parties interested in this transaction, except for its fee for services rendered.

Sponsor's Budget Expert

The Managing Agent, Gramatan Management, Inc., estimated all amounts of income and expenses in Schedule B, "Projected Budget For First Year of Condominium Operation", in consultation with Sponsor and provided its opinions regarding the adequacy of the Budget, the adequacy of the Common Charges payable by the Unit Owner and Sponsor's compliance with Section 339-i of the Real Property Law.

Service of Process

City Island Reserve LLC, a New York limited liability company has designated the Secretary of State of the State of New York to receive service of process.

REPORT TO UNIT OWNERS

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

- (1) A certified financial statement of the Condominium prepared by a certified public accountant within 120 days after the end of the Condominium's fiscal year;
- (2) Prior written notice of the Annual Meeting of Unit Owners; and
- (3) A copy of the proposed annual budget for the Condominium at least 10 days prior to the date set for adoption by the Condominium Board. While the Sponsor is in control of the Condominium Board, such budget shall be certified pursuant to 13 NYCRR §20.4(d).

DOCUMENTS ON FILE

Copies of the Plan and all exhibits or documents referred to herein or submitted to the Department of Law shall be available for inspection by prospective Purchasers, and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of six years from the date of First Closing, without charge, except for copying at a reasonable charge. In addition, a set of Floor Plans showing the layout, locations and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's Office following the recording of the Declaration, and an additional set will be furnished to the Condominium Board, at the time of First Closing.

The Declaration and the By-Laws will be recorded in advance of or concurrently with the First Closing. The recording of all deeds conveying individual Units will also be in the City Register's Office.

GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, including those documents contained in Part II of the Plan. Exact copies are contained in Part II of the Plan of the form of Declaration, form of By-Laws, form of Purchase Agreement, form of Unit Deed, form of Unit Power of Attorney and other documents, and Purchasers are urged to read the documents set forth in Part II of the Plan in their entirety. Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with Sponsor, are necessarily not complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such document executed by or with the written consent of a Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, which could materially and adversely affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof, which are not covered by insurance.

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

Sponsor reserves the right, from time to time prior to the First Closing, upon amendment to the Plan, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor, the Purchasers and/or prospective Purchasers under the Plan. However, Sponsor may not unilaterally cancel a Purchase Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the purchase price or payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is an amendment to the Plan that materially adversely affects Purchasers, Purchasers will have a right of rescission which may only be exercised within 15 days from the date of presentation of said amendment. Sponsor shall promptly return any Down Payment, together with any interest thereon, to Purchasers who rescind, except that if the Plan has been declared effective Sponsor shall retain the Down Payment (and any interest thereon) of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period.

In accordance with the provisions of the laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in

the sale of Units offered by the Plan or in the leasing of any such Units because of such person's sex, race, creed, color, national origin, marital status, age, disability or any other ground proscribed by law.

Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to gender, masculine or, feminine, includes the other.

No interest in realty or condominium unit has been offered for sale and no reservations, binding or non-binding, will be made until this Plan has been accepted for filing. No contracts, written or oral, have been entered into for the sale or transfer of any of the Units offered in the Plan, and no deposits have or will be accepted by Sponsor until the Plan has been accepted for filing.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

The Property has not been the subject of any prior public offerings.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the Description of Property and Building Conditions set forth in Part II of the Plan. Sponsor represents that Sponsor has no knowledge of any material defects or need for major repairs to the property.

This is a new construction development.

There are no official inspection reports reflecting upon the premises.

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PART II

DESCRIPTION OF PROPERTY AND SPECIFICATIONS OR BUILDING CONDITION

On the Sound
City Island, New York, NY 10464

Architects report prepared by Kutnicki Bernstein Architects PLLC Dated November 17, 2014.

A. Location and Use of the Property:

1. Address: On the Sound
City Island, NY 10464
2. Block Number: 5643
Lot Number: 1101-1157
3. Zoning: R3A
 - i. Development Limited to 43 Dwelling Units
 - ii. Each Dwelling Unit to be Single Family
 - iii. No Community Facility to be located on lot.
4. Use: Residential
5. Special District: CD City Island was established to promote and strength the unique character for nautical and waterfront activities and maintaining the village nature of the island.
6. Landmarks: This development does not have a landmark status.
7. "E" Designation: E-237 Air Quality, Fuel limited to Natural Gas

B. Status of Construction:

1. The buildings will be entirely new construction.

It is anticipated that the project will be substantially completed on or about December 2016 substantially in accordance with the plans and specifications, unless delayed by weather, strikes, lockouts, acts of God, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which the Developer has no control. No further development is anticipated at this time.

2. Class of Construction: The building will be classified as Class V and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code"). The Plans were filed and approved under NB per the following chart with the Department of Buildings and the Construction Permit was issued. The Club House building will be built in compliance with L.L. 57/87. The buildings will be built in accordance with New York Building Code and it will not contain any asbestos or lead products.

House Number	D.O.B Number	LOT	Type
1/3	220240665	1101/1102	G
1 A Garage	220255729	1103	
5/7	220240674	1104/1105	G
5A Garage	22042348	1106	
9/11	220240683	1107/1108	G
9A Garage		1109	
13/15	2202406992	1110/1111	G

13A Garage		1112	
17/19	220404140	1113/1114	H
21/23	220404122	1115/1116	H
25		1159	POOL
26/28	220404113	1156/1157/	E
26A Garage		1158	
27/29	220404186	1117/1118	I
31	220404079	1119	K
30/32	220404104	1153/1154	D
30A Garage		1155	
33/35	220404131	1120/1121	I
37/39	220404195	1122/1123	H
41/43	220404202	1124/1125	H
45/47	220240718	1126/1127	B
45A Garage		1128	
49/51	220240709	1129/1130	A
49A Garage		1131	
53/55	220240727	1132/1133	A
53A Garage		1134	
57/59	220240736	1135/1136	A
57A Garage		1137	
61/63	220205221	1138/1139	F
61A Garage	220402357	1140	
65/67	220205230	1141/1142	F
65A Garage	220403560	1143	
66/68	220404211	1150/1151	B
66A Garage		1152	
69/71	220205025	1144/1145	F
69A Garage	220403579	1146	
70/72	220404097	1147/1148	C
70A Garage		1149	

3. Certificate of Occupancy: After completion of construction, and prior to closing the Sponsor will obtain a Temporary Certificate of Occupancy for the Building from the Department of Buildings of the City of New York ("Department of Buildings"). Upon completion of the project the Sponsor will obtain a permanent Certificate of Occupancy for the entire building.

C. Site:

1. The total site area is approximately 279,154 SF with the upland lot area of $\pm$ 224,800 SF.
2. The site is located in two flood zones utilizing NAVD 88 datum. The eastern portion of the site is located in FEMA Advisory Base Flood Elevation Map: V with a base flood elevation of

elevation 16 and all structures in that zone will comply with the base flood elevation. The western portion of the site is in a FEMA Flood Zone X and all structures in that zone will comply with the base flood zone heights.

3. Upon completion there will be 43 units in 21 two family residential buildings and 1 single family residence. There will be 15 free standing garages, 11 group parking spots a Club House with pool and a playground.
4. Parking: each unit will have a dedicated parking garage either free standing or within the unit, and in the driveway when the driveway is located between buildings. In addition two group parking areas containing 5 parking spaces are located on Island Point as identified in the site plan. The parking requirement for R3A is 1.5 cars per unit. Garages are not ventilated nor fire protected. Garage floors are sloped to exterior no drains are provided.
5. The site contains a public access esplanade of approximately 360 feet in length with benches and a seating area with a gazebo of approximately 650 square feet. The hours of operation will be April 15 to October 31, 6:00 AM to 10:00 PM and November 1 to April 14, 7:00 AM to 8:00 PM. The maintenance of the esplanade and seating area will be a residential common expense.
6. Private Drives and Sidewalks

Island Point; a newly constructed private road will consist of a 34 foot wide road, new concrete curbs, 3 foot wide planting strip and a 4 foot wide sidewalk. Within the road all new underground utilities to service the development will be laid including electric, gas, water, telephone, cable, fire loop, fire hydrants & street lighting. The maintenance of all these elements with the exception of electric, telephone and cable will be the responsibility of the unit owners.

These items conform to all local fire district and New York City Department of Transportation Codes.

- i. Paving material for private roads
 - a. 8" sub base course - type 1, NYSDOT item #304.11
 - b. 2 1/2" binder course – asphalt concrete, type 3, NYSDOT #403.13
 - c. 2 1/2" top course – asphalt concrete, type 6F, NYSDOT #403.1701
- ii. Driveway material for the residences will be;
 - a. 8" sub base course - type 1, NYSDOT item #304.11
- iii. 2" top course – asphalt concrete, type 6F, NYSDOT #403.1701 Drainage Type
 - a. Precast or concrete block catch basins w/cast iron frame and grates
7. The development will be gated with a motorized electric gate at the entrance to Island Point that will operate for vehicular traffic. All residents will be able to operate the gate electronically. Pedestrian access will be through a pedestrian gate that will be accessed by a code, card key or physical key.
8. The site contains frontage on Fordham Place and Fordham Street
 - i. The streets adjacent to the site are paved with asphalt topping and are in fair condition.

- ii. The existing curbs will be replaced and new curbs will be installed at locations as required at the property frontage on both Fordham Place and Fordham Street.
 - iii. All sidewalks providing access to the buildings shall be free of tripping hazards.
 - iv. The condominium shall be responsible for maintaining the sidewalks per the requirements of DOT.
 - v. All new sidewalks, curb cuts, ramps and aprons shall be ADA compliant
 - vi. All sidewalks, drives and ramps are to be sloped so as to drain water away from foundations.
 - vii. The streets are presently pitched to drain into the Long Island Sound. New drywells are being constructed on Fordham Place for storm water management and no changes to Fordham Street drainage are incorporated into the project .
 - viii. The maintenance of the Street lighting within the development will be a residential common expense.
 - ix. These items conform to all local fire district and New York City Department of Transportation Codes.
9. The site is not located near any source of potential noise.
10. Special Risks
- i. The property is registered with a RE designation with the NYC Buildings Department. The institutional controls for the site prohibit the following: (1) vegetable gardening and farming; (2) use of groundwater without treatment rendering it safe for the intended use; (3) disturbance of residual contaminated material unless it is conducted in accordance with the approved Site Management Plan (SMP); and (4) higher level of land usage without approval by the New York City Office of Environmental Remediation (OER).
 - ii. The property is registered with a RE designation with the NYC Buildings Department and is a brownfield site. Historic fill material is present throughout the property to varying depths. The fill material contains some contaminants (semi-volatile organic compounds and metals) at concentrations that exceed residential use standards. In addition, groundwater beneath the site contains some contaminants (total metals and dissolved metals) at concentrations that exceed the groundwater standards. The historic fill material and tainted groundwater will still be present after the site has been developed. In order to protect the future occupants and visitors to the property, engineering controls and institutional controls will be implemented on the site.

Engineering controls on the site include the following: (1) a vapor barrier system beneath each of the building slabs and outside foundation sidewalls below grade; and (2) construction and maintenance of an engineered composite cover system consisting of a 5 inch concrete slab in the building areas, 4 inches of concrete in sidewalk areas, 2.5 to 3.5 inches of asphalt in the paved areas, 4 inches of concrete pavers over 6 inches of clean soil in the esplanade area, and two (2) feet of clean imported soil in open space and landscape areas. These engineering controls will prevent human exposure to residual soil/fill remaining under the site.

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Institutional Controls for the site include the following: (1) a Site Management Plan (SMP); and (2) establishment of common ownership of the land within the project area by a homeowners association and continuous management of Site Management requirements by this common owner/homeowners association.

- iii. The site soils consist of existing fill (Class 7) that extends to depths ranging from 1.0 foot to more than 17.0 feet below the ground surface. In general, the fill material consists of Silty Sand with Gravel and varying amounts of debris such as brick, concrete, coal, ash, wood, asphalt, glass, topsoil, and roots. Below the fill are layers of Sand, Sand with Gravel, or Silty Sand with Gravel (Class 3a or 3b) with varying amounts of cobbles and boulders. The existing fill is not suitable for support of new building foundations. The foundation loads will be transferred to the underlying virgin soil layers using pile foundations.

The site is an area that has a low radon potential and the new buildings do not have any below grade spaces where radon could build-up.

There are no sub-grade drainage systems for the new buildings.

D. Utilities:

- 1. Electricity:
 - i. Consolidated Edison Company, a regulated utility company, will provide electric service to all buildings. All residential units will be separately metered and the unit owner will pay the cost of the electricity consumed in their unit directly to Con Edison. Electricity used in the Common Areas will be borne by the Unit Owners as a Shared Common Expense i.e.: private road lighting, clubhouse, esplanade lighting and gate operation.
- 2. Gas:
 - i. Con Edison a regulated utility company, will provide gas to all Buildings for heating, cooking and domestic hot water uses. All residential units will be separately metered and the unit owner will pay the cost of the gas consumed in their unit directly to Con Edison. All residential units will pay their pro rata share as a Residential Common Expense for gas consumption at the Club House and pool.
- 3. Water and Sewer:
 - i. The City of New York will provide Water and Sewer services. The charges for water and sewer services provided to the building will be levied on the basis of an individual water meter with corresponding sewer charges.
 - ii. Storm water will be collected on site directed through a water quality filtration system and discharged directly into Long Island Sound
- 4. Telephone:
 - i. Each Unit Owner will be required to pay telephone charges directly to the telephone company providing such service. The telephone charges with respect to the public areas of the development (such as club house.) will be borne by the Residential

Section Unit owners as a Residential Common Expense. In each unit, telephone outlets will be provided in the kitchen, living room and each bedroom or as indicated on the drawings.

5. Cable Television:

- i. Cable Television service will be available for all units. All charges for cable television service (including subscription charges) will be paid by each unit/owner, who subscribes for the same directly to the cable TV company. In each unit, a cable TV outlet will be provided in the living room and each bedroom or as indicated on the drawings.

6. Internet

- i. Internet service will be available for all units. All charges for internet service (including subscription charges) will be paid by each unit/owner, who subscribes for the same directly to the provider. In each unit, a data jack will be provided in the living room and each bedroom or as indicated on the drawings.

7. Heat:

- i. Each residential unit will be heated by a gas fired hot air furnace with a humidifier located in a utility room or attic space.
 - a. Humidifier to be Trane, model number, THUMD500 w/ Automatic Humidifier control.
 - b. Gas Furnace - AHU-1 – Model Number TUH1D1209H5 associated with the condensing unit ACCU-1 (4TTB3060D1). And Gas Furnace AHU-2 - Model Number TUH1D1209H5 associated with the condensing unit ACCU-2 (4TTB3060D1). All models are York.
- ii. Club house will be heated by:

Furnace	Furnace Model
AHU-1	TG9S080C16MP11
AHU-2	TG9S040A08MP11
AHU-3	TG9S100CX16MP11
AHU-4	TG9S100CX16MP11
Note: All models are York Latitude Series	

8. Washers & Dryers:

- i. Each residential unit will be provided with a washer and gas dryer.

9. Air Conditioning:

- i. Air conditioning will be provided to the Residential Units by an electrically operated AC unit, the costs of operating, maintaining and (if required) repairing or replacing the heating/air conditioning units located in the Unit will be the responsibility of the Owner of such unit. Each Unit Owner will be responsible for paying the cost of the

electricity required to operate the heating/air conditioning units located within their unit.

- a. The condensing unit ACCU-1 – Model - 4TTB3060D1 to be associated with Gas Furnace - AHU-1 – Model Number TUH1D1209H. And the condensing unit ACCU-2- Model Number 4TTB3060D1 associated with Gas Furnace AHU-2 - Model Number TUH1D1209H5. All models are York.
- ii. Air conditioning will be provided to the Club House by means of a packaged AC unit and will be paid for as a Residential Common Expense. The costs of operating, maintaining and (if required) repairing or replacing the heating/air conditioning equipment, or servicing the Residential Common Elements will be shared by all of the Residential Section Unit Owners as a Residential Common Expense.
 - a. The club house AC Units to be:

Cond. Unit	Cond. Model
ACCU-1	YCJF48
ACCU-2	YCJF24
ACCU-3	YCJF48
ACCU-4	YCJF48
Note: All models are York Latitude Series	

10. All utility services are being provided as needed to meet the requirements of all mechanical, electrical and other equipment:

E. Sub-Soil Conditions:

1. Based on the Carlin Simpson & Associates Geo-Technical Report dated June 13, 2012 the site has the following subsurface conditions. The boring indicates that the subsurface condition is fill varying from 3ft. in depth to 22 ft. The fill consists of loose to medium dense coarse to fine sand. Underlying the fill is coarse to fine sand with varying amounts of shells to 27 feet below grade. In several locations completely weather Schist was found ranging in depth from 25 feet 33 feet below existing ground surface. The foundations will sit on 20 ton concrete filled steel piles.
2. Ground water varies from approximately 9 feet to 18 feet below grade.
3. Radon. The site has low radon potential and there are no below grade spaces.
4. There is no sub-grade drainage system for houses, the houses have no cellars and foundations are on piles
5. Foundation Walls: Foundations are piles and perimeter foundation walls are supported on pile caps with no cellar requiring no additional measures to negate freeze stress to foundation walls.
6. Erosion or Mud Slide: The shore line will be stabilized by Rip Rap designed to negate any erosion and there is minimal potential for mud slides.

F. Landscaping and Enclosures:

1. Grass Cover: Per landscape drawings
2. Street trees: 78 per landscape drawings
3. Tree Pits: Pit treatment will require the hole's size to be 1 ½ times the size of the root ball. A mix with peat moss will be used to back fill the pit after tree placement, with a minimum of 4" of topsoil to cover. The caliper of trees to be utilized will be 2" to 3 ½" calipers with heights between 5' to 10'.
4. Landscaping will be maintained by the condominium unit owners and all costs associated with the maintenance will be borne as a Residential Common Expense.
5. Fencing: Fencing will be powder coated aluminum 6 feet high. The Esplanade railing that sits atop the 21" stone wall will be 24" and powder coated. The fencing atop the retaining walls and rip rap slopes will be 42"
6. The gates will be constructed of aluminum tubing; powder coated and be located at both the main entrance and the esplanade. The gates at the main entrance will service both cars and pedestrians while the esplanade will only have a pedestrian function
7. Garden Walls: NA
8. The retaining walls located at the north side of the property along Fordham St. and south side of the property from the clubhouse to top of slope at Long Island Sound and on each side of the esplanade will be constructed of segmental concrete block, "Keystone" or an equal will be the material used. The drainage for these walls will be via a perforated pipe and crushed stone backfill to carry water away from these structures

G. Building Size: *

1. Total Height: The total height of all the buildings from the average curb elevation is a maximum of 35 feet.
2. Crawl Spaces: no
3. Cellars: none
4. There are 2 stories plus attic in each building

Floors	Floor to Ceiling Height	Dropped Ceiling	
1	10 Ft	8 Ft	
2	10 Ft	8 Ft	
Attic	Varies		

* All dimensions are approximate

5. Parapet height from top roof finish to top of parapet coping will be 3'-6". At all conditions the height of the parapet/railing will be a minimum of 3'-6".

H. Occupancy:

1. There will be a total of 43 residential dwelling units.
2. Floor Plans for each Unit Type : Refer to Unit Plans

3. Site Plan: Refer to Site Plan Drawing
4. Unit Size: 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 measured to the outside face of the exterior walls of the Building enclosing the Unit to (i) the centerline of the demising walls separating the Unit from other Units, and (ii) the exterior face of the demising walls separating the Unit from the Common Elements (and mechanical pipes and chases, whether at the perimeter of the Unit and/or within the Unit, are not deducted for square footage calculations). 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. Outdoor floor areas of terraces and balconies appurtenant to a Unit are not included in the Unit's floor areas. As is customary in New York City, these gross square footages exceed the useable floor area of each Unit.
5. Exterior balcony and/or terrace areas are measured from the exterior face of the Unit to the exterior face of the balcony or terrace walls.
6. Unit Description

ADDRESS	1 ST FLOOR	2 ND FLOOR	ATTIC	OUT DOOR SPACE	PARKING
1	2 Bedrooms, 2Baths			Backyard	Attached Garage
3	1 ST Floor Entrance	3 Bedrooms, 3.5 Baths		Balcony	Garage
5	2 Bedrooms, 2Baths			Backyard	Attached Garage
7	1 ST Floor Entrance	3 Bedrooms, 3.5 Baths		Balcony	Garage
9	2 Bedrooms, 2Baths			Backyard	Attached Garage
11	1 ST Floor Entrance	3 Bedrooms, 3.5 Baths		Balcony	Garage
13	2 Bedrooms, 2Baths			Backyard	Attached Garage
15	1 ST Floor Entrance	3 Bedrooms, 3.5 Baths		Balcony	Garage
17	2 Bedrooms, 2 Baths	1 Bedroom, 1 Bath		Backyard	Garage
19	1 ST Floor Entrance	2 Bedrooms, 2.5 Baths		2nd Floor Terrace, Roof Terrace	Garage
21	2 Bedrooms, 2 Baths	1 Bedroom, 1 Bath		Backyard	Garage
23	1 ST Floor Entrance	2 Bedrooms, 2.5 Baths	Attic	2nd Floor Terrace, Roof Terrace	Garage
26	2 Bedrooms, 2 Baths	1 Bedroom, 1 Bath		Backyard	Attached Garage
28	1 ST Floor Entrance	3 Bedrooms, 2 Baths	Attic	2nd Floor Terrace, Roof Terrace	Garage
27	2 Bedrooms, 2 Baths	1 Bedroom, 1 Bath		Backyard	Garage

29	1 ST Floor Entrance	3 Bedrooms, 3 Baths	Attic	2nd Floor Terrace, Roof Terrace	Garage
30	2 Bedrooms, 2 Baths	1 Bedroom, 1 Bath		Backyard	Attached Garage
32	1 ST Floor Entrance	2 Bedrooms, 2 Baths	Attic	2nd Floor Terrace, Roof Terrace	Garage
31	0.5 Baths	3 Bedrooms, 3 Baths	1 Bedroom, 1 Bath	Backyard, 2nd Floor Balcony, Roof Terrace	Garage
33	2 Bedrooms, 2 Baths	1 Bedroom, 1 Bath		Backyard	Garage
35	1 ST Floor Entrance	2 Bedrooms, 2.5 Baths	Attic	2nd Floor Terrace, Roof Terrace	Garage
37	2 Bedrooms, 2 Baths	1 Bedroom, 1 Bath		Backyard	Garage
39	1 ST Floor Entrance	2 Bedrooms, 2.5 Baths	Attic	2nd Floor Terrace, Roof Terrace	Garage
41	2 Bedrooms, 2 Baths	1 Bedroom, 1 Bath		Backyard	Garage
43	1 ST Floor Entrance	2 Bedrooms, 2 Baths	Attic	2nd Floor Terrace, Roof Terrace	Garage
45	2 Bedrooms, 2 Baths	1 Bedroom, 1 Bath		Backyard	Attached Garage
47	1 ST Floor Entrance	2 Bedrooms, 2.5 Baths		2nd Floor Terrace, Roof Terrace	Garage
49	2 Bedrooms, 2 Baths			Backyard	Attached Garage
51	1 ST Floor Entrance	3 Bedrooms, 3.5 Baths		Terrace	Garage
53	2 Bedrooms, 2 Baths			Backyard	Attached Garage
55	1 ST Floor Entrance	3 Bedrooms, 3.5 Baths		Terrace	Garage
57	2 Bedrooms, 2 Baths			Backyard	Attached Garage
59	1 ST Floor Entrance	3 Bedrooms, 3.5 Baths		Terrace	Garage
61	2 Bedrooms, 2 Baths			Backyard	Attached Garage
63	1 ST Floor Entrance	3 Bedrooms, 3 Baths		Terrace	Garage
65	2 Bedrooms, 2 Baths			Backyard	Attached Garage
67	1 ST Floor Entrance	3 Bedrooms, 3 Baths		Terrace	Garage
66	2 Bedrooms, 2 Baths	1 Bedroom, 1 Bath		Backyard	Attached Garage
68	1 ST Floor	2 Bedrooms, 2.5 Baths		2nd Floor	Garage

	Entrance	Baths	Terrace, Roof Terrace	
69	2 Bedrooms, 2 Baths		Backyard	Attached Garage
71	1 st Floor Entrance	3 Bedrooms, 3 Baths	Terrace	Garage
70	2 Bedrooms, 2 Baths	1 Bedroom, 1 Bath	Backyard	Attached Garage
72	1 st Floor Entrance	2 Bedrooms, 2 Baths	2nd Floor Terrace, Roof Terrace	Garage

I. Structural System:

The building foundation system for all units, garages and club house will be built on piles with pile caps and concrete and cast in place structural slabs with 8" gravel bed 20 mil vapor barrier and 2" rigid insulation. All ground floors will be a concrete slab. TJI's will be used for 2nd floor framing and wood joists for the roof. Mtl studs.

1. Exterior of the Building:

- i. Walls: the exterior framing of the building will be 2" x 6" wood stud construction with the exterior sheathed in Densglass fiberglass mat gypsum sheathing with Hardy Board fiber cement siding, trim and fascia system or approved equal. Walls will be insulated with R-19 batt insulation and interior will be finished with GWB.
- ii. Windows: The windows will be fixed and casement type Anderson Windows 400 Series with vinyl exterior finish and interior painted finish and double glazed with insulated glass. All Anderson products windows and doors have a twenty -year transferable warranty on the insulated glass units and other components a 10 year limited warranty by the manufacturer. All windows and doors except front entrance doors will have screens. The houses are frame construction with no lintels. All windows will be caulked with polyurethane caulk
- iii. Lot Line Windows: None
- iv. Windows are Anderson Windows Vinyl Clad wood windows interior of window is factory painted wood windows do not require thermal break.
- v. All habitable rooms meet or exceed the NYC DOB Administrative Code with respect to light and air requirements
- vi. Sound Insulation: Floor assembly will be ¾" oak floor, 5/8" underlayment acoustic mat 5/8" underlayment, 9 ½" nominal wood or metal joists, with acoustic batt insulation 5/8" GWB with a 55 Db or greater

2. Parapets and Copings

- i. All parapets will be framed and clad with Hardy Board all trim will be vinyl boards Azek or approved equal all fasteners to be non-corrosive. All parapets will be a minimum of 3'-6" above finished floor and comply with all applicable codes.

3. Chimneys and Caps:

- i. There will be one flue for the boiler & mechanical ventilation ducts for the bathrooms at the roof or side walls.
 - ii. There will be fireplace flues for each unit.
- 4. Balconies and Terraces:
 - i. Balconies will be cantilevered wood framed or supported on columns depending on the unit.
 - ii. Terrace flooring will be wood decking.
 - iii. Railings at the balconies and terraces will be vinyl 1 ½ x 1 ½ inch vinyl rail with posts as required
 - iv. The roof where applicable will be comprised of a rubber membrane roofing system on a wood deck.
 - v. Doors to all the balconies and terraces will be Andersen Patio Doors or approved equal.
 - vi. Exterior fasteners to be corrosion resistant
 - vii. All railings will be vertical spindles
 - viii. Balconies & terraces must remain unenclosed.
- 5. Exterior Entrances:
 - i. Exterior entry stairs will be concrete with non-slip surface and will be free of tripping hazards.
 - ii. Railings: none
 - iii. Exterior Doors: All exterior entrance doors will be fiberglass doors with a foam core. There will be no interior drains within the units at entrance doors
 - iv. Exterior Door Hardware: Omnia model number: 12036F00 finish brushed chrome
 - v. Mail Boxes: All mailboxes will be located within the property along Island Point. They will be United States Postal Office approved mailboxes.
 - vi. Lighting: There will be sufficient lighting at the building entrances to provide an appropriate level of illumination.
 - vii. ADA is not applicable to 2 family residential units.
- 6. Roof and Roof Structures:
 - i. Type Roof for all Areas:
 - a) Materials: The roofing is comprised of the following systems:

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- All buildings will have pitched roofs will be Certaineed Landmark Pro Design Shingles with ice shield rubberized membrane for the 1st 3 feet. Landmark Pro Series Warranty: Lifetime Limited Transferable Warranty
 - Insulation will be between the joists of the roofs in all locations. And have an R30 insulation value.
 - Kemper, Kemperol Fluid-applied membrane roofing system on plywood underlayment.
- b) Surface Finish: The surface finish will be wood decking at all terraces.
- c) Warranty: The roofing system shall have a 10-year no dollar limit manufacturer's warranty.
- d) Flashing Materials: There will be metal cap flashing and fabric base flashing. All valleys will be flashed pursuant to manufactures requirements.
- ii. Drains:
The roof will be drained by aluminum gutters and leaders.
 - a) Interior roof drains from terraces will be PVC above grade and below grade service weight cast iron.
- iii. Skylights:
 - a) None.
- iv. Bulkheads:
 - a) Elevator at Club House: The elevator bulkhead will be 6" wood stud with GWB on the interior and DensGlass exterior sheeting with Hardy Board exterior finish.
 - b) All exterior metal and fasteners will be corrosion resistant.
- 7. Yards:
 - i. All yards will be landscaped with grass lawns, shrubs and trees. There will be no fencing except as specified around the perimeter of the condominium
 - ii. Paving material: Grass Crete or approved equal
 - iii. Yard Drains: solid block or precast concrete catch basins are located within some rear yards
 - iv. Railing material: Not applicable
 - v. Stairs: None
 - vi. Enclosures none
 - vii. Lighting System: Lighting is provided by exterior sconces on buildings.

- viii. Drainage yard drains are located within some rear yards and roof leaders will direct storm water away from the structures towards catch basins in the private road and rear yard drains. Storm Water will be discharged into Long Island Sound
 - ix. NYC Zoning Requirements for Yards: all yards have been approved by the NYC DOB and meet all requirements of the R3A zone, Special District and Private Road Zoning Requirements.
8. Interior Stairs:
- i. Number of Stairs of Each Type: The upper units will be accessed by a single wood stair.
 - ii. Enclosure: Each stair will be open to the upper unit and will be separated from the lower unit by a 1 hour rated wall GWB assembly. All doors will be non-fireproof with the exception of doors leading to garages which will be ¾ hour self-closing fire rated doors
 - iii. Stringers: Paint grade wood
 - iv. Treads: The treads will be oak finished with polyurethane.
 - v. Risers: The risers will be paint grade wood.
 - vi. Banister & Rails: Banisters will be oak finished with polyurethane, Newel posts and spindles will be painted wood
 - vii. Emergency Lights: Emergency lights will not be provided in residential units.
9. Interior Doors and Frames:
- i. Unit Entrance and Interior Doors and Frames: The unit entrance shall be fiberglass or approved equal and meet the New York City Building Code Requirements. The apartment interior doors shall be a wood panel doors with wood frames.
10. Elevators:
- i. There shall be 1 KONE ECO-SPACE 3,500 MRL hydraulic 2 stop elevator at the clubhouse 3,500 lbs. capacity rated for 16 people and a speed of 150 feet per minute. There will be a 1 Year Limited Warranty from Kone
 - ii. Passenger Elevator Alarm, safety system: The cab will have the following features: Emergency access ceiling panel; Braille plate; emergency/light and floor call button. The elevators will also be equipped with a system for voice contact with monitoring station. Emergency recall button will be located at the Lobby Elevator door.
 - iii. Emergency Power: there will be no emergency power for the elevator
 - iv. Elevator machine room: The elevator machine room will be directly vented to exterior and a 1 ton AC unit will provide air conditioning to unit.

J. Auxiliary Facilities:

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1. Club House: The club house will be 2 stories a fitness room will be located on the 1st floor, 2nd floor will have tables and chairs and a pantry area with microwave.
2. Pool and Lounge Area: A heated pool will be located adjacent to the club house; the hours of operation from the last weekend in May through September are 10:00 AM – 7:00 PM during which a life guard will be on duty. There will be a 4'-0" high fence with a self-closing gate surrounding the pool and lounge area.
 - i. The swimming pool will be a gunite structure with precast concrete coping stone around the perimeter.
 - ii. The pool will be a 16' x 20' rectangle with recessed stairs 8.5' x 15'. The area of the pool is 767.5 square feet allowing for 30 bathers. The depth will vary from 3'-6" to 4'-6".
 - iii. This pool is an outdoor seasonal pool, it is not enclosed.
 - iv. The filtration system will include an NSF approved high rate sand filter, NSF approved recirculation pump and schedule 80 pvc pipe. The water treatment will be liquid chlorine for disinfectant and CO2 for pH balance.
 - v. The pool will be heated by a dedicated gas fired pool heater.
 - vi. The pool requires final certification and a separate operations permit from the NYC Department of Health.
3. Laundry Rooms: Not applicable
4. Refuse Disposal:
 - i. Incinerators: None
 - ii. Compactors: None
 - iii. Initial storage location will be within the individual garages.
 - iv. A private sanitation company will pick up the garbage and recycling curbside on a weekly schedule.

K. Plumbing and Drainage:

1. Water Supply: Water entry point is located at site entrance on Fordham Place in a meter pit along with backflow preventer and main shut-off valve. All houses are fed by street pressure and no domestic water pumps are required.
2. All plumbing is to be new. Water piping shall be "L" copper piping with wrought copper fittings. Joints shall be made with 95/5 tin antimony solder. Hot and cold water piping will be insulated with 1" pipe insulation.
3. Domestic Water Supply: There is a one inch (1") service provided to each unit,
4. Fire Protection System: None

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5. Sanitary Sewage System: Each building will have a 4" sanitary house sewer lateral connected to the private sewer main within Island Point which connects to the sanitary sewer within the public street.
6. Permits required: Approval has been obtained from the NYC-DEP under an application for one (1) 4" inch sanitary sewer connection and one 1 ½" water service to each Building.
7. Storm Drainage System
 - i. Solid block or precast concrete catch basins are located along the street curbs and within some rear yards.
 - ii. Yard drains are located within some rear yards and roof leaders will direct storm water away from the structures towards catch basins in the private road and rear yard drains
 - iii. Piping materials will be High Density Polyethylene pipe
 - iv. Ejector or sump pits; there is one sump pit and pump located in the water meter pit
8. Garbage Disposals: Each Residential unit will be provided with an electric garbage disposal installed in the kitchen sinks; see section W (3) for manufacturer and model number.

L. Heating:

1. The HVAC system for both clubhouses and the houses that will be used is a split AC system containing furnaces and condensing units. The system will provide both cooling and heating to all the necessary rooms in the building. The internal conditions that will be maintained in the summer (cooling) will be 75°F with an ambient temperature of 92°F. In the winter, an indoor temperature of 72°F will be maintained with an ambient temperature of 11°F.
2. The houses first floor will be supplied by a 5 ton furnace located in the first floor mechanical room. The associated condensing unit will be located outdoors.
3. The houses second floor will be supplied by a 5 ton furnace located in the attic. The associated condensing unit will be located outdoors.
4. Each residential unit will be heated by a gas fired hot air furnace with a humidifier located in a utility room or attic space.
 - a. Humidifier to be Trane, model number, THUMD500 w/ Automatic Humidifier control.
 - b. Gas Furnace - AHU-1 – Model Number TUH1D1209H5 associated with the condensing unit ACCU-1 (4TTB3060D1). And Gas Furnace AHU-2 – Model Number TUH1D1209H5 associated with the condensing unit ACCU-2(4TTB3060D1). All models are York.
5. Club house will be heated by:

Furnace	Furnace Model
AHU-1	TG9S080C16MP11

- 16 -

AHU-2	TG9S040A08MP11
AHU-3	TG9S100CX16MP11
AHU-4	TG9S100CX16MP11
Note: All models are York Latitude Series	

6. The clubhouses' first floor gym will be supplied by a 4 ton furnace located in the first floor mechanical room (York Latitude Series: TG9S080C16MP11). The associated condensing unit (York Latitude Series: YCJF48) will be located outdoors.
7. The clubhouses' first floor lobby, bathroom, and locker rooms will be supplied by a 2 ton furnace located in the first floor mechanical room (York Latitude Series: G9S040A08MP11). The associated condensing unit (York Latitude Series: YCJF24) will be located outdoors.
8. The clubhouse's second floor event space will be supplied by two 4 ton furnaces located in the attic (York Latitude Series: TG9S100C16MP11). The associated condensing units (York Latitude Series: YCJF24) will be located outdoors.
9. The clubhouse's Hot Water will be supplied by a direct vent gas fired hot water heater. A.O. Smith GPVT-50.

M. Gas Supply:

1. All units are provided with individual gas meters for heating, hot water, cooking and fireplace. The cost for the residential heating and cooking will be paid by the homeowner directly to the utility company.

N. Ventilation:

1. The clubhouse has Greenheck 75 CFM toilet exhaust fans and 50CFM fans in Locker rooms for mechanical ventilation. All other spaces have natural ventilation through windows.
2. The houses include an attic and no cellar. The entire 3' diameter window in the attic will be fitted with a louver with a wire mesh screen for ventilation. An additional exhaust fan controlled by thermostat will be installed and exhaust 50cfm from the attic. According to code, approximately 22 cfm minimum is needed, thereby satisfying code and adequacy.

O. Electrical System:

1. Electric service is individually metered to all Residential Units with common metering for Public Areas and Facilities. Service is provided by Con Edison from Fordham Place and is rated 120/208 Volt 3 Phase.
2. Each residential unit will be provided with 200 AMP service 120/208V, single phase (see schedule). All units are provided with adequate power to handle modern usage including all appliances, air conditioners, lighting and convenience power.
3. Switched lighting fixtures are provided in bathrooms, foyers and kitchens. Fixtures are incandescent types. Switched receptacles are provided in all rooms, as required to meet NYC City Electrical Code. Ground fault receptacles are provided in all bathrooms as required; Ground fault receptacles with weather resistant enclosure are provided at Residential Unit Balconies and terraces where indicated.
- 4.

LIGHTING SCHEDULE					
TAG #	DESCRIPTION	MANUFACTURE R	MODEL NUMBER/ ACCESSORIES	FINISH	LOCATION
F1	BATHROOM/KITCHEN RECESSED LIGHT	HALO	PD6V120-60V-C		LED PAR screw-in
F2	UNDERCOUNTER LIGHT	TECH LIGHTING	UNILUME LED UNDERCABINET	WHITE	LED
F3	SHOWER LIGHT	HALO	PD6V120-60V-1GDFWB		LED PAR screw-in
F4	BATHROOM SCONCE	TECH LIGHTING	LYNN BATH	WHITE	
F5	SURFACE MOUNTED CLOSET LIGHT	COOPER LIGHTING- METALUX	BC-214T5		(2)T5
F6	KITCHEN PENDANTS	TECH LIGHTING	SARA GRANDE PENDANT SATIN NICKELCSCF	SATIN NICKEL	LED PAR screw-in
F7	MASTER BATHROOM SCONCE	TECH LIGHTING	COSMO WALL		LED PAR screw-in
F8	SURFACE MOUNTED CLOSET LIGHT	TECH LIGHTING	CIRQUE CEILING 6" SCCF		LED
F9	OUTDOOR LIGHT	SEA GULL LIGHTING NAUTICAL	OUTDOOR WALL LANTERN 83055-15	WHITE	
F10	GARAGE LIGHT	COOPER LIGHTING	QS-HVL8		
F11	STAIR SCONCES	TECH LIGHTING	JAXON WALL	SATIN	
F12	ATTIC RECESSED LIGHT	HALO	H745ICAT		LED PAR screw-in
F13	BEDROOMS SURFACE MOUNTED	TECH LIGHTING	MULBERRY CEILING 13"	WHITE	LED PAR screw-in
F14	WALL WASHER	COOPER: PORTFOLIO	PD6V120-60V-WW-C		LED PAR screw-in
F15	OUTDOOR CEILING PENDANT	Entity LED	SS2015-STMKIT-WT/18" STEM	White	
F16	ATTIC CEILING PENDANT	HALO	H2320	White	LED PAR screw-in
F17	MASTER BATHROOM CEILING FIXTURE	RESTORATION HARDWARE	HEATH FLUSHMOUNT 17"D	POLISHED CHROME	

P. Telephones, Intercom and Security Systems:

1. Telephone service will enter the site from Fordham Place.
2. Wiring will be installed in each Residential Unit to enable the Unit Owner to obtain telephone and cable television service at the Unit Owner's Expense.
3. The building will be equipped with a Television Antenna System.

Q. Public Area Lighting For Clubhouse:

1. Fluorescent and/or incandescent down lights and/or wall sconces will be provided in the lobby, fluorescent fixtures in the stairs, and fluorescent and/or incandescent fixtures in the corridors and other public spaces.

R. Permits and Certificates:

1. All necessary permits will be obtained and all required inspections will be completed prior to obtaining a Certificate of Occupancy.
2. Special Inspections will be performed as required by the NYC DOB by a Special Inspections laboratory.

S. Finish Schedule for Typical Apartment

1. All kitchen appliances, plumbing fixtures, and lighting fixtures will be as set forth below equal or better.

APPLIANCE SCHEDULE					
TAG #	TYPE	MANUFACTURER	FINISH	MODEL #	DESCRIPTION
AP-1	REFRIGERATOR	GE PROFILE	STAINLESS STEEL	PFCS1RKZSS	FRENCH DOOR REFRIGERATOR
AP-2	HOOD	FRIGIDAIRE	STAINLESS STEEL	FHWC3055LS	
AP-2A	HOOD	FRIGIDAIRE	STAINLESS STEEL	FHWC3655LS	ONLY HOUSE K SINGLE FAMILY
AP-3	RANGE	GE PROFILE	STAINLESS STEEL	PGS908SPSS	30" RANGE
AP-3A	RANGE	FRIGIDAIRE	STAINLESS STEEL	FPGF3685LS	36" RANGE K SINGLE FAMILY
AP-4	DISHWASHER	GE PROFILE	STAINLESS STEEL	PDWT280VSS	
AP-5	GARBAGE DISPOSAL	EMERSON		INSINKERATOR BADGER 5	
AP-6	WASHER	ELECTROLUX	WHITE	EIFLS55IIW	
AP-7	DRYER	ELECTROLUX	WHITE	EIMGD55IIW	
AP-8	MICROWAVE	SHARP	STAINLESS STEEL	KB6524P	MICROWAVE DRAWER

<u>Space</u>	<u>Floor</u>	<u>Walls</u>	<u>Base</u>	<u>Ceiling</u>
Living	WD	P.GWB	WD	GWB
Sleeping	WD	P.GWB	WD	GWB
Bath	ST/CT	ST/CT	ST/CT	P.GWB

2. All GWB surfaces will be painted with one coat primer and one coat of finished paint Benjamin Moore or approved equal.
3. Wood flooring shall be 3/4 White Oak with 5/8th in underlayment floor to be sanded in place and finished w 1 coat sealer and 2 coats polyurethane.
4. Kitchen cabinets to be MDF Particle Board with factory painted lacquer finish. Countertops to be Caesarstone or approved Equal.
5. Bathroom Finishes

	APPLICATION	MANUFACTURER	MANUF MODEL #	COLOR
P1	SHOWER TRIM SET	KOHLER	K-T10275	POLISHED CHROME
P2	TUB	KOHLER	K-715 & K-716	WHITE
P2A	TUB	KOHLER	K-715 & K-716	WHITE
P3	TOILET	STERLING	402081/ 404555/403215	WHITE
P3A	TOILET SEAT	KOHLER	K-4774	WHITE
P4	BATHROOM VANITY	BERTCH	VTM60T	
P5	BATHROOM SINK FAUCET	KOHLER	K-10215-4	POLISHED CHROME
P6	BATHROOM SINK	KOHLER	K-2882-0	WHITE
P7	MEDICINE CABINET	ROBERN	RC2026D4FB1	N/A
P8	TOWEL BAR	KOHLER	K-11371-CP	POLISHED CHROME
P9	TOILET TISSUE HOLDER	KOHLER	K-11374-CP	POLISHED CHROME
P10	SHOWER TRIM SET	KOHLER	K-T11078 / K-304	POLISHED CHROME
P11	HANDSHOWER	KOHLER	K-17493	POLISHED CHROME
P12	CORNER BASKET	GINGER	553	POLISHED CHROME
P13	SHOWER PANEL & DOOR	FLEURCO	FRMI472	N/A
P13A	SHOWER PANEL & DOOR	FLEURCO	FRMRP60	N/A
P14	TOILET	KOHLER	K-3551	WHITE
P14A	TOILET SEAT	KOHLER	K-4774	WHITE
P15	BATHROOM SINK FAUCET	KOHLER	K-11076	POLISHED CHROME
P16	BATHROOM VANITY	BERTCH	VS36T	
P17	BATHROOM VANITY	BERTCH	V3D24T	
P17A	BATHROOM VANITY	BERTCH	V3D18T	
P18	BATHROOM VANITY	BERTCH	VTR30T	
P19	TOWEL BAR	KOHLER	K-11051-CP	POLISHED CHROME

P20	TOILET TISSUE HOLDER	KOHLER	K-11054-CP	POLISHED CHROME
P21	MEDICINE CABINET	ROBERN	RC2036D4FB1	N/A
P22	PEDESTAL BATHROOM SINK	KOHLER	K-2359-8/ K-2357	WHITE
P23	BATHROOM SINK	XYLEM	CST310WT	WHITE
P24	KITCHEN SINK FAUCET	KOHLER	K-780	POLISHED CHROME
P25	KITCHEN SINK	KOHLER	K-3822-1	POLISHED CHROME

T. Finish Schedule of Spaces Other Than Units:

ABBREVIATION FOR FINISHES

AP	ACRYLIC PLASTER
AT	ACCOUSTICAL TILE
CT	CERAMIC TILE
CPT	CARPET
CONC	CONCRETE
DP	DUSTPROOFING AND HARDNER
DE	DECK ENAMEL
HC	HUNG CEILING
LWP	LIQUID WATERPROOFING
MT	MARBLE TILE
MP	METAL PAN
PL	PAINT
SL	STONE SLAB
SP	SPRAY PAINT
ST	STONE TILE
V	VINLY
VCT	VINLY COMPOSITION TILE
VWC	VINYL WALL COVERING
GWB	GYPSUM WALL BOARD
WD	WOOD

U. Safety and Warning Devices:

1. Apartment Smoke/Carbon Monoxide Detection System:
 - i. Each Unit will contain a smoke/carbon monoxide detector located in each bedroom and in the vicinity of the bedrooms. The detector is wired to a 120-volt local power supply and is self-contained with its own sounding device. Area Smoke Detector: Gamewell #ASD-PL2F
2. Common Area Fire Detection System:
 - i. Not Required.

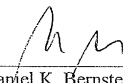
V. Energy Conservation Construction Code

1. To the best of my knowledge, belief and professional judgment, these plans and specification are in compliance with the Energy Conservation Construction Code of New York State, using Chapter 8.

W. Description of Property and Specifications

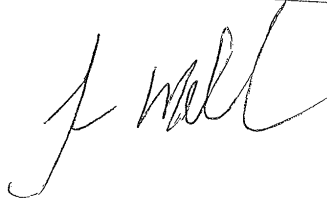
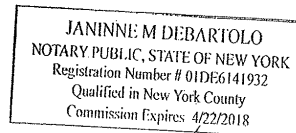
1. The following documents shall be transmitted to the condominium management upon transfer of control, as applicable:
 - Operation & Maintenance manual for mechanical equipment
 - Electronic system manual
 - Re-commissioning manual
 - Roof Warranty
 - Major Equipment Start-Up Sheets
 - Control System As-Built
 - Original Test & Balance Report for the HVAC System
 - Post-construction In-Door Air Quality Report
 - Final as-built drawings as maintained during construction, i.e., structural, mechanical, electrical, plumbing, approved shop drawings

Kutnicki Bernstein Architects, PLLC

By: 
Daniel K. Bernstein, Partner

Sworn to before me this

17 Day of November 2014



FLOOR PLANS

ON THE SOUND, CITY ISLAND

BRONX, NY

UNIT 1, 5, 9, 13
2 BEDROOMS
2 BATHS
GARDEN
GARAGE

UNIT NUMBER

1, 5, 9, 13

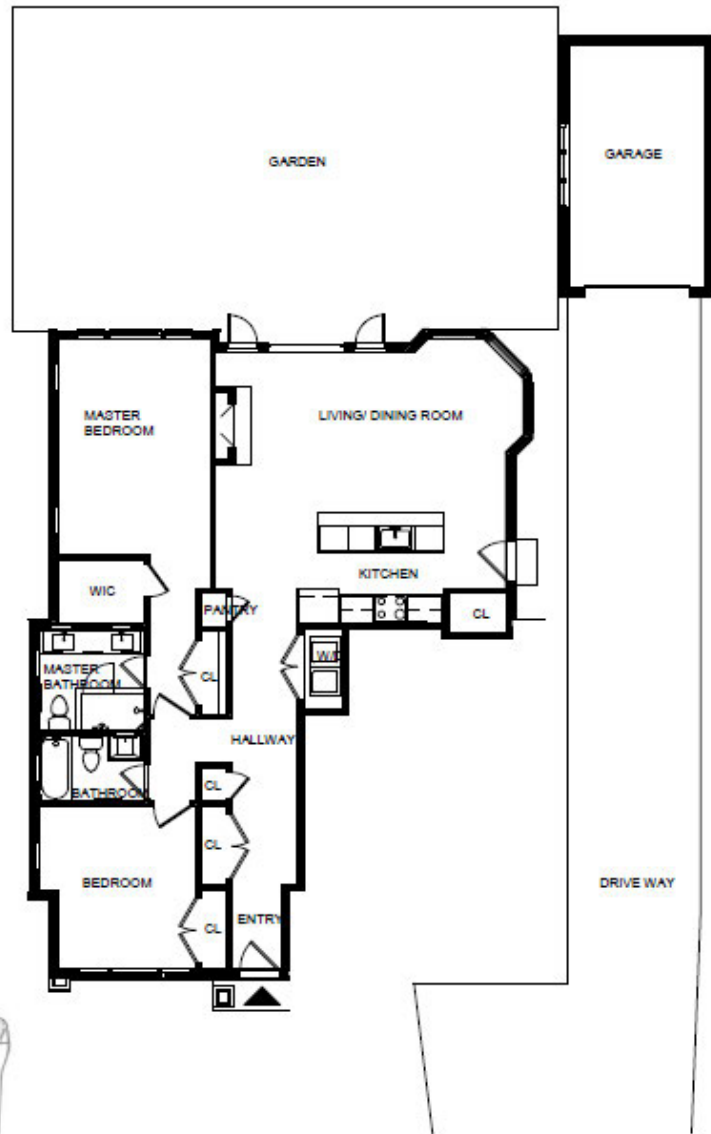
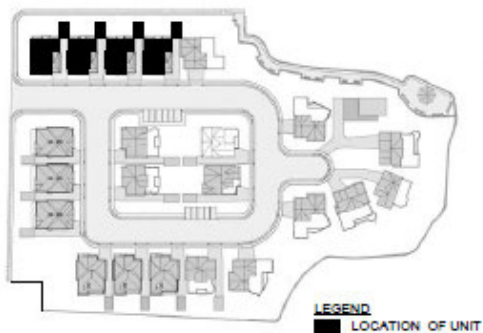
UNIT AREA

1,402 SF

DETACHED GARAGE
NUMBER

1a, 5a, 9a, 13a

DETACHED GARAGE AREA
240 SF



FIRST FLOOR PLAN

ALL DIMENSIONS ARE APPROXIMATE AND
SUBJECT TO CHANGE. Copyright 2014, City Island
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specifications, options, dimensions, design and details
described or depicted are proposed only and are subject
to change without notice. Photographs, drawings and
renderings are conceptual only and all dimensions are
approximate. E&O. E.



0 1 2 3 5 10 15

BRONX, NY

TERRACE
 MASTER BEDROOM
 LIVING/ DINING ROOM
 KITCHEN
 BATH
 MASTER BATH
 WIC
 HALLWAY
 CL
 CL
 CL
 BEDROOM
 STUDY
 WC
 WID



The first floor plan shows a large rectangular area labeled "GARAGE". To the left of the garage is a narrow hallway containing a staircase labeled "UP". At the bottom left of the garage area is a small room labeled "ENTRY". A door is shown leading from the entry into the garage.



HOUSING MERCHANT IMPLIED WARRANTY LAW

ARTICLE 36-B WARRANTIES ON SALE OF NEW HOMES

Section 777. Definitions.

777-a. Housing Merchant Implied Warranty.

777-b. Exclusion or Modification of Warranties.

Section 777. Definitions. As used in this article, the following terms shall have the following meanings:

1. “Builder” means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.
2. “Building code” means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in titled twenty-seven of the administrative code of the city of New York.
3. “Constructed in a skillful manner” means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.
4. “Material defect” means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.
5. “New home” or “home” means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided in or leased continuously for three years or more following the date of completion construction, as evidenced by a certificate of occupancy.

6. “Owner” means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.
7. “Plumbing, electrical, heating, cooling and ventilation systems” shall mean:
 - a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;
 - b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and
 - c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.
8. “Warranty date” means the date of the passing of title to the first owner for occupancy by such owner or such owner’s family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

Section 777-a. Housing merchant implied warranty.

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:
 - a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;
 - b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner;
 - c. six years from and after the warranty date the home will be free from material defects.
2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:
 - a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.
6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

777-b. Exclusion or modification of warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.
2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.
3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.
 - a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.
 - b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.
 - c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."
 - d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.
4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:
 - a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;
 - b. the identification of the names and addresses of all warrantors;
 - c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the

first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under Section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

PURCHASE AGREEMENT

City Island Reserve LLC

Sponsor-Seller

TO

Purchaser

UNIT NUMBER _____

ON THE SOUND CONDOMINIUM

ISLAND POINT

CITY ISLAND, NEW YORK 10464

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UNIT NUMBER(S) _____
OF
ON THE SOUND CONDOMINIUM
ISLAND POINT
CITY ISLAND, NEW YORK 10464
(to be executed in quadruplicate)

Purchaser: _____

Purchaser's Address: _____

Purchase Price: _____

Date: _____, 201

THIS AGREEMENT, made as of the above Date, between City Island Reserve LLC, a New York limited liability company, having an office at c/o Greystone City Island Development LLC, 152 West 57th Street, New York, New York 10019 ("Sponsor"), and Purchaser set forth above ("Purchaser"), having an address as set forth above.

W I T N E S S E T H:

1. THE PLAN. Purchaser acknowledges having received and read a copy of the Offering Plan for On The Sound Condominium and all amendments thereto, if any, filed with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") at least three (3) days prior to Purchaser's signing this Agreement. Purchaser understands that if Purchaser has not received the Plan and all amendments thereto at least three (3) full days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement within seven (7) days from the date of this Agreement. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding.

2. DEFINITIONS. Terms used herein which are also used in the Plan shall have the same meanings herein unless the context otherwise requires.

3. THE UNIT. Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the unit number(s) ____ ("Unit"), together with the percentage of undivided interest in the Common Elements of the Condominium appurtenant thereto.

4. PURCHASE PRICE.

4.1. The purchase price for the Unit (the "Purchase Price") is as set forth above.

The Purchase Price is payable as follows:

(a) \$_____ [an amount that is at least 10% of the Purchase Price], due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged;

(b) \$_____, constituting the balance of the Purchase Price, by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

4.2. All checks shall represent United States currency and shall be drawn on or issued by a New York bank or trust company which is a member of The New York Clearing House Association, unless otherwise agreed to by Sponsor. Checks for the initial payment (referred to as the "Down Payment") shall be made payable to "Davidoff Hutcher & Citron LLP, Escrow Agent" ("Escrow Agent"). Checks for the balance of the Purchase Price shall be made payable to the direct order of Escrow Agent or such other party as Sponsor may designate upon not less than two (2) days prior notice. If any check is returned for insufficient funds or any other reason, Sponsor at its option, may declare this Agreement void ab initio and of no further force and effect and may institute an action against Purchaser for the collection of the Down Payment as liquidated damages or may declare a default by Purchaser under this Agreement which shall entitle Sponsor to exercise any of the remedies set forth in Article 15 hereof.

5. AGREEMENT NOT CONTINGENT UPON FINANCING. The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof) and Purchaser understands and agrees that his failure to obtain such financing will not relieve him of his obligations hereunder. Purchaser further understands and agrees that if he chooses to finance his purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor any change in his financial status or condition shall release or relieve him of his obligations pursuant to this Agreement.

6. CLOSING OF TITLE.

6.1. The closing of title shall be held at such place in the City and State of New York and on such date and hour as Sponsor may designate to Purchaser on not less than thirty (30) days' prior written notice. In the event the Purchase Agreement is executed prior to the Plan being declared effective, the Closing shall not occur until at least thirty (30) days after the Plan is declared effective. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor's attorneys at closing an extra fee as set forth in the Plan. Sponsor, from time to time, may adjourn the date and hour for closing on written notice to

Purchaser, which notice shall fix a new date, hour and place for the closing of title and will be given not less than two (2) business days prior to the new scheduled date and time for closing.

6.2. The closing of title shall occur only after or concurrently with the compliance with the prerequisites as set forth under “Terms of Sale” in Part I of the Plan.

6.3. The term “Closing Date” or “closing of title” or words of similar import, whenever used herein, shall mean the date designated by Sponsor on which the deed to the Unit is delivered to Purchaser, or any adjourned date fixed by Sponsor pursuant to subsection 6.1 hereof.

7. DELIVERY OF THE DEED AND UNIT POWER OF ATTORNEY.

7.1. At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed without covenant against grantor’s acts conveying title to the Unit to Purchaser. The deed shall be prepared by Sponsor in substantially the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly execute a New York City Real Property Transfer Tax return and any other forms then required by law, all of which shall be prepared by Sponsor.

7.2. At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board and Sponsor substantially in the form set forth in Part II of the Plan.

7.3. The deed and power of attorney to the Condominium Board and Sponsor shall be delivered to the representative of the title company insuring Purchaser’s title (or, if no such representative is present, then to Sponsor’s attorney) for recording in the City Register’s Office, which recording shall be at Purchaser’s expense. After being recorded, the deed shall be returned to Purchaser and the power of attorney shall be sent to the Managing Agent.

7.4. Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in the form then required by the Code Withholding Section and (ii) each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with IRS §6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions.

8. MARKETABLE TITLE. At the closing of title, Sponsor shall convey to Purchaser fee simple title to the Unit, free and clear of all encumbrances other than those expressly agreed to by Purchaser or set forth in Schedule A annexed hereto and made a part hereof. Any encumbrance to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser’s title insurance company, together with the attendant recording or filing fee, if any, or (b) Excalibur Title Agency, LLC, as Agent for First American Title Insurance Company, having an address at 44 Wall Street, 10th Floor, New York, New York 10003, (Tel: 212-542-5591 (or such other title insurance company as Purchaser may utilize), is or would be

willing, in a fee policy issued by it to the Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

9. CLOSING ADJUSTMENTS.

9.1. Subject to Paragraph 15 hereof, the following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

(a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;

(b) Common Charges for the month in which title closes; and

(c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering the Unit.

9.2. If a Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If a Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment under subsection 9.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit.

9.3. Purchaser hereby agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the closing of title.

9.4. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein.

9.5. Any errors or omissions in computing apartments shall be corrected and payment made to the proper party after discovery. The provisions of this subsection shall survive the Closing.

10. MORTGAGE TAX CREDIT. In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically understood that such credit shall inure to the benefit of Sponsor. Accordingly, at closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor at closing will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

11. CLOSING COSTS. In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are

Purchaser's responsibility as more particularly described in Part I of the Plan entitled "Closing Costs and Adjustments."

12. DOWN PAYMENT. The Down Payment made pursuant to this Agreement is subject to the requirements of Section 71-a(3) of the State of New York Lien Law and Sections 352-e(2)(b) and 352-h of the General Business Law of the State of New York. Any Down Payment received from Purchaser will be held in accordance with the provisions of the Subsection entitled "Escrow and Trust Fund Requirements" under the Section entitled "Procedure to Purchase" set forth in Part I of the Plan. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Down Payment to Seller in the event Seller and Purchaser close title under this Agreement. Sponsor is required by law to submit a Form 1099 to the Internal Revenue Service reporting interest earned on Purchaser's Down Payment, if any. Purchaser will be taxed accordingly on such interest, whether or not Purchaser ultimately receives the interest in accordance with the terms of this paragraph.

13. BINDING EFFECT OF DECLARATION, BY-LAWS AND RULES AND REGULATIONS. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof

14. AGREEMENT SUBJECT TO MORTGAGE. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage, including, but not limited to, any construction or building loan mortgage, heretofore or hereafter made any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of each Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless Purchaser voluntarily assumes such mortgage or consents to the continuation of the lien thereof. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its (their) undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

15. TENANT PURCHASERS' SECURITY DEPOSITS. If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within forty-five (45) days following the Closing Date, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the Unit is occupied by other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred as of the Closing Date to Purchaser, who will upon receipt,

sign and deliver to Sponsor an agreement acknowledging the amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Sponsor and to sue the tenant to the extent such rent security is insufficient.

16. DEFAULT BY PURCHASER.

16.1. The following shall constitute "Events of Default" hereunder:

- (i) Purchaser's failure to pay the balance of the Purchase Price on the Closing Date designated by Sponsor; or
- (ii) Purchaser's failure to duly complete and sign before a notary public and deliver on the Closing Date the New York State and City transfer tax returns; or
- (iii) If Purchaser is or becomes the tenant of record of the Unit, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations; or
- (iv) If Purchaser is or becomes the tenant of record of the Unit and Purchaser vacates or abandons the Unit; or
- (v) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or
- (vi) If a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or
- (vii) If a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same; or
- (viii) Purchaser's failure to pay any closing costs set forth in this Agreement or the Plan, on the Closing Date designated by Sponsor; or
- (ix) The failure to pay, perform or observe any of Purchaser's other obligations hereunder, including Sections 24 and 26 of this Agreement, or under the terms of the Plan. .

16.2. TIME IS OF THE ESSENCE with regard to Purchaser's obligations to pay the balance of the Purchase Price and to perform Purchaser's other obligations under this Agreement. If Purchaser fails to make such payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Sponsor shall give written notice to Purchaser of such default. If such default shall not be cured within thirty (30) days thereafter, Sponsor may, at its option, cancel this Agreement by notice of cancellation to Purchaser. If Sponsor elects to cancel this Agreement, (a) Sponsor may retain all sums deposited by Purchaser

hereunder (including any amounts paid by Purchaser for additional work in the Unit), together with interest earned thereon, as liquidated damages (Sponsor's actual damages being difficult or impossible to ascertain) and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan and (b) Sponsor may sell the Unit to any third party as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale).

16.3. If Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date (a) the closing apportionments described in Section 8.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's 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 0.03% 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 or her Unit on the rescheduled Closing Date.

17. CLOSING CONTINGENT UPON PLAN BEING DECLARED EFFECTIVE.

17.1. The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time. Purchaser understands and agrees that Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter in certain limited cases set forth in the Plan (see the Section in the Plan entitled "Effective Date" for full details). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. Sponsor shall notify Purchaser, in writing or by a duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

17.2. If the Plan is abandoned or Sponsor elects not to declare the Plan effective or if after being declared effective the Plan will not be consummated for any reason, this Agreement will be deemed canceled and the Down Payment paid by Purchaser hereunder, together with interest earned thereon, if any, will be disbursed to Purchaser, subject to Sponsor's rights to retain certain funds deposited by Purchaser for special work in the Apartment, as more particularly described in the Section of the Plan, entitled "Effective Date." After the monies are so disbursed, Purchaser and Sponsor will have no claim against each other or the Selling Agent in connection with this Agreement or the Plan, and all of same will be released and discharged from all liabilities and obligations hereunder and under the Plan.

18. WITHDRAWAL OR ABANDONMENT OF PLAN. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in Part I of the Plan. Provided Purchaser is not then in default under this Agreement beyond any applicable grace period, if the Plan is withdrawn or abandoned, this Agreement shall be deemed canceled and, not later than ten (10) days thereafter, Sponsor shall return to Purchaser all

sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and, upon making such payment, neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan.

19. SPONSOR'S INABILITY TO CONVEY THE UNITS. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability, and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and, upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

20. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. At closing, the Unit will contain only those appliances, countertops, cabinets, sinks, air conditioning units (if any), hardware and other fixtures, equipment and appliances currently installed therein that are owned by the Sponsor. The Unit is being sold unfurnished. Any appliances, air conditioning units, furnishings, equipment, fixtures and other personal property owned by any tenant of the Unit are not included in this sale but continue to remain the property of such tenant. Furniture, wall coverings, furnishings, decorations and the like in or about any model Unit is for display purposes only and is not included in this sale. Any floor plans or sketches shown to Purchaser or included in the Plan are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon.

21. ACCEPTANCE OF CONDITION OF PROPERTY. The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including the Condominium Buildings, the public areas, the Unit and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called "Installations"), in their respective existing conditions, ordinary wear and tear excepted between the date Purchaser signs this Agreement and the Closing. Purchaser acknowledges having read the Description of Property, which sets forth a description of the physical condition of the Condominium Buildings set forth in Part II of the Plan. In the event construction of the Unit is complete or substantially complete, Purchaser acknowledges having inspected the Unit prior to signing this Agreement. Purchaser understands that neither the Condominium nor Sponsor have any obligation to make any repairs, improvements or decorations in or to the Property, the Buildings or the Unit, except as may otherwise be set forth in the Plan. Sponsor has agreed in the Plan to maintain the

Buildings in substantially the same condition it was in on the Filing Date, until the Closing Date (subject to ordinary wear and tear between the Filing Date and the Closing Date), unless prevented from so doing by reason of acts or events beyond Sponsor's control, as more particularly set forth in the Plan. Purchaser shall be given a reasonable opportunity to examine the Unit prior to closing and it is recommended that Purchaser make a careful examination at such time. If Purchaser fails to examine the Unit within said period(s), Purchaser shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan. Purchaser acknowledges that Purchaser must make arrangements to move into the Unit following the Closing and Purchaser agrees to follow the move-in procedures established by Sponsor or the Condominium Board. The provisions of this paragraph shall survive Closing.

22. DAMAGE TO THE UNIT. If between the date of this Agreement and the closing of title the Unit is damaged by fire or other casualty, the following shall apply:

22.1. If Purchaser is the existing tenant or occupant of the Unit, or if Purchaser is given possession of the Unit prior to closing under an Interim Lease or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit resulting from Purchaser's use or occupancy, and neither the Condominium nor Sponsor shall be obligated to make any repairs to the Unit or its installations. However, until closing Sponsor will remain responsible to make those repairs required of it as landlord under any existing lease or Interim Lease and, after closing, the Condominium Board will be responsible to make those repairs required of it under the Condominium Declaration and By-Laws.

22.2. If during Purchaser's occupancy, the Unit is damaged by casualty or otherwise, then Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the deed.

22.3. Except as provided in the preceding paragraph, all other risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor or the Condominium to repair the damage or restore the Unit. If Sponsor elects to repair or replace the loss or damage, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete, or to permit the Condominium Board to complete, such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until: (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

22.4. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed canceled and of no further force and effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

23. NO REPRESENTATIONS. Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented, Purchaser having relied solely on his own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan.

24. PROHIBITION AGAINST ADVERTISING. Prior to the closing of title, Purchaser agrees not to list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent.

25. BROKER. Purchaser represents to Sponsor that Sponsor and Sponsor's Selling Agent are the only brokers or sales agents with whom Purchaser has dealt in connection with this transaction. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Article 25 shall survive the closing of title.

26. AGREEMENT MAY NOT BE ASSIGNED. Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or

substitution of names on this Agreement, then Purchaser shall be required to pay Sponsor's reasonable attorneys' fees in advance, for preparation of an assignment agreement.

27. SALE SUBJECT TO EXISTING TENANCY.

27.1. The following is applicable to Purchasers of Units occupied by others:

Complete the following only if Purchaser is not the tenant of the Unit:

Unit is Vacant: Yes () No ()

If Unit is Occupied: Monthly Rent: \$ _____

Current Lease Term Expires: _____
or month-to-month () _____

Rent Security \$ _____

Unit is Occupied by a Non-Purchasing Tenant:

Yes () No ()

27.2. Purchaser understands and agrees that the Unit is being sold hereunder is subject to the lease or tenancy of the present tenant and Section 352-eeee of the New York State General Business Laws (the "GBL") as explained more fully in the Plan under the Section entitled "Rights of Existing Tenants" and Purchaser and Purchaser's successors and assigns shall continue to be bound by such Laws and regulations so long as such occupancy continues.

27.3. Purchaser further understands, as explained in the Plan, that if a Non-Purchasing Tenant is in possession of the Unit on the Closing Date hereunder, Purchaser must notify the Non-Purchasing Tenant of the change in ownership of the Unit promptly after the Closing Date and Purchaser will assume the rights and obligations of Sponsor as the landlord of such tenant, including the right to collect rent (whether the same be greater or less than the Common Charges established from time to time by the Condominium Board) and the obligation to maintain the Unit (including its equipment and appliances) for the benefit of the existing tenant. From and after delivery of the deed to Purchaser, Purchaser alone will bear the entire costs and expenses of owning the Unit (including, but not limited to, any legal fees and litigation expenses for enforcing the lease and obtaining possession of the Unit).

27.4. Purchaser understands that if the tenant of the Unit exercises any right granted under the Plan (or any amendment thereto) or under the Rent Laws or GBL or other applicable Law, which may or may not exist as of the date of this Agreement, or any administrative or judicial interpretation thereof, to purchase the Unit, then upon the closing of such purchase, this Agreement shall be deemed canceled and, within thirty (30) days after the occurrence of such event, all monies paid by Purchaser hereunder shall be refunded. Upon such repayment, Purchaser, Sponsor, and the Selling Agent, and any other party hereto shall be (and hereby are) released and discharged of all liability or obligations hereunder and under the Plan.

27.5. Purchaser hereby irrevocably appoints the then managing agent of the Building (which managing agent may be replaced from time to time by the Condominium Board) as Purchaser's agent, coupled with an interest, to provide for the account and at the expense of

Purchaser, all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has the right to occupy the Unit Purchaser is purchasing until such time as such right of occupancy terminates. Purchaser agrees to deposit with the managing agent at the closing hereunder a sum not less than an amount equal to two (2) months Common Charges to be used as working capital to furnish service and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL. Purchaser agrees that upon written notice by the then managing agent that such deposit has been diminished, that Purchaser shall replenish such fund within thirty (30) days thereafter. Purchaser will indemnify Sponsor for all costs expended by Sponsor on Purchaser's behalf to provide the required services. The provisions of this paragraph shall survive the closing.

28. TENANT PURCHASER'S RIGHT TO BENEFIT FROM IMPROVED TERMS.

If prior to the expiration of any exclusive purchase period, which begins prior to the First Closing Date, Sponsor amends the terms and conditions of the Plan to be more favorable to Tenant Purchasers, then if Purchaser is a Tenant Purchaser who executed and submitted this Agreement and the Down Payment before Sponsor amended the terms of the Plan, Purchaser shall benefit from the more favorable terms and conditions.

29. PURCHASER'S REPRESENTATIONS.

29.1. If Purchaser was a tenant in occupancy of a Unit in the Building on the Filing Date of the Plan, Purchaser hereby represents that this Agreement was executed and delivered by Purchaser pursuant to an offering made without a discriminatory repurchase agreement or other discriminatory inducement.

30. BINDING EFFECT. If Purchaser was a Tenant Purchaser of the Unit on the Filing Date of the Plan, this Agreement shall be accepted by Sponsor, provided Purchaser signs and returns this Agreement, together with the Down Payment, during the time within which Purchaser has the exclusive right to purchase the Unit as set forth in the Plan. If Purchaser was a Tenant Purchaser of the Unit on the Filing Date of the Plan, and signs and returns this Agreement, together with the requisite Down Payment, after the period during which Purchaser has the exclusive right to purchase the Unit, or if Purchaser is not the tenant of record of the Unit, or any other Unit in the Building, this Agreement shall not be binding upon Sponsor until a duplicate hereof, executed by Sponsor or its duly authorized agent, is delivered to Purchaser or Purchaser's attorney. In any such case, unless this Agreement, executed as aforesaid, is delivered to Purchaser within thirty (30) days after same is received by Sponsor or the Selling Agent, it shall be deemed rejected and neither party shall have any further rights or obligations hereunder with respect to the other, except that Sponsor shall be obligated to refund all monies paid by Purchaser within fifteen (15) days after such cancellation. Sponsor shall have the right to reject this Agreement without cause or explanation to Purchaser, provided such rejection is not based on sex, race, creed, color, national origin, ancestry or other ground proscribed by Law.

31. NOTICES. Any notice, request, letter, consent or other communication hereunder or under the Plan shall be in writing and hand delivered or sent, postage prepaid, by registered or certified mail, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this Agreement, with a copy to Davidoff Hatcher & Citron LLP, 605 Third Avenue, New York, New York 10158, Attn: Derek A.

Wolman, Esq. in the same manner as notice is given to Sponsor, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of hand delivery or mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself. A failure by Purchaser to acknowledge receipt of any notice, request, letter, consent or other communication hereunder shall not in any way invalidate such communication.

32. JOINT PURCHASERS. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several.

33. PERFORMANCE BY AND LIABILITY OF SPONSOR. Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor to be performed pursuant to the provisions of this Agreement, the Plan, 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and General Business Law §352-e, except those (if any) herein or therein expressly stated to survive delivery of such deed.

34. FURTHER ASSURANCES. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

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

36. SEVERABILITY. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

37. STRICT COMPLIANCE. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

38. GOVERNING LAW. The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to

agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

39. WAIVER OF JURY. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement or the relationship created hereby.

40. ENTIRE AGREEMENT. This Agreement supersedes any and all understandings and agreements between the parties with respect to the subject matter hereof.

41. CERTAIN REFERENCES. A reference in this Agreement to any gender, masculine or feminine, includes the other, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms “herein,” “hereof” or “hereunder” or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

42. CAPTIONS. The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof

43. RULE OF CONSTRUCTION. There shall be no presumption against the draftsman of this Agreement.

44. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and his heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

45. NO ORAL CHANGES. This Agreement cannot be changed or terminated orally. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES HERETO OR BY AN AMENDMENT TO THE PLAN.

46. AMENDMENTS TO THE PLAN. Subject to any provision of the Plan to the contrary, if there is a substantial amendment to the Plan that materially and adversely affects Purchaser, Purchaser will have a period of fifteen (15) days from the date of presentation of said amendment within which to rescind this Agreement and, if Purchaser exercises such right of rescission, Sponsor shall return the Down Payment, together with any interest thereon, pursuant to this Agreement within thirty (30) days.

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

SPONSOR:

CITY ISLAND RESERVE LLC, a New York
Limited Liability Company

BY: GREYSTONE CITY ISLAND
DEVELOPMENT LLC, a Delaware
Limited Liability Company, its Managing
Member

BY: _____

Name: Curtis Pollock

Title: President

PURCHASER:

(Social Security or Federal I.D. Number)

SCHEDULE A
PERMITTED ENCUMBRANCES

1. Rights of tenants or persons in possession.
2. Any state of facts which an accurate survey and inspection might show, but policy will insure that any encroachment of a portion of the unit structure upon other units or upon the common elements may remain undisturbed as long as the same shall stand.
3. Covenants, conditions, easements, leases, agreements of record, etc., as follows:
 - a. Subject to terms and conditions set forth in the Declaration of Condominium and By-Laws of TBD, recorded TBD in CRFN TBD, but policy will insure against loss or damage occasioned by the premises not being part of a condominium validly created pursuant to Article 9-B of the Real Property Law, as amended.
 - b. Unit Power of Attorney made by Purchaser to the Board of Managers to be recorded.
 - c. Declaration recorded 5/16/2007 in CRFN 2007000254232
 - d. Restrictive Declaration recorded 8/3/2012 in CRFN 2012000306859.
 - e. Declaration of Restrictions recorded 8/3/2012 in CRFN 2012000306860.
 - f. Zoning Lot Description and Ownership Statement recorded 7/29/2013 in CRFN 2013000297079.
4. No title is insured to any land lying below the high water line of the Long Island Sound, its arms, branches and tributaries by whatever name called, as the same now exists or formerly existed.
5. The right of the United States of America to enter upon and take possession, without compensation, of lands lying below the high water line of the Long Island Sound as the same now exists or formerly existed.
6. Riparian rights and easements of others over the Long Island Sound; but not any rights or easements in favor of the owner of the premises.
7. The rights of the City of New York in and to those portions of the premises which lie within the projected boundary line of the Long Island Sound.
8. All water meter and sewer charges from the last actual reading, including all charges entered after the date of the policy, but which might include usage prior thereto.
9. Mortgage made by Purchaser in an amount to be used towards the purchase of Unit, dated TBD to be recorded in the Office of the Register of BRONX County.
10. Loss or damage arising from the retroactive reimposition of the taxes from the termination of any exemption.

FORM OF UNIT DEED

THIS INDENTURE, made the _____ day of _____, 201_, between CITY ISLAND RESERVE LLC, a New York Limited Liability Company, having an address at c/o Greystone City Island Development LLC, 152 West 57th Street, New York, New York 10019 (the "Grantor") and _____ (the "Grantee"), having an address at _____.

WITNESSETH:

That the Grantor, in consideration of Ten and 00/100 (\$10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit (the "Unit") in the premises known as Unit No. ____ in the buildings ("Buildings") known as the On The Sound ("Condominium") and by the street number Island Point Road a/k/a 226 Fordham Place, in the Borough of Bronx, City and State of New York, said Unit being designated and described as Unit No. ____ in the declaration ("Declaration") establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), dated _____, 2014 and recorded in the Bronx County office of the Register of The City of New York (the "City Register's Office") on _____, in CRFN _____, and also designated as Tax Lot(s) _____ in Block 5643 of Section 18 of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of said building, certified by Kutnicki Bernstein Architects PLLC, on _____, 2014, and filed in the Real Property Assessment Department of the City of New York on _____, 2014, as Condominium Plan No. ____ also filed in the City Register's Office on _____, 2014, as Condominium Map No. _____. The premises within which the Unit is (are) located are more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of the Condominium. (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws.")

Together with the undivided _____ percentage interest in the Common Elements (as such term is defined in the Declaration):

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in (any of) the Unit, as though recited and stipulated at length herein.

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters as pertain to the Unit and/or to the Land and/or the Buildings (which Land and Buildings

are collectively referred to as the "Property"), as more particularly described in Schedule B attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provision for the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Board or provided in the Declaration or the By-Laws, the Unit is intended for residential use only.

The grantee covenants (on behalf of grantee and its heirs, successors and assigns) that for a period of one year from the date hereof, the Unit shall be owned as the primary residence of grantee (or grantee's heirs, successors and assigns). This covenant shall be binding upon the grantee and grantee's heirs, successors and assigns for one year from the date hereof, at which time it will automatically terminate.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first written above.

GRANTOR:

CITY ISLAND RESERVE LLC,
a New York Limited Liability Company by
GREYSTONE CITY ISLAND
DEVELOPMENT LLC, a Delaware
Limited Liability Company, its Managing Member

By: _____
Name: Curtis Pollock
Title: President

GRANTEE(S):

Name:

Name:

ACKNOWLEDGMENT

STATE OF NEW YORK)

ss.:

COUNTY OF _____)

On this _____ day of _____ in the year 201_, 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

ACKNOWLEDGMENT

STATE OF NEW YORK)

ss.:

COUNTY OF _____)

On this _____ day of _____ in the year 201_, 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

INTERIM LEASE

Consult your lawyer before signing this lease

CONDOMINIUM UNIT LEASE

Landlord and Tenant agree to lease the Unit and the Stated Interest in the Common Elements at the rent and for the term stated:

PREMISES: _____	UNIT: _____
CONDOMINIUM ASSOCIATION: <u>ON THE SOUND CONDOMINIUM</u>	
PARKING SPACE: _____	PARKING FEE: _____
LANDLORD: <u>CITY ISLAND RESERVE LLC</u>	TENANT: _____

Date of Lease: _____	Annual Rent: \$ _____
Lease Term: _____	Monthly Rent: \$ _____
Commencement Date: _____	Security Deposit: \$ _____
Termination Date: _____	

1. Use and Occupancy

The Unit may only be used strictly for residential purposes and may only be occupied by Tenant and Tenant's spouse and children.

2. Inability to Give Possession

The failure of Landlord to give Tenant possession of the Unit on the Commencement Date shall not create liability for Landlord. In the event that possession of the Unit is not delivered on the Commencement Date, Monthly Rent hereunder shall begin on the date that possession of the Unit is delivered to Tenant and shall be prorated for that portion of the month in which possession is delivered.

3. Rent

A. Tenant shall pay Monthly Rent in full on the first day of each month of the Lease. Monthly Rent shall be paid in advance with no notice being required from Landlord. Tenant shall not deduct any sums from the Monthly Rent unless Landlord consents thereto in writing. Rent shall not be abated or forgiven due to damage to or inability to use the common elements.

Upon signing this Lease, Tenant shall pay Landlord the first Monthly Rent due and the Security Deposit. The entire amount of rent due for the Lease Term is due upon signing this Lease; however, Landlord consents to the Tenant paying same in monthly installments provided there exists no defaults by Tenant under the terms of this Lease.

B. Additional Rent may include, but is not limited to

1. any additional insurance premiums and/or expenses paid by Landlord which are chargeable to Tenant as stated hereinafter:

2. all increases in Common Charges, Common Expenses and Association dues allocated to the Unit which are in excess of those charges as of the date this Lease is executed;

3. any increase in the real estate taxes above the real estate taxes being levied for the tax year in effect as of the date this Lease is executed.

Additional Rent is due and payable with the Monthly Rent for the next month after Tenant receives notice from Landlord that Additional Rent is due and payable.

4. Condition of Unit

Tenant acknowledges that Tenant is accepting the Unit in its **"as is"** condition. Tenant further acknowledges that Tenant has thoroughly inspected the Unit and has found the Unit to be in good order and repair and that the appliances, if any, are in good operating condition. Tenant further states that Tenant knows how to operate the appliances and shall do so in accordance with the manufacturer's instructions.

Landlord is not responsible in any way for errors contained in the condominium brochure or plans.

5. Security

The Security Deposit is due upon the Tenant signing this Lease. The Security Deposit shall not be used for the payment of Monthly Rent and/or Additional Rent unless agreed to, in writing, by Landlord and Tenant. Within ten (10) days after Tenant surrenders possession of the Unit at the expiration of the Lease Term, Landlord shall return the Security Deposit, less any cost of repairs as authorized by this Lease, to Tenant at an address Tenant provides.

6. Services and Utilities

Tenant is responsible for paying all electric, gas, water, telephone and any other utilities allocated to the Unit. Use of a dishwasher, clothes washer and dryer machines, freezer, air purifier, portable heater, air conditioner or similar appliances is prohibited without Landlord's written consent.

Landlord will supply (a) heat, in such quantity and for such time as mandated by law, (b) hot and cold water, (c) air conditioning, if already existing in the Unit (the "Services"). If the Services are temporarily interrupted due to an accident, emergency and/or repairs, Tenant's obligation to pay rent, in full, shall not be affected thereby.

Landlord will also supply a refrigerator, stove/oven, dishwasher, window air conditioning unit, clothes washer and clothes dryer (the "Appliances"). Any damage to the Appliances which is caused by the willful and/or negligent acts of Tenant may be repaired by Landlord, the cost of which shall be Additional Rent.

(Tenant shall pay for the following services either directly or to Landlord when billed: electric, fuel, gas, oil, water, telephone, landscaping, snow removal, sanitation _____.)

7. Furnishings

The Unit is being delivered (furnished) (unfurnished). If furnished, Landlord has given an inventory of the furnishings which inventory has been signed by Tenant and Landlord. Tenant acknowledges that said furnishings are in good condition and Tenant accepts same in **"as is"** condition.

8. Repairs and Alterations

Tenant shall maintain all appliances, equipment, furniture, furnishings and other personal property included under this Lease and, upon the surrender of the Unit on the Termination Date, Tenant shall surrender same to Landlord in the same condition as received, reasonable wear and tear excepted. Tenant shall make all repairs which become necessary due to Tenant's acts and/or negligence. If Tenant does not make such repairs, Landlord may do so, the cost of which shall be Additional Rent. In the event that Tenant defaults under the terms of this Paragraph 8, Landlord may make necessary repairs or replacement, the cost of which shall be deducted from the Security Deposit.

Tenant shall not make any alterations, additions, modifications and/or changes to the Unit during the Lease Term.

Should a mechanic's lien be filed against the Unit and/or the building in which the Unit is situated (the "Building") due to Tenant's failure to pay for alterations and/or repairs and/or work performed in the Unit, Tenant must immediately either pay or file a bond for the amount stated in the mechanic's lien. In

the event Tenant fails to so pay or bond the mechanic's lien, Landlord may do so upon giving twenty (20) days prior written notice to Tenant, Landlord's cost for which shall be Additional Rent.

Provided the Condominium Association is obligated to do so, Landlord will cause the Condominium Association to repair any damage, except if such damage is the result of the acts and/or negligence of Tenant

9. Maintenance of Unit

Tenant shall maintain the Unit in a neat, clean and presentable condition.

10. Pets

Pets of any kind or nature (shall) (shall not) be allowed in the Unit.

11. Damage, Fire or Other Catastrophe

In the case of fire damage or other damage to the Unit not caused by Tenant, Tenant shall give Landlord immediate notice of same. Upon receipt of such notice, Landlord may either (a) repair the Unit or (b) terminate the Lease. If Landlord makes repairs to the Unit, Landlord shall have a reasonable time in which to do so. If the damage to the Premises or the Unit renders the Unit uninhabitable, Landlord shall give notice to Tenant, after repairs are made, of the date on which the Unit may be reoccupied. Monthly Rent for the period that Tenant cannot occupy the Unit because of the damage shall be forgiven. In the event that Landlord terminates this Lease because of the damage, Landlord shall give Tenant three (3) days notice of Landlord's intent to so terminate, in which event, Monthly Rent shall be due for the period up to the date the Premises or the Unit incurred the damage.

Notwithstanding the provisions of Section 227 of the New York Real Property Law, if the Unit is situated is substantially damaged by fire or other catastrophe (the "Occurrence"), Landlord has the absolute right to demolish, renovate or rebuild the Unit. Landlord may cancel this Lease, in such event, upon thirty (30) days written notice to Tenant of Landlord's intent, which notice shall include the date on which the Lease terminates, which shall, in no event, be less than thirty (30) days from the date of said notice. By canceling this Lease in accordance with the terms of this Paragraph, Landlord is not obligated to repair, renovate or rebuild the Unit. Monthly Rent and Additional Rent shall be paid by Tenant up to the date of the Occurrence.

12. Liability

Landlord shall not be liable for any loss, damage or expense to any person or property except if such loss is caused by the willful acts of Landlord.

Tenant shall be liable for the acts of Tenant, Tenant's family, guests and/or invitees. Landlord's cost and expense in repairing any such damage or from any claim resulting from such acts shall be billed as Additional Rent and shall be paid by Tenant to Landlord.

Landlord is not liable to Tenant should anyone be refused entry into the Building.

Landlord is not liable for damages or otherwise if Tenant suffers them as a result of any acts of commission or omission of the Condominium Association, its Board of Managers or any other party responsible to the Condominium Association or its Board of Managers. Landlord is not liable to Tenant with regard to any of the obligations of the Condominium Association, its Board of Managers or other party responsible to them under the Condominium Declaration. The obligation to pay Rent and Additional Rent under this Lease continues even if the Condominium Association, its Board of Managers and other party responsible to them fails to perform such obligations. Landlord will use its best efforts to cause the Condominium Association, its Board of Managers and other party responsible to them to fulfill their obligations.

Tenant, by executing this Lease agrees to indemnify and hold Landlord harmless from and against any claims arising from the Condominium Declaration related to Tenant's acts and/or negligence.

13. Insurance

Tenant is obligated to carry whatever property and/or liability insurance that Landlord requires and shall have named on the policy of insurance Landlord, as an insured. Tenant must deliver a copy of the declaration page of the policy of insurance or the binder showing Landlord as an insured prior to taking possession of the Unit.

14. Entry

Except in an emergency, for the purposes of repair, inspection, extermination, installation or repair of any system, utility or appliance or to do any work deemed necessary by Landlord, Landlord may enter the Unit on reasonable notice and at reasonable times. Upon giving such notice, Landlord may also enter the Unit to show the Unit to prospective purchasers, lenders or other persons deemed appropriate and necessary by Landlord. During the last three (3) months of the Term of this Lease, Landlord may enter the Unit to show the Unit to prospective tenants.

Landlord is not responsible for disturbance to tenant or damage to Tenant due to work being performed on behalf of Landlord or the Condominium Association and Tenant waives any claim of eviction in such event.

Upon reasonable notice to Tenant, the representatives of the Condominium Association, Board of Managers or any other party authorized by them or by the Condominium Declaration may enter the Unit and Landlord assumes no responsibility nor shall Landlord be liable for any damage or loss caused by them.

15. Assigning or Subletting

This Lease may not be assigned by Tenant nor shall Tenant sublet the Unit.

16. Subordination

This Lease and Tenant's rights hereunder are subject and subordinate to all existing and future leases for the Building in which the Unit is situated, to all mortgages on said leases and/or the Unit and/or the Building and all renewals, modifications and extensions thereof. Upon request by Landlord, Tenant shall execute any certificate to this effect.

17. Landlord's Consent

If, under the terms of this Lease, the consent of Landlord is required, such consent shall not be unreasonably withheld.

18. Keys, Locks

Tenant shall give Landlord keys to all locks for the Unit. Tenant shall not change any locks or add any locks to the Unit without obtaining Landlord's consent, and if given, Tenant shall provide keys to Landlord for these locks.

19. Signs

Tenant shall not place any signs on the Unit or upon the Building or in the Unit so as to be seen from outside the Unit.

Landlord shall have the right to place or cause to be placed on the Unit and/or upon the Building, "For Rent" and/or "For Sale" signs.

20. Compliance with Authorities

Tenant shall, at its own cost and expense, comply promptly with all laws, rules, ordinances and directions of governmental and/or municipal authorities, insurance carriers and/or the Condominium Association and/or Board of Managers. Tenant shall give all notice Tenant receives which are for Landlord.

21. Tenant's Defaults, Landlord's Remedies

A. Landlord must give Tenant notice of default (except for a default in the payment of Monthly Rent and/or Additional Rent) and Tenant, upon receipt of such notice must cure the default within the time stated hereinafter:

1. a default under Paragraphs 8, 9, 10, 11, 12, 13, 15, 18, or 19 of this Lease, ten (10) days;
2. a default under Paragraph 23 of this Lease, thirty (30) days.

B. In the event that Tenant fails to cure a default within the time stated therefore, Landlord may terminate this Lease. In such event, Landlord shall give Tenant notice stating the date upon which this Lease shall terminate, such date being not less than three (3) days after the date of such notice at which

time this Lease shall then terminate. Tenant shall be responsible for Monthly Rent and Additional Rent as set forth in this Lease up to the date of termination.

C. If this Lease is terminated or Tenant vacates the Unit prior to the Termination Date, Landlord may enter the Unit and remove Tenant and any person or property and/or commence summary proceedings for eviction. The aforesaid actions are not the sole remedies of Landlord.

D. If this Lease is cancelled or Landlord takes back the Unit

1. Monthly Rent and Additional Rent for the unexpired portion of the Lease Term immediately becomes due and payable. In addition, any cost or repair expended by Landlord shall be the obligation of Tenant and shall be deemed Additional Rent.

2. Landlord may re-rent the Unit and anything in it for any term and at any rental and any cost in connection therewith shall be borne by Tenant which may include, but is not limited to the cost of repairs, decorations, preparation for renting, broker's fees, advertising costs and attorney's fees. Any rent recovered by Landlord for the re-renting of the Unit shall reduce the amount of money that Tenant owes to Landlord.

22. Condemnation

If any or part of the Unit is taken or condemned by any governmental authority, Landlord may cancel this Lease on notice to Tenant and Tenant's rights hereunder shall end as of the date the authority takes title to the Unit which cancellation date cannot be less than thirty (30) days from the date of Landlord's notice. Tenant shall be liable for Monthly Rent and Additional Rent to the date of cancellation and shall make no claim for the unexpired term of the Lease. Any award for the condemnation is the property of Landlord and Tenant assigns to Landlord any and all rights, interest and/or claim in and to such award.

23. Bankruptcy

Should Tenant file a voluntary petition in bankruptcy or an involuntary petition is filed against Tenant, or should Tenant assign any property for the benefit of creditors or should a trustee/receiver be appointed of Tenant and/or Tenant's property, Landlord can cancel this Lease upon thirty (30) days written notice to Tenant.

24. Notices

Any notice to be given under this Lease shall be in writing addressed to the party at the addresses set forth herein by certified mail or overnight courier service. Notice by Landlord to one named Tenant shall be deemed given to all Tenants and occupants of the Unit. Each party hereto shall accept notices sent by the other. Any change of address by one party must be given, by notice, to the other. Notice shall be deemed given when posted or delivered to the overnight courier service.

25. Waiver of Jury Trial, Set-Off or Counterclaim

The parties hereto waive trial by jury in all matters except for personal injury or property damage claims. In a summary proceeding for eviction, Tenant waives Tenant's right to any set-off and/or counterclaim.

26. Broker

Tenant states that _____ is the sole Broker who showed the Unit to Tenant. Tenant shall hold harmless and indemnify Landlord from any monies expended by Landlord should Tenant's statement herein be untrue.

27. Inability of Landlord to Perform

If Landlord is unable to perform any of its obligations to be performed hereunder due to governmental orders, labor strife or inability to secure goods or materials, through no fault on the part of Landlord, the Condominium Association and/or its Board of Managers, this Lease shall not be terminated or cancelled and such inability shall not impact upon Tenant's obligations hereunder.

28. Illegality

Should any part of this Lease be deemed illegal, the remaining portions of this Lease shall not be affected thereby and shall remain in full force and effect.

29. Non-Disturbance

So long as Tenant pays the Monthly Rent and Additional Rent and there exists no defaults under any of the terms of this Lease, Tenant may peacefully occupy the Unit for the Lease Term.

30. Non-Waiver

Any failure by Landlord to insist upon Tenant's full compliance with the terms of this Lease and/or to enforce such terms shall not be deemed to be a waiver of Landlord's rights to insist upon or so enforce the terms of this Lease at a future date.

31. Rules

Tenant shall comply with these rules (the "Rules") at all times. If there is a change in the rules, Landlord will give Tenant notice of same. Landlord shall not be liable to Tenant for another Tenant's violation of the Rules. The rights afforded under the following Rules are for the sole benefit of Landlord:

- (a) the quiet enjoyment of other tenants shall not be interfered with;
- (b) sounds, odors and lights which are annoying to other tenants are not allowed;
- (c) floors within the Unit must be covered over 70% of the area of each room except for the bathroom and kitchen;
- (d) all posted rules must be followed;
- (e) smoking is not permitted in the Unit or hallways;
- (f) All flammable or dangerous items may not be kept or stored in the Unit;
- (g) no one is allowed access to or the enjoyment of the roof;
- (h) nothing shall be placed on or attached to the fire escapes, windows, doors or in the hallways or common areas;
- (i) elevators, if any, are to be used by tenants and their guests only. Bicycles are not allowed in the elevators. Tenants and their guests are not to leave any garbage, trash and/or debris in the elevators;
- (j) moving of furniture in and out of the Unit must be scheduled with the Landlord;
- (k) all deliveries must be made by means of the service entrance, if any;
- (l) laundry machines, if provided, may be used at tenants' risk and cost, may only be used at reasonable hours and all instructions for their use must be strictly followed;
- (m) cleaning of the exterior of the windows from the outside is strictly forbidden;
- (n) if parking is provided, improperly parked vehicles may be immediately removed at tenant's cost;
- (o) tenant may not leave any baby carriages/strollers, bicycles, boxes, cartons and/or any items in hallways;
- (p) tenant shall use its best efforts to conserve energy and water;
- (q) hot plates or means of cooking other than the stove are not permitted.

32. Limitation of Recovery

Should Tenant obtain a judgment or other remedy from a court of competent jurisdiction for the payment of money by Landlord, Tenant is limited to the Landlord's interest in the Premises for the collection of same. Landlord shall not be liable for the acts of the Condominium Association, its Board of Managers, their agents or representatives.

33. Construction and Demolition

Construction and/or demolition may be done in or near the Unit and Building and if same interferes with the ventilation, view and/or enjoyment of the Unit, Tenant's obligations under this Lease shall, in no way, be affected.

34. Terraces and Balconies

If there is a terrace or balcony as an adjunct to the Unit, such terrace or balcony is subject to the terms of this Lease.

Tenant shall keep the terrace or balcony clean, clear of snow, ice, garbage and other debris. No alteration or additions may be made to the terrace or balcony. Tenant's property may not be stored on the terrace or balcony. Cooking on the terrace or balcony is prohibited.

Tenant shall maintain the terrace or balcony in good condition and make all repairs at Tenant's cost, except those of a structural nature which is the responsibility of Landlord and/or Condominium Association.

35. Common Recreational Areas

If applicable, Landlord may give Tenant use of any playground, pool, parking or other areas, the use of which will be at Tenant's own risk and Tenant shall pay any charge imposed by Landlord for such use. Landlord's permission to use these areas may be revoked at any time.

36. Parties Bound

This Lease is binding upon Landlord and Tenant and their respective assignees and/or successors in interest.

37. Paragraph Headings

Paragraph headings are for reference only.

38. Effectiveness

This Lease shall become effective as of the date when Landlord delivers a fully executed copy hereof to Tenant or Tenant's attorney.

39. Entire Agreement

Tenant states that Tenant has read this Lease and that it fully incorporates all understandings, representations and promises made to Tenant by Landlord and/or Landlord's agent and that this Lease supersedes all prior representations, agreements and promises, whether oral or written.

40. Amendments

This Lease may only be changed or amended in a writing signed by the parties hereto.

41. Riders

Additional terms are contained in the riders annexed hereto and designated On The Sound Condominium Lease Rider.

42. Parking Space

If this Lease provides for a parking space for Tenant's use, any fee that Landlord charges Tenant shall be Additional Rent and paid in accordance with Paragraph "3 B" of this Lease.

43. Definitions

a) Condominium Association. The Unit owners association and/or organization, the membership of which is comprised of Unit Owners (defined below).

b) Board of Managers. Persons selected, authorized and empowered to manage and operate the Building as set forth in the Condominium Declaration filed in the Office of the Clerk of the County in which the Building is situated.

c) Common Charges. The Unit's share of the Common Expenses.

d) Common Elements. As defined in the Condominium Declaration.

e) Common Expenses. The expenses of operating the Condominium as determined by the Board of Managers.

f) Common Interest. The proportionate interest a Unit Owner has in the Common Elements.

g) Unit Owner. The person or entity having title to a unit or units in the Condominium.

44. Surrender of Unit

On the Termination Date, Tenant shall deliver the Unit to Landlord vacant, in good condition and broom clean. Prior to such delivery, Tenant shall have vacated the Unit, removed Tenant's property,

repaired all damages caused by Tenant and return the Unit in the same condition as received, reasonable wear and tear excepted.

45. Voting Rights

Tenant, by virtue of this Lease, does not obtain any voting rights which Landlord has to vote with respect to any matter for which a vote is called by the Condominium Association or its Board of Managers.

46. Sale of Unit

In the event Landlord sells the Unit, Landlord may terminate this Lease on thirty (30) days prior written notice to Tenant, in which event Tenant shall vacate the Unit on the date set forth in said notice.

This Lease has been entered into as of the Date of Lease.

LANDLORD

TENANT

CITY ISLAND RESERVE LLC

By: _____

Name:

Title:

GUARANTY

The undersigned Guarantor guarantees to Owner the strict performance of and observance by Lessee of all the agreements, provisions and rules in the attached Lease. Guarantor agrees to waive all notices when Lessee is not paying rent or not observing and complying with all of the provisions of the attached Lease. The Guarantor further agrees to be equally liable with Lessee so that Owner may sue Guarantor directly without first suing Lessee. The Guarantor further agrees that this guaranty shall remain in full effect even if the Lease is renewed, changed or extended in any way and even if owner has to make a claim against Guarantor. Owner and Guarantor agree to waive trial by jury in any such action, proceeding or counterclaim brought against the other on any matters concerning the attached Lease or the Guaranty.

Date: _____

GUARANTOR

Witness

Signature

Name: _____

Address: _____

ON THE SOUND CONDOMINIUM

LEASE RIDER

Date of Lease:	_____	Unit:	_____
Landlord:	CITY ISLAND RESERVE LLC	Tenant:	_____

The parties hereto agree as follows:

1. This rider is executed simultaneously with the Lease to which it is annexed. If there are any inconsistencies between the Rider and the Lease, this Rider shall be paramount and controlling.

2. Any rule of construction or interpretation purports to require that the language in this Rider be construed or interpreted against the Condominium will not be considered in the construction or interpretation of this Rider or any of their provisions.

3. The parties acknowledge that Unit is located in the On The Sound Condominium (The "Condominium") and this lease is subject and subordinate to the Declaration, By-Laws and Rules and Regulations of the Condominium (the "Condominium Documents"). Tenant agrees that it will observe and perform all of the terms, covenants and conditions of the Condominium Documents and will not cause or permit any default thereunder to the extent applicable to a Tenant or occupant of the Unit.

4. In the event Landlord is in default in payment of common charges or any other charges (e.g. electric) owing to the Condominium for a period of thirty (30) days following the date when these charges are due, and for so long as the Landlord is in default, all rent and any other sums which may become due from Tenant to Landlord under the Lease or otherwise, will, upon notice from the Condominium, be paid by Tenant directly to the Condominium.

5. Any payments by Tenant to the Condominium shall constitute a discharge of obligations of Tenant to Landlord to the extent of the amount so paid.

6. The Condominium may take and apply all or part of payments it receives from Tenant, to amounts owed by Landlord to Condominium including but not limited to common charges, late fees, interest and attorney's fees. Thereafter, the Condominium shall remit to Landlord the remainder, if any, of payments received by Condominium from Tenant.

7. Landlord acknowledges and agrees to the Condominium's right as hereinabove described to demand, receive and enforce payment from Tenant, and to bring suit to recover all rents or other sums payable to Landlord under the Lease, all of the foregoing at Landlord's expense.

8. Nothing contained in the Lease shall be deemed to constitute a release of Landlord from any of his/her obligations as unit owner under the Condominium Documents. Landlord shall remain fully liable for the performance of all of the obligations of the unit owner under the Condominium Documents and shall be fully responsible and liable to the Condominium for all acts or omissions of Tenant should any such acts or omissions of Tenant violate any of the obligations of the Landlord under the Condominium Documents. The parties shall be jointly and severally liable to the Condominium for all expenses of the Condominium, including attorney's fees, in enforcing the obligations of either party hereunder.

9. The parties acknowledge that this rider is executed for the benefit of the Condominium, and that the Condominium *shall* be deemed: a third-party beneficiary of the provisions hereof. In case of any conflict between other provisions of the Lease and those contained in this Rider, the provisions of this Rider shall control.

10. As used in this Rider, "Landlord" refers to owner of Unit at the On The Sound Condominium, City Island, Bronx, New York. "Tenant" refers to the person or persons leasing Unit from Landlord; and "Condominium Documents" refer to the Declaration, By-Laws or Rules and: Regulations, the Tenant shall be permitted to use the amenities located in the Building, subject to the policies and procedures governing the use of same, including, without limitation, the imposition of any fees, if applicable.

11. Any rule of construction or interpretation that parts to require that the language in this Lease be construed or interpreted against the drafter will not be considered in the construction or interpretation of this Lease or any of its provisions, it being agreed that this Lease was negotiated by both parties with the aide of counsel.

12. Tenant acknowledges and understands that the Landlord has no obligation to supply or liability in connection with, utilities including, without limitation, gas and electricity, in or to the Unit. Tenant shall be solely responsible for arranging and paying for utilities including payment of electric sub-metering charges, if applicable.

13. Tenant agrees and understands that Owner is entitled to implement such procedures, rules and regulations as, in its discretion, Owner deems appropriate in order to identify and/or screen all Tenants or other would be entrants into the building and to inspect all packages that such persons wish to bring into the buildings. In the event the Unit is or becomes occupied by any person other than the Tenant including but not limited to, family members and/or roommates of Tenant, with the exception of temporary guests, it shall be a substantial obligation of the tenancy and this Lese (in addition to any other independent obligations under law) that Tenant so notify Owner within thirty (30) days of such person taking occupancy and, thereafter, providing, to Owner such reasonable information as Owner may request of Tenant regarding each occupant, including, but not limited to, such type of information as Owner requested of Tenant, when Tenant applied for permission to initially rent the Unit. Tenant's failure to provide such notification to Owner and to provide such information upon request of Owner shall constitute a material breach of this Lease.

14. The lease to which this rider is attached may not be modified, amended, extended or assigned without the prior consent, in writing, of the Board of Managers (the "Board") and that the Tenant shall not assign his interest in such lease, or sublet the demised premises or any part thereof without the prior consent in writing of the Board and that the Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the Tenant in the name of the landlord, in the event of (i) a delimit by the Tenant in the performance of its obligations under the lease or (ii) a foreclosure of a lien.

15. Any default by the Tenant under the terms of this Lease and Rider shall also be a default by the Purchaser under the terms of a certain purchase agreement for this Unit between the Tenant, as Purchaser and Owner (the "Purchase Agreement"). In addition, any uncured default under the Purchase Agreement with respect to the unsold unit which is the subject of this Lease will constitute a default under this Lease entitling Landlord, on behalf of itself and the condominium, at Landlord's option, to terminate this Lease in accordance with applicable law.

16. In the event of a default under the purchase agreement or rescission of the purchase agreement by the Tenant, Tenant shall have thirty (30) calendar days to vacate the unit. Tenant must also pay Landlord's expenses including but not limited to costs associated with regaining possession, reasonable legal fees, broker fees, cleaning and repairing costs and advertising costs. These expenses shall be considered as additional rent due to Landlord.

LANDLORD

TENANT

CITY ISLAND RESERVE LLC

By: _____

Name:

Title:

If more than one Tenant, all must sign.

DECLARATION OF CONDOMINIUM

**Establishing a Plan for Condominium Ownership
of the Premises known as
On The Sound Condominium**

Island Point, City Island, Bronx, New York 10464

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

Name: On The Sound Condominium

**Declarant: City Island Reserve LLC
C/O Greystone City Island Development LLC
152 West 57th Street
New York, New York 10019**

Date of Declaration

_____, 2014

**Prepared By: Derek Wolman
Davidoff Hutcher & Citron LLP
605 Third Avenue
New York, New York 10158
(212) 557-7200**

**The land affected by the within instrument
lies in Block 5643, Lots 1101-1157 (formerly Lot 235), Section 18
on the Tax Map of the City of New York,
County of Bronx and State of New York**

INDEX TO DECLARATION

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DECLARATION
OF
ON THE SOUND CONDOMINIUM

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

City Island Reserve LLC, a New York Limited Liability Company, having an office at c/o Greystone City Island Development LLC, 152 West 57th Street, New York, NY 10019 (hereinafter referred to as “Declarant”), does hereby declare as follows:

PART I

Article 1

Definitions

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the content in which the same are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Article 2

Submission of the Property

Declarant hereby submits the Property to the provisions of the Condominium Act and, pursuant thereto, does hereby establish a regime for condominium ownership of the Property as more particularly set forth herein in the By-Laws.

Article 3

Name of Condominium

The Condominium shall be known as On The Sound Condominium.

Article 4

The Land

The Land, which is located in the Borough of Bronx, City and State of New York, on a parcel that is more particularly described in Exhibit A annexed hereto, is owned by Declarant in fee simple absolute and has an area of approximately 279,154 square feet.

Article 5

The Buildings

There will be 43 units in 21 two-family residential buildings (42 single family units), 1 single family residence and a Club House with pool. The Buildings are classified as Class V combustible with attic and garage space and are erected over a cement slab.

Article 6

The Units

a) Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its designation number; (ii) its tax lot number; (iii) its approximate location in the Building; (iv) its approximate area; (v) the number of rooms contained in the Unit; (vi) the portions of the Common Elements to which such Unit has immediate access; and (vii) the Common Interest appurtenant to such Unit. The precise location of each Unit within the buildings is shown on the Floor Plans.

b) The boundaries of each Unit consist of the area measured horizontally between the hidden (unexposed) surfaces of the plaster or masonry walls enclosing each such Unit and they are measured vertically from the top of the floor to the underside of the structural concrete ceiling. However, any Common Elements located within a Unit shall not be considered a part of such Unit.

c) Each Unit includes the following areas in or bounding the same: (i) the front entrance door and any other entrance doors to such Unit; (ii) the interior walls, partitions and floor coverings and plastered ceiling affixed, attached or appurtenant to such Unit; (iii) all windows (including, without limitation, their panes, easements and frames) located within or opening from, such Unit; (iv) any and all equipment, fixtures and appliances (including, without limitation, heating and cooling equipment, plumbing facilities, sinks, bathtubs, water closets, refrigerators, ovens, ranges, dishwashers and any other appliances) affixed, attaché, or appurtenant to such Unit and benefiting only that Unit.

d) Notwithstanding anything contained in this Article 6, to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity of such Unit or of the Buildings.

Article 7

The Common Elements

The Common Elements consist of the Land and those rooms, areas and other portions of the Buildings (other than the Units), as well as those Facilities therein, either currently or hereafter existing for the common use of the Unit or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intention to limit the generality of the foregoing in any respect, the Common Elements include:

the Land; all foundations, columns, beams, supports, girders, exterior walls, interior walls, partitions, floors, roofs, and ceiling in, on, or under the Buildings, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof;

all corridors, mechanical and electrical equipment spaces, and entrances to, and exits from, the buildings, to the extent same are not expressly included as part of a Unit pursuant to the terms of Article 6 hereof;

all central and appurtenant installations and facilities for service such as power, light, telephone, gas, sewer, plumbing, draining, hot and cold water distribution, heat, cable television and other mechanical and electrical systems to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof; and

all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or commitment to, the existence, maintenance, or safety of the Property to the extent same are not expressly included as part of a Unit pursuant to the terms of Article 6 hereof.

The Common Elements shall remain undivided, and no Unit Owner or any other person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-Laws.

Article 8

Determination of Common Interest

The Common Interest of each Unit has been determined, pursuant to the provisions of the Condominium Act, is the approximate proportion that the floor area of the Unit at the date of this Declaration bears to the current aggregate floor area of all Units together with other factors in accordance with the Condominium Act.

Article 9

Use of Units

a) Except as set forth in subparagraph (c) hereof, each Unit may be used only as a residence by not more than one family and for any home occupation permitted by law provided such home occupation use does not violate the terms and conditions of the then existing Certificate of Occupancy for such Unit or the Building in which the Unit is located.

b) In the event a Unit is owned or leased by an individual, corporation, partnership, fiduciary or any other entity may be occupied only by such individual, or by a designated officer, director, stockholder or employee of such corporation, or by a designated partner or employee of such partnership, or by such fiduciary (including a designated director, officer, stockholder or employee of a corporate fiduciary and a designated partner or employee of a partnership fiduciary), or by the beneficiary of such fiduciary, or by a principal or designated employee of such other entity, respectively, or by family members or guests of any of the foregoing. Nothing contained herein shall prohibit the exclusive occupancy of the Unit in question by such family members. However, guests are permitted to occupy a Unit only when the owner of such Unit or such owner's designee or its or his family members are present. Within thirty (30) days after a person, other than a natural person, becomes the owner of a Unit, such non-individual owner shall notify the Managing Agent, in writing, of the name of the officer, director, stockholder, partner or employee designated by such owner to occupy its Unit. The non-individual owner may charge such designee from time to time by similar written notice to the Managing Agent. All designees must be bona fide officers, directors, stockholders, partners or employees of such owner and, under no circumstances, may more than one family occupy a Unit at one time. The foregoing restrictions in this paragraph (b) do not apply to Unsold Units; they may be leased to any persons (whether individuals, corporations, partnerships, fiduciaries or other entities) and, in the case of Unsold Units, occupied by any person authorized by such lessee and approved by the owner of such Unsold Units, who is not required to comply with the designation notice requirement set forth in the preceding paragraph (b) (ii). However, under no circumstances may more than one family occupy an Unsold Unit at one time.

c) Notwithstanding anything in this Declaration to the contrary, Declarant shall have the right to use any one or more Unsold Units as models and offices for selling, rentals, management, operation and promotion of the Unsold Units owned by it or for any other lawful purpose, subject only to compliance with the law.

Article 10

Easement for the Enjoyment of Common Elements

a) Subject to the terms of the By-Laws and the Rules and Regulations, as well as the Association's By-Laws and Rules and Regulations, the Unit Owners (including Declarant, as long as each owns any Unit), all other permitted tenants and occupants of the Building, the Selling Agent, the Managing Agent, the Board of Managers and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for, the use and enjoyment of, all the Common Elements. Notwithstanding the foregoing, however, no person shall use or enjoy the Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so.

b) Notwithstanding anything to the contrary contained in paragraph (a) hereof, Declarant and its successors, assignor, invitees, licensees, contractors, employees, agents and tenants shall have an easement in, over, under, through and upon the Common Elements, as designated by Declarant, in its sole discretion, for sales, rental, or display purposes, which right shall include, without limitation, the right to place "for sale", "for rent" and other signs and promotional materials of such size and content as Declarant shall determine, in, on, or about and adjacent to the Building (including on the exterior walls thereof) and the Property.

Article 11

Other Easements

a) Subject to the terms of the By-Laws and to the Rules and Regulations, as well as the Association's By-Laws and Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Common Elements and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility lines and all other utility distribution systems, whether or not Common Elements located in, over, under, through, adjacent to, or upon any other Unit, Common elements and utility distribution system serves, or is necessary to the service of, such owner's Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, the Board of Managers shall have an easement and a right of access to each such Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under,

through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other persons, or to avoid the suspension of any necessary service in the Building.

b) Declarant (for so long as it owns any Unit) reserves for itself, and to the Board of Directors, on behalf of all Unit Owners, the right to grant such additional electric, gas, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Declarant or the Board of Directors, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of a Building or any portion thereof or for the general health or welfare of the Unit Owners, tenants and occupants of the appropriate Unit, provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes. Any utility company, as well as its officers, employees and agents, shall have a right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

c) Each Unit and the Common Elements shall have easements of subjacent, support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

d) If (i) any portion of the Common Elements now encroaches upon any Unit or upon any other portion of the Common Elements, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements or (iii) any such encroachment shall hereafter occur as a result of (x) the settling or shifting of the Building, (y) any repair or alteration made to the Common Elements in accordance with the terms of this Declaration and the By-Laws by, or with the consent of, the Board of Managers or Declarant or Declarant's designee, or (z) any repair or restoration made to the Building or any portion thereof, to any Unit, or to the Common Elements in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty or after the taking by condemnation or eminent domain proceedings, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Building or the affected Unit, Common Elements shall stand.

e) Subject to the terms of the Association's By-Laws and the Rules and Regulations, all Unit Owners in future condominium phases, if any, and the officers, directors, agents and employees of the Association shall have an easement for ingress and egress over the streets located on the Property and on the grounds, and the use

and enjoyment of any of the Association's recreational facilities which may be located on the Property.

f) In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

g) The Board of Directors of the Association, including its agents and employees, shall have an easement in, over, under, through, and upon the Common Elements for the purpose of performing the purposes of the Association as set forth in the Association's By-laws, including but not limited to, maintenance of the streets, parking areas, grounds, exterior of the Buildings, exterior utility liens and any recreational facilities which may be located on the Common Property.

Article 12

Changes in Units

Declarant or its designee (as the case may be) shall have the right, to the extent not prohibited by law, without obtaining the consent or approval of the Board of Managers, other Unit Owners, or Mortgage Representatives (if any): to make alterations, additions, or improvements (whether structural or non-structural, interior or exterior, ordinary or extraordinary) in, to and upon Unsold Units, provided and on condition that:

A. no physical modification shall be made to any other Units and the Common Interest and interior dimensions of any other Units shall not be changed by reason thereof, unless the owner of any such other affected Unit shall consent thereto;

B. Declarant or its designee (as the case may be) shall comply with the Law;

C. Declarant or such designee (as the case may be) shall indemnify and hold harmless the Board Managers and all other Unit Owners from any liability arising therefrom; and

D. such alteration, addition or improvement shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other person at the Property;

to change the layout of, or number of rooms in, any Unsold Units, provided and on condition that:

A. Declarant or its designee (as the case may be) shall comply with the Law;

B. Declarant or its designee (as the case may be) shall indemnify and hold harmless the Board of Managers and all other Unit Owners from any liability arising therefrom; and

Subject to the terms of the Association's By-Laws and Rules and Regulations, all Unit Owners in future condominium phases, and the officers, directors, agents and employees of the Association shall have an easement (or ingress and egress over the streets located on the Property, the grounds, and the use and enjoyment of any of the Association's recreational facilities which may be located on the Property: to change the size and/or number of Unsold Units by (i) further subdividing one or more Unsold Units into two or more Units, (ii) combining two or more separate Unsold Units into one or more Units, (iii) altering the boundary walls of any Unsold Unit, or (iv) otherwise, provided and on condition that:

A. the Common Interest of any Unit affected by such change in size or number shall be appropriately reapportioned based on floor area;

B. the Declaration and Floor Plans shall be appropriately amended to reflect the changes made to such affected Units and the reapportionment of the Common Interest for each, all in accordance with the Condominium Act;

C. Declarant or its designee (as the case may be) shall comply with the Law; and

D. Declarant or its designee (as the case may be) shall indemnify and hold harmless the Board of Managers and all other Unit Owners from any liability arising therefrom.

E. The provisions of this Article 12 may not be added to, amended, modified, or deleted without the prior written consent of Declarant.

Article 13

Acquisitions of Units by the Board of Managers

If any Unit Owner surrenders his or her Unit, together with its Common Interest, to the Board of Managers pursuant to the terms of the By-Laws or of Section 339 X of the Condominium Act or the Board of Managers, pursuant to the terms of the By-Laws or otherwise, either acquires or leases a Unit, together with its Common Interest, or purchases a Unit, together with its Common Interest, at a foreclosure or other similar

sale, then, in any such event, title or the leasehold estate, as the case may be, in and to such Unit and such Common Interest shall be held by the Board of Managers or its designee, corporate or otherwise, as a Common Element on behalf of all Unit Owners, in proportion to their respective Common Interest. Any lease or sublease of any Unit leased or subleased by the Board of Managers or its designees shall be held by the Board of Managers or such designees, corporate or otherwise, as a Common Element on behalf of all Unit Owners, in proportion to their respective Common Interest.

Article 14

Power of Attorney to Declarant

and the Board of Managers

a) Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and the power of substitution, (i) Declarant, to amend the Condominium Documents pursuant to the terms of Article 13 hereof and (ii) the Persons who shall from time to time constitute the Board of Managers, jointly, to:

- i. acquire or lease any Unit, together with its Common Interest, (1) whose owner desires to sell, convey, transfer, assign, lease, or surrender the same or (2) that becomes the subject of foreclosure or other similar sale, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners;
- ii. convey, sell, lease, mortgage or otherwise deal with, but not to vote the Common Interest appurtenant to any Unit so acquired or to sublease any Unit so leased; and
- iii. execute, acknowledge and deliver (1) any declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements and that the Board of Managers deems necessary or appropriate.

b) In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Declarant, Declarant's designee or the Board of Managers, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form set forth as Exhibits to this Declaration and the Offering Plan.

Article 15

Termination of Condominium

The Condominium shall continue until terminated by (i) casualty, loss, condemnation, or eminent domain, as more particularly provided in the By-Laws or (ii) withdrawal of the Property from the provisions of the Condominium Act by a vote of at least eighty percent (80%) of all Unit Owners, both in number and in aggregate Common Interest. No such vote under clause (ii) in the preceding sentence shall be effective without the written consent of the Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed. Declarant will not vote the aggregate Common Interest appurtenant to the Unsold Units for such withdrawal unless at least eighty percent (80%), both in number and in aggregate Common Interest, of all other Unit Owners so elect for such withdrawal, at which time Declarant may choose to vote either in favor of, or against, withdrawal from condominium ownership, as it sees fit. In the event that said withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interest provided, however, that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

Article 16

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 a 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 Owners 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 then days after request therefore, 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 days after request therefore, 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 Declarant (or its designee), then Declarant (or its designee) 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 Persons, as the case may be.

Article 17

Covenants to Run with the Land

a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 17, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon, and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his or her heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating any rights in, or for the benefit of, the general public. All present and future owners, tenants 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 acceptance of a deed or conveyance of the succeeding to title, the entering into 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, conveyance, or lease.

b) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from the Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part

thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

c) Subject to the terms of paragraph (b) of this Article 17, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon, and 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.

Article 18

Amendments to this Declaration

a) Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, any provision of this Declaration may be amended, modified, added to, or deleted by the vote of at least 66 2/3% of all Unit Owners, both in number and aggregate Common Interest, taken in accordance with the provisions of the By-Laws. However, no amendment, modification, addition or deletion pursuant to the preceding sentence shall be effective without the written consent of the Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed. In addition, such amendment, modification, addition, or deletion: (i) shall not be effective until recorded in the Register's Office and (ii) shall be executed by the Board of Managers as attorney-in-fact for the Unit Owners, which power shall be deemed to be coupled with an interest, and the Board of Managers is hereby authorized by the Unit Owners so to act as their attorney-in-fact. Subject to the rights of Declarant or its designee under Articles 9, 10, 11, 12, 14 and 15 of this Declaration. Articles 9, 10, 11, 12, 14 and 15 of this Declaration may not be amended, modified, added to, or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, set forth above) 80%, both in number and in aggregate Common Interest, of all Unit Owners affected thereby approve such amendment, modification, addition, or deletion in the manner set forth above.

b) Declarant or its designee shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Board of Managers, or the Mortgage Representative (if any), to execute, acknowledge and record (or, at the Declarant's or such designee's sole option, to require the Board of Managers or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by law, one or more amendments to this Declaration (including, without limitation, to Exhibit B there), together with such documents, plans and maps as the Declarant or such designee deems appropriate to effectuate the same:

- i. to reflect any changes in the Unsold Units, including any reapportionment of the Common Interest resulting therefrom made by the Declarant in accordance with the terms of Article 12 hereof; or
- ii. required by (x) an Institutional Lender designated by the Declarant to make a loan secured by a mortgage on any unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Declarant to insure title to any Unit;

provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this paragraph shall not (1) change the Common Interest of any other Unit not then owned by Declarant, (2) require a material, physical modification of any other Unit not then owned by Declarant, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of the affected Unit in the event described in subparagraph (1) or (2) of this paragraph or the holder of such mortgage (in the event described in subparagraph (3) of this paragraph) shall consent thereto by joining in the execution of such amendment.

c) Any amendment to this Declaration may be executed (i) if on behalf of the Declarant pursuant to the terms of paragraph (b) hereof, by any partner of the On The Sound Condominium or (ii) if on behalf of the Unit Owners or by the Board of Managers, by the President or Vice President and the Secretary or an Assistant Secretary of the Condominium. If the amendment requires the approval of a specified percentage of the Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certification shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

d) Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no Amendment to the Condominium Documents shall be adopted which would:

- i. (A) unreasonably interfere with the sale, lease or other disposition of an Unsold Unit;
- (B) abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, privilege or benefit reserved to Declarant or its designee; or
- (C) impose any discriminatory charge or fee against Declarant or its designee, unless Declarant or such designee shall consent thereto, by joining in the execution of such Amendment;
- ii. abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, privilege or benefit reserved to the Declarant, unless the Declarant shall consent thereto by joining in the execution of such Amendment; or
- iii. change the permitted use of any Unit or such Unit's Common Interest, unless the owner of such affected Unit shall consent thereto by joining in the execution of such Amendment.

Article 19

Consents of Declarant

Wherever the consent, approval, satisfaction, or permission of Declarant or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Declarant or such designees (as the case may be) no longer owns any residential Units.

Article 20

Person to Receive Service

Davidoff Hutcher & Citron LLP, having an office at 605 Third Avenue, 34th Floor, New York, New York, attention: Derek Wolman, Esq., or any Managing Agent, should the designee resign or be disqualified, is hereby designated to receive service of process in any action that may be brought against the Condominium. Additionally, City Island Reserve LLC may be served by service upon the New York Secretary of State.

Article 21

Incorporation by Reference

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Owner's Power of Attorney annexed hereto as Exhibit E and appearing in the Offering Plan as an exhibit; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the body hereof.

Article 22

Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Article 23

Severability

Subject to the provisions of paragraphs (b) and (c) of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by law. Any conflict between any provision of the Condominium Documents and the Condominium Act, or questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

Article 24

Successors and Assigns

The rights and/or obligations of, and limitations imposed on, Declarant as set forth herein shall inure to the benefit of, and shall be binding upon, its successors and assignees as well as any designated transferees of their respective Units. Subject to the foregoing, Declarant shall each have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment or otherwise.

Article 25

Gender

A reference in this Declaration to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Article 26

Captions

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Declaration or the interest of any provisions hereof.

Article 27

Unit Deeds

Any individual Unit Deed (including any related documents) transferring title to a Unit from Declarant to another need only be executed by a member of City Island Reserve LLC.

IN WITNESS WHEREOF Declarant has caused this Declaration to be executed
as of the day of , 2014.

CITY ISLAND RESERVE LLC, a
New York limited liability company
By Greystone City Island Development,
a Delaware limited liability company, its
Managing Member

By: _____

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

On the day of in the year 2014, before me, the undersigned,
personally appeared _____, personally known to me or
proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s)
is (are) subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their capacity (ies) and that by his/her/their signature(s) on
the instrument, the individual(s), or the person upon behalf of which the individual(s)
acted, executed the instrument.

Notary Public

EXHIBIT A TO DECLARATION

DESCRIPTION OF THE LAND

PARCEL I

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Bronx, County of Bronx, City of New York, State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of Fordham Street with the easterly side of Fordham Place as said streets are shown on the Final Maps;

RUNNING THENCE along the southerly side of Fordham Street North 73 degrees 24 minutes 24 seconds East, 101.86 feet to a point;

THENCE South 15 degrees 12 minutes 24 seconds East 215.00 feet to a point; THENCE North 73 degrees 24 minutes 24 seconds East 143.00 feet to a point;

THENCE North 15 degrees 12 minutes 24 seconds West 215.00 feet to the southerly side of Fordham Street;

THENCE still along the southerly side of Fordham Street North 73 degrees 24 minutes 24 seconds East 87.14 feet to a point;

THENCE South 7 degrees 21 minutes 59 seconds East 25.33 feet to a point;

THENCE North 73 degrees 24 minutes 24 seconds East 344.67 feet to a point;

THENCE South 16 degrees 35 minutes 36 seconds West 167.27 feet to a point;

THENCE South 5 degrees 55 minutes 33 seconds West 208.14 feet to a point;

THENCE South 73 degrees 24 minutes 24 seconds West 17.84 feet to a point;

THENCE South 9 degrees 1 minute 20 seconds West 85.42 feet to a point;

THENCE South 76 degrees 34 minutes 27 seconds West 504.524 feet to a point;

THENCE North 15 degrees 18 minutes 26 seconds West 49.16 feet to a point;

THENCE South 73 degrees 24 minutes West 69.11 feet to the easterly side of Fordham Place;

THENCE North 15 degrees 18 minutes 26 seconds West 192.32 feet to a point;

THENCE North 73 degrees 24 minutes 24 seconds East 25 feet to a point;

THENCE along the easterly side of Fordham Place, North 15 degrees 18 minutes 26 seconds West 192.32 feet to the point or place of BEGINNING.

PARCEL 2

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Bronx, County of Bronx, City of New York, State of New York, bounded and described as follows:

COMMENCING at the intersection of the southerly side of Fordham Street with the easterly side of Fordham Place;

THENCE easterly along the southerly side of Fordham Street North 73 degrees 24 minutes 24 seconds East a distance of 143.00 feet to a point;

THENCE South 15 degrees 12 minutes 24 seconds East, a distance of 215.00 feet to a point;

THENCE parallel with Fordham Street, South 73 degrees 24 minutes 24 seconds West a distance of 143.00 feet to a point;

THENCE North 15 degrees 12 minutes 24 seconds West a distance of 215.00 feet to the point or place of BEGINNING

EXHIBIT B TO DECLARATION

DESCRIPTION OF THE UNITS

Unit No. per House (i)	Tax Lot (ii)	Unit Model (iii)(vi)	Beds (v)	Baths (v)	Sq Ft (iv)	% Common Elements (vii)
1	1101	G-1	2	2	1,402	1.689
3	1102	G-2	3	3.5	1,864	2.246
P2 Garage	1103					
5	1104	G-1	2	2	1,402	1.689
7	1105	G-2	3	3.5	1,864	2.246
P4 Garage	1106					
9	1107	G-1	2	2	1,402	1.689
11	1108	G-2	3	3.5	1,864	2.246
P6 Garage	1109					
13	1110	G-1	2	2	1,402	1.689
15	1111	G-2	3	3.5	1,864	2.246
P8 Garage	1112					
17	1113	H-1	3	3	1,969	2.373
19	1114	H-2	3	3.5	2,406	2.899
21	1115	H-1	3	3	1,969	2.373
23	1116	H-2	3	3.5	2,406	2.899
25	1159	CLUBHOUSE			1,716	
26	1156	E-1	3	3	1,942	2.34
28	1157	E-2	3.5	3	2,314	2.788
P43 Garage	1158					
27	1117	I-1	3	3	2,139	2.577
29	1118	I-2	3	3.5	2,556	3.08
31	1119	K	3.5	3.5	3,331	4.014
30	1153	D-1	3	3	1,918	2.311
32	1154	D-2	3	3	2,329	2.806
P41 Garage	1155					
33	1120	I-1	3	3	2,139	2.577
35	1121	I-2	3	3.5	2,556	3.08
37	1122	H-1	3	3	1,969	2.373
39	1123	H-2	3	3.5	2,406	2.899
41	1124	H-1	3	3	1,969	2.373
43	1125	H-2	3	3.5	2,406	2.899
45	1126	B-1	3	3	1,883	2.269
47	1127	B-2	2	2.5	1,909	2.3

P23 Garage	1128					
49	1129	A-1	2	2	1,475	1.777
51	1130	A-2	3	3.5	1,940	2.338
P25 Garage	1131					
53	1132	A-1	2	2	1,475	1.777
55	1133	A-2	3	3.5	1,940	2.338
P27 Garage	1134					
57	1135	A-1	2	2	1,475	1.777
59	1136	A-2	3	3.5	1,940	2.338
P29 Garage	1137					
61	1138	F-1	2	2	1,409	1.689
63	1139	F-2	3	3	1,746	2.104
P31 Garage	1140					
65	1141	F-1	2	2	1,409	1.689
67	1142	F-2	3	3	1,746	2.104
P33 Garage	1143					
66	1150	B-1	3	3	1,883	2.269
68	1151	B-2	2	2.5	1,909	2.3
P39 Garage	1152					
69	1144	F-1	2	2	1,409	1.689
71	1145	F-2	3	3	1,746	2.104
P35 Garage	1146					
70	1147	C-1	3	3	2,007	2.418
72	1148	C-2	2	2	1,900	2.289
P37 Garage	1149					

EXHIBIT C TO THE DECLARATION

DEFINITIONS

“Board of Managers” shall mean the governing body of On The Sound Condominium, which was established pursuant to the terms of this Declaration and is to be governed pursuant to the terms of the By-Laws.

“Buildings” shall mean the buildings situated on the Land located at Island Point Road, City Island, Bronx, New York.

“By-Laws” shall mean the By-Laws of the Condominium, which are annexed as Exhibit D to this Declaration (Exhibit to the Offering Plan), as the same may be amended from time to time pursuant to the terms thereof.

“Common Charges” shall mean 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), to meet the Common Expenses.

“Common Elements” shall mean all those parts of the Property and Facilities contained in such areas or elsewhere other than the Units.

“Common Expenses” shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to this Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacements with respect to the Common Elements or to make up any deficit in the Common Charges for any prior year(s); (iii) the purchase, lease, or sublease by the Board of Managers or its designees, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell, lease, transfer, or convey the same or that is to be sold at a foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium.

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

“Condominium Act” shall mean 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” shall mean this Declaration and all exhibits thereto, including the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.

“Declarant” shall mean City Island Reserve LLC with an office at c/o Greystone City Island Development LLC, 152 West 57th Street, New York, New York 10019 and its successors and assigns, if such successors or assigns should acquire Unsold Units.

“Declaration” shall mean this Declaration as executed by Declarant for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof.

“Facilities” shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Buildings and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the entrance, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term “Facilities” shall include all systems, equipment, apparatus, converters, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wire ways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drains, catch basins, leaders, filters, incinerators, canopies, closets, risers, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, draperies, shades, window coverings, wall paper, wall coverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

“Family Members” shall mean the spouse or one living companion, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law and grandparents of a Unit Owner who reside in such Unit Owner’s Unit.

“First Closing” shall mean the first date upon which title to a Unit is conveyed to a Purchaser pursuant to the terms of the Plan.

“Floor Plans” shall mean the floor plans of the Units certified by Kutnicki Bernstein Architects PLLC, Architect and filed in the Register’s Office simultaneously with the recording of this Declaration, together with any supplemental floor plans thereto.

“Initial Control Period” shall mean the period ending on the earlier of (i) the closing of title with Purchasers under the Plan to Units having more than fifty (50%) percent of the aggregate Common Interest appertaining to all Units or (ii) the five years from the date of the First Closing.

“Institutional Lender” shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, or mortgage trust or (ii) a federal, state, municipal, teacher’s or union employee, welfare, pension or retirement fund or system.

“Institutional Mortgage” shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Declarant or its designee or an institutional Lender.

“Insurance Trustee” shall mean a bank or a trust company, in either event having both an office in the County of New York and a capital surplus and undivided profits of \$500,000,000 or more, from time to time appointed to serve as such by the Board of Managers.

“Land” shall mean all that certain two tracts, plots, pieces and parcels of land situate, lying and being in the Borough of Bronx, City of New York and State of New York, as more particularly described in Exhibit A to this Declaration.

“Law” shall mean the laws and ordinances of any or all of the Federal, New York State, City of New York governments, the rules, regulations, orders and directors of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

“Managing Agent” shall mean Person employed by the Board of Managers pursuant to Article III, Section 11 of the By-Laws, who shall undertake to perform the duties and services that the Board of Managers shall direct and who shall have whatever powers the Condominium shall designate, subject to the limitations contained in Article III, Section 11 of the By-Laws.

“Majority of Unit Owners” shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of Article II, Section 1 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

“Mortgagee Representatives” shall mean the representatives of the holders of all mortgages encumbering Units, designated by the holders of institutional Mortgages in accordance with the terms of paragraph (B) of Section 8.6 of the By-Laws.

“Permitted First Mortgage” shall mean a Permitted Mortgage that is a first mortgage lien against a Unit.

“Permitted First Mortgagee” shall mean any holder of a Permitted First Mortgage.

“Permitted Mortgagee” shall mean any holder of a Permitted Mortgagee at the time in question.

“Person” shall mean any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

“Plan” shall mean that certain offering plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.

“Property” shall mean the Land, the Buildings, all other improvements erected or to be erected on the Land, all easements, rights and appurtenances pertaining thereto and all other property, real, personal or mixed, used or intended to be used in connection therewith.

“Register’s Office” shall mean the Office of the City Register of the City of New York, Division of Land Records.

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

“Selling Agent” shall mean any Person employed by Declarant or its designee in connection with the sale, renting, management, operation and/or promotion of the Unsold Units.

“Special Assessments” shall mean 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), in accordance with Article V, Section 1 of the By-Laws.

“Unit” shall have the same meaning as such term is defined in the Condominium Act, and shall refer to all the Units (residential and commercial).

“Units” shall mean more than one Unit.

“Unit Owners” shall mean the owners of all Units at the time in question.

“Unsold Unit” shall mean any Unit owned by Declarant or its designee at the time in question.

“Unsold Units” shall mean more than one Unsold Unit.

IN WITNESS WHEREOF Declarant has caused this Declaration to be executed as of the _____ day of _____, 2014.

CITY ISLAND RESERVE LLC,
a New York Limited Liability Company by
GREYSTONE CITY ISLAND
DEVELOPMENT LLC, a Delaware Limited
Liability Company, its Managing Member

By: _____
Name: Curtis Pollock
Title: President

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

On the _____ day of _____ in the year 2014 before me, the undersigned, personally appeared _____ personally know 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 individually(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

BY-LAWS
OF
ON THE SOUND CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM UNIT OWNERSHIP

Section 1. Condominium Unit Ownership. The property located at Island Point Road, City Island, Borough of Bronx, City and State of New York, as specifically set forth in the Offering Plan and more commonly known as On The Sound Condominium has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term “Condominium” as used herein shall include the land and all the buildings and improvements thereon including the Condominium Units (hereinafter referred to as “Units”), and the common elements and the use and occupancy thereof. The term “Building” as hereinafter used shall be defined as the exterior walls and roof of a number of units all of which are constructed under a continuous roof.

Section 3. Personal Application. All present or future Unit owners, mortgagees, and lessees and their employees and any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Offering Plan and any Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Offering Plan and the Rules and regulations are accepted, ratified and will be complied with.

ARTICLE II. VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Unit Owners. “Unit Owner” as referred to herein shall mean all of the owners of each Unit.

Section 2.1. Voting. Unit Owners may vote some or all of the vote for a member of the Board of Managers but may not cast more votes than their unit has. If the Sponsor

or Board of Managers own any units it shall not cast any of its votes for the election of any non sponsor member of the Board.

Section 2.2. Sponsor control. The Sponsor as owner of unsold units will have voting control until the majority of units are sold or alternatively, to the second annual meeting.

Section 3. 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. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Unit Owners present in person or by proxy shall decide any question brought before such meeting, and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provision of the Declaration, statute, or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used and shall be revocable at any time by written notice to the Secretary. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever a vote of the Unit Owners at a meeting is required or permitted by any provision of the Declaration, statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings. Within 30 days after title to the last Unit is conveyed by the Sponsor but in any event no later than one (1) year after the recording of the Declaration, the Sponsor shall call the first annual Unit Owners' meeting. At such meeting a new Board of Managers shall be elected by the Unit Owners, and the former members of the Board shall thereupon resign. Thereafter, annual meetings shall be held on the anniversary of such date each succeeding year, or on such other date as may be fixed by a vote of the Unit Owners. At such meetings there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

Section 10. 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 and having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of Unit Owners, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least five (5) but not more than thirty (30) days prior to such meetings. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Report of officers.
- (e) Reports and committees.
- (f) Election of inspectors of election (in the event there is an election).
- (g) Election of Managers (in the event there is an election).
- (h) Unfinished business.

Section 13. Amendment of By-Laws. At a special or regular meeting of the Unit Owners the By-Laws may be amended by a vote of no less than 2/3 or 66-2/3% of the eligible voters.

ARTICLE III. BOARD OF MANAGERS

Section 1. Number and Term. The number of Managers which shall constitute the whole Board shall be three (3). Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Unit Owners. Within the limits above specified, the number shall be determined by the Unit Owners at each annual meeting. The Managers shall be elected at the annual meeting of the Unit Owners. At the first annual meeting of Unit Owners, the term of office of each Manager shall be one (1) year. The Managers shall hold office until their successors have been elected and hold their first meeting. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of one (1) year.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Managers, though less than a quorum, at a special meeting duly called for the purpose of filling this unexpired term in respect to such vacancy, shall be held within fifteen (15) days of the creation of the vacancy (ies).

Section 3. Removal. Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners, provided, however, that any Manager who is a member of Sponsor or a Sponsor designee can only be removed for willful misconduct, gross negligence or conviction of a misdemeanor or felony. After the first annual meeting of Unit Owners, no Manager shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner.

Section 4. First Board of Managers. The first Board of Managers shall consist of 3 persons designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of unit owners. One unit owner, who is independent of the Sponsor, shall be designated by the Sponsor to the first Board at a Board meeting within 90 days of the closing of title to the first unit or upon the

closing of title to 10% of the Units, whichever is later. In no event shall the Sponsor or his designees constitute a majority of the Board of Managers after the second annual meeting or upon the sale of more than 50% of the units, whichever first occurs. However, for so long as the Sponsor owns at least ten (10%) percent of the total units it shall have the right to designate one (1) Board member. 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 2 of this Article.

Section 5. Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers which may exercise all such powers of the Condominium and all such lawful acts as are not by statute or by the Declaration or these By-Laws, directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments (“Common Charges”) to cover the cost of common expenses payable in advance. The Board of Managers may increase the Common Charges or vote a special assessment in excess of the regular Common Charges, as required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro rata according to their respective interest in the Common Elements (“Common Interest”).

2. To collect, use and expend the assessments collected to maintain, care for and preserve the Units, Buildings and other Common Elements.

3. To make repairs, restore or alter any Units or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

4. To enter into and upon the Units when necessary and with as little inconvenience to the Unit Owner as possible in connection with the maintenance, care and preservation of the property.

5. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts.

6. To insure and keep insured the common elements and Units in accordance with Article VI of those By-Laws.

7. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the property for violations of the house rules or rules and regulations herein referred to.

8. To distribute reports and information to Unit Owners.

9. To make reasonable rules and regulations and amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit Owners when the Board has approved them in writing. A copy of such rules and regulations and amendments shall be delivered to each Unit Owner.

10. To employ all personnel necessary for the maintenance and operation of the Condominium and to discharge same when appropriate and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of manager in connection with the matters hereinabove set forth.

11. To bring and defend actions pertinent to the operation of the Condominium.

Section 6. Repairs and Maintenance. All maintenance, repairs and replacements to the common elements of the property including but not limited to exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, ducts, cables, conduits and public utility lines located in and servicing the same Unit or any portion of which is located in one Unit and services another Unit or more than one Unit as well as all maintenance, repairs and replacements to any pipes, wires, ducts, cables, conduits and public utility lines as are located in the common elements whether or not it serves one or more Units shall be made by the Board of Managers and the cost thereof shall be a common expense. The Board of Managers shall repair all plumbing stoppages and electrical repairs whether they occur in a Unit or in the common elements and shall maintain, repair or replace all balconies, patios, doors and windows whether in the Units or in the Common Elements (except that maintaining, repairing and replacing balconies, patios, doors and windows abutting a Unit shall be done by the Unit Owner at his own expense. The Board of Managers shall have a right of access to any Unit and to all portions of the common elements for the purpose of carrying out any of its obligations under this Offering Plan, the By-Laws or the Declaration of the Condominium. The Board of Managers will provide snow removal for the sidewalks and driveways on the property.

Section 7. Compensation. Managers and officers, as such, shall receive no compensation for their services.

Section 8. Meetings.

The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. At the meeting the Board shall elect Officers including a President, Secretary and Treasurer. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owner's annual meetings, and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall be set.

Regularly scheduled meetings of the Board may be held without special notice.

Special meetings of the Board may be called by the President on two (2) days notice to each Manager either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three Managers.

At all meetings of the Board, a majority of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided for by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meeting of Managers, the Managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Before or at any meeting of the Board of Managers, any Manager, in writing, may waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

Section 9. Annual Statement. The Board of Managers shall furnish to all Unit Owners, their mortgagees and the Department of Law of the State of New York and shall present annually (at the annual meeting) and, when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the

business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding taxable income attributable to the Unit Owner and a notice of the holding of the annual Unit Owners' meeting.

Section 10. Fidelity Bonds. The Board of Managers may require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

Section 11. Management Agent. The Board of Managers may employ for the Condominium a management agent under a term contract or otherwise with compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, all of the delegate duties of the building listed in this Article.

Section 12. Liability of the Board of Managers and Unit Owners. Any contract, agreement or commitment made by the Board of Managers, shall state that it is made by the Board of Managers, as agent for the Unit Owners as a group only and that no member of the Board of Managers, nor individual Unit Owner, shall be liable under such contract, agreement or commitment. The Unit Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Unit Owner shall be limited to such proportion of the total liability thereunder as his common interest bears to the common interest of all Unit Owners. The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for willful misconduct or bad faith, and the Unit Owner's shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his or her duties hereunder except acts of willful misconduct or acts made in bad faith. Such several liability of the Unit Owners shall, however, be limited as to each Unit Owner to such proportion of the total liability thereunder as such Unit Owner's common interest bears to the common interest of all Unit Owners.

ARTICLE IV. 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 or Unit Owner, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, by depositing same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, such Manager or Unit Owner at such address as appears on the books of the Condominium.

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 V. FINANCES

Section 1. Assessments. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and any supplement to the budget to every Unit Owner and mortgagee. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the common elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective common interests appurtenant to such Units. This proration of assessments shall remain constant regardless of the percentage of the building square footage included in each Unit or the common elements restricted to the use of the Unit Owner of said Unit. Said assessments shall be payable in equal monthly installments in advance as ordered by the Board of Managers. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments. The Unit Owner agrees to pay promptly when due the monthly and all special assessments assessed against his Unit. Any Unit Owner who fails to pay any assessment imposed by the Condominium shall be liable for any expenses incurred by the Condominium in collecting said assessment plus interest at the rate of 12% per annum and reasonable attorneys' fees and costs and fees of collection. The Board shall take action to collect any common charges due from any Unit Owner

which remains unpaid 90 days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339-a of the Real Property Law or otherwise.

The Unit Owner shall be liable for any common charges which accrue against his Unit subsequent to a sale, transfer or other conveyance by him of his Unit in accordance with the By-Laws and the Declaration. A purchaser of a Unit (other than a mortgagee or a purchaser if a foreclosure sale) shall be liable for the payment of all common charges assessed against the Unit and unpaid at the time of the purchase.

Section 2. Statement of Common Charges. Upon written request of any Unit Owner or his mortgagee, the Board shall promptly furnish such Unit Owner or his mortgagee with a written statement of unpaid common charges due from such Unit Owners.

Section 3. Liability for Water and Sewer Charges. All water consumed in the Units and in the common elements as well as sewer charges shall be a common expense.

Section 4. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation, including but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the common elements and for the purchase, lease, sale or other expense resulting from the purchase or lease of Units.

Section 5. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its duties.

ARTICLE VI. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring the Buildings, including all of the Units, and the bathroom and fixtures initially installed therein by the Sponsor (but not including furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all air conditioning and other service machinery contained therein, covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as such

interest may appear, in an amount determined by the Board of Managers. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit provided 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 hereinafter set forth; and such policies shall provide that adjustment of loss shall be made by the Board of Managers and the Insurance Trustee hereinafter set forth; and such policies shall provide that approval of the Insurance Trustee, and that the net proceeds thereof, if \$500,000 or less, shall be payable to the Board of Managers, and if more than \$500,000 shall be payable to the Insurance Trustee.

All policies for 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 the Unit Owners or of the invalidity arising from acts of the insureds 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 insureds 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 the Units at least ten days prior to the expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Buildings, including all of the common elements appurtenant thereto for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

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 and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another.

Unit Owners shall not be prohibited from carrying other insurance for their own benefits provided that such policies contain waivers of subrogation and further provided that the liability of the carriers issuing such insurance procured by the Board of Managers

shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 2. The Insurance Trustee. The Insurance Trustee shall be the Sterling National Bank and until it shall be replaced by another bank or trust company located in the State of New York, designated by the Board of Managers. All fees and disbursements of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Buildings as a result of fire or other casualty (unless 75% or more of the Buildings are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair and restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Buildings (including any damaged Units and any kitchen or bathroom fixtures initially installed therein by the Sponsor, but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by the Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense, and the Board of Managers may assess all the Unit Owners for such deficit as part of the common charges.

If 75% or more of the Building is destroyed or substantially damaged and 75% or more of the Unit Owners 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, as the case may be, among all the Unit Owners in proportion to their respective

common interests, after first paying 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.

ARTICLE VII. DEFAULT

In the event a Unit Owner does not pay any sums, charges or assessments required to be paid when due, the Board of Managers or the Managing Agent acting in behalf of the Board shall notify the Unit Owner and the mortgagee, if any, of such Unit. If such sum, charge or assessment shall remain unpaid for 60 days after the giving of such notice, the Board may foreclose the lien encumbering the Unit as a result of the non-payment of the required moneys as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure or a mortgage. In the event the Owner of a Unit does not pay the assessment required to be paid by him within ninety (90) days of its due date, said sum shall bear interest at the rate of twelve (12%) percent per annum from its due date, and said Unit Owner shall be liable for the Condominium's reasonable costs and a reasonable attorney's fee incurred by it incident to the collection or enforcement of such lien.

ARTICLE VIII. CONDEMNATION

In the event all or part of the common elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than \$5,000 and the Board of Managers if the award is \$5,000 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts.

(a) so much of the award as is applicable to unrestricted common elements, to the Unit Owners pro rata according to the respective common interests appurtenant to the Units owned by such Unit Owners;

(b) so much of the award as is applicable to irrevocably restricted common elements to the Unit Owners having general use of such common element.

In such eminent domain or condemnation proceeding the Board shall request that the award shall set forth the amount allocated to unrestricted common elements and to each irrevocable restricted common element. In the event the award does not set forth such allocation then such allocation shall be made by the Board of Managers, but if one

or more Unit Owners object to such allocation, the matter shall be submitted to arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE IX. MISCELLANEOUS.

Section 1. Insurance. Under no circumstance shall a Unit Owner permit or suffer anything to be done or kept in his Unit which will increase the insurance rates of his Unit or any other Unit or on the common elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Unit Owner who mortgages his Unit shall notify the Condominium through the management agent, if any, or the Board of Managers in the event there is no management agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units".

Section 4. Payment of 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 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 5. Examination of Books and Records. Every Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month.

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, whether the context so requires.

Section 7. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirement 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 the status or of the Declaration, whichever the case may be, shall control.

**Addendum to the By-Laws of
On The Sound Condominium
RULES AND REGULATIONS
OF
ON THE SOUND CONDOMINIUM**

1. The sidewalks and entrances of or appurtenant to the Buildings 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 exits from, the Buildings by another vehicle.

2. The storage rooms of the Buildings, if any, shall be used by all Unit Owners, in common, only for the storage of bicycles, bags, suitcases, trunks and packing cases, all of which shall be empty, and for the storage of such other articles as the Board of Managers, in its sole discretion, may determine. Supervision, management and control of the storing in and removal of a Unit Owner's property from the storage rooms is vested in the Board of Managers. The use of the storage rooms shall be at the sole risk of the Unit Owner or other person using the same, and the Board of Managers, its agents, or the Managing Agent shall not be liable for any injury to any person, loss or theft or otherwise, or damage to property, whether due to the negligence of the Board of Managers, its agents, the Managing Agent, or otherwise.

3. Nothing shall be hung or shaken from any doors, windows, or open terraces, or placed upon the window sills of the Buildings, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

4. There shall be no playing or lounging in the entrances of the Buildings, except in recreational areas or other areas designated as such in the Declaration or by the Board of Managers.

5. The Board of Managers or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, recreation, or service purposes in the Buildings.

6. Nothing shall be done or kept in any Unit or in the Common Elements or 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 or her Unit or in the Common Elements that will result in the cancellation of insurance on the Buildings, or the contents thereof, or that would be in violation of any law. No Unit Owner or any of his or her Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his or her Unit, any flammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

7. There shall be no barbecuing in the Units, or in the Common elements, except for those areas (if any) specifically designated for barbecuing by the Board of Managers.

8. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his or her Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated, a phonograph, radio, television set, or other audio equipment in such Unit Owner's Unit between midnight 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 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 installations involving noise shall be conducted in any 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.

9. No bird, reptile, or animal 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 of Managers or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Board of Managers or the Managing Agent in their sole discretion. No pigeons or other birds or animals shall be fed from the window sill or other public portions of the Buildings or on the sidewalk or street adjacent to the Buildings.

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

11. No window guards or other window decorations shall be used in or about any Unit, except such as shall have been approved in writing by the 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.

12. No ventilator or air conditioning device shall be installed in any Unit 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.

13. No radio or television aerial shall be attached to or hung from the exterior of the Buildings, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale", or "For Rent" signs) shall be inscribed or exposed down or at any window or other part of the Buildings, except such as are permitted pursuant to the terms of the Declaration and/or the By-Laws or shall have been approved in writing by the Board of Managers or the Managing Agent. Nothing shall be projected from any window of a Unit without similar approval.

14. All radio, television, appliances 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 also shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

15. Water-closets and other water apparatus in the Buildings shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags, or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

16. Each Unit Owner shall keep his or her Unit in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws and the standards of a Class-A condominium building located in Manhattan.

17. 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 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.

18. The Board of Managers or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her 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 Unit Owner's property).

19. If any key or keys are entrusted by a Unit Owner, by any Family member thereof, or by his or her 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 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 there from or connected therewith.

20. Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the roof of the Buildings, except to the extent specifically permitted by the Declaration, By-Laws or the Offering Plan.

21. No occupant of the Buildings shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

22. 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 Board of Managers. Further, any such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.

23. Complaints regarding the service of the Condominium shall be made in writing to the Board of Managers or to the Managing Agent.

UNIT POWER OF ATTORNEY

ON THE SOUND CONDOMINIUM

Terms used in this Unit Power of Attorney which are used (a) in the declaration (the "Declaration") establishing a plan for condominium ownership of the premises known as On The Sound Condominium ("Condominium") located at Island Point Road, City Island, Borough of Bronx, City and State of New York under Article 9-B of the Real Property Law of the State of New York, dated, _____ 201_ and recorded in the _____ County Office of the Register of The City of New York on _____, 201_ in CRFN _____ or (b) in the By-Laws of On The Sound Condominium ("By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By- Laws.

The undersigned, _____ (having an office) (residing at) _____ the owner of the Unit ____ (the "Unit") in Condominium which is designated and described as Unit No. ____ in the Declaration and also designated as Tax Lot ____ in Block 5643 of Section 18 of the Borough of Bronx on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with. such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1)(a) following due authorization by a Majority of Unit Owners, to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, from any Unit Owner who elects to surrender the same pursuant to the By-Laws, and (c) following due authorization by a Majority of Unit Owners, to acquire any Unit together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, an on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present, (2) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Property which the Condominium Board deems

necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Property or the Common Elements which the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does) (do) hereby irrevocably nominate, constitute and appoint City Island Reserve LLC (hereinafter referred to as the "Sponsor"), as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reappointment of the, Common Interests of the affected Unsold Units resulting therefrom made by the Sponsor in accordance with the Declaration or (2) shall be required by (a) an Institutional Lender designated by the Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by the Sponsor to insure title to any unit provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as the Sponsor shall cease to own any Unit in the Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the _____ day of _____ 201_.

UNIT OWNER

By: _____
Name:
Title:

ACKNOWLEDGMENT

STATE OF NEW YORK)

ss.:

COUNTY OF _____)

On this _____ day of _____ in the year 201_, 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

ACKNOWLEDGMENT

STATE OF NEW YORK)

ss.:

COUNTY OF _____)

On this _____ day of _____ in the year 201_, 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

SPECIMENT TITLE POLICY



as agent for FIRST AMERICAN TITLE INSURANCE COMPANY

SCHEDULE A

Title Number: **SPECIMEN**

Policy Number: **SPECIMEN**

Date of Policy: TBD

Amount of Insurance: \$[PURCHASEPRICE]

1. Name of Insured:

[PURCHASER]

2. The estate or interest in the land which is covered by this Policy is:

Fee Simple

3. Title to the estate or interest in the land is vested in:

[PURCHASER]

Title acquired by deed from CITY ISLAND RESERVE LLC dated TBD to be recorded in the Office of the Register of BRONX County.

4. The land referred to in this Policy is described as follows:

See continuation of Schedule A attached.

ALTA OWNERS POLICY

EXCALIBUR TITLE AGENCY, LLC as agent for
FIRST AMERICAN TITLE INSURANCE COMPANY

SCHEDULE A CONTINUATION

Title Number: SPECIMEN

Policy Number: SPECIMEN

The Condominium Unit (the "Unit") known as Unit No. TBD in the building (the "Building") known as TBD and by the street number 226 Fordham Place, Borough of Bronx, City of New York, County of Bronx, State of New York, said Unit being designated and described as Unit No. TBD in a certain declaration dated TBD, made by Sponsor pursuant to Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (the "Land") upon which the Building is situate (which Land is more particularly described herein), which declaration was recorded in the Bronx County Office of the Register of the City of New York on TBD in CRFN TBD (which declaration and amendments thereto, if any, are hereafter collectively referred to as the "Declaration"). This Unit is also designated as Tax Lot TBD in Block 5643 of the Borough of Bronx on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the Building, filed with the Real Property Assessment Department of the City of New York as Condominium Plan No. TBD, and also filed in the Register's Office on TBD in CRFN TBD.

TOGETHER with an undivided TBD% interest in the Common Elements.

PARCEL I

ALL that certain plot, piece, or parcel of land, situate, lying and being in the Borough of Bronx, County of Bronx, City of New York, State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of Fordham Street with the easterly side of Fordham Place as said streets are shown on the Final Maps;

RUNNING THENCE along the southerly side of Fordham Street North 73 degrees 24 minutes 24 seconds East, 101.86 feet to a point;

THENCE South 15 degrees 12 minutes 24 seconds East 215.00 feet to a point;

THENCE North 73 degrees 24 minutes 24 seconds East 143.00 feet to a point;

THENCE North 15 degrees 12 minutes 24 seconds West 215.00 feet to the southerly side of Fordham Street;

THENCE still along the southerly side of Fordham Street North 73 degrees 24 minutes 24 seconds East 87.14 feet to a point;

THENCE South 7 degrees 21 minutes 59 seconds East 25.33 feet to a point;

THENCE North 73 degrees 24 minutes 24 seconds East 344.67 feet to a point;

THENCE South 16 degrees 35 minutes 36 seconds West (Deed) (East [Survey]) 167.27 feet to a point;

ALTA OWNERS POLICY

SCHEDULE A PAGE 2

EXCALIBUR TITLE AGENCY, LLC as agent for
FIRST AMERICAN TITLE INSURANCE COMPANY

SCHEDULE A CONTINUATION

Title Number: SPECIMEN

Policy Number: SPECIMEN

THENCE South 5 degrees 55 minutes 33 seconds West 208.14 feet to a point;

THENCE South 73 degrees 24 minutes 24 seconds West 17.84 feet to a point;

THENCE South 9 degrees 1 minute 20 seconds West 85.42 feet to a point;

THENCE South 76 degrees 34 minutes 27 seconds West 504.524 feet to a point;

THENCE North 15 degrees 18 minutes 26 seconds West 49.16 feet to a point;

THENCE South 73 degrees 24 minutes (Deed) (24 seconds [Survey]) West 69.11 feet to the easterly side of Fordham Place;

THENCE North 15 degrees 18 minutes 26 seconds West 192.32 feet to a point;

THENCE North 73 degrees 24 minutes 24 seconds East 25 feet to a point;

THENCE along the easterly side of Fordham Place, North 15 degrees 18 minutes 26 seconds West 192.32 feet to the point or place of BEGINNING.

PARCEL II

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Bronx, County of Bronx, City of New York, State of New York, bounded and described as follows:

COMMENCING at the intersection of the southerly side of Fordham Street with the easterly side of Fordham Place (Deed) (COMMENCING at a point distant 101.86 feet east of the intersection of the southerly side of Fordham Street with the easterly side of Fordham Place along a line running North 73 degrees 24 minutes 24 seconds East [Survey]);

THENCE easterly along the southerly side of Fordham Street North 73 degrees 24 minutes 24 seconds East a distance of 143.00 feet to a point;

THENCE South 15 degrees 12 minutes 24 seconds East, a distance of 215.00 feet to a point;

THENCE parallel with Fordham Street, South 73 degrees 24 minutes 24 seconds West a distance of 143.00 feet to a point;

THENCE North 15 degrees 12 minutes 24 seconds West a distance of 215.00 feet to the point or place of BEGINNING.

PERIMETER DESCRIPTION

EXCALIBUR TITLE AGENCY, LLC as agent for
FIRST AMERICAN TITLE INSURANCE COMPANY

SCHEDULE A CONTINUATION

Title Number: SPECIMEN

Policy Number: SPECIMEN

All that certain parcel of land situate, lying and being in the Borough of Bronx, County of Bronx, City of New York and State of New York more particularly bounded and described as follows:

BEGINNING at the intersection of the southerly line of Fordham Street with the easterly line of Fordham Place as said streets are shown on the final maps;

THENCE RUNNING from said point of beginning and along said southerly line of Fordham Street, North 73 degrees 24 minutes 24 seconds East, 332.00 feet;

THENCE South 07 degrees 21 minutes 59 seconds East, 25.33 feet;

THENCE North 73 degrees 24 minutes 24 seconds East, 344.67 feet;
THENCE South 16 degrees 35 minutes 36 seconds East, 167.27 feet;

THENCE South 05 degrees 55 minutes 33 seconds West, 208.14 feet;

THENCE South 73 degrees 24 minutes 24 seconds West, 17.84 feet;

THENCE South 09 degrees 01 minutes 20 seconds West, 85.42 feet;

THENCE South 76 degrees 34 minutes 27 seconds West, 504.424 feet;

THENCE North 15 degrees 18 minutes 26 seconds West, 49.16 feet;

THENCE South 73 degrees 24 minutes 24 seconds West, 69.11 feet to a point along the centerline of the aforesaid Fordham Place as shown on the final maps;

THENCE along said centerline of Fordham Place, thence North 15 degrees 18 minutes 26 seconds West, 192.32 feet;

THENCE North 73 degrees 24 minutes 24 seconds East, 25.00 feet to the aforesaid easterly line of Fordham Place;

THENCE along said easterly line of Fordham Place, North 15 degrees 18 minutes 26 seconds West, 192.32 feet to the point of beginning.

EXCALIBUR TITLE AGENCY, LLC as agent for
FIRST AMERICAN TITLE INSURANCE COMPANY

SCHEDULE B

Title Number: **SPECIMEN**

Policy Number: **SPECIMEN**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Rights of tenants or persons in possession.
2. Any state of facts which an accurate survey and inspection might show, but policy will insure that any encroachment of a portion of the unit structure upon other units or upon the common elements may remain undisturbed as long as the same shall stand.
3. Covenants, conditions, easements, leases, agreements of record, etc., as follows:
 - a. Subject to terms and conditions set forth in the Declaration of Condominium and By-Laws of TBD, recorded TBD in CRFN TBD, but policy will insure against loss or damage occasioned by the premises not being part of a condominium validly created pursuant to Article 9-B of the Real Property Law, as amended.
 - b. Unit Power of Attorney made by [PURCHASER] to the Board of Managers to be recorded.
 - c. Declaration recorded 5/16/2007 in CRFN 2007000254232
 - d. Restrictive Declaration recorded 8/3/2012 in CRFN 2012000306859.
 - e. Declaration of Restrictions recorded 8/3/2012 in CRFN 2012000306860.
 - f. Zoning Lot Description and Ownership Statement recorded 7/29/2013 in CRFN 2013000297079.
4. No title is insured to any land lying below the high water line of the Long Island Sound, its arms, branches and tributaries by whatever name called, as the same now exists or formerly existed.
5. Policy excepts the right of the United States of America to enter upon and take possession, without compensation, of lands lying below the high water line of the Long Island Sound as the same now exists or formerly existed.
6. Riparian rights and easements of others over the Long Island Sound; but the Policy does not insure any rights or easements in favor of the owner of the premises described in Schedule A herein.
7. Policy excepts the rights of the City of New York in and to those portions of the premises described in Schedule A herein which lie within the projected boundary line of the Long Island Sound.
8. Policy excepts all water meter and sewer charges from the last actual reading, including all charges entered after the date of the policy, but which might include usage prior thereto.

**TitleVest Agency, Inc. as agent for
FIRST AMERICAN TITLE INSURANCE COMPANY**

SCHEDULE B

Title Number: **SPECIMEN**

Policy Number: **SPECIMEN**

9. Mortgage in the amount of \$[LOANAMOUNT] made by [PURCHASER] to [LENDER], dated TBD to be recorded in the Office of the Register of BRONX County.
10. The tax search indicates that the land/unit described in Schedule A may be benefited by a tax exemption that may terminate upon transfer of said land/unit. The land/unit then may become taxed, pro-rata, for the unexpired term of the year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of the taxes from the termination of the exemption.

EXCALIBUR TITLE AGENCY, LLC as agent for
FIRST AMERICAN TITLE INSURANCE COMPANY

STANDARD NEW YORK ENDORSEMENT
(OWNER'S POLICY)

Title No. **SPECIMEN**

Attached to and made a part of Policy Number: **SPECIMEN**

1. The following is added as a Covered Risk:

"11. Any statutory lien arising under Article 2 of the New York Lien Law for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Exclusion Number 5 is deleted, and the following is substituted:

5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as Shown in Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: TBD

EXCALIBUR TITLE AGENCY, LLC as agent for
FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Authorized signatory

STANDARD NEW YORK ENDORSEMENT (11/01/2008)

FOR USE WITH ALTA OWNER'S POLICY (06/06)

Amended (July 1, 2012)

FORM W-8 (CERTIFICATION OF FOREIGN STATUS)

Form W-8BEN (Rev. February 2006) Department of the Treasury Internal Revenue Service	Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding ▶ Section references are to the Internal Revenue Code. ▶ See separate instructions. ▶ Give this form to the withholding agent or payer. Do not send to the IRS.	OMB No. 1545-1621
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Do not use this form for:

- A U.S. citizen or other U.S. person, including a resident alien individual **W-9**
- A person claiming that income is effectively connected with the conduct of a trade or business in the United States **W-8ECI**
- A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions) **W-8ECI or W-8IMY**
- A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions) **W-8ECI or W-8EXP**
- A person acting as an intermediary **W-8IMY**

Note: These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.

Note: See instructions for additional exceptions.

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner	2 Country of incorporation or organization
---	--

3 Type of beneficial owner: <table style="width: 100%; border: none;"> <tr> <td>☐ Individual</td> <td>☐ Corporation</td> <td>☐ Disregarded entity</td> <td>☐ Partnership</td> <td>☐ Simple trust</td> </tr> <tr> <td>☐ Grantor trust</td> <td>☐ Complex trust</td> <td>☐ Estate</td> <td>☐ Government</td> <td>☐ International organization</td> </tr> <tr> <td>☐ Central bank of issue</td> <td>☐ Tax-exempt organization</td> <td>☐ Private foundation</td> <td colspan="2"></td> </tr> </table>	☐ Individual	☐ Corporation	☐ Disregarded entity	☐ Partnership	☐ Simple trust	☐ Grantor trust	☐ Complex trust	☐ Estate	☐ Government	☐ International organization	☐ Central bank of issue	☐ Tax-exempt organization	☐ Private foundation			
☐ Individual	☐ Corporation	☐ Disregarded entity	☐ Partnership	☐ Simple trust												
☐ Grantor trust	☐ Complex trust	☐ Estate	☐ Government	☐ International organization												
☐ Central bank of issue	☐ Tax-exempt organization	☐ Private foundation														

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.	Country (do not abbreviate)
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5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.	Country (do not abbreviate)
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6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN	7 Foreign tax identifying number, if any (optional)
--	---

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 I certify that (check all that apply):

- a ☐ The beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.
- b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).
- c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).
- d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).
- e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, \$500,000.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article _____ of the treaty identified on line 9a above to claim a _____% rate of withholding on (specify type of income): _____
 Explain the reasons the beneficial owner meets the terms of the treaty article: _____

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- 1 I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,
- 2 The beneficial owner is not a U.S. person,
- 3 The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, and
- 4 For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ▶

Signature of beneficial owner (or individual authorized to sign for beneficial owner)	Date (MM-DD-YYYY)	Capacity in which acting
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For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 25047Z Form **W-8BEN** (Rev. 2-2006)

FORM W-9 (REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)

W-9 Form (Rev. November 2005) Department of the Treasury Internal Revenue Service		Request for Taxpayer Identification Number and Certification		Give form to the requester. Do not send to the IRS.					
Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)								
	Business name, if different from above								
	Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶			☐ Exempt from backup withholding					
	Address (number, street, and apt. or suite no.)		Requester's name and address (optional)						
	City, state, and ZIP code								
	List account number(s) here (optional)								
Part I Taxpayer Identification Number (TIN)									
Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.									
Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.									
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="text-align: center; padding: 2px;">Social security number</td></tr><tr><td style="text-align: center; padding: 2px;"> </td></tr><tr><td style="text-align: center; padding: 2px;">OR</td></tr><tr><td style="text-align: center; padding: 2px;">Employer identification number</td></tr><tr><td style="text-align: center; padding: 2px;"> </td></tr></table>					Social security number		OR	Employer identification number	
Social security number									
OR									
Employer identification number									
Part II Certification									
Under penalties of perjury, I certify that:									
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and									
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and									
3. I am a U.S. person (including a U.S. resident alien).									
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)									
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20%; padding: 5px;">Sign Here</td><td style="padding: 5px;">Signature of U.S. person ▶</td><td style="width: 20%; padding: 5px;">Date ▶</td></tr></table>					Sign Here	Signature of U.S. person ▶	Date ▶		
Sign Here	Signature of U.S. person ▶	Date ▶							
Purpose of Form									
A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.									
U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:									
1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),									
2. Certify that you are not subject to backup withholding, or									
3. Claim exemption from backup withholding if you are a U.S. exempt payee.									
In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.									
Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.									
For federal tax purposes, you are considered a person if you are:									
• An individual who is a citizen or resident of the United States, • A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or • Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.									
Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.									
The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:									
• The U.S. owner of a disregarded entity and not the entity,									

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules regarding partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for "Other" and enter "LLC" in the space provided.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7 ²

¹See Form 1099-MISC, Miscellaneous Income, and its instructions.

²However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.socialsecurity.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or single-owner LLC	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules regarding partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

**APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION
ON THE DISPOSITION OF DOWN PAYMENTS**

(Send this application to the reviewing attorney assigned to the subject plan.)

Re: On The Sound Condominium
Island Point, City Island, Bronx, NY 10464

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant _____
2. Address of Applicant _____
3. Name, Address, and Telephone Number of Applicant's Attorney (if any)

4. This is an application for
 ☐ return of down payment.
 ☐ forfeiture of down payment.
 ☐ other: _____
5. The project is
 ☐ a conversion of occupied premises.
 ☒ newly constructed or rehabilitated.
 ☐ vacant (as is).
6. The project is structured as
 ☐ a cooperative.
 ☒ a condominium.
 ☐ a homeowners association.
 ☐ a time share.
 ☐ other: _____
7. Name and Address of Sponsor: CITY ISLAND RESERVE LLC, c/o Greystone City Island Development LLC, 152 West 57th Street, New York, New York 10019.
8. Name and Address of Escrow Agent: Davidoff Hutcher & Citron LLP, 605 Third Avenue, New York, New York 10158, Attn: Derek Wolman, Esq.

9. If down payments are maintained in an escrow account:
- (a) Name of account: Davidoff Hutcher & Citron LLP, escrow account for the benefit of: _____ (Purchaser)
 - (b) Name and address of bank: Capital One Bank, 109 E 42nd St, NY, NY 10017
 - (c) Account number (if known) _____
 - (d) Initial interest rate (if known) _____
10. If down payments have been secured by bonds: N/A
- (a) Name and address of bond issuer or surety: _____
 - (b) Copy of bond included in this application.
(DO NOT SEND ORIGINAL BOND.) If not included, explain:

11. If down payments have been secured by a letter of credit: N/A
- (a) Name and address of bank which issued the letter of credit:

 - (b) Date of expiration of the letter of credit, if known:

12. Plan information:
- (a) Date of filing of plan: _____
 - (b) Plan
 - ☐ has been declared effective. Approximate date: _____
 - ☐ has not been declared effective.
 - (c) If effective, the plan
 - ☐ has closed or first unit has closed. Approximate date: _____
 - ☐ has not closed.
 - ☐ don't know.
 - (d) Down payments are secured by
 - ☒ escrow account.
 - ☐ bonds.
 - ☐ letter of credit.
13. Contract information:
- (a) Copy of contract and of all riders or modification letters are attached.
(DO NOT SEND ORIGINALS.)

- (b) Date on which subscription or purchase agreement was signed: _____
- (c) Date(s) of down payment(s): _____
- (d) Total amount of down payment(s): _____
- (e) Names and addresses of subscribers or purchasers affected by this application: _____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ Date: _____
Name: (Printed): _____
Telephone: (Home) _____ (Business) _____
Mailing Address: _____

ESCROW AGREEMENT

THIS AGREEMENT made on the ____ day of _____, 201_, by and among _____ residing at _____ ("PURCHASER"), City Island Reserve LLC c/o Greystone City Island Development LLC, located at 152 West 57th Street, New York, NY 10019 ("SPONSOR"), as sponsor of the On The Sound Condominium offering plan ("Plan") and Davidoff Hutcher & Citron LLP, located at 605 Third Avenue, New York, NY 10158 ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale condominium ownership interests at the premises located at On The Sound Condominium, Island Point Road, City Island, Bronx, New York 10464, subject to the terms and conditions set forth in the Plan; and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Sections 352-e(2-b), 352-h and the New York Department of Law's regulations promulgated thereunder; and

WHEREAS, SPONSOR and PURCHASER desire that ESCROW AGENT act as escrow agent for deposits, down payments, and advances (referred to herein as "Deposit") pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 ESCROW AGENT shall establish an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of a condominium unit [] (the "Purchase Agreement") at Capital One Bank located at 109 E 42nd Street, New York, NY 10017 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Davidoff Hutcher & Citron LLP, escrow account for the benefit of PURCHASER ("Escrow Account"). [The account number is _____.]

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: Jeffrey I. Citron, Larry K. Hutcher and Derek Wolman. All designated signatories are admitted to practice law in the State of New York.

1.3 All of the signatories on the Escrow Account have an address of 605 Third Avenue, New York, NY 10158 and a telephone number of 212-557-7200.

1.4 ESCROW AGENT and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.5 Neither ESCROW AGENT nor any authorized signatories on the Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Plan), or any principal thereof, or have any beneficial interest in any of the foregoing .

1.6 The Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of Davidoff Hutcher & Citron LLP as ESCROW AGENT, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within five (5) business days after the Purchase Agreement has been tendered to ESCROW AGENT along with the DEPOSIT, ESCROW AGENT shall place the DEPOSIT into the Escrow Account. Within ten (10) business days of placing the DEPOSIT in the Escrow Account, ESCROW AGENT shall provide written notice to Purchaser and Sponsor, confirming the Deposit. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS.

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-e(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

- 3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the [shares/unit/membership interest/fractional interest];
- 3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER; or
- 3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If Escrow Agent is not directed to release the Deposit pursuant to paragraph 3.2 above, and Escrow Agent receives a request by either SPONSOR or PURCHASER 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 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 Escrow Agent shall provide further written notice to both PURCHASER and SPONSOR informing them of said release. If Escrow Agent receives a written notice from either PURCHASER or SPONSOR objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the [unit/building] is located and shall give written notice to both SPONSOR and PURCHASER of such deposit.

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

- 3.4.1 Purchaser, if Purchaser timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- 3.4.2 Purchaser after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the Escrow Account under its direct supervision and control.

5.2 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.

5.3 ESCROW AGENT may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution, or validity thereof.

6. RESPONSIBILITIES OF SPONSOR.

6.1 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.

6.2 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by ESCROW AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR, PURCHASER, and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

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.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION.

SPONSOR agrees to defend, indemnify, and hold ESCROW AGENT harmless from and against all costs, claims, expenses, and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of ESCROW AGENT. This indemnity includes, without limitation, 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.

13. ENTIRE AGREEMENT.

This Agreement, read together with GBL §§ 352-e(2-b) and 352-hand the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

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

ESCROW AGENT

Davidoff Hutcher & Citron LLP

By: _____
Derek Wolman, Esq., Partner

SPONSOR

CITY ISLAND RESERVE LLC,
a New York limited liability company by
GREYSTONE CITY ISLAND DEVELOPMENT
LLC, a Delaware limited liability company, its
Managing Member

By: _____
Name: Curtis Pollock
Title: President

PURCHASER(S)

[INSERT NAME]

[INSERT NAME]

CERTIFICATIONS

SPONSOR AND PRINCIPAL

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

Re: ON THE SOUND CONDOMINIUM
 CP - _____

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised the due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where I/we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

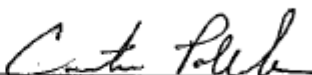
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A-1 Certification by Sponsor

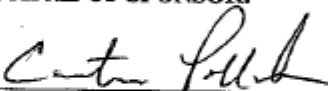
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

CITY ISLAND RESERVE LLC,
a New York Limited Liability Company by
GREYSTONE CITY ISLAND DEVELOPMENT
LLC, a Delaware Limited Liability Company, its
Managing Member

By: 
Name: Curtis Pollock
Title: President

PRINCIPAL OF SPONSOR:


Curtis Pollock

Sworn to before me the
27th day of April 2014


Notary Public

DAVID WITT
Notary Public, State of New York
No. 01W6064809
Qualified in Queens County
Commission Expires October 1, 2017

80060398

A-1 Certification by Sponsor

SPONSOR'S ENGINEER (OR ARCHITECT)

**CERTIFICATION OF SPONSOR'S
ARCHITECT PURSUANT TO SEC 20.4(c)
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

Att.: Real Estate Financing Bureau

Re: On The Sound
City Island, New York 10464

The Sponsor of the Offering Plan to convert the captioned Property to condominium ownership retained our firm, Kutnicki Bernstein Architects, to prepare a report describing the construction of the Property (the "Report"). On April 21, 2014, we visually inspected the property, and we subsequently examined the building plans and specifications that were prepared by Kutnicki Bernstein Architects, dated April 21, 2014, and prepared the Report dated November 17, 2014, copies of which are intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report, as amended. 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 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.

Kutnicki Bernstein Architects

By: _____

Daniel K. Bernstein

Sworn to before me this
17th day of November, 2014

Notary Public

JANINNE M DEBARTOLO
NOTARY PUBLIC, STATE OF NEW YORK
Registration Number # 01DE6141932
Qualified in New York County
Commission Expires 4/22/2018



SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET



GRAMATAN MANAGEMENT, INC.

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

Re: ON THE SOUND CONDOMINIUM
CP- _____

The sponsor of the condominium offering plan for the captioned property retained our firm to review Schedule(s) B and B-1, containing projections of income and expenses for the first year condominium operation. Our experience in this field includes:

Gramatan Management currently manages 72 properties in Westchester County. These include condominiums, cooperatives, homeowners associations and rental properties. We develop operating budgets annually for all of these properties. In addition we have reviewed and certified Schedule(s) B and B-1 for several developers.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule(s) B and B-1.

We have reviewed the Schedule(s) and investigated the facts set forth in the Schedule(s) and the facts underlying it with due diligence in order to form a basis for this certification. I/We also have relied on my/our experience in managing residential buildings.

We certify that the projections in Schedule(s) 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.

NOTE: Not all expenses anticipated as part of the first year's operating budget are included at this time due to lack of information. Therefore, certain expenses are subject to change upon additional information from the Sponsor and

2 Hamilton Ave. • Suite 217 • New Rochelle • N.Y. 10801

Tel:914.654.1414 • Fax:914.654.1444 • E-mail:cchiappa@gramatanmanagement.com



GRAMATAN MANAGEMENT, INC.

are identified by an asterisk on Schedule B with comments in the notes related thereto.

We certify that the Schedule(s):

- (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, 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 I/We:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

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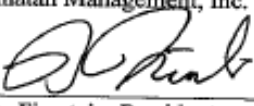


GRAMATAN MANAGEMENT, INC.

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 or 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.

Gramatan Management, Inc.

By: 
Bram Fierstein, President

Sworn to before me
the 8 day of May, 2014


Notary

ZACHARY J. PISANI
Notary Public, State of New York
No. 01PI6244571
Qualified in Westchester County
My Commission Expires 07/11/2015

2 Hamilton Ave. • Suite 217 • New Rochelle • N.Y. 10801

Tel: 914.654.1414 • Fax: 914.654.1444 • E-mail: cchiappa@gramatanmanagement.com

REAL PROPERTY LAW SECTION 339-kk

(a) For purposes of this section, “non-occupying owner” shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner provided that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association’s claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner’s position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board received notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for rent.