THE BOERUM CONDOMINIUM

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THIS PLAN HAS BEEN AMENDED. SEE INSIDE COVER.

CONDOMINIUM OFFERING PLAN FOR

THE

BOERUM

265 STATE

THE BOERUM CONDOMINIUM
265 STATE STREET
BROOKLYN, NEW YORK 11201

TOTAL OFFERING PRICE FOR RESIDENTIAL UNITS	$ 248,205,000.00
TOTAL OFFERING PRICE FOR PARKING LICENSES	$ 2,600,000.00
TOTAL OFFERING PRICE FOR STORAGE BIN LICENSES	$ 839,000.00
TOTAL AMOUNT OF OFFERING	**$ 251,644,000.00**

The Condominium will be located in Kings County and will contain 128 Residential Units, 3 Commercial Units and 1 Hotel Unit. All Residential Units are offered for sale under this Plan. Storage Bin Licenses and Parking Licenses are offered for sale under this Plan as well, to Purchasers of Residential Units. One Residential Unit, anticipated to be Unit 705, will be sold by Sponsor to the Board of Managers for use and occupancy by the Resident Manager. The Commercial Units and Hotel Unit are not offered for sale under this Plan.

SPONSOR

71 SMITH STREET PROPERTY OWNER, L.L.C.
c/o Flank
520 West 27th Street, Suite 403
New York, New York 10001

SELLING AGENT

CORCORAN SUNSHINE MARKETING GROUP
888 Seventh Avenue, 39th Floor
New York, New York 10106

The date of acceptance for filing is October 31, 2014.

This Plan may not be used after October 30, 2015 unless extended by amendment.

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 RESIDENTIAL UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. (SEE SPECIAL RISKS SECTION OF PLAN.)

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. (SEE SPECIAL RISKS SECTION OF PLAN.)

THIS OFFERING PLAN IS SPONSOR'S ENTIRE OFFER TO SELL THE RESIDENTIAL 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 UNITS. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. (SEE PAGE vii)

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OFFERING PLAN

THE BOERUM CONDOMINIUM
265 STATE STREET
BROOKLYN, NEW YORK 11201

PART I

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SPECIAL RISKS

Capitalized terms used in this section and not defined in this section shall have the meanings given in the "Definitions" section of this Offering Plan, found in Part I, Section B.

1. **Model Residential Unit**. Furniture and furnishings shown in a model Residential Unit, if any, are not included in the sale of the model Unit or any other Residential Unit offered under the Plan. See Part I, Section C of this Plan, entitled "Description of Property and Improvements" for further information.

2. **Residential Unit Rentals**. The By-laws provide that a Residential Unit Owner may, subject to a right of first refusal held by the Board of Managers, rent such Owner's Residential Unit pursuant to a lease or other occupancy agreement with a minimum term of twelve (12) months and a maximum term of two (2) years. Residents of the Condominium thus may be comprised of Residential Unit Owners who reside in the Building as owner/occupants, as well as tenants leasing Residential Units. No Residential Unit Owner may operate a rental business with respect to Unit Owner's Unit but may only rent the Unit as Unit Owner's individually-owned apartment. Further, no transient tenant or short term paying guest in a Residential Unit (i.e., a tenant or paying guest in occupancy for a period of less than twelve (12) consecutive months) including, without limitation, any short term tenant, guest or other occupant in a Residential Unit solicited or obtained through an on-line booking, or rental or other listing service, or a reservation or distribution service owned or maintained by a company in the hotel, lodging or other hospitality business, will be permitted. See Part I, Sections A and Q, entitled "Introduction" and "Rights and Obligations of Residential Unit Owners/Summary of By-law Provisions," respectively, for additional details.

3. **Option Agreement**. The agreement that Purchaser will execute in connection with the purchase of a Unit is referred to as an "**Option Agreement**." A form of the Option Agreement is contained in Part II of the Plan. An Option Agreement (as opposed to a purchase agreement) permits Sponsor to report income from the sale of the Unit in the year the sale closes. Were the agreement to be re-characterized by the Internal Revenue Service ("**IRS**") or Sponsor as a purchase agreement in connection with Sponsor's income tax filings, there would not be adverse tax or other consequences to Purchaser. The term "Option Agreement" does not mean that Purchaser is receiving any optional upgrades to the Unit, except as may be specifically stated in the Option Agreement. If Purchaser does not elect timely to exercise the option granted under the Option Agreement and/or otherwise does not remain in compliance with the terms thereof, then Sponsor, subject to the terms of the Option Agreement, shall be entitled to terminate the Option Agreement and retain the Premium Payment made thereunder with interest earned thereon, if any. Sponsor would not, however, have the right of specific performance against a Purchaser. Under the Option Agreement, Sponsor must sell to a Purchaser who exercises the option (which Purchaser does by electing to close and paying the Exercise Price at Purchaser's Unit Closing), and performs all of Purchaser's obligations under the Option Agreement. Purchaser has the right of specific performance against Sponsor in the event of Sponsor's breach of the Option Agreement. (See Part I, Section J of the Plan, entitled "Procedure to Purchase" for additional details.)

4. **Premium Payment; Exercise Price.** For Purchasers who execute an Option Agreement prior to acceptance for filing by the Attorney General of an amendment to this Offering Plan pursuant to which the Plan is declared effective (the "**Effectiveness Amendment**"), the Premium Payment shall be payable in two installments: ten percent (10%) of the Purchase Price is payable at signing (the "**Initial Premium Payment**") and an additional payment equal to five percent (5%) of the Purchase Price (the "**Additional Premium Payment**") will be payable the earlier of: (i) thirty (30) days after the Effectiveness Amendment is deemed given to Purchaser, or (ii) six (6) months after the payment of the Initial Premium Payment, but in no event later than the closing under the Option Agreement. Purchaser may elect to pay the entire 15% Premium Payment at the time of signing even if the Offering Plan has not been declared effective. With respect to Option Agreements entered into after the Offering Plan has been declared effective, Sponsor reserves the right to require both the Initial Premium Payment and the Additional Premium Payment be paid upon execution of the Option Agreement. The term "Premium Payment" as used herein refers to both the Initial Premium Payment and, if the same has been paid at the time in question, the Additional Premium Payment. The "**Exercise Price**" is payable upon exercise of the option at Unit Closing and is the Purchase

Price less all Premium Payments made through the Unit Closing Date. (See Part I, Section J of the Plan, entitled "Procedure to Purchase" for additional details.)

5. **Effect of Purchaser's Election Not to Exercise Option**. If Purchaser does not elect to exercise the option granted under the Option Agreement by paying the Exercise Price on the Original Scheduled Closing Date, or if Purchaser does not remain in compliance with any terms of the Option Agreement, then Sponsor shall be entitled to terminate the Option Agreement and retain the Premium Payment made thereunder with interest earned thereon, if any. Sponsor or Sponsor's Closing Counsel on behalf of Sponsor shall notify Purchaser in writing that Sponsor intends to terminate the Option Agreement, which writing shall specify the reason(s) therefor and shall grant Purchaser a period of at least thirty (30) days within which Purchaser may reinstate the Option Agreement. Time shall be of the essence with respect to Purchaser's opportunity to reinstate the Option Agreement within the specified period. After the specified period expires, if the Option Agreement has not been reinstated, Sponsor may terminate the Option Agreement, retain the Premium Payment paid through that date together with interest earned thereon (if any), and sell the Unit to another Purchaser as if the Option Agreement had never been entered into. (See Part I, Section J of the Plan, entitled "Procedure to Purchase" for further discussion.)

6. **Escrow Account.** Premium Payments are anticipated to be deposited by Escrow Agent with M & T Bank ("**Escrow Bank**") at Escrow Bank's branch located at 350 Park Avenue, New York, New York 10022. In accordance with the regulations of the Federal Deposit Insurance Corporation ("**FDIC**") and pursuant to the terms of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended (the "**Dodd-Frank Act**"), as of the date of this Plan deposits at Escrow Bank in a Purchaser's name are anticipated to be covered by FDIC insurance to a maximum of $250,000. Purchasers of Units requiring Premium Payments in excess of $250,000 are advised accordingly. Sponsor is advised that the FDIC takes the position that for purpose of computing insurance coverage, all deposits in a party's name in a banking institution are added together and insured to a maximum of $250,000, in the aggregate. Accrued interest through the date of a financial institution's failure also is included when calculating insurance coverage. Thus, if Purchaser already has or opens an account at Escrow Bank in the same name in which the Premium Payment is deposited, and should FDIC insurance be called upon, the funds in that account will be aggregated with the Premium Payment and insured to a maximum of $250,000. The FDIC further advises consumers that a depositor cannot increase FDIC insurance coverage by dividing funds owned in the same ownership category among different accounts in the same name. No representation is made by Escrow Agent or Sponsor regarding any further amendment of the Dodd-Frank Act after the date of this Plan or that the FDIC will insure any Purchaser's funds, if and when called upon to do so. Neither Escrow Agent nor Sponsor will incur any liability whatsoever under this Plan or otherwise if the FDIC, when and if called upon, fails or refuses to insure the Premium Payment (or any other funds maintained by Purchaser in Escrow Bank) or if the FDIC insures only a portion thereof. See Part I, Section J, entitled "Procedure to Purchase," for further discussion.

7. **Transfer Taxes; Mansion Tax.**

(a) Purchasers are advised that as is common in condominium offerings in New York City, and as more fully discussed in this Plan, Purchasers will be required pursuant to the Option Agreement to pay the New York City Real Property Transfer Tax (the "**RPT Tax**") and the NYS Real Estate Transfer Tax (the "**State Transfer Tax,**" and collectively with the RPT Tax, the "**Transfer Taxes**") due on the sale of the Residential Unit. Absent this contractual provision, Transfer Taxes would be a seller's obligation.

(b) Also, as more fully discussed in this Plan, New York State imposes a transfer tax upon a Purchaser of a Residential Unit in the amount of 1% of the consideration for the Unit, where the consideration is $1,000,000 or higher (the "**Mansion Tax**"). For purposes of computing consideration subject to the Transfer Taxes and Mansion Tax, the New York City Department of Finance and the New York State Department of Taxation and Finance include the aggregate of any Transfer Taxes payable by Purchaser under the Option Agreement and might include other costs payable by Purchaser which, absent a contractual provision making them Purchaser's obligation, could be considered Sponsor's expense. Accordingly, with respect to the Mansion Tax, even though a Purchase Price for a Residential Unit might be less than $1,000,000, it is possible that the Purchase Price for such Residential Unit, when grossed up by the aggregate of all Transfer Taxes and other seller expenses payable by Purchaser, might

be in excess of $1,000,000, thereby subjecting the transaction to the Mansion Tax. See Part I, Section N of the Plan entitled "Closing Costs and Adjustments" for further information.

8. **Special Work.** Although Sponsor does not anticipate negotiating with Purchasers to modify their Residential Units, Purchasers are advised that if Sponsor agrees to modify a Unit, or combine two or more Residential Units into one or more Residential Units, at a cost to Purchaser in addition to the Purchase Price, Sponsor may require that Purchaser pay this special work cost at the time the Option Agreement is signed and in any event, before Purchaser's Unit Closing. If Purchaser is required to pay such special work cost prior to the Unit Closing, which will be specified in the Option Agreement as and if applicable, Sponsor initially shall place those funds in escrow with Escrow Agent. Any such funds placed in escrow may be released in full or in part by Escrow Agent prior to Unit Closing, to Sponsor or anyone else Sponsor shall designate, upon receipt by Escrow Agent of Sponsor's written confirmation that Sponsor has incurred the cost for which the funds were deposited, specifying the cost for which disbursement is requested. As a result, if a Purchaser who has deposited special work funds is entitled to and does rescind the Option Agreement, Purchaser will not receive a refund of any such funds previously released to Sponsor. However, if Sponsor exercises its right to abandon the Plan, and provided Purchaser is in compliance with all provisions of the Option Agreement, Sponsor shall terminate the Option Agreement and thereupon return to Purchaser the Premium Payment made by Purchaser with interest, if any is earned thereon and payable to Purchaser under the Option Agreement or this Plan, plus special work funds to which Purchaser is entitled. See Part I, Section J of the Plan entitled "Procedure to Purchase" for details.

9. **Services and Amenities; Labor.** The services and amenities described in the Plan have been budgeted for the First Year of Condominium Operation as shown in the projected First-Year's Budget (Schedule B). With the possible exception of landscaping for the outdoor portion of the Amenity Center on the 15th floor, installation of which is weather dependent, and completion of the Residents' Gym at the cellar level, all services and amenities are expected to be in place at time of First Unit Closing. If the Residents' Gym and the Amenity Center are not completed at time of First Unit Closing, they will be completed within six (6) months thereafter. The number and type of employees to be engaged during the First Year of Condominium Operation are discussed in the projected First Year's Budget. As of the First Unit Closing, the resident manager and the concierge will be engaged and working at the Building. See also, Part I, Section C of this Plan, entitled "Description of Property and Improvements" for details.

10. **Adjournment Costs.** Subject to Purchaser's one-time right to adjourn the Original Scheduled Closing Date for fifteen (15) days as provided in the Option Agreement, if Purchaser is not ready to close on the Original Scheduled Closing Date, any adjournment of the closing granted by Sponsor at Purchaser's request will, at Sponsor's discretion, be on the condition that (i) all adjustments required to be made at closing be made as of the Original Scheduled Closing Date, and (ii) Purchaser shall pay Sponsor at closing, Sponsor's Adjournment Fee ("**Sponsor's Adjournment Fee**") in an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the Original Scheduled Closing Date to (and including) the day before the actual Closing Date, by unendorsed personal certified or bank check drawn on a bank that is a member of the New York Clearinghouse Association. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the closing date. However, the provisions shall apply to any postponements by Purchaser of such agreed-upon adjourned closing date. Sponsor reserves the right to waive any or all of the provisions of this paragraph.

If Purchaser requests an adjournment of the Original Scheduled Closing Date in excess of thirty (30) days, Sponsor shall have the right, in Sponsor's sole discretion, to require that as a condition of the adjournment Purchaser must deposit an additional payment into escrow with the escrow agent, which additional payment, if made, shall be held in the Escrow Account as part of the Premium Payment already paid by Purchaser See Part I, Section J of the Plan, entitled "Procedure to Purchase" for further details.

11. **Security for Sponsor Obligations.** Sponsor represents that (i) once Common Charges are assessed against Units, Sponsor will pay all Common Charges assessed against the Units Sponsor owns while Sponsor owns the Units, (ii) Sponsor will pay Special Assessments, if any, assessed against the Units Sponsor owns

while Sponsor owns the Units, (iii) Sponsor will pay all real estate taxes assessed against the Units Sponsor owns while Sponsor owns the Units and (iv) Sponsor will complete construction of the Building. Purchasers are advised, however, that as is typical with a new construction condominium offering plan in New York City, no bond or other security has been or will be posted by Sponsor with Purchasers or the Board of Managers to secure payment of these obligations or to complete construction of the Condominium. Sponsor represents that it has the financial resources to meet such obligations with respect to all Units while Sponsor owns same, and to complete construction of the Building. See Part I, Section O entitled "Rights and Obligations of Sponsor" for additional information.

12. **Board of Managers**

(a) The Condominium will be governed by a Board of Managers. The initial Board of Managers shall consist of three (3) members appointed by Sponsor as follows: one representing the Residential Unit Owners, one representing the Commercial Unit Owners, and one representing the Hotel Owner. A seven (7)–member Board of Managers, with five (5) members elected or appointed by the Residential Owners (the "**Residential Board Members**"), one (1) member elected or appointed by the Commercial Unit Owners (the "**Commercial Board Member**"), and one (1) member elected or appointed by the Hotel Owner (the "**Hotel Board Member**") shall be established at the First Annual Meeting of Unit Owners. The Residential Board Members will have the power and authority to make all decisions and take all actions affecting exclusively the operation of the Residential Area. The Commercial Board Member will have the power and authority to make all decisions and take all actions affecting exclusively the Commercial Units. The Hotel Board Member will have the power and authority to make all decisions and take all actions affecting exclusively the Hotel Unit. While Sponsor owns at least one Commercial Unit, Sponsor shall have the right to appoint the Commercial Board Member and while Sponsor owns the Hotel Unit, Sponsor shall have the right to appoint the Hotel Board Member.

(b) Sponsor will have voting control over the Board of Managers until the later to occur of (i) closing of title to 95% of the Residential Units offered under the Offering Plan, or (ii) ten (10) years after the date of the First Unit Closing ("**Initial Control Period**"). Sponsor may appoint all Residential Board Members during the Initial Control Period. Sponsor may, at its discretion, relinquish voting control of the Board of Managers prior to expiration of the Initial Control Period.

(c) After expiration of the Initial Control Period, Sponsor shall continue to have the right to designate one (1) Residential Board Member as long as Sponsor owns at least one (1) Residential Unit. When Sponsor no longer owns any Residential Units, then at the annual meeting of Unit Owners next following that date, Sponsor's remaining Residential Board Member shall step down and a replacement for Sponsor's departing Residential Board Member shall be elected. At all annual meetings of Unit Owners (both during and after the Initial Control Period), Sponsor shall have the right to vote for non-Sponsor candidates nominated for election to the Board of Managers in accordance with Sponsor's ownership of Units and the number of votes attributable to such Units.

(d) During the Initial Control Period, Sponsor will have control of the maintenance and operation of, and services to be provided by the Board of Managers, and will determine the Common Charges to be paid by all Unit Owners. Sponsor shall nevertheless be obligated to cause the Board of Managers to maintain the services provided for in the First Year's Budget and in each subsequent operating budget adopted by the Board of Managers during the Initial Control Period.

(e) For the longer of (i) the period during which Sponsor owns Units representing at least 25% in Common Interest, or (ii) ten (10) years after the date of the First Unit Closing (such period, the "**Sponsor Veto Control Period**"), the Board of Managers is restricted from taking certain actions without Sponsor's prior consent. See Part I, Section P, entitled "Control by Sponsor" for further discussion.

(f) The By-laws of the Condominium do not include a provision requiring that at the end of the Initial Control Period, a majority of the members of the Board of Managers must be individual Residential Unit Owners or Spouses of individual Residential Unit Owners who occupy their Units, or individual principals or authorized designees of Unit Owners that are entities, who occupy their Units (i.e., there is no requirement that

Owners be "owner-occupants") or who are unrelated to Sponsor and its principals. Accordingly, at the end of the Initial Control Period, it is possible that representatives of investor Residential Owners who rent out rather than personally occupy their Residential Units may comprise a majority of the Board members. Owner-occupants and non-resident Residential Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing (e.g., purchase as a home as opposed to purchase as an investment).

(g) See Sections of the Plan entitled "Control By Sponsor" and "Rights and Obligations of Board of Managers/Summary of By-law Provisions" as well as the By-laws for additional information about the items discussed above.

13. **Storage Bins**. Subject to the right of Sponsor to change the number of Storage Bins or the location of the Storage Bins, Sponsor anticipates constructing fifty-one (51) Storage Bins approximately 18 square feet in size, in a specified area of the cellar level of the Building ("**Storage Bin Area**"). Sponsor will offer Purchasers on such basis as Sponsor shall determine based upon marketing and other business considerations, the opportunity to acquire, for a price payable to Sponsor (the "**Storage License Price**"), the right to use a Storage Bin through a license with the Board of Managers ("**Storage Bin License**"). A Storage Bin License may be entered into only by a party who is also a Residential Unit Owner. A monthly Storage Bin License Fee will be charged to Storage Bin Licensees under the Storage Bin License to cover costs associated with maintenance of the Storage Bin Area. The anticipated monthly Storage Bin License Fees for the First Year of Condominium Operation are shown on Schedule A. Sponsor makes no representation regarding future Storage Bin License Fees or the availability of Storage Bins. No representation is made as to the expected date of completion of Storage Bins and Storage Bins may not be available at or for a period of time following the closing of title to a Residential Unit and execution of Storage Bin License. Sponsor will obtain any certificate of occupancy or temporary certificate of occupancy necessary to permit the Storage Bin Area for its intended purpose prior to retaining any funds paid by Purchaser to acquire a Storage Bin License. In the event the Closing on a Storage Bin License occurs contemporaneously with the Unit Closing, and the Storage Bin Area is not covered by a temporary or final certificate of occupancy, the proceeds of the sale of the Storage Bin License shall be retained in escrow with Escrow Agent until a temporary or final certificate of occupancy is issued. Upon the issuance of a temporary or final certificate of occupancy covering the Storage Bin, Sponsor shall advise the Escrow Agent accordingly and shall provide a copy of the applicable certificate of occupancy, and Escrow Agent shall thereupon be authorized to release the proceeds of the Storage Bin License sale to Sponsor or to anyone else Sponsor designates.

Sponsor makes no representation that Storage Bins or the Storage Bin Area will be free from dampness or similar problems. Though the Condominium's insurance will coverage the cellar area generally, it will not cover the contents of Storage Bins and Storage Bin Owners are required to insure the contents of their Storage Bin as well as their Residential Unit and its contents. Storage Bin Licensees may not sublicense their Storage Bin to non-Unit Owners, and or parties who are not tenants of the Building. See Part I, Section C of the Plan entitled "Description of Property and Improvements" for additional information.

14. **Parking**.

(a) Sponsor is constructing a covered parking area on the 2nd floor of the Building (the "**Parking Area**"), with vehicular access from Schermerhorn Street for use by Building residents only. It is not for use by the Hotel Unit or guests of the Hotel Unit. The Parking Area will be enclosed on the Schermerhorn, State Street and Smith Street perimeters with a three-foot railing and the perimeter areas above the railings will be open. Subject to Sponsor's right to modify the capacity to be greater or lesser, the Parking Area is anticipated to have a capacity for approximately 40 vehicles. Sponsor will offer Purchasers on such basis as Sponsor shall determine, the opportunity to acquire, for a price payable to Sponsor (the "**Parking License Price**"), the right to park a vehicle in the Parking Area through a license with the Board of Managers ("**Parking License**"). If in the discretion of the Sponsor, the Parking Area has room for more than 40 vehicles, Sponsor may increase the number of licenses offered for sale and shall amend the Plan to reflect the increase in the number of licenses offered for sale. A Parking License may be entered into only by a party who is also a Residential Unit Owner. The Parking License will not be for a specific

parking space as spaces will not be designated but instead will be for the right to have a vehicle parked in the Parking Area. Vehicles will not be parked by the Parking Licensee. They are anticipated to be driven by the Parking Licensee into the Parking Area at the top of the ramp, and thereafter parked by Condominium personnel. To maximize the number of vehicles that may be accommodated in the Parking Area, the Parking License will provide that for a vehicle to be eligible to be parked in the Parking Area, it must be a sedan or other normal size vehicle, no more than 201 inches long, 80 inches wide and with a height permitted by the height of the finished garage, with oversize vehicles, vans and trucks expressly excluded ("**Vehicle Size Restriction**"). Parking Licensees will be bound by the Vehicle Size Restriction, unless the Board of Managers provides the Parking Licensee with a waiver of the Vehicle Size Restriction. The Board of Managers will have the right to engage a professional garage operator in the future if it determines to do so. Regardless of the capacity of the Parking Area, the Board of Managers shall be obligated to keep space sufficient to park at least five (5) vehicles unencumbered by Parking Licenses. Thus, by way of illustration, if there is ultimately space for 40 vehicles, the Board shall enter into only 35 Parking Licenses. The Board of Managers will have the right to use the unlicensed Parking Area for guest parking or otherwise as the Board of Managers shall in its discretion determine. Any income from same shall be deposited into a reserve account maintained by the Board of Managers. Parking Licensees may not sublicense their Parking License to non-Unit Owners or parties who are not tenant tenants of the Building.

(b) A monthly Parking License Fee will be charged to Parking Licensees to cover costs associated with maintenance and operation of the Parking Area. The anticipated monthly Parking License Fee for the First Year of Condominium Operation is anticipated to be $215.57 per month. Sponsor makes no representation that the Parking Area will be free from dampness or similar problems. Sponsor makes no representation regarding future Parking License Fees or the availability of Parking Spaces. No representation is made as to the expected date of completion of the Parking Area and the Parking Area may not be available at or for a period of time following the closing of title to a Unit. See Part I, Section C of the Plan entitled "Description of Property and Improvements" for additional information.

(c) Sponsor will obtain any certificate of occupancy or temporary certificate of occupancy necessary to permit the Parking Area for its intended purpose prior to retaining any funds paid by Purchaser to acquire a Parking License. In the event the Closing on a Parking License occurs contemporaneously with the Unit Closing, and the Parking Area is not covered by a temporary or final certificate of occupancy, the proceeds of the sale of the Parking License shall be retained in escrow with Escrow Agent until a temporary or final certificate of occupancy is issued. Upon the issuance of a temporary or final certificate of occupancy covering the Parking Area, Sponsor shall advise the Escrow Agent accordingly and shall provide a copy of the applicable certificate of occupancy, and Escrow Agent shall thereupon be authorized to release the proceeds of the Parking License sale to Sponsor or to anyone else Sponsor designates.

15. **Security.** While the Condominium is being constructed and Units are being offered for sale and rent there will be a greater number of visitors to and pedestrian traffic through or near the Building than is expected to be the case once construction is completed. No representation or warranty is made as to the length of time the construction, sales or leasing period, if applicable, will continue. In addition, since one of the Units at the Property is a Hotel Unit, there will always be transient use of the Building by hotel guests. Though the Hotel Unit will have its own entrance, no representation is made by Sponsor that the number and type of personnel employed at the Property or the security systems and procedures installed in and implemented at the Building or elsewhere in or on the Property or in any Unit therein, will prevent personal injury or damage to or loss of personal property. Neither Sponsor, Selling Agent nor Managing Agent shall be liable for any loss or damage to person or property that may occur from the failure of the security systems established by the Board of Managers, including, without limitation, procedures for delivery of packages, at the Project. See Part I, Section C entitled "Description of Property and Improvements" for additional details.

16. **Construction Considerations.**

(a) Construction is a complicated process requiring coordination of numerous tasks, contractors and suppliers, and balancing of complex mechanical and architectural systems. No assurance can be or

is given with regard to the accuracy of any projected completion dates set forth in this Offering Plan. During the first years of Condominium operation, it is anticipated that construction workers and related personnel will be at the Property from time to time completing construction of the Project, making adjustments and corrections, and performing various other tasks related to completion of construction and Sponsor's undertakings and obligations with respect to same. During any of these periods, various Building systems, including but not limited to water supply, air conditioning, heating, ventilation and elevators, may need to be shut down temporarily. Further, Sponsor may choose not to fully complete decorations of common areas of the Building, including, without limitation, lobbies or corridors, installation of light fixtures in common areas, hanging of wall coverings or laying of carpeting, etc., until that particular portion of the Building is complete or a particular floor is fully occupied by Residential Unit Owners.

(b) All alteration work for Units being considered by a Unit Owner prior to the time a final certificate of occupancy for the Building is issued, must be submitted to Sponsor as well as the Board of Managers for review and approval in accordance with the By-laws, and must be approved by Sponsor as well as the Board of Managers before it may be undertaken. Sponsor and the Board of Managers shall each have the absolute right, however, to refuse to approve a Unit Owner's alteration plan until a final certificate of occupancy has been issued for the Building. The reason for this is that a Unit Owner's filing with the New York City Department of Buildings for alteration work that is not completed and signed off, could delay or obstruct Sponsor's ability to procure a final certificate of occupancy. Prior to the time a final certificate of occupancy is issued for the Building, a Unit Owner whose alteration work is approved by Sponsor and the Board of Managers and permitted to go forward, may be required by Sponsor to use Sponsor's Architect and/or Sponsor's expediter/code consultant for filings involving the New York City Department of Buildings for any alteration work so approved.

(c) Certain services, such as telecommunications, and other similar services, may be provided by outside suppliers, and delays in provision of these services by such outside suppliers, are not and will not be the responsibility of Sponsor and Sponsor shall have no liability in connection therewith. Such suppliers may not provide these services until occupancy of the Building has reached certain threshold levels. Portions of the Building, such as the Amenity Center, Residents' Gym and the Parking Area, may be completed after some or all of the Residential Units are completed, and thus after Residential Unit Closings commence. The fact that a particular portion of the Building, or a particular amenity is not completed or is not available for use by a Residential Unit Owner, shall not be a basis for a Purchaser to refuse to close title to Purchaser's Unit, nor shall it serve as a basis for any claim against Sponsor. Notwithstanding the foregoing, Sponsor anticipates the completion of the Amenity Center, Residents' Gym and the Parking Area at the time of the First Unit Closing. If the Residents' Gym and the Amenity Center are not completed at time of First Unit Closing, they will be completed within six (6) months thereafter.

(d) In addition, the presence of hoists or construction elevator shafts, or similar temporary construction facilities, may delay the closing of title to certain Residential Units or lines of Residential Units, until such hoists, elevators or other temporary facilities are no longer needed and are removed. During the period when Sponsor is completing construction of the Building, moves by Residential Unit Owners into the Building may be restricted to certain periods when the elevator and other access elements are not being used by the construction trades. The initial temporary certificate of occupancy is likely to be a partial one, covering portions of the Building. As each temporary certificate of occupancy is extended, it is expected to cover an increasing portion of the Building. Accordingly, it is likely different Residential Units will be completed and covered by a temporary certificate of occupancy at different times, with some Residential Units completed and ready to close before others. Purchasers thus should be aware that they may be required to close title to their Residential Units while construction in other Units and other parts of the Building is continuing, possibly for an extended period of time, and that noise, dust and other objectionable conditions inherent in a construction site may inconvenience or disturb Residential Unit Owners after they have taken occupancy of their Residential Units. Sponsor will not be liable to Residential Unit Owners for any inconvenience or disturbance arising out of the fact that the Project is under construction. See Part I, Section O entitled "Rights and Obligations of Sponsor," for additional information.

17. **Real Estate Taxes.** Based on Sponsor's estimated timetable for completion of construction, the projected First Year of Condominium Operation is anticipated to span parts of two New York City fiscal tax years and projected taxes for the First Year of Condominium Operation thus are based in part on an

assessment of the Building under construction and in part on an assessment for a fully completed Building. Thus, real estate taxes for the projected First Year of Condominium Operation are likely to be lower than they will be once the Project is complete. To provide Purchasers a more realistic estimate of real estate taxes, the projected taxes shown on Schedule A for the First Year of Condominium Operation, include the taxes projected for a fully completed Building (which will be in effect after the projected First Year of Condominium Operation) as well as taxes projected for the First Year of Condominium Operation. Real estate tax projections are based on the assumption that real estate taxes will be allocated among the Residential Units proportionately, based on Common Interest. The taxing authorities for the City of New York, may, however, use a different method of allocating taxes (e.g., Unit offering prices or other method). Thus the projections for real estate taxes in Schedule A are only estimates and not representations or warranties as to amount of real estate taxes that will be payable or deductible by any Unit Owner at any time. **SPONSOR MAKES NO REPRESENTATION THAT THE ACTUAL OR TAXABLE ASSESSED VALUE OF THE PROPERTY OR A UNIT, THE UNIT ALLOCATIONS IN SCHEDULE A, OR THE TAX RATE USED TO MAKE THE PROJECTIONS IN SCHEDULE A WILL BE THE SAME AS THOSE USED FOR PROJECTIONS IN SCHEDULE A. SPONSOR MAKES NO REPRESENTATION AS TO THE METHODOLOGY THE CITY TAX ASSESSOR WILL USE TO ALLOCATE ASSESSED VALUE AMONG THE UNITS.** See the "Notes to Schedule A" found in Part I, Section E of the Plan and Part I, Section S of the Plan under the sub-heading entitled "Real Estate Taxes" for further information. See also the opinion of Real Estate Tax Counsel in Part II of the Plan.

18. **Requirement of Unit Owner Insurance.** The Condominium's insurance is anticipated to cover Common Elements and is not anticipated to cover personal property or fixtures in individual Units or personal property contained in a Storage Bin. Each Residential Unit Owner will be required to carry and maintain insurance covering Unit Owner's Residential Unit, as is customary for homeownership generally. Such insurance must include (i) coverage for all non-structural elements of the Unit including but not limited to interior partitions, flooring, fixtures and appliances, (ii) coverage for all equipment and personal property in the Unit; and (iii) liability coverage for occurrences in or about the Unit, and including, without limitation, and any appurtenant Unit Terrace and Storage Bin. See Part I, Section Q of the Plan entitled "Rights and Obligations of Unit Owners/ Summary of By-law Provisions" and the By-laws in Part II of the Plan for details.

19. **Temporary Certificate of Occupancy.** Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO") and sometimes with several successive temporary certificates of occupancy. Certificates of Occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and it 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 will use commercially reasonable efforts to do so within two years from the date of issuance of the first partial 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 COMMERCIALLY REASONABLE EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

Purchasers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO. A factsheet on Certificates of Occupancy is available on the DOB website at: at http://home2.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf See Part I, Section M of the Plan, entitled "Closing of Title to Residential Units," for further information.

20. **Financing Considerations.**

(a) Although a Purchaser is free to apply for a loan to finance the purchase of a Residential Unit, exercise of the option under the Option Agreement is not contingent upon Purchaser obtaining such financing. If Purchaser fails to close under the Option Agreement the Option Agreement shall be subject to termination and upon such termination, Purchaser may forfeit the Premium Payment paid under the Option Agreement. See Part I, Section J of the Plan entitled "Procedure to Purchase" for further information

(b) Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of units in a building or group of building be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor has not sold a substantial percentage of units in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a Unit Owner to resell a Unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. See Part I, Section L entitled "Declaration of Effectiveness," for further details.

21. **Working Capital and Reserves.**

(a) Each Purchaser of a Residential Unit under the Plan is obligated to contribute two months' Common Charges as "working capital" at time of Unit Closing. This working capital contribution will be deposited into the operating account of the Condominium and used for payment of operating expenses that arise in the early months of Condominium operation before sufficient Common Charges have been collected to pay certain of these expenses. It is also a potential source of funds for closing adjustments in favor of Sponsor in connection with the First Unit Closing. Thus it is not a reserve for capital repairs or replacements.

(b) There will be no reserve fund established by Sponsor. However, under the By-laws the Board of Managers is required to maintain a Replacement Reserve Fund funded out of Common Charges, for the periodic maintenance, repair and replacement of Common Elements, for so long as a Replacement Reserve Fund shall be a requirement of Fannie Mae or other or successor secondary market institution(s) providing financing for residential condominium buyers in New York City, or of any governmental insurer of residential condominium mortgages, unless the Unit Owners amend the By-laws to provide otherwise. There is thus a line item in the projected First Year's Budget showing the amount anticipated to be collected for this reserve fund during the projected First Year of Condominium Operation. The Board of Managers is authorized under the By-laws to establish reserves for other purposes as well. As the Building is newly constructed, Sponsor does not anticipate an immediate need for capital repairs or replacements, but no assurance or guaranty can be given that such needs will not arise in the future. See Part I, Section T of the Plan entitled "Working Capital and Replacement Reserve Fund" for additional information.

22. **Unit Owner Maintenance Obligations; Access Rights of Board of Managers; Unit Terraces.**

(a) The By-laws provide that a Unit Owner must keep its Unit in first-class condition, and with respect to any areas that are exposed to the elements (e.g., Unit Terraces), drains and other areas must be kept free of snow, ice and accumulation of water to the extent failure to do so could cause damage to the Building and/or other Units therein. If a Unit Owner fails to comply with any of its maintenance obligations, the Board of Managers may, at the expense of the Unit Owner and without liability, enter the Unit and perform such acts as are necessary to cure the Unit Owner's default.

(b) As set forth more particularly in the Condominium Documents, each Owner of a Residential Unit with an appurtenant Unit Terrace will have the exclusive use of same, subject to the rights of the Board of Managers to regulate use of Unit Terraces, and to enter the Unit to access the Unit Terrace for Building

maintenance, repair and replacement and other uses (including, without limitation, to access any Building mechanical equipment or other Common Elements located on any Roof Setback supporting a Unit Terrace or on the Main Roof, or to use any Unit Terrace or the Main Roof as a platform for equipment to wash the windows of the Building, which equipment may include, without limitation, storage chests, washing rigs, ropes and related equipment).

(c) Sponsor is obligated to construct the Building in substantial accordance with the Plans and Specifications. Beyond the foregoing obligation, Sponsor is not responsible for, can make no guarantees regarding and shall have no liability to Unit Owners with respect to, the level of noise or vibrations or smells resulting from operation of the Building or the Units and impact of operation, if any, on the use and enjoyment of the Residential Amenities or a Unit Terrace by a Residential Unit Owner or other resident of the Building. The Board of Managers will be responsible for operating any mechanical equipment that is a Common Element located in the Building and/or on the Main Roof and Roof Setbacks in accordance with operating manuals and applicable law, including but not limited to requirements governing acceptable levels of noise, vibrations and emissions.

23. **Transit Easement and Subway Indemnity Agreement**

(a) In connection with construction of the Project, the City of New York reserved a permanent easement (the "**NYCT New Building Easement**") in, under and through the Property for the portion of the Building and surrounding area of various subway lines (specifically, the G Line (Tracks E1 and E2), A Line (Tracks A3 and A4), F Line (Track B2), and Movie Track (Track A1), which areas are referred to collectively as the "**Affected Tunnel Structure**").

(b) Also in connection with construction of the Project, Sponsor entered into a Subway Indemnity Agreement with the NYC Transit Authority (the "**TA**") dated January 8, 2014 setting out certain requirements for construction of the Project taking into consideration the Affected Tunnel Structure (the "**Subway Indemnity Agreement**"). Though much of the Subway Indemnity Agreement pertains to construction of the Building, certain provisions of the Subway Indemnity Agreement survive completion of the Building and expiration of the Subway Indemnity Agreement. These provisions are binding on Sponsor and its successors and assigns and are intended to bind the Board of Managers. Among the provisions that will survive expiration of the Subway Indemnity Agreement and impact the Condominium is an indemnification requirement pursuant to which indemnitor agrees to indemnify and hold harmless the TA, the Metropolitan Transportation Authority, the City and State of New York and various other parties, from and against any and all liability, loss and expense arising out of injuries to or death of persons, or damage to property resulting from or occurring by reason of breach by Owner under the Subway Indemnity Agreement, negligent or improper performance by Sponsor of the "Construction Work" (as defined in the Subway Indemnity Agreement) performed under the Subway Indemnity Agreement, and various other actions.

(c) Another surviving provision of the Subway Indemnity Agreement requires that following completion of the Construction Work under the Subway Indemnity Agreement, the Owner of the Property name the City of New York, the State of New York, New York City Transit Authority, Metropolitan Transportation Authority and their respective affiliates and subsidiaries on all policies of liability insurance carried by Owner for the Building. Thus the Board of Managers will be obligated to name such parties on its liability policies.

(d) In addition to the foregoing, the Subway Indemnity Agreement provides that ten (10) years after final completion of the Building, and at every ten (10) year interval thereafter, the Owner of the Property is required to retain a qualified engineering firm to perform an in depth inspection of the Affected Tunnel Structure and create a report of the inspection for the Metropolitan Transit Authority for information and evaluation.

(e) The Subway Indemnity Agreement and all of Owner's obligations thereunder, are deemed assumed by any subsequent owner of the Property which provision is intended to pass on all the obligations of Sponsor to the Board of Managers and fully release Sponsor therefrom. (See Part I, Section U, entitled "Agreements Binding on the Condominium," for further information about the Subway Indemnity Agreement.)

24. **Operational Considerations: Sounds, Vibrations, Smells.**

(a) The 3rd Floor Roof Setback adjacent to the Hotel Unit, will not be a recreational roof but is expected to support mechanical equipment and exhaust vents for the Commercial Units. It is also expected that the Main Roof will support condenser units for air conditioners and other equipment, a kitchen exhaust fan for the Hotel Unit and a kitchen exhaust fan for one of the Commercial Units. The Main Roof is anticipated to support a diesel generator intended to operate emergency systems for the Building in the event of a power outage. It is possible that normal operation of this equipment will be audible and/or produce emissions or smells and/or vibrations.

(b) As noted above, the Building is located above various subway tunnels through which various subway lines and trains run. Though Sponsor has taken reasonable care in design and construction of the Building to minimize the effect of noise and vibrations of trains operating in the Affected Tunnel Structure underneath or adjacent to the Building, it is possible residents may sense vibrations as subway trains pass under or near the Building. Sponsor makes no representation or warranty that there will be no subway vibration.

(c) The emergency generator on the roof must be tested monthly to assure performance. Testing causes noise which may be audible in residences. Timing of such testing is to be coordinated by the Board of Managers.

(d) Purchasers and Unit Owners will have no right to claim against Sponsor and a Purchaser shall have no right to rescind an Option Agreement, and Sponsor shall have no liability for any noise, fumes, vibrations or other operational consequences of the mechanical systems of the Building or Unit therein, or operation of subway trains under or near the Building, if and to the extent same impacts upon Purchaser's or Unit Owner's use and enjoyment of the Unit or any Unit Terrace appurtenant thereto or use of Common Elements of the Building or otherwise. (See Part I, Section C "Description of Property and Specifications," and the Architect's Description of Property and Specifications in Part II of the Plan for additional information.)

25. **Views**. Sponsor makes no representation as to construction if any that may occur near or adjacent to the Building that could impact a Purchaser's views. Sponsor shall have no liability to any Purchaser or Residential Unit Owner due to the loss of a particular view or otherwise on account of the view from a Residential Unit.

26. **Wood Floors**. Flooring in Residential Units is wood. As a natural organic product, the flooring changes based on moisture content in the air and in the wood itself. Sponsor is not responsible for (i) variations in floor level and slight separation between base and floor, (ii) variations in width, length or tone of wood floor strips or normal shrinking or expansion of wood flooring due to changes in moisture content of wood or the relative humidity of the Unit or the room in which it is located, or (iii) scratches and dents in flooring. See Part I, Section O "Rights and Obligations of Sponsor," for additional information.

27. **Floor Plans**. Plans depicting layout and location of each type of Residential Unit ("**Floor Plans**") appear in Part II of this Plan. The dimensions shown on the Floor Plans are approximations (within reasonable tolerances) and are subject to change should site conditions so necessitate. As is customary in condominium projects in New York City, in calculating the approximate square foot area of each Unit shown on Schedule A, Sponsor's Architect measured horizontally from the exterior face of the exterior walls (perimeter mechanical pipes are not deducted) to the midpoint of the partitions separating one Unit from another Unit and to the corridor face of partitions separating the Unit from stairs, elevators and other mechanical equipment spaces or any Common Elements. Measured vertically, each Unit will consist of the volume from the top of the concrete floor slab below (located under the finished flooring and sub-floor materials) comprising the lowest floor of the Unit to the underside of the concrete slab forming the ceiling of the highest floor of the Unit. As is also customary in New York City, these square foot areas exceed the useable floor area of each Residential Unit. See "Notes to Schedule A" in Part I of the Plan and the "Architect's Description of Property and Specifications" contained in Part II of the Plan, for additional information.

28. **Lot Line Windows**.

(a) Because of the proximity of the Building to the adjacent lot on State Street, certain windows in the O1 line of Residential Units from floors 7-15 and in the O2 line of Residential Units from floors 16-20 are considered "lot line windows" under the New York City Building Code (the "**Building Code**"). Windows classified as lot line windows are shown on the Floor Plans of Residential Units in Part II of this Plan. Classification of a window as a lot line window generally means that depending on the proximity and height of improvements constructed on adjacent property, the lot line window must be protected against fire occurring in the adjacent property, in a manner consistent with the Building Code as determined by the NYC Department of Buildings ("**DOB**"). Generally if a building is constructed on the lot adjacent to apartments with lot line windows, then depending on what is constructed, window glass in the lot line windows may need to be replaced with one-hour fire-rated glass and window frames replaced with one-hour fire-rated frames, or the window opening may need to be sealed with one-hour fire-rated gypsum board. Sponsor is advised by Sponsor's Architect, however, that regardless of construction on the adjacent lot on State Street, the lot line windows at the Building will not need to be replaced or sealed as the distance of those windows to the lot line exceed the minimum required pursuant to the current Building Code. In any event, all Residential Units with lot line windows have sufficient additional windows to satisfy light, air and other requirements for legal use under the current Building Code, should lot line windows in these Units ever have to be sealed.

(b) If, nevertheless, due to a change in law or code or otherwise, it becomes necessary to modify a lot line window after a Purchaser's Unit Closing, the obligation to seal or otherwise modify the lot line windows to comply with law will belong to Purchaser as Unit Owner. Neither Sponsor nor the Board of Managers will have any responsibility or liability in connection with sealing or replacing lot line windows with fire-rated materials in any event. See Part I, Section C of the Plan, "Description of Property and Improvements," for additional information.

29. **Obligation to Reimburse Sponsor for Mortgage Tax Credit**. A Purchaser obtaining a mortgage loan may be entitled, pursuant to Section 339-ee(2) of the Condominium Act, to a credit against a portion of the mortgage recording tax that Purchaser ordinarily would be required to pay upon the recording of Purchaser's mortgage based on mortgage tax previously paid by Sponsor. Alternatively, Sponsor in its sole discretion may arrange with Sponsor's Construction Lender to provide for splitters of Sponsor's Construction Loan and assignment of the portions of said Construction Loan so split in an aggregate amount not exceeding Purchaser's committed mortgage loan, to Purchaser's lender. Purchasers and their lenders shall be obligated to cooperate and accept such assignment should such splitters be used. To the extent Purchaser receives a credit against the mortgage tax pursuant to the provisions of Section 339-ee(2) of the Condominium Act or RPTL Section 255, that would otherwise be payable in connection with Purchaser's purchase money mortgage, Purchaser shall be obligated to reimburse Sponsor in the amount of the credit so received. In no event shall Purchaser be required to pay more than the amount of mortgage tax Purchaser would have paid absent the statutory credit. See Part I, Section N under the subheading "Mortgage-Related Costs" for more information.

30. **Interstate Land Sales Full Disclosure Act**. The Interstate Land Sales Full Disclosure Act, 15 U.S.C. §§1701 et seq. ("**ILSA**"), is a federal statute administered, as of July 21, 2011, by the Consumer Financial Protection Bureau ("**CFPB**") pursuant to the Dodd-Frank Act. ILSA requires sponsors of certain new construction residential development projects, including condominium projects, to file a statement of record (the "**Statement**") and property report (the "**Property Report**") with CFPB and provide a copy of the Property Report to purchasers before they sign a purchase agreement, unless the project or sale is exempt from this filing requirement. On September 26, 2014, President Obama signed into law a bill amending ILSA to exempt sponsors of new construction condominium projects from the obligation to file a Statement and Property Report. The law takes effect 180 days after its enactment, which effective date is March 25, 2015. Because the Project is not exempt from the ILSA filing requirement as of the date of this Offering Plan, Sponsor filed a Statement and Property Report with CFPB. Purchasers who enter into Option Agreements prior to March 25, 2015 will receive a copy of the Property Report together with this Offering Plan and will have the rights afforded purchasers of units in non-

exempt projects pursuant to ILSA. As of March 25, 2015 the registration and filing requirements of ILSA are no longer applicable to the Project as the Project will be exempt from same. Thus Purchasers entering into an Option Agreement on and after March 25, 2015 will receive the Offering Plan only, without a copy of the Property Report, and will not have the rights afforded purchasers of units in non-exempt projects pursuant to ILSA. See Part I, Section J "Procedure to Purchase."

31. **Use of Commercial Units and Hotel Unit**.

(a) Each Commercial Unit and the Hotel Unit (or any portion of these Units) or any Units resulting from the subdivision thereof, may be used for any lawful purpose permitted under the Zoning Resolution, as fully discussed in Part I, Section D of this Plan under the sub-heading "Zoning and Use," (except as may otherwise be prohibited by the Condominium Documents). In particular the Condominium Documents provide that no immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Particular prohibited uses include as a so-called "adult book shop" or any other type of pornography or sex shop or establishment involving nude or semi-nude live performances (other than as a legitimate theatre for the performance arts in which nude or semi-nude performances are part of the play, dance concert or other performance), cabaret, "head shop" (or any other type of establishment for the sale of illegal drugs and/or drug related paraphernalia or equipment) or bail bonds office. These prohibitions governs in the event of conflict with the Zoning Resolution.(See Part I, Section H entitled "Commercial Units and Hotel Unit" for further details.).

(b) The Hotel Unit will include areas of the Cellar, 1st floor, and 3rd through 6th floors. The Hotel Unit, though anticipated to be operated as a hotel may be used for any lawful purpose, including, without limitation for retail, restaurant, banking, residential, hotel, office, storage, garage and utility purposes. The Hotel Unit may also be subdivided into any number and type of permitted uses, including without limitation time share or other interval ownership of floors of the Hotel Unit. The Hotel Unit will have a separate entrance from the Residential Area and separate recreational and other facilities. No amenities in the Building are shared by the Hotel Unit and the Residential Units. The Hotel Unit does not share any of its facilities or services with any Commercial Unit. Sponsor makes no representation as to the date of completion of the Hotel Unit, date of commencement of operation of the Hotel Unit or type or brand of hotel that will operate in the Hotel Unit. (See Part I, Section H entitled "Commercial Units and Hotel Unit" for further details.)

(c) The Hotel Unit and the Commercial Units may be subdivided and the Common Interest previously allocated to such Unit may be reapportioned among the newly created Units, on prior notice to, but without the consent of, the Board of Managers.

32. **Advertising and Resale of Units**. The Option Agreement includes Purchaser's covenant that Purchaser shall not list the Residential Unit for resale or rental with any broker or on-line service, or advertise or otherwise offer, promote or publicize the availability of the Residential Unit for sale, lease or other occupancy, without Sponsor's prior written consent, prior to the closing of title to the Residential Unit. In addition, the Option Agreement includes Purchaser's covenant that for a period ending on the earlier of (i) twelve (12) months after Purchaser's Unit Closing, (ii) expiration of the Initial Control Period, or (iii) Sponsor's sale and closing of all Residential Units offered under this Plan, Purchaser, as Unit Owner, may not advertise or list via broker, Internet, or otherwise, the Unit for sale in New York State, unless Purchaser purchased a single Residential Unit from Sponsor for use and occupancy by Unit Owner or Unit Owner's immediate family and Purchaser used it for that purpose. Any conveyance in violation of the foregoing will be voidable by Sponsor and shall subject the Unit Owner to liability for damages to Sponsor. The foregoing shall survive the Closing of title. See Part I Section J, "Procedure to Purchase," for additional information.

33. **First Unit Closing**. Sponsor anticipates but does not warrant or represent, that the First Unit Closing will be scheduled to occur, and thus the First Year of Condominium Operation will begin, on or about December 15, 2016 (**"Projected Commencement Date"**). Sponsor reserves the right to amend this Plan from time to time to establish a new Projected Commencement Date for the First Year of Condominium Operation. If the actual date of the First Unit Closing differs by 12 months or more from the Projected Commencement Date for the First Year

of Condominium Operation set forth in the Plan, as said Projected Commencement Date may have been amended by a filed amendment to the Plan presented to a Purchaser as of the date that Purchaser executed an Option Agreement, Sponsor will offer that Purchaser the right, for a period of at least fifteen (15) days, to rescind Purchaser's Option Agreement and have the Premium Payment paid thereunder refunded. Further, if the First Unit Closing occurs prior to the Projected Commencement Date, Sponsor may schedule other Unit Closings after that date. Every Unit under an Option Agreement will not close on the same date as the First Unit Closing. Purchasers are assured, however, it is Sponsor's intention to schedule closings as soon as possible from and after the First Unit Closing, once the Unit is covered by at least a temporary certificate of occupancy. See Part I, Section J, "Procedure to Purchase" and the Option Agreement itself, for additional information.

34. **Resident Manager's Unit**.

(a) Sponsor intends to sell Residential Unit 705 (or, at Sponsor's option and as may be disclosed in an amendment to this Plan, another Residential Unit) to the Board of Managers to be used as the residence for the Condominium's Resident Manager (the "**RM Unit**"). The closing of title to the RM Unit is anticipated to occur on the sooner of (i) closing of title to 75% of all Residential Units or (ii) three (3) years after the First Unit Closing. The Purchase Price for the RM Unit is anticipated to be $1,200,000.00 ("**RM Purchase Price**"). The RM Purchase Price is anticipated to be paid 35% in cash and 65% out of the proceeds of a purchase money loan from an Institutional Lender secured by Sponsor. Alternatively, Sponsor may determine to finance the purchase itself. There also will be closing costs associated with the purchase of the RM Unit such as title insurance, Transfer Taxes, Mansion Tax, mortgage recording tax, recording fees, lender attorney fees and other loan-related costs (collectively, the "**RM Closing Costs**"). The RM Closing Costs are currently estimated to be $36,100.00. Sponsor anticipates that 65% of the RM Closing Costs will be financed as part of the purchase money mortgage and that 35% of the RM Closing Costs will be paid in cash. The Board of Managers will be obligated to pay the RM Closing Costs as well as the RM Purchase Price. The RM Purchase Price together with the RM Closing Costs is projected to be $1,236,100.00 (the "**RM Purchase Costs**"). In order for the Board of Managers to have sufficient cash to pay the cash portion of the RM Purchase Price and RM Closing Costs, each Purchaser shall be required to pay at Unit Closing Purchaser's share of thirty-five (35%) percent of the RM Purchase Price and Purchaser's share of 35% of the RM Closing Costs based on Residential Common Interest (such proportionate share, the "**Allocable Share**"). Sponsor will collect Purchaser's Allocable Share on behalf of the Board and retain the portion attributable to the RM Purchase Price and apply it as a credit against the RM Purchase Price payable by the Board at closing of the RM Unit. The balance of the Allocable Share will be held by the Managing Agent for the Board of Managers and will be use to pay RM Closing Costs at closing of the RM Unit. If the full 35% cash amount of the RM Purchase Price has not been collected at the RM Unit Closing, the Board will execute and deliver a note with an interest rate of six (6%) percent per year and a maturity date of 12 months, for the remaining balance of the RM Purchase Price due Sponsor (the "**RM Note**"). In such event, Sponsor will retain the Allocable Share of the RM Purchase Price from each Unit Closing to pay down the RM Note. The balance will continue to be delivered to the Managing Agent on behalf of the Board. If Sponsor elects to finance the purchase of the RM Unit by the Board of Managers, it will do so by providing a purchase money loan with an interest rate of six (6%) percent per year, interest only, with a term of one (1) year and the right to secure the note for said loan with a mortgage against the Unit. The Allocable Share for each Residential Unit is set forth on Schedule A in Part I, Section E of the Plan.

(b) Purchasers are advised that the RM Closing Costs do not include Common Charges payable with respect to the RM Unit following RM Unit Closing. Residential Unit Owners will be responsible for the cost of maintaining the Resident Manager's Unit, including all Common Charges, real estate taxes or other expenses related to such Unit from and after the closing of title thereto. As more particularly set forth in Schedule B, the Common Expenses included in the First Year's Budget (i.e., the cost of labor to operate the Building, utility services, maintenance and repair of the Building's common areas, management, insurance, supplies, and insurance, etc.) which are attributable to the Resident Manager's Unit are allocated to the balance of the Residential Units based upon Common Interest.

(c) As it is anticipated that the Resident Manager will take occupancy of the RM Unit prior to the Board of Manager's acquisition of the Unit, the Board will be obligated to obtain insurance coverage for

the RM Unit from and after the occupancy date. In addition, at Sponsor's discretion, the Board may be obligated to pay Sponsor a monthly use and occupancy fee for the occupied RM Unit until the Board acquires same. The use and occupancy fee, should Sponsor elect to impose same, will be an amount equal to the aggregate of the Common Charges and real estate taxes attributable to the RM Unit and debt service on the Construction Loan attributable to the RM Unit. The monthly use and occupancy fee would be a Residential Common Expense. (See Part I, Section C of the Plan, entitled "Description of Property and Improvements," under the subheading "Resident Manager's Unit" for further information.)

35. **Potential Delay Period for Collection of Common Charges.** The Board of Managers shall have the right to impose and commence collecting Common Charges at date of First Unit Closing or to waive the payment of Common Charges for a period of time, provided Sponsor undertakes to pay the basic operating costs of the Condominium during this period. If the collection of Common Charges will be delayed for a period of time, (i) Sponsor shall disclose this in the post-closing amendment to the Plan, (ii) Sponsor shall provide at least 30 days written notice to Unit Owners of the expiration of the delay period and the date on which the Board will commence collecting Common Charges and shall include a copy of such notice in an amendment to the Plan, (iii) during the delay period when Common Charges are not being collected, Sponsor will timely pay all operating expenses of the Condominium, including without limitation, insurance premiums, (iv) upon commencement of collection of Common Charges, there will not be an assessment by the Board of Managers for any item set forth in the projected First Year's Budget as same may have been amended by filed amendment to the Plan, and (v) Sponsor shall remain obligated to provide updates of the Condominium's budget adopted by the Board of Managers in filed amendments to the Plan. Sponsor shall become responsible for all Common Charges assessed against Units owned by it from and after the date the Board determines to commence collection of Common Charges. As Sponsor initially controls the Board of Managers, any decision of the Board to delay collection of Common Charges will effectively be Sponsor's decision. Once the Board of Managers has made a determination to assess and collect Common Charges, Sponsor shall pay all Common Charges and Special Assessments with respect to Units owned by Sponsor, until these Units are sold to Purchasers or conveyed to parties other than Sponsor. See Part I, Section O, "Rights and Obligations of Sponsor," for additional information.

36. **Internal Revenue Code Section 528 Election.** It is anticipated that the Condominium will make an election to be classified as a corporation for income tax purposes (although no representation is made in this regard). Assuming the Condominium elects to be treated as a corporation for income tax purposes, the Condominium would be required to file tax returns and would be subject to the regular Federal, State and local corporate income tax on its taxable income. The Condominium's taxable income would be the excess of its gross income over its deductible expenses. Gross income would include, among other things, any rental income or investment income received by the Condominium and all Common Charges paid by Unit Owners. However, any portion of the Common Charges segregated and used to finance specified capital expenditures or reserves for such capital expenditures would generally not be required to be includible in gross income. Furthermore, excess Common Charges not used in a particular year and either returned to Unit Owners or applied to the following year's Common Expenses may be excluded from income. Notwithstanding the foregoing, for all years during which the Condominium satisfies the requirements of Section 528 of the Internal Revenue Code, the Condominium may be eligible to elect to be exempt from Federal income tax on Common Charges collected from Unit Owners. One of the requirements of Section 528 is that substantially all of the units of the condominium be used by individuals for residences. "Substantially all" is interpreted by the Internal Revenue Service as meaning at least 85% of the total square footage of all units within the condominium project. The details on how the 85% is measured to satisfy the "substantially all" test is not entirely clear in the Internal Revenue Code and pertinent Treasury Regulations. There are additional requirements based on income and expenditures of the condominium that must be satisfied to make a Section 528 election for a given year. As suggested by the foregoing, the qualification of the Condominium to elect to be exempt from tax pursuant to Section 528 involves factual issues which can only be determined on a year-by-year basis and whether, among other criteria, the "substantially all" test is satisfied. Sponsor's Offering Plan Counsel cannot express an opinion as to whether the Condominium will qualify to make a Section 528 election for a particular year or whether it would be advisable to do so for any given year. If the Condominium either fails to qualify under Section 528 or, if qualified, fails to elect Section 528 tax treatment in any year, it could be subject to the regular Federal corporate income tax on its taxable income as described above. However, as it is expected that the Board of

Managers in the ordinary course of operations is likely to spend most of the Condominium's income for allowable deductions or properly designate it for capital purposes, whether or not Section 528 is available and/or is elected, the Condominium's income tax liability, if any, is expected to be limited. See Part I, Section S of the Plan, "Taxes – Tax Status or Condominium, Income Tax Deductions to Unit Owners; Real Estate Taxes, for further information.

37. **Repair of Defects**. Sponsor shall not be obligated to correct or cause to be corrected any defects in construction of a Residential Unit or the Common Elements, or in the installation or operation of any mechanical equipment therein, except as set forth in the Offering Plan. Sponsor shall, however, correct or cause to be corrected any defects in construction of the Condominium and the Residential Units and any Residential Limited Common Element appurtenant thereto, or in the installation or operation of mechanical equipment installed by Sponsor therein, but only if (i) such defect is due to substantially improper workmanship or materials substantially at variance with the Plans and Specifications, and (ii) Sponsor is notified in writing (x) by the Unit Owner to whom Sponsor sold a Residential Unit, within thirty (30) days following the Unit Closing Date for that Unit if the defect concerns that Residential Unit or appurtenant Residential Limited Common Element or (y) by the Board of Managers, within thirty (30) days following the First Annual Meeting of Unit Owners, if the defect concerns the General or Residential Common Elements. Notwithstanding the foregoing, if a defect in a particular General or Residential Common Element located in a Residential Unit can be detected only after occupancy of the Unit, then the Unit Owner must notify the Board of Managers of the defect, and Sponsor must be notified by the Board of Managers of same, within thirty (30) days of the Unit Closing Date for that Residential Unit, for Sponsor to be obligated to remediate same, assuming it is a defect otherwise eligible for remediation by Sponsor pursuant to the Offering Plan. If Sponsor is not notified within these time periods, Sponsor shall not have any obligation to remediate the defect even if it otherwise would be eligible for remediation. See Part I, Section O of the Plan, entitled "Rights and Obligations of Sponsor," in particular, subsection 4 of that section, for further information.

38. **Intention to Sell; Offer for Sale.**

(a) Sponsor intends in good faith to sell rather than rent Units. However, Sponsor reserves the unconditional right to rent, rather than sell, Units. Because Sponsor is not limiting the conditions under which it will rent, rather than sell Units, Sponsor is not committed to selling more Units than the 15% of Residential Units necessary to declare the Plan effective. Sponsor reserves the further right to sell to Purchasers who intend to be owner-occupants or investors. Investor-Purchasers may, in turn, rent out their Residential Units, and accordingly, some Residential Units may not be used for personal occupancy of the Owner. Therefore, it is possible that Purchasers who buy for their own occupancy ("owner-occupants") may never gain effective control of the Condominium. Residential Unit Owners who purchase for their own occupancy may have different interests than Residential Unit Owners who purchase for investment.

(b) Sponsor reserves the right to offer the Residential Units for sale in such order as it determines, and to hold one or more Residential Units off the market at any time for lease, license, future sale, or otherwise. In addition, Sponsor retains the right to limit the number of sales to any one Purchaser, to sell more than one Residential Unit to a particular Purchaser and to make bulk sales of Residential Units (defined herein as a sale or transfer of three or more Residential Units) to one or more Purchasers. See Part I, Sections A and O of the Plan, entitled "Introduction" and "Rights and Obligations of Sponsor," respectively, for further details.

(c) Sponsor reserves the right to offer licenses for use of the Storage Bins and/or Parking Area for sale in such order as it determines and reserves the right to hold one or more Storage Bins and/or Parking Licenses off the market at any time. Storage Bin Licenses and Parking Licenses will be offered for sale solely at Sponsor's discretion.

39. **Tax Disclosure**. Taxpayers are hereby informed that (i) this Offering Plan was not intended or written to be used, and it cannot be used, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this Offering Plan was written to support the promotion or marketing of the transaction(s) or matter(s) addressed in this Offering Plan; and (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

40. **Changes in Units**. In order to meet the possible varying demand for number and type of Units, or to meet the particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right at any time, both before and after recording the Declaration and without the consent of Purchasers, Unit Owners or the Board of Managers, with respect to Units owned by Sponsor, to (i) change or reverse the layout of any Unit and make adjustments in interior dimensions of Units, (ii) change the number of rooms in any Unit, (iii) change the size and/or number of Units by subdividing one or more such Units into two or more separate Units, combining separate Units into one or more Units, altering boundary walls of Units, or otherwise, including, without limitation, incorporating any wall, hallway or portion thereof, space, or other area abutting a Unit or Unit(s) owned by Sponsor into one or more of said Units or otherwise, and (iv) if appropriate, reapportion the Common Interest among the Units affected by such change. However, Common Interest need not be reapportioned if a portion of the public hallway is incorporated into a Unit or Units as described above. Sponsor also reserves the right to increase or decrease the number of Storage Bins and/or size of the Parking Area and/or to modify the size of Storage Bins. Changes made by Sponsor pursuant to the foregoing will be disclosed in an amendment to the Plan and the Declaration will be amended accordingly, as and if appropriate, to reflect such changes as well.

Site conditions may cause variations in walls, ceilings, heights and other dimensions from those included in the Floor Plans or otherwise described in this Plan. If the layout and dimensions of a Unit conform substantially to the Plans and Specifications, subject to Sponsor's right to make changes necessitated by site conditions, a Purchaser will not be excused from purchasing the Unit for such reason and will not have any claim against Sponsor as a result of such insubstantial deviation. Sponsor will have no liability to any Purchaser nor will any Purchaser be entitled to a credit, offset or reduction in the Purchase Price for Purchaser's Unit or otherwise be relieved from any obligations under the Option Agreement, by virtue of a minor inaccuracy or error in the Floor Plans.

Sponsor will file an amendment to the Plan to reflect any changes in the number of Units, should Sponsor change the number of Units during the term of this offering. If the Declaration has already been filed at the time any of the foregoing changes are made, the Declaration also will be amended by Sponsor, as necessary, with the consent of all Unit Owners directly affected, if such consent is required by law or the Condominium Documents.

Notwithstanding anything in this Offering Plan to the contrary, if Sponsor must make material changes to size, dimension, Common Interest, floor space or layout of Units or to size, dimension, layout, quantity or quality of Common Elements, due to site conditions, governmental requirements or other unforeseen circumstances, Sponsor will amend the Plan accordingly to disclose the changes. Any Purchaser under contract to purchase a Unit whose purchase would be substantially adversely affected by such changes, will be given the right to rescind the Option Agreement and at least fifteen (15) days within which to exercise this right, and if rescission is exercised, will receive back the Premium Payment made thereunder together with interest earned thereon.

41. **Option Agreement Provision**. The Option Agreement provides that Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Option Agreement, or in cancelling the Option Agreement or otherwise enforcing Purchaser's obligations thereunder. The Option Agreement also provides that except as prohibited by Law, the parties waive trial by jury in any litigation arising out of, or connected with, or relating to, this Plan, the Option Agreement or the relationship created by the Option Agreement or the relationship created by the Option Agreement between Sponsor and Purchaser.

42. **Adjournment Fee**. Sponsor's Closing Counsel's fee for each Unit purchased shall include a charge of $300 for the first adjournment after the one "free" adjournment provided under the Option Agreement granted at Purchaser's request, provided the adjournment is requested at least three (3) business days in advance of the Original Scheduled Closing Date as same may have been adjourned pursuant to the "free" adjournment. If the closing is adjourned by Purchaser less than three (3) business days before the Original Scheduled Closing Date (as same may have been adjourned pursuant to one "free" adjournment), the adjournment fee shall be $600. There shall be an additional fee of $600 for each adjournment after the foregoing adjournments agreed to by Sponsor at Purchaser's request.

43. **Special Risks Generally**. The foregoing Special Risks summarize items that might reasonably impact Purchasers in future years of Condominium operation. However, the foregoing summary does not reflect all the material terms of the offering, which are set forth in the following pages of this Plan, certain of which terms may be deemed by certain Purchasers and not others, to constitute significant risks. Therefore, all Purchasers should carefully review the entire Offering Plan before determining to purchase a Unit.

A. INTRODUCTION

1. General

71 Smith Street Property Owner, L.L.C. ("**Sponsor**") is a Delaware limited liability company registered to do business in New York. Sponsor presents this Offering Plan for the sale of 128 Residential Units at The Boerum Condominium located at 265 State Street, Brooklyn, New York 11201 (the "**Condominium**"). Sponsor also intends to offer the right to enter into 51 Storage Bin Licenses for Storage Bins and 40 Parking Licenses for use of the Parking Area pursuant to this Plan. Offering Prices for Residential Units, Storage Bin License and Parking Licenses are indicated on Schedule A. The land and the improvements on the land which comprise the Condominium are referred to in this Plan collectively as the "**Property**." Sponsor acquired the Property in November 2012.

Capitalized terms used in this Offering Plan and not defined in the text, have the meanings given in Section B of this Plan entitled "Definitions."

The purpose of this Plan is to set forth all material terms of Sponsor's offer to sell the Residential Units. The Condominium is subject to and complies with the New York Condominium Act. Sponsor may amend the terms of this Offering Plan from time to time during the period of this offering. Any such change in terms will be effected through the filing by Sponsor of an amendment to this Plan with the New York State Department of Law ("**Department of Law**"). Promptly after an amendment's acceptance by the Department of Law, the amendment will be distributed to all parties who previously received a copy of the Offering Plan from Sponsor and have not yet signed an Option Agreement or to Purchasers who signed an Option Agreement and have not yet closed on their purchase, and to Residential Unit Owners who purchased their Units from Sponsor.

This Plan is presented in two parts (both in this volume), which parts, together with any amendments to the Plan, constitute the entire Plan. Part I contains a general description of the offering, certain opinion letters and a summary of the basic documents used to purchase a Residential Unit and to maintain and operate the Condominium. Part II contains forms of all such basic documents. Also included in Part II is a detailed description of the physical aspects of the Property and certifications by Sponsor, Sponsor's Architect and Sponsor's Budget Expert, as to the truth and accuracy of information in the Plan for which they are primarily responsible.

Prices for Residential Units may be found on Schedule A in Part I, Section E of the Plan. Prices were set by Sponsor alone and are not subject to review or approval by the Department of Law or any other government agency. All equipment or fixtures described in the Plan as being a part of the Residential Unit are included in the Offering Price of the Residential Unit and the Offering Price is not conditioned upon the equipment and fixtures selected.

The Residential Units are offered for sale on the terms set forth in the Plan. The Commercial Units and the Hotel Units are not offered for sale under this Plan but Sponsor reserves the right to offer them for sale independently of the Plan. Sponsor also reserves the right to subdivide any or all of the Commercial Units and the Hotel Unit and to offer same for sale as well, or to retain ownership of any or all of the Commercial Units or Hotel Unit in its own name or in the name of an Affiliate and not to sell or offer to sell any or all of such Units. Sponsor will amend the Plan to disclose any subdivision or conveyance of Commercial Units or the Hotel Unit.

2. The Condominium: An Overview

Units, Storage Bins and Parking

Subject to Sponsor's right to change the number of Units during the term of this offering, the Condominium will contain 128 Residential Units, 3 Commercial Units and 1 Hotel Unit. The Condominium is

expected to contain 51 Storage Bins in the cellar and a Parking Area on the 2nd floor of the Building with space to park 40 vehicles.

The Condominium is expected to contain 19 construction floors. However, as is customary in New York City, the Building contains no floor numbered 13. Accordingly, the floors in the Building are numbered for marketing purposes from 1 to 20. All references in this Offering Plan to floor designations are thus to marketing floor designations rather than construction floor designations.

The common areas and facilities of the Hotel Unit will be located on portions of the cellar floor and 1st floor, with hotel guest rooms on the 3rd through 6th floors. The Commercial Units will be located on portions of the 1st floor. Residential Units will be located on the 7th through 20th floor. Certain Units will have Unit Terraces appurtenant to the Unit as a Residential Limited Common Element.

The Parking Area is located on the 2nd floor, with an entrance ramp from Schermerhorn Street. Unit Owners will drive their vehicles to the top of the ramp where they will be parked by an attendant. It is anticipated that the Parking Area will be operated by the Board of Managers and that an employee of the Condominium will serve as the attendant with responsibility for parking vehicles and fetching them when residents require them. The Board of Managers shall have the right in the future, however, at its discretion, to hire a parking garage operator to operate the Parking Area.

The Residents' Gym and Amenity Center

The Residential Area will include, for use of Residential Unit residents exclusively, a Resident's Gym with exercise equipment on the cellar level, bicycle storage on the 2nd floor, and an Amenity Center with a Resident's Lounge ,Library Kitchen, Library, Media Room, Children's Playroom and outdoor deck (the "**Amenity Terrace**") on the 15th floor. The Amenity Terrace will include an artificial grass lawn, a children's play area, a lounge area with seating, as well as a gas grill station, refrigerator, ice maker and sink. With the possible exception of landscaping for the outdoor portion of the Amenity Center on the 15th floor, installation of which is weather dependent, and completion of the Residents' Gym at the cellar level, all services and amenities are expected to be in place at time of First Unit Closing. If the Residents' Gym and the Amenity Center are not completed at time of First Unit Closing, they will be completed within six (6) months thereafter.

As Unit Terraces and the Amenity Terrace are exterior amenities, they are subject to noises and dirt found in the outdoors. Purchasers are advised that some of these amenities are adjacent to or located near mechanical equipment or appliances for the Building or Units therein. When such equipment or appliances are in operation, they may produce noises, smells, exhaust or vibrations which might be apparent to a Unit Owner or other Building resident when using a Unit, Unit Terrace or Amenity Terrace. There is an emergency diesel generator on the Main Roof which will operate certain systems for the Building in the event of power outages. The generator requires that it be tested monthly to assure performance. Testing causes noise which may be audible in residences. Timing of such testing to be coordinated by the Board of Managers. Though Sponsor does not anticipate that any such operational noise, smell, vibration or exhaust will be intrusive, Sponsor does not make any representation regarding same.

3. Timetable for Completion

Construction of the Condominium, subject to force majeure, is expected to be substantially complete by approximately December 15, 2016. It is anticipated that temporary certificates of occupancy for different portions of the Building (e.g., partial temporary certificates of occupancy), will be issued at different times, with lower floors being covered sooner than higher floors. Based on the current construction schedule, the First Unit Closing is anticipated to occur on or about December 15, 2016. No representation is made, however, as to when a temporary

certificate of occupancy for a particular Unit will be issued, the date of substantial completion of the Building or the date of the First Unit Closing.

4. Features of Condominium Ownership

An Owner of a Residential Condominium Unit owns title to that Unit and is entitled to exclusive possession of the Unit. Each Unit eventually will be assessed as a separate tax lot for real estate tax purposes. A Unit Owner is privileged to mortgage the Unit or not, and in such amount as the Unit Owner chooses. Any one Unit is not subject to mortgages placed on any other Unit by another Unit Owner, and a Unit Owner will incur no liability if other Unit Owners fail to make payments on any mortgage affecting their Units. Each Unit Owner must pay Common Charges in accordance with the New York Condominium Act, Real Property Law sections 339-(i) and (m), or applicable local and state law.

The Condominium will be governed by a Board of Managers. The initial Board of Managers shall consist of three (3) members, one appointed by Sponsor who shall represent all Residential Unit Owners, one appointed by Sponsor who shall represent all Commercial Unit Owners and one appointed by Sponsor who shall represent the Hotel Owner. A seven (7) member Board of Managers, with five (5) members elected or appointed by the Residential Owners (each a "**Residential Board Member**") and one (1) member elected or appointed by the Commercial Unit Owners (the "**Commercial Board Member**") and one (1) member appointed by the Hotel Owner (the "**Hotel Board Member**"), shall be established at the First Annual Meeting of Unit Owners. Residential Board Members will have the power and authority to make decisions and take actions affecting exclusively the operation of the Residential Area. The Hotel Board Member will have the power and authority to make decisions and take actions affecting exclusively the Hotel Unit. The Commercial Board Member will have the power and authority to make decisions and take actions affecting exclusively the Commercial Units. The Commercial Board Member shall represent all Commercial Unit Owners and shall not make any decision or take any action that discriminates against or adversely impacts a Commercial Unit without the prior written consent of the affected Commercial Unit Owner.

Sponsor will have voting control over the Board of Managers until the later to occur of (i) closing of title to 95% of the Residential Units offered under the Offering Plan, or (ii) ten (10) years after the date of the First Unit Closing ("**Initial Control Period**"). Sponsor may appoint all Residential Board Members during the Initial Control Period. It is Sponsor's intention to sell all Residential Units. Sponsor may, at its discretion, relinquish voting control of the Board of Managers prior to expiration of the Initial Control Period.

After expiration of the Initial Control Period, Sponsor shall continue to have the right to designate one (1) Residential Board Member as long as Sponsor owns at least one (1) Residential Unit. When Sponsor no longer owns any Residential Units, then at the annual meeting of Unit Owners next following that date, Sponsor's remaining Residential Board Member shall step down and a replacement for Sponsor's departing Residential Board Member shall be elected. At all annual meetings of Unit Owners (both during and after the Initial Control Period), Sponsor shall have the right to vote for non-Sponsor candidates nominated for election to the Board of Managers in accordance with Sponsor's ownership of Units and the number of votes attributable to such Units.

For the longer of (i) the period during which Sponsor owns Units representing at least 25% in Common Interest, or (ii) ten (10) years after the date of the First Unit Closing (such period, the "**Sponsor Veto Control Period**"), the Board of Managers is restricted from taking certain actions without Sponsor's prior consent. See Part I, Section P, entitled "Control by Sponsor" for further discussion.

The Board of Managers will be responsible for supervising maintenance and operation of the Common Elements of the Property and managing the affairs of the Condominium, in accordance with the Declaration, By-laws, Rules and Regulations of the Condominium and applicable statutes. Each Unit Owner is

obligated to comply with the provisions of the Declaration, By-laws, Rules and Regulations of the Condominium and requirements of the Board of Managers imposed or promulgated pursuant thereto.

A Residential Unit Owner may sell or lease (or otherwise offer occupancy of) said Owner's Residential Unit to anyone, subject to a right of first refusal held by the Board of Managers and compliance with certain other requirements set forth in the By-laws of the Condominium. The sale or lease of a Commercial Unit and/or the Hotel Unit shall not be subject to a right of first refusal held by the Board of Managers. The right of first refusal granted to the Board of Managers in the By-laws with respect to sale of a Residential Unit, provides the Board of Managers with the opportunity to purchase the Residential Unit on the same terms and conditions as those contained in a signed contract of sale between selling Residential Unit Owner and purchaser.

With respect to leases, no transient tenant or short term paying guest in a Residential Unit (i.e., a tenant or paying guest in occupancy for a period of less than twelve (12) consecutive months) including, without limitation, any short term tenant, guest or other occupant in a Residential Unit solicited or obtained through an on-line booking, or rental or other listing service will be permitted in any Residential Unit.

A Residential Unit Owner is solely responsible for maintenance and non-structural repair of such Owner's Residential Unit, as well as a Unit Terrace, appurtenant thereto if applicable. A Residential Unit Owner with a Unit Terrace as a Residential Limited Common Element will be responsible for, among other things, keeping any drains installed in or on the Unit Terrace clear of dirt, debris, snow and ice, so that water drains freely. The cost of insurance for occurrences and personal property in a Residential Unit and if applicable, its appurtenant Unit Terrace, shall be borne by the Residential Unit Owner.

Sponsor is obligated to construct the Building in substantial accordance with the Plans and Specifications. Beyond the foregoing obligation, Sponsor is not responsible for, can make no guarantees regarding and shall have no liability to any Unit Owner and no Purchaser or Unit Owner may have any claim against Sponsor with respect to, any noise, exhaust, smells, vibrations, dirt, debris or other consequences of the day-to-day functioning of the Building's mechanical equipment and its impact, if any, on the use and enjoyment of the Amenity Center, the Amenity Terrace or a Unit Terrace or a Unit by a Unit Owner or other resident of the Building.

Following completion of construction and Sponsor's turnover of the Building to the Board of Managers, the Board of Managers will be responsible for operating any mechanical equipment that is a Common Element located in the Building and/or on the Roof and any Roof Setbacks in accordance with the operating manual and applicable law, including but not limited to requirements governing acceptable levels of noise, vibrations and emissions, and including but not limited to the equipment discussed above. It is possible that even with proper operation and maintenance normal operation of this equipment by the Board of Managers will be audible and/or produce emissions.

Ownership of title to a Unit includes ownership of an undivided interest in all parts of the Property other than the Units themselves (i.e., in the "**Common Elements**"), in common with all other Unit Owners. This undivided interest is referred to as the Unit Owner's "percentage of interest in the Common Elements" or "Common Interest." See Part I, Section , entitled "Description of Property and Improvements" for further discussion of Units, Common Elements and Limited Common Elements.

The Common Interest allocated to each Unit is based, pursuant to Section 339-i(1)(iv) of the Condominium Act, upon the anticipated 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 costs involved in maintaining and operating the General Common Elements will be shared by all Unit Owners. Items of expense pertaining only to the Residential Units and Residential Common Elements will be payable only by the Residential Unit Owners, and will not be paid by the Commercial Unit Owners and the Hotel Unit Owner. Items of expense pertaining only to the Commercial Units and Commercial Common Elements or Limited Common Elements (if any) will be payable only by the Commercial Unit Owners and will not be paid by the Residential Unit Owners or the Hotel Unit Owner. Items of expense pertaining only to the Hotel Unit and Hotel Limited Common Elements (if any) will be payable only by the Hotel Unit Owner and will not be paid by the Residential Unit Owners or the Commercial Unit Owners. If there any items of expense pertaining to the Residential Units and the Hotel Unit, these will be payable by the Residential Unit Owners and the Hotel Unit Owner and will not be paid by the Commercial Unit Owners.

The costs of maintaining the General Common Elements as well as the cost of insurance premiums for the Condominium, and similar common expenses, are referred to as "**General Common Expenses**." General Common Expenses generally will be apportioned between the Residential Units, the Commercial Unit and the Hotel Unit on the basis of usage, provided that such allocation is fairly attributable to the Units and reasonable under the circumstances. However, some expenses may be allocated based upon Common Interest, as more fully described in the Notes to Schedule B and in the By-laws. The costs of maintaining the Residential Common Elements plus the Residential Units' share of the General Common Expenses, are referred to as "**Residential Common Expenses**." Residential Common Expenses generally will be apportioned among the Residential Units on the basis of Residential Common Interest. The costs of maintaining the Commercial Common Elements (if any) plus the Commercial Units' share of the General Common Expenses are referred to as "**Commercial Common Expenses**." Commercial Common Expenses will be apportioned among the Commercial Unit Owners as the Commercial Board Member shall determine. The allocations of the foregoing expenses are more fully described in the Notes to Schedule B and in the By-laws. The costs of maintaining the Hotel Common Elements, if any, plus the Hotel Unit's share of the General Common Elements, are referred to as **"Hotel Common Expenses,"** and will be paid by the Hotel Unit Owner.

5. Offer to Sell; Right to Rent; Copies of Documents

The Plan, including all schedules and amendments, together with Exhibit Binders A, B, C and D and all exhibits contained therein (collectively, the "**Exhibit Binders**") filed with the New York State Department of Law, constitutes the entire offer of Sponsor. Any person interested in purchasing a Unit must apply at the Sales Office for an Offering Plan which may be obtained for a non-refundable fee of $150.00, as more fully described in Part I, Section J of this Plan entitled "Procedure to Purchase." Though the fee is otherwise non-refundable, when and if Purchaser closes under an Option Agreement, Sponsor will reimburse Purchaser for the Offering Plan by check, or as a credit against the balance due at Closing, such manner of reimbursement to be at Sponsor's discretion. Purchasers must be at least eighteen (18) years of age.

Copies of the Exhibit Binders will be available for inspection by prospective purchasers at the Sales Office whenever the Sales Office is open. If Purchaser requires a copy of any exhibit contained in the Exhibit Binders, same will be provided at Purchaser's expense. All of the documents referred to in this Plan are important and should be reviewed carefully prior to purchase.

Copies of the Offering Plan and all Exhibit Binders will also be available for inspection at the New York State Department of Law, and for copying at a fee established by the New York State Department of Law.

Sponsor advises Purchasers it is Sponsor's intention, in good faith, to sell rather than rent Units. However, Sponsor reserves the unconditional right to rent rather than sell Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, Sponsor is not committed to selling more Units than the 15% of the Residential Units necessary to declare the Plan effective. Sponsor reserves the further right to sell to

Purchasers who intend to be owner-occupants or investors. Investor-Purchasers may, in turn, rent out their Residential Units. Accordingly, some Residential Units may not be used for personal occupancy of the Owner. Therefore, it is possible that Purchasers who buy for their own occupancy ("owner-occupants") may never gain effective control of the Condominium. It is also possible that Residential Unit Owners who are owner-occupants may have different interests than Residential Unit Owners who purchase for investment.

Sponsor reserves the right to offer the Residential Units, Storage Bin Licenses, and/or Parking Licenses for sale in such order as it determines, and to hold one or more Residential Units, Storage Bin Licenses, and/or Parking Licenses off the market at any time for lease, license, future sale, or otherwise. In addition, Sponsor retains the right to limit the number of sales to any one Purchaser, to sell more than one Residential Unit, Storage Bin License, and/or Parking License to a particular Purchaser and to make bulk sales of Residential Units, Storage Bin Licenses, and/or Parking Licenses (defined herein as a sale or transfer of three or more Residential Units) to one or more Purchasers.

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

B. DEFINITIONS

General definitions of some important terms used in the Plan are set forth below. These definitions are intended for explanatory purposes and should be read in conjunction with the definitions appearing in the Declaration and By-laws, forms of which are contained in Part II of the Plan.

"***3rd Floor Roof Setback***" means the roof setback at the 3rd floor of the Building located over the 2nd floor of the Building, and the door opening onto same, which are Limited Common Elements appurtenant to the Hotel Unit.

"***15th Floor Roof Setback***" means the roof setback at the 15th floor of the Building located over the 14th floor of the Building, which is a Residential Common Element and supports the Amenity Terrace.

"***ACRIS***" is an acronym for Automated City Register Information System, a document database website maintained by the New York City Department of Finance.

"***Affiliate***" or "***Affiliated***" shall mean (i) with respect to any Person that is a natural person, such Person's immediate family members or (ii) with respect to any Person that is an entity, any director or officer of such Person, any corporation, association, firm or the entity of which such Person (or any officer or director of such Person) is a member, director or officer, and any other Person, directly or indirectly controlling, controlled by, or under common control with, such Person. For the purpose of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The term "immediate family members" means, with respect to any natural person, the Spouse, children, grandchildren, parents and grandparents, in each case including by adoption, of any such natural person.

"***Amenity Center***" means the recreational amenity center on the 15th Floor of the Building and all equipment, appliances and furnishings therein, as well as the Amenity Terrace appurtenant thereto, all of which are Residential Common Elements.

"***Amenity Terrace***" means the outdoor terrace on the 15th Floor, and all pavers, decking, landscaping and furnishings and equipment therein or thereon, all of which are Residential Common Elements.

"***Attorney General***" means the New York State Attorney General, who is the head of the New York State Department of Law.

"***Balcony***" means a balcony, if any, projecting from and appurtenant to a particular Residential Unit.

"***Board of Managers***" or "***Board***" or "***Condominium Board***" means the Board of Managers of the Condominium.

"***Building***" means the Improvements now or hereafter erected on the Land and all alterations and replacements made to such Improvements.

"***By-laws***" means the By-laws of the Condominium, which by-laws are annexed to the Declaration, as such by-laws may be amended from time to time.

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

"***Commercial Area***" means collectively, the Commercial Units, any Commercial Common Elements and any Commercial Limited Common Elements.

"***Commercial Board Member***" means the individual elected or appointed by the Commercial Unit Owners to serve as the representative of the Commercial Unit Owners on the Board of Managers.

"***Commercial Common Charges***" means those Common Charges, if any, assessed against the Commercial Unit Owners for the purpose of meeting Commercial Common Expenses, if any.

"***Commercial Common Elements***" means those Common Elements, if any, located in or exclusively serving the Commercial Units.

"***Commercial Common Expenses***" means those Common Expenses, if any, incurred in connection with the Commercial Common Elements plus the Commercial Units' pro-rata share of General Common Expenses.

"***Commercial Limited Common Element***" means a Limited Common Element serving a specified Commercial Unit, and restricted in use to the Owner of that Unit or tenants and/or other occupants thereof.

"***Commercial Unit***" means a Unit designated as a Commercial Unit on Schedule B to the Declaration and on the Tax Lot Drawings, together with the Common Interest appurtenant to such Unit.

"***Commercial Unit Owner***" means the Owner of a Commercial Unit.

"***Common Charges***" means the annual assessments payable in monthly installments by Unit Owners for the purpose of meeting Common Expenses. Assessments, both special and otherwise, will be characterized and treated as Common Charges of the Unit Owner to whom assessed, all as more fully described in the By-laws.

"***Common Elements***" means those facilities and areas of the Property that are not part of a Unit and which are necessary or convenient to the existence, management, operation, maintenance and/or safety of the Property, or normally in common use.

"***Common Expenses***" means all costs and expenses in connection with repair, maintenance, replacement, restoration, operation of, and alteration, addition or improvement to, the Common Elements, including but not limited to insurance and establishment of reserves for repairs and replacements.

"***Common Interest***" means the proportionate undivided percentage of interest in fee simple absolute in the Common Elements allocated and appurtenant to a Unit, as set forth in ***Schedule B*** to the Declaration. The total of all Common Interest percentages appertaining to all Units equals 100%.

"***Condominium***" means the Property submitted to the Condominium Act.

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

"***Condominium Documents***" means, collectively, the Declaration and the By-laws attached thereto, as same may be amended from time to time.

"***Construction Lender***" means M & T Bank, with an address at 350 Park Avenue, New York, New York 10022, its successors and assigns, or other Institutional Lender making the Construction Loan to Sponsor.

"***Construction Loan***" means the construction loan made by Construction Lender to Sponsor for purpose of constructing the Building.

"***Declaration***" means the Declaration establishing the Condominium, to be recorded by Sponsor prior to conveying title to a Unit under this Offering Plan, as same may be amended from time to time.

"***Department of Buildings***" means the New York City Department of Buildings.

"***Department of Law***" means the New York State Department of Law, which is headed by the New York State Attorney General.

"***Effectiveness Amendment***" means an amendment to this Offering Plan filed by Sponsor with the Department of Law which reflects that Sponsor has declared the Offering Plan effective.

"***Eligible Holder***" means a Permitted Mortgagee who timely provides a Mortgagee's Notice to the Board of Managers in accordance with the By-laws and who holds a Permitted Mortgage secured by a Residential Unit.

"***Escrow Agent***" means Bryan Cave LLP, having an address at 1290 Avenue of the Americas, New York, New York 10104.

"***Exercise Price***" means the Purchase Price for a Residential Unit set forth in an Option Agreement and payable upon exercise of the option, less all Premium Payments made on account of the Purchase Price prior to exercise of the option.

"***First Annual Meeting of Unit Owners***" means the first annual meeting Unit Owners following establishment of the Condominium held in accordance with the provisions therefor stated in the By-laws.

"***First Unit Closing***" means the first closing of a sale of a Residential Unit pursuant to the Offering Plan.

"***First Year of Condominium Operation***" means the initial 12-month period of Condominium operation commencing on the date of the First Unit Closing.

"***First Year's Budget***" means the projected operating budget for the First Year of Condominium Operation, which is included in the Plan as, and referred to from time to time as, "Schedule B."

"***Floor Plans***" mean the floor plans of the Units contained in Part II of this Offering Plan.

"***General Common Charges***" means those Common Charges attributable to General Common Expenses.

"***General Common Elements***" means those portions of the Property other than the Units, the Residential Common Elements, the Commercial Common Elements, the Hotel Common Elements, the Residential Limited Common Elements, the Commercial Limited Common Elements, and the Hotel Limited Common Elements, if any.

"***General Common Expenses***" means those Common Expenses attributable to the General Common Elements.

"***Hotel Board Member***" means the individual appointed by the Hotel Unit Owner to serve as the representative of the Hotel Unit Owner on the Board of Managers.

"***Hotel Common Charges***" means those Common Charges, if any, assessed against the Hotel Unit Owner for the purpose of meeting Hotel Common Expenses, if any

"***Hotel Common Elements***" means those Common Elements, if any, located in or exclusively serving the Hotel Unit.

"***Hotel Common Expenses***" means those Common Expenses, if any, incurred in connection with the Hotel Unit Common Elements plus the Hotel Unit's pro-rata share of General Common Expenses.

"***Hotel Unit***"" means a Unit designated as a Hotel Unit on Schedule B to the Declaration and on the Tax Lot Drawings, together with the Common Interest appurtenant to such Unit.

"***Hotel Unit Owner***" means the Owner of the Hotel Unit.

"***Improvements***" means the Building and any and all other improvements now or hereafter erected on the Land and all alterations, additions and replacements to such improvements.

"***Initial Control Period***" means the period ending on the later to occur of (i) closing of title to 95% of the Residential Units offered under the Offering Plan, or (ii) ten (10) years after the date of the First Unit Closing

"***Institutional Lender***" means any domestic or foreign retail or savings bank, any insurance company or savings and loan association whose investments are regulated by the laws of any State or of the United States, any pension fund, trust company, governmental agency or fund, any educational, religious or charitable institution, or other non-individual entity, any entity which is the holder of a mezzanine loan to Sponsor or a Commercial Unit Owner (or any of their respective Affiliates or subsidiaries) or a consortium of any of the foregoing, in the business, among other things, of making mortgage loans secured by real property.

"***Land***" means the land submitted to the Declaration upon which the Building and Improvements comprising the Condominium are being constructed, as more fully described in the Declaration.

"***Limited Common Element***" means a Common Element that serves one or more specified Unit(s) and no other Units, and is restricted in use to the Owner(s) of that (those) Unit(s).

"***Main Roof***" means the roof constructed over the highest floor of the Building.

"***Managing Agent***" means FirstService Residential New York, Inc. with an office located at 622 Third Avenue, New York, NY or any other management company or agent engaged to manage the Condominium.

"***Mansion Tax***" means the transfer tax imposed by New York State pursuant to Article 31 of the Tax Law on purchasers of residential real property where the consideration for the conveyance is $1,000,000 or more.

"***Mortgagee***" means any Institutional Lender (i) holding, insuring or guaranteeing a mortgage of record encumbering a Unit (including, without limitation the Construction Lender while it holds a mortgage secured by a Unit owned by Sponsor) or (ii) who makes a mezzanine loan to Sponsor or a Commercial Unit Owner or a Hotel Unit Owner or any of their respective Affiliates or subsidiaries, and holds a pledge of ownership interests in connection therewith.

"***Mortgagee's Notice***" means written notice sent by a Permitted Mortgagee certified mail return receipt requested to the Board of Managers within thirty (30) days of the date a Permitted Mortgage is made to that Mortgagee or within thirty (30) days of the date a mezzanine loan is made by a Permitted Mortgagee to Sponsor or a Commercial Unit Owner (or any of their respective Affiliates or subsidiaries) or Hotel Unit Owner (or any of its respective Affiliates or subsidiaries), as applicable), stating the name of the Permitted Mortgagee, the Unit encumbered by the Permitted Mortgage (or subject to the mezzanine loan), an address to which notices to Permitted Mortgagee are to be sent when required to be sent under the Condominium Documents, and if applicable, expressly listing those specific actions by the Board of Managers of which Permitted Mortgagee requests notice, consistent with the By-laws.

"***Offering Plan***" (or "***Plan***") means this Offering Plan for the sale of Units at the Condominium, filed by Sponsor with the Department of Law, as said Plan may be amended from time to time.

"***Offering Plan Counsel***" means the law firm of Bryan Cave LLP, having an office at 1290 Avenue of the Americas, New York, New York 10104, which firm has been engaged by Sponsor for the purposes of preparing this Offering Plan and associated documents.

"***Option Agreement***" means the agreement to purchase a Residential Unit pursuant to this Offering Plan.

"***Parking Area***" means the garage area on the second floor of the Building designated as parking on the Tax Lot Drawings together with the ramp leading to the Parking Area from Schermerhorn Street and the vehicle entry door to the garage area.

"***Parking License***" means the license granted pursuant to a Parking License Agreement.

"***Parking License Agreement***" means a license agreement between the Board of Managers and a Residential Unit Owner setting forth terms and conditions of use by Residential Unit Owner of the Parking Area.

"***Parking License Fee***" means the fee payable under a Parking License Agreement.

"***Parking License Payment***" means the payment made by a Purchaser to Sponsor for the right to enter into a Parking License.

"***Permitted Encumbrances***" means those encumbrances to title to a Unit which a Purchaser by executing an Option Agreement, agrees to take title subject to, as itemized in this Plan.

"***Permitted Mortgage***" means a (i) a first mortgage of record made by a Unit Owner to a Mortgagee and secured by that Owner's Unit, (ii) any mortgage of record made by Sponsor to a Mortgagee and secured by one or more Units owned by Sponsor, which mortgage in case of (i) or (ii) satisfies the applicable requirements in Article 8 of the By-laws, (iii) the Construction Loan, while any portion remains outstanding and secured by one or more Units at the Building owned by Sponsor, and (iv) a pledge of ownership interests in Sponsor or a Commercial Unit Owner or Hotel Unit Owner or in any of their respective Affiliates or subsidiaries, to an Institutional Lender, securing a mezzanine loan made to Sponsor or such Commercial Unit Owner or Hotel Unit Owner or any of their respective Affiliates or subsidiaries, by said lender, and satisfying the applicable provisions of Article 8 of the By-laws.

"***Permitted Mortgagee***" means a Mortgagee holding, insuring or guaranteeing a Permitted Mortgage and, in the case of the mortgages referenced in clauses (i) and (ii) of the definition of Permitted Mortgage, satisfying the additional criteria to be a Permitted Mortgagee set forth in Section 8.1(a) of the By-laws.

"***Permittee***" means the Unit Owners, Recognized Mortgagees, Permitted Mortgagees, tenants of Residential Units or Commercial Units or Hotel Unit, any party who by lease, license or otherwise is entitled to use or occupy space within the Building, and their respective beneficiaries, officers, directors, employees, agents, partners, shareholders, contractors, guests, family members, invitees and licensees, it being understood that the term "Permittees" shall in no event or circumstance create or be deemed to create any rights hereunder generally to members of the general public unless expressly set forth herein.

"***Person***" shall mean an individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any Federal, State, County or municipal government, or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"***Plans and Specifications***" means the plans for construction of the Building filed with the Department of Buildings, and associated specifications, prepared by Sponsor's Architect together with various engineers and other consulting professionals, as same may be amended from time to time.

"***Planting Rules***" means the rules and regulations established by the Board of Managers with respect to plantings on Unit Terraces as such rules may be amended from time to time. The initial Planting Rules are contained in the Rules and Regulations included in Part II of this Offering Plan.

"***Premium Payment***" means the portion of the Purchase Price paid by Purchaser upon execution of an Option Agreement and/or in subsequent installment(s) pursuant to the terms of the Option Agreement.

"***Project***" means construction of the Condominium as described in this Plan.

"***Property***" means the Land and Improvements now or hereafter erected on the Land and submitted to the Declaration.

"***Punchlist***" means a schedule of Punchlist Items.

"***Punchlist Item***" means an incomplete item of construction in a Unit which is significantly visible or readily ascertainable during a pre-Closing inspection of the Residential Unit conducted pursuant to the Plan, the existence of which will neither prevent nor substantially interfere with use and occupancy of the Residential Unit.

"***Purchase Price***" means the Purchase Price for a Residential Unit set forth in a signed Option Agreement therefor.

"***Purchaser***" means the party or parties identified as purchaser under an Option Agreement.

"***Real Estate Tax Counsel***" means the law firm of Marcus & Pollack LLP, having an office at 708 Third Avenue, New York, New York 10017.

"***Replacement Reserve Fund***" means a fund now or hereafter established and maintained by the Board of Managers for the periodic maintenance, repair and replacement of the Building and Common Element systems therein, which fund may be funded out of regular assessments for Common Charges and may be supplemented as the Board of Managers in its discretion may determine from time to time.

"***Residential Area***" means, collectively, the Residential Units, Residential Common Elements and Residential Limited Common Elements.

"***Residential Board Members***" means the individuals elected or appointed by the Residential Unit Owners to serve as their representatives on the Board of Managers and to, among other things, make and implement operational decisions concerning exclusively the Residential Area.

"***Residential Common Charges***" means those Common Charges assessed against the Residential Unit Owners for the purpose of meeting Residential Common Expenses.

"***Residential Common Elements***" means those Common Elements located in and/or serving exclusively the Residential Area.

"***Residential Common Expenses***" means those Common Expenses incurred in connection with the Residential Area, plus the Residential Unit Owners' pro-rata share of the General Common Expenses.

"***Residential Common Interest***" means a proportion, the numerator of which is the Common Interest attributable to a particular Residential Unit and the denominator of which is the aggregate Common Interest attributable to all Residential Units. The proportion is expressed as a percentage appurtenant to each Residential Unit, and is included on ***Schedule B*** to the Declaration. The total of all Residential Common Interests equals 100%.

"***Residential Limited Common Element***" means a Limited Common Element serving a specified Residential Unit, and restricted in use to the Owner or other occupant of that Unit.

"***Residential Unit***" means a Unit designated as a Residential Unit on Schedule B to the Declaration and on the Tax Lot Drawings, together with the Common Interest appurtenant to such Unit.

"***Residential Unit Owner***" means the Owner of a Residential Unit.

"***Residents' Gym***" means the gym in the cellar level of the Building together with all equipment and facilities therein.

"***Roof Setback***" means, the 3rd Floor Roof Setback and the 15th Floor Roof Setback, as applicable.

"***Rules and Regulations***" means, collectively, the rules and regulations adopted by the Board of Managers pertaining to the use of the Condominium, as amended from time to time.

"***Sales Office***" means the office maintained by Sponsor and/or its Selling Agent at or near the Property for the sale of Units, anticipated to be 312 Atlantic Avenue, Brooklyn, New York.

"***Selling Agent***" means Corcoran Sunshine Marketing Group having an address at 888 Seventh Avenue, 39th Floor, New York, New York 10106, which firm has been engaged by Sponsor to sell the Residential Units under the Plan, and any successor thereto or replacement thereof.

"**Smoke/CO Detector**" means any combination hard-wired smoke and carbon monoxide detector installed in a Residential Unit.

"***Special Assessment***" means an assessment in addition to Common Charges enacted by the Board of Managers and payable by all Unit Owners, or imposed by the Board of Managers against a particular Unit Owner in accordance with the Condominium Documents.

"***Sponsor***" means 71 Smith Street Property Owner, L.L.C. and its designated successors and assigns.

"***Sponsor's Architect***" means Goldstein, Hill and West Architects LLP, having an office at 11 Broadway, New York, New York 10004, and any successor thereto or replacement thereof.

"***Sponsor's Budget Expert***" means FirstService Residential New York, Inc., 622 Third Avenue, New York, NY 10017.

"***Sponsor's Closing Counsel***" (or "***Closing Counsel***") means Bryan Cave LLP, having offices at 1290 Avenue of the Americas, New York, New York 10104, which firm will represent Sponsor in connection with Option Agreements and Unit Closings.

"***Sponsor Veto Control Period***" means the longer of (i) the period during which Sponsor owns Units representing in the aggregate at least 25% in Common Interest, or (ii) ten (10) years after the date of the First Unit Closing.

"***Spouse***" means an adult person of the same or opposite sex to whom the Residential Unit Owner is married and/or with whom the Residential Unit Owner has registered as a domestic partner pursuant to the laws and/or regulations of the City and/or State of New York or other jurisdiction authorizing and providing for similar domestic partner registrations or for civil unions, or an adult lifetime partner whose relationship with the Residential Unit Owner is long-term and characterized by emotional and financial commitment and interdependence.

"***Storage Bin***" means a Storage Bin constructed by Sponsor in the cellar level of the Building.

"***Storage Bin License Agreement***" means a license agreement between the Board of Managers and a Residential Unit Owner setting forth terms and conditions of use by Residential Unit Owner of a Storage Bin.

"***Storage Bin License Fee***" means the fee payable under a Storage Bin License Agreement.

"***Storage Bin Payment***" means the payment made by a Purchaser to Sponsor for the right to enter into a Storage Bin License.

"***Subway Indemnity Agreement***" means Agreement dated January 8, 2014 between the New York City Transit Authority, a public benefit corporation of the State of New York and Sponsor.

"***Tax Lot Drawings***" means the drawings of the Building delineating the Units and Common Elements, which drawings are to be certified by Sponsor's Architect, approved by the Real Property Assessment Department of the City of New York and filed simultaneously with the recording of the Declaration in the City Register's Office, as more fully described in the Declaration, as same may be amended from time to time.

"***Title Company***" means Fidelity National Title Insurance Company or its successors and assigns.

"***Transfer Taxes***" means the New York City Real Property Transfer Tax and the New York State Real Estate Transfer Tax. "Transfer Taxes" do not include the "Mansion Tax," defined above.

"***Unit***" means any space in the Building intended for independent use or ownership and designated as a Unit in the Declaration, together with such Unit's Common Interest. Any two or more Units are collectively referred to as "***Units***."

"***Unit Closing***" means the closing and conveyance of title to a Residential Unit pursuant to an Option Agreement under this Plan.

"***Unit Closing Date***" means the actual date on which the Unit Closing occurs.

"***Unit Owner***" or "***Owner***" means collectively, all parties owning a Unit in fee simple absolute.

"***Unit Terrace***" means a terrace appurtenant to a particular Residential Unit as a Residential Limited Common Element constructed on a Roof Setback.

"***Unsold Unit***" refers to any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by (i) Sponsor or its designee, (ii) any party designated by Sponsor as a "sponsor" under the Plan, (iii) any party designed by Sponsor as the Owner of an Unsold Unit, (iv) the holder of a Permitted Mortgage given by Sponsor or (v) the designee of a holder of such a Permitted Mortgage.

"***Vehicle Size Restriction***" means the requirement under a Parking License Agreement that for a vehicle to be eligible to be parked in the Parking Area pursuant to that agreement, the vehicle must be a sedan or other normal size vehicle, no more than 201 inches long, 80 inches wide and with a height permitted by the height of the finished garage, with oversize vehicles, vans and trucks expressly excluded, subject to any waiver of this restriction granted by the Board of Managers as Licensor.

"***Zoning Resolution***" means the Zoning Resolution of the City of New York, as same may be amended from time to time

C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

1. The Property; Construction Schedule

The Property is located on Smith Street in Brooklyn, New York, between and with frontage on both Schermerhorn Street and State Street.

The Condominium is anticipated to contain 128 Residential Units, 3 Commercial Units, and 1 Hotel Unit, subject to Sponsor's right to change the number of Units. The Hotel Unit will be located on portions of the cellar and first floor with guest rooms on floors 3-6. The Commercial Units will be located on the 1st floor. Residential Units will be located on floors 7-20. Note the Building contains no floor numbered 13 so floor references in this Plan and the Condominium Documents are to marketing floor not construction floor designations.

Elevators serving the Residential Units will serve only the Residential Area and will not serve the Hotel Unit. Elevators serving the Hotel Unit will serve only the Hotel Unit and will not serve the Residential Area. There are three interior fire egress stairways that run through the Building (one terminates at the 15th Floor roof and the others go the Main Roof) serving the Hotel Unit and the Residential Area. Except in emergency, residents of the Residential Area may not use the stairs that run through the Hotel Unit. Guests and other users of the Hotel Unit may not enter and use the stairs except in emergency situations either. Access doors to the stairs will be alarmed at the 3rd through 6th floor.

The Condominium also is anticipated to contain 51 Storage Bins at the cellar level and a Parking Area on the 2nd Floor accessible by ramp from Schermerhorn Street with space for approximately 40 vehicles. There will also be a bicycle storage area on the 2nd floor adjacent to the Parking Area.

The Building is anticipated to contain a Residents' Gym on the cellar level and an Amenity Center on the 15th Floor. The Amenity Center is anticipated to include a Resident's Lounge, Library Kitchen, Library, Media Room, Children's Playroom and an Amenity Terrace. The Amenity Terrace is anticipated to include an artificial grass lawn, a children's play area, a lounge area with seating as well as a gas grill, refrigerator, ice maker and sink. The Amenity Terrace will be surrounded by a planted landscape of trees, shrubs and perennials.

The Storage Bins, Parking Area, bicycle storage, Residents' Gym and Amenity Center are for exclusive use of Residential Unit Owners and such other residents or occupants of Residential Units as the Board of Managers shall determine in its discretion.

Sponsor reserves the right to amend or modify the Plans and Specifications in a manner disclosed in this offering, including, without limitation, changing materials, appliances, equipment, fixtures and other construction and design details set forth therein or in the Description of Property set forth in Part II of the Plan and to substitute in their place similar materials, appliances, equipment and/or fixtures of substantially equal or better quality. Sponsor reserves the right to change the number and configuration of Units as construction progresses, in connection with a Purchaser's request or Sponsor's decision to combine or reconfigure Units or otherwise, and to change the number of Storage Bins or spaces available in the Parking Area due to site conditions or otherwise. None of the foregoing shall give rise to a right to rescission on the part of any Purchaser and any and all of such changes shall be disclosed in an amendment to the Plan.

The Building will be constructed in accordance with the Zoning Resolution and all other applicable zoning and building laws, regulations, codes and governmental requirements. While the Condominium is being constructed and Units are being offered for sale there will be a greater number of visitors to and pedestrian traffic through or near the Building than is expected to be the case once construction is completed. No representation or warranty is made as to the length of time the construction or sales period, will continue.

It is anticipated that temporary certificates of occupancy for different portions of the Building (e.g., partial temporary certificates of occupancy), will be issued at different times, with lower floors being covered sooner than higher floors. Sponsor may complete construction of certain Residential Units before others. Accordingly, Purchasers should be aware that they may be required to close title to their Residential Units while construction in other Units is continuing, possibly, for extended periods of time and that noise, dust and other objectionable conditions inherent in a construction site may inconvenience Residential Unit Owners after they have taken occupancy of their Residential Units.

Under the present construction schedule and subject to force majeure, it is anticipated that, except for finishing work to stairways, hallways, some amenity spaces, and other areas of the Building which are not intended for the exclusive use of any particular Unit Owner, the majority of Residential Units will be substantially completed by December of 2016 and the First Unit Closing is expected to occur on or about December 15, 2016. Sponsor does not, however, warrant or guarantee the foregoing completion date for the Building, or the date of the First Unit Closing.

2. Lot Line Windows

Because of the proximity of the Building to the adjacent lot on State Street, certain windows in the O1 line of Residential Units from floors 7-15 and in the O2 line of Residential Units from floors 16-20 are considered "lot line windows" under the New York City Building Code (the "**Building Code**"). Windows classified as lot line windows are shown on the Floor Plans of Residential Units in Part II of this Plan. Classification of a window as a lot line window generally means that depending on the proximity and height of improvements constructed on the adjacent property, the lot line window must be protected against fire occurring in the adjacent property, in a manner consistent with the Building Code as determined by the NYC Department of Buildings ("**DOB**"). If a building is constructed on a lot adjacent to a lot with apartments having lot line windows, then depending on what is constructed on the adjacent lot, window glass in the lot line windows may need to be replaced with one-hour fire-rated glass and window frames replaced with one-hour fire-rated frames, or the window opening may need to be sealed with one-hour fire-rated gypsum board. Sponsor is advised by Sponsor's Architect, however, that regardless of construction on the adjacent lot on State Street, the lot line windows at the Building will not need to be replaced or sealed as the distance of those windows to the lot line exceed the minimum required pursuant to the current Building Code. In any event, all Residential Units with lot line windows have sufficient additional windows to satisfy light, air and other requirements for legal use under the current Building Code, should lot line windows in these Units ever have to be sealed.

If it nevertheless is becomes necessary due to change in law or code or otherwise to modify a lot line window after Purchaser owns the Unit, the obligation to seal or otherwise modify the lot line windows to comply with law will belong to Purchaser as Unit Owner. Neither Sponsor nor the Board of Managers will have responsibility or liability in connection with sealing lot line windows in any event.

3. Transit Easement; Subway Indemnity Agreement; Construction over Subway Tunnels

In connection with construction of the Building, the City of New York reserved a permanent easement (the "**NYCT New Building Easement**") in, under and through the Property for the portion of the Building and surrounding area of various subway lines (specifically, the G Line (Tracks E1 and E2), A Line (Tracks A3 and A4), F Line (Track B2), and Movie Track (Track A1), which areas are referred to collectively as the "**Affected Tunnel Structure**").

In connection with the foregoing, Sponsor entered into a Subway Indemnity Agreement with the NYC Transit Authority (the "**TA**") dated January 8, 2014 setting out certain requirements for construction of the Project taking into consideration the Affected Tunnel Structure (the "**Subway Indemnity Agreement**"). Though

much of the Subway Indemnity Agreement pertains to construction of the Building, certain provisions of the Subway Indemnity Agreement survive completion of the Building and expiration of the Subway Indemnity Agreement. These provisions are binding on Sponsor and its successors and assigns and are intended to bind the Board of Managers. Among the provisions that will survive expiration of the Subway Indemnity Agreement and impact the Condominium is an indemnification requirement pursuant to which indemnitor agrees to indemnify and hold harmless the TA, the Metropolitan Transportation Authority, the City and State of New York and various other parties, from and against any and all liability, loss and expense arising out of injuries to or death of persons, or damage to property resulting from or occurring by reason of breach by Owner under the Subway Indemnity Agreement, negligent or improper performance by Sponsor of the "Construction Work" (as defined in the Subway Indemnity Agreement) performed under the Subway Indemnity Agreement, and various other actions.

Another surviving provision of the Subway Indemnity Agreement requires that following completion of the Construction Work under the Subway Indemnity Agreement, the Owner of the Property name the City of New York, the State of New York, New York City Transit Authority, Metropolitan Transportation Authority and their respective affiliates and subsidiaries on all policies of liability insurance carried by Owner for the Building. Thus the Board of Managers will be obligated to name such parties on its liability policies.

In addition to the foregoing, the Subway Indemnity Agreement provides that ten (10) years after final completion of the Building, and at every ten (10) year interval thereafter, the Owner of the Property is required to retain a qualified engineering firm to perform an in depth inspection of the Affected Tunnel Structure and create a report of the inspection for the Metropolitan Transit Authority for information and evaluation.

The Subway Indemnity Agreement and all of Owner's obligations thereunder, are deemed assumed by any subsequent owner of the Property which provision is intended to pass on all the obligations of Sponsor to the Board of Managers and fully release Sponsor therefrom.

The Building is located above various subway tunnels through which various subway lines and trains run. Though Sponsor has taken reasonable care in design and construction of the Building to minimize the effect of noise and vibrations of trains operating in the Affected Tunnel Structure underneath or adjacent to the Building, it is possible residents may sense vibrations as subway trains pass under or near the Building. Sponsor makes no representation or warranty that there will be no subway vibration and Sponsor will have no liability in the event there is any such vibration.

4. The Units

(a) Residential Units

Sponsor is constructing 128 Residential Units on Floors 7 to 20 of the Building but reserves the right to change the number and configuration of Residential Units as construction progresses, in connection with a Purchaser's request or Sponsor's decision to combine or reconfigure Units or otherwise.

Specific items to be included in a Residential Unit, and the level of finish work Sponsor has undertaken to provide, are described in the "Description of Property and Specifications" contained in Part II of this Plan. Furnishings and furniture shown in a model Residential Unit, if any, are not included in the sale of the model Unit or any other Unit being sold under this Plan.

Certain Residential Units at the 7th floor and 16th through 20th floors will contain a Unit Terrace. Unit Terraces will be constructed of poured in place concrete and finished with pre-cast concrete pavers over a fluid applied membrane roofing system. Doors to terraces will be aluminum and glass. Unit Terraces will contain cast iron

roof drains, a frost-proof water spigot, a GFI electrical receptacle and outdoor lighting. Architectural screens will separate Unit Terraces, where needed.

Windows serving a Residential Unit are part of the Unit they serve. As such it will be the responsibility of the Unit Owner to repair, maintain, replace and clean windows as necessary, subject to consent of the Board, and any standards promulgated by the Board, with respect to alterations and replacements. Though the windows belong to the Unit Owner as part of the Unit, the First Year's Budget provides for one annual exterior window cleaning to be performed from inside the Building, and Unit Owners will be obligated to provide access to the Board to their Unit and/or Unit Terrace, in connection with same. Unit Owners will be obligated to clean the interior side of their windows themselves.

Doors leading to Unit Terraces, and locks on such doors, also are part of the Unit they serve. Residential Unit Owners shall be obligated to maintain and repair such doors and locks that are part of their Units at their expense.

Any alteration work which a Residential Unit Owner desires to undertake in a Residential Unit or a Residential Limited Common Element appurtenant thereto subsequent to Unit Owner's acquisition of the Unit, must be performed in accordance with the procedures for alterations and adherence to standards outlined in the By-laws and/or adopted by the Board of Managers. Such procedures include, without limitation, consent by the Board of Managers, and during the Initial Control Period, by Sponsor as well, to all proposed alteration work prior to commencement of same. Sponsor shall have the absolute right to deny consent for alterations during the Initial Control Period, as open applications by Unit Owners will interfere with Sponsor's ability to procure a final certificate of occupancy. During the Initial Control Period Sponsor may require that its consent, should same be given, be conditioned upon Unit Owner's agreement to use Sponsor's Architect and/or Sponsor's expediter/code consultant to make the necessary Building Department filings.

Sponsor and/or its designee reserves the right, without prior notice or amendment to the Plan, to use any Unit owned by Sponsor as a sales office, model apartment or for any other legal purpose consistent with the first class residential nature of the Building. Likewise, Sponsor shall have the right to use the cellar and any Storage Bin therein as well as any portion of the Parking Area (in both cases, which are not subject to a license), for storage for construction materials, parking or otherwise, or any other legal purpose, even when Sponsor no longer owns any Residential Units, and without payment to the Board of Managers of any fee in connection with use of same.

(b) **Commercial Units**

Sponsor is constructing 3 Commercial Units on the Ground Floor level of the Building. Each Commercial Unit is accessible only from the street. Windows in the Commercial Units, as well as the framing systems for same, are part of the Unit in which they are located, and the Owner of each Commercial Unit will be responsible for maintaining and repairing the frames and windows, and for the interior and exterior cleaning of windows serving their Units.

(c) **Hotel Unit**

The Hotel Unit will comprise a portion of the cellar and the 1st floor, on which floors the business and amenity facilities of the hotel will be located, and Floors 3-6, on which floors the guest rooms (anticipated to number 196) will be located. The cellar level of the Hotel Unit will contain a fitness center, meeting rooms, a kitchen, offices and various other hotel related areas. The 1st Floor of the Hotel Unit will contain the hotel entrance and lobby, a kitchen, bar, lounge, and luggage storage. The Hotel Unit also includes the loading dock and the Hotel Unit Owner thus will have the exclusive right to use same. Windows in the Hotel Unit, as well as the framing systems for same,

are part of the Hotel Unit. As such, the Owner of the Hotel Unit will be responsible for maintaining and repairing the frames and windows, and for the interior and exterior cleaning of windows serving the Hotel Unit.

5. Storage, Parking and Bike Storage

Sponsor expects to construct 51 Storage Bins of varying dimensions in the cellar of the Building. Storage Bin Licenses will be offered for sale to Residential Unit Owners at Sponsor's discretion based upon marketing and other business considerations. No representation is made as to the expected date of completion of Storage Bins and Storage Bins may not be available at or for a period of time following the closing of title to a Residential Unit and execution of a Storage Bin License Agreement.

A Storage Bin may be used only for storage of personal and household effects. No perishable, flammable or illegal substances may be stored in a Storage Bin. Storage Bins will be metal cages without interior lighting, electricity or shelving. Lighting will, however, be provided for the Storage Bin Area. Storage Bins will be provided with one keyed lock. The cost of electricity for the Storage Bin Area and cost of cleaning the Storage Bin Area is covered by the Storage License Fee. Storage Bin Licensees may not sublease their Storage Bin to non-Unit Owners or parties who are not tenants of the Building.

Sponsor makes no representation regarding future Storage Bin License Fees or the availability of Storage Bins. No representation is made as to the expected date of completion of Storage Bins and Storage Bins may not be available at or for a period of time following the closing of title to a Residential Unit and execution of Storage Bin License. Sponsor will obtain any certificate of occupancy or temporary certificate of occupancy necessary to permit the Storage Bin Area for its intended purpose prior to retaining any funds paid by Purchaser to acquire a Storage Bin License. In the event the Closing on a Storage Bin License occurs contemporaneously with the Unit Closing, and the Storage Bin Area is not covered by a temporary or final certificate of occupancy, the proceeds of the sale of the Storage Bin License shall be retained in escrow with Escrow Agent until a temporary or final certificate of occupancy is issued. Upon the issuance of a temporary or final certificate of occupancy covering the Storage Bin, Sponsor shall advise the Escrow Agent accordingly and shall provide a copy of the applicable certificate of occupancy, and Escrow Agent shall thereupon be authorized to release the proceeds of the Storage Bin License sale to Sponsor or to anyone else Sponsor designates.

The Parking Area is located on the second floor, accessible by a ramp on Schermerhorn Street. The Parking Area perimeter will be enclosed by a 3 foot high railing on the State, Smith and Schermerhorn sides of the Building. The area above the railing is open. Parking Licenses will be offered by Sponsor at its discretion based upon marketing and other business considerations. Unit Owners who enter into a Parking License will receive a card key or other type of access key to the Parking Area to open the parking area vehicle door for entry and exit. The Parking Area will have capacity for at least 40 cars, subject to Sponsor's right to increase or decrease the capacity based on site conditions. Parking will not be self-park. Cars will be driven by Parking Licensees to the top of the ramp into the Parking Area where they will be parked by an attendant. The initial attendant is anticipated to be an employee of the Condominium but the Board of Managers will have the discretion to hire a professional operator in the future.

The Parking License will not be for a specific parking space, as spaces will not be designated, but instead will be for the right to park one vehicle in the Parking Area, subject to the Vehicle Size Restriction. Parking Licensees may not sublease their Parking License to non-Unit Owners or parties who are not tenants of the Building.

No representation is made as to the expected date of completion of the Parking Area. The Parking Area may not be available at or for a period of time following the closing of title to a Residential Unit and execution of a Parking License. Sponsor will obtain any certificate of occupancy or temporary certificate of occupancy necessary to permit the Parking Area for its intended purpose prior to retaining any funds paid by Purchaser to acquire a

Parking License. In the event the Closing on a Parking License occurs contemporaneously with the Unit Closing, and the Parking Area is not covered by a temporary or final certificate of occupancy, the proceeds of the sale of the Parking License shall be retained in escrow with Escrow Agent until a temporary or final certificate of occupancy is issued. Upon the issuance of a temporary or final certificate of occupancy covering the Parking Area, Sponsor shall advise the Escrow Agent accordingly and shall provide a copy of the applicable certificate of occupancy, and Escrow Agent shall thereupon be authorized to release the proceeds of the Parking License sale to Sponsor or to anyone else Sponsor designates.

Bicycle storage will be available on the 2nd floor as well, adjacent to the Parking Area. There will be sufficient space for at least one (1) bicycle per Residential Unit. If there is space for additional bicycles and demand exceeds availability, the Board will be responsible for determining the method of allocating the additional space among the Unit Owners.

Sponsor makes no representation that the Storage Bin Area or other area in the cellar, the Parking Area or bike storage area, or any other area will remain dry or will not experience water infiltration. Neither Sponsor, the Board of Managers, nor the Managing Agent will be responsible for damage to items placed in the Storage Bins, to vehicles parked in the Parking Area or to bikes stored in the bike storage area. Parties who place items in the Storage Bins or permit vehicles to be parked in the Parking Area or bikes to be parked in the bike storage area, do so at their own risk and accordingly are advised to consult with an insurance adviser regarding appropriate insurance coverage for such purpose.

6. Common Elements

Generally, the Common Elements of the Condominium consist of the Land on which the Building is built, and all parts of the Property other than the Units themselves, including generally, the foundations, footings, roofs and supports of the Building and all other parts of the Property, all apparatus, installations, systems, equipment and facilities therein for the common use of all the Units and Unit Owners or which are convenient and necessary for the existence, maintenance, safety and operation of the Property, and all facilities of the Property which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of more than one Unit Owner.

The Common Elements are divided into the following categories: (i) General Common Elements (consisting of all the Property except the Units, Residential Common Elements, Commercial Common Elements and Limited Common Elements), (ii) Residential Common Elements consisting of Common Elements located in or exclusively serving the Residential Area, (iii) Commercial Common Elements consisting of Common Elements located in or exclusively serving the Commercial Units and (iv) Limited Common Elements (consisting of Common Elements serving only a specified Unit or Units and thus restricted in use to the Owner(s) of that Unit(s)). All Unit Owners have the right to use and enjoy the General Common Elements jointly with all other Unit Owners. A detailed description of the Common Elements is contained in the Declaration.

The Common Elements cannot be divided or partitioned except as provided in the Condominium Act. If the Common Elements are divided or partitioned in accordance with the Condominium Act, the aggregate Common Interest Percentage of all Units in the Building will remain at 100%. A Unit Owner's interest in the Common Elements cannot be separated from the Unit to which it appertains.

(a) Residential Common Elements

Residential Common Elements include, without limitation, the residential lobby with a mail room, concierge desk and package room, ramp serving the Parking Area, the Parking Area itself, the Residents' Gym, the Storage Bin Area and the Amenity Center including the interior facilities and the exterior Amenity Terrace, with all

furnishings, fixtures and equipment in both areas. Various mechanical rooms and areas in the cellar are also Residential Common Elements.

(b) **Commercial Common Elements**

Commercial Common Elements consist, if at all, of Common Elements located in and/or serving or benefiting exclusively the Commercial Units.

(c) **Residential Limited Common Elements**

Residential Limited Common Elements are Common Elements that serve only a specified Residential Unit and thus are restricted in use to the Owner of that Residential Unit and/or other occupants of the Residential Unit, and include, for example, Unit Terraces. Each Residential Unit Owner is responsible for maintenance and repair of the Residential Limited Common Elements appurtenant to such Owner's Unit.

If a Residential Unit contains an appurtenant Unit Terrace, any fencing, architectural partitions, gates or railings separating the Unit Terrace from Common Elements or another Unit, are Residential Limited Common Elements appurtenant to such Residential Unit. If an architectural partition serves separates two Unit Terraces, the cost of maintenance and repair shall be shared by both Unit Owners.

With respect to Unit Terraces, the poured in place concrete slab and the fluid applied roof membrane over same, flashing and similar waterproofing or other roofing elements protecting the interior of the Building and located under the pavers, decking, tiles or other flooring of a Unit Terrace, as well as any drainage system are Residential Limited Common Elements appurtenant to the Unit. Residential Unit Owners will be responsible for sweeping, clearing, and cleaning Unit Terraces and keeping same free from leaves, dirt and other debris and ice so that drains run freely, and generally maintaining the Unit Terrace to prevent damage to the Building and Units below the Unit Terrace, if any. Any pavers, decking, tile or other flooring installed on the Unit Terrace over the membrane and concrete, and any faucets, hose bibs, electrical outlets and lighting installed in or on the Unit Terrace, are part of the Unit, and are not Residential Limited Common Elements.

No alterations of or installations on or in a Unit Terrace may be made without the prior written consent of the Board of Managers, and, during the Initial Control Period, Sponsor as well. Sponsor has the absolute right not to consent to alterations during the Initial Control Period. In no event may these areas be enclosed.

Unit Owners must always maintain a key to their Unit, and if requested by the Board of Managers, the door to any appurtenant Unit Terrace, with the Managing Agent to facilitate access for emergencies and for maintenance, in particular with respect to Unit Terraces, of any adjacent equipment or appliances.

(d) **Commercial Limited Common Elements**

The Commercial Limited Common Elements are Common Elements that serve only a specified Commercial Unit or Commercial Units and thus are restricted in use to the Owner or Owners of those Commercial Units and/or their Permittees. The costs of maintaining and operating the Commercial Limited Common Elements shall be borne by the Commercial Unit Owner having exclusive access thereto or utilizing or benefiting from same. One Commercial Unit will include a black iron duct running from the kitchen exhaust fan in the Unit to the Main Roof where it connects to a vent, as a Commercial Limited Common Element appurtenant to the Unit. The Commercial Unit with this Commercial Limited Common Element shall have an easement through the Building for the extension of the duct to the Main Roof.

(e) **Hotel Limited Common Elements**

The Hotel Limited Common Elements are Common Elements that serve only the Hotel Unit and thus are restricted in use to the Owner of the Hotel Unit and/or its Permittees. The costs of maintaining and operating the Hotel Limited Common Elements shall be borne by the Hotel Unit Owner having exclusive access thereto or utilizing or benefiting from same. The Hotel Limited Common Elements consist of 3rd Floor Roof Setback adjacent to the Hotel Unit.

7. Services and Amenities

Where applicable, the cost of the services and amenities described below have been budgeted for by Sponsor for the First Year of Condominium Operation as shown in the First Year's Budget. With the exception of landscaping on the Amenity Terrace, installation of which is weather dependent, and possibly the Residents' Gym and/or Amenity Center, all services and amenities are expected to be in place at time of First Unit Closing. If the Residents' Gym or Amenities Center, other than the landscaping, is not completed at time of First Unit Closing, it will be completed within six (6)months thereafter. Any landscaping not installed as of First Unit Closing will be installed within a reasonable time given horticultural considerations. As of the First Unit Closing, it is anticipated that at a minimum, the resident manager and the concierge will be engaged and working at the Building. Purchasers shall be obligated to pay Common Charges as shown on Schedule A if Common Charges are then being collected by the Board of Managers, whether or not all amenities, services or personnel are in place at time of their Unit Closing.

Purchasers are advised that a decision to maintain the operation and level of services and amenities described below (and budgeted for the First Year of Condominium Operation), in future years will be discretionary with the Board of Managers and Sponsor makes no representation that they will be so maintained or that they will be maintained on the basis provided for in this Plan. The Board of Managers will have the authority to impose fees for certain services and amenities, increase or decrease services and amenities and change the hours of availability. Sponsor makes no representation as to actions to be undertaken by the Board of Managers in subsequent years of Condominium operation, except, however, while Sponsor controls the Board of Managers, Sponsor will not cause the Board to decrease the level of services for the Residential Area from that set forth in the First Year's Budget contained in Schedule B of this Plan. Sponsor will not be liable in the event of discontinuance, modification, restriction or expansion of availability or any other modification of services and amenities described herein by the Board of Managers in subsequent years of Condominium operation when Sponsor no longer controls the Board of Managers.

(a) **Residents' Gym and Amenity Center.**

There will be a gym with exercise equipment on the cellar level of the Building exclusively for use by residents of the Residential Area. It will not be shared with the Hotel Unit which will have its own Fitness Center. There is also an Amenity Center with a Resident's Lounge, Library Kitchen, Library Media Room and Children's Playroom on the 15th Floor. The Amenity Center also includes a landscaped Amenity Terrace including an artificial grass lawn, a children's play area, furnished lounge areas, a grill station, refrigerator, ice maker, sink, dining area and seating. The Board of Managers shall have the right to promulgate rules and regulations governing use of the Residents' Gym and Amenity Center (including, without limitation, days and hours each will be available for use by Building residents), and the right to enter into license agreements regarding same (e.g., by way of example and not of limitation, licensing use of the Amenity Center to a Residential Unit Owner to host an event).

(b) **Intercom System**

The Building will contain a video intercom system for Residential Units permitting occupants of Residential Units to communicate using the dedicated video intercom system in the Unit with the concierge desk in the Residential Area lobby. A separate audio only intercom system will be provided for the Hotel Unit.

(c) **Telecommunications (Cable, Internet, Telephone)**

The Building will be pre-wired for cable television, Internet and telephone service to Residential Units. Charges for activating service, installing and attaching appropriate receptacles, additional installations and monthly usage charges will be determined by and payable directly to the provider by each resident subscribing for and activating such service. The Building will not be equipped with a master television antenna system for basic local broadcast station reception.

(d) **Smoke and Carbon Monoxide Detectors**

All Residential Units will contain, depending on size of the Unit, one or more combination hard-wired smoke and carbon monoxide detectors locally annunciated (each, a "**Smoke/CO Detector**"). These will be considered Residential Limited Common Elements appurtenant to the Unit. Although classified as a Residential Limited Common Element, each Unit Owner will be responsible at its own cost and expense to test each Smoke/CO Detector at regular intervals and maintain same in working condition, including, without limitation, ensuring that the sensor therein is always in working order. Notwithstanding the foregoing, the Board of Managers shall have the right to implement a program to inspect, maintain and service Smoke/CO Detectors and sensors therein on a regular basis. Should the Board do so, the cost of same will be a Residential Common Expense and all Residential Unit Owners will be obligated to cooperate by providing access to their Unit to permit such inspection, maintenance and service to occur. No representations or warranties are made and no assurance is given, however, that the existence of a Smoke/CO Detector will prevent personal injury or loss or damage to personal property.

(e) **Mail and Parcels**

Incoming mail for Residential Units will be distributed by the concierge located in the Residential Area lobby. Parcels will be stored in the package room adjacent to the lobby.

(f) **Refuse Disposal**

The refuse chute will be located off of the public corridor on each residential floor in the Residential Area. Residential Unit Owners will discard their refuse into the chute which feeds into the trash compacter room in the cellar. The Residential Area staff will remove the refuse from the compactor room and place it on the street, where the New York City Department of Sanitation will remove it. The Hotel Unit and the Commercial Units will have separate refuse disposal arrangements.

(g) **Elevator Service**

There will be two (2) passenger elevators and one (1) service elevator serving the Residential Area exclusively. The two (2) passenger elevators serve floors 1, 2 and 7 through 20. The service elevator serves the cellar, floors 1,2, and 7 through 20. There will be two (2) passenger elevators serving the Hotel Unit exclusively, serving the cellar, floors 1, and floors 3 through 6. There will be one (1) service elevator serving the Hotel Unit exclusively, serving the cellar and the 1st floor.

(h) **Storage**

Sponsor intends to construct 51 Storage Bins of varying dimensions in the cellar level of the Building, available on a license basis, as discussed elsewhere in this Offering Plan.

(i) **Parking**

Sponsor is constructing a Parking Area with room for approximately 40 vehicles to be located on the second floor of the Building, 35 of which will be available on a license basis, subject to the Vehicle Size Restriction, as discussed elsewhere in this Offering Plan. If the Parking Area has room for more than 40 vehicles, Sponsor, in its sole discretion, may increase the number of Parking Licenses offered for sale.

(j) **Bicycle Storage**

Bicycle storage will be available on the 2nd floor adjacent to the Parking Area, with sufficient space for at least one (1) bicycle per Residential Unit. If there is space for additional bicycles and demand exceeds availability, the Board will be responsible for determining the method of allocating the additional space among the Unit Owners

SECURITY

Closed circuit security cameras will be installed in selective locations and will be designed to cover the immediate area within view of the cameras, but will not necessarily cover the entire area or the entire Property. No representation or warranty is made that the number and type of personnel employed at the Property or that the security systems and procedures installed in and implemented at the Property will prevent personal injury or damage to or loss of personal property. If a Purchaser desires to install security systems or take additional security measures in Purchaser's Unit beyond any provided for in the Plan, such measures would be at Purchaser's sole discretion and expense. Any installation in the Unit must be performed in accordance with the procedures for alterations contained in the By-laws.

D. LOCATION AND AREA INFORMATION

1. Location

The Condominium is situated at 265 State Street, bounded to the south by State Street and to the north by Schermerhorn Street. The cross streets are Hoyt and Smith Streets. Located in Boerum Hill, the site is surrounded by the residential neighborhoods of downtown Brooklyn, Brooklyn Heights, Cobble Hill, Carroll Gardens, Fort Greene and Park Slope.

2. Transportation

The Building offers convenient access to the major arteries connecting Brooklyn to all boroughs of New York City, Westchester County, Long Island, Upstate New York, New Jersey, Connecticut and to the three major airports servicing the New York Metropolitan Area (i.e., LaGuardia Airport, Kennedy International Airport and Newark International Airport in New Jersey).

There is nearby vehicular access to major roads and routes including Flatbush Avenue (which bisects all of Brooklyn and is just four blocks away), the Belt Parkway and the Brooklyn Queens Expressway.

Transportation to and from the Condominium, and through New York City, is available by taxi and limousine services. The Building will contain on-site parking, and a number of commercial parking garages and parking lots are located nearby.

Public transportation is readily available. The Condominium is situated within 4 blocks from the A, C, G, F, 2, 3, 4 and 5 subway lines. The area also is conveniently proximate to many other bus and train routes that provide access to the rest of Brooklyn and Long Island.

3. Shopping, Recreation and Cultural Activities

New York City is the leading cultural center of the world, with the finest universities, museums, libraries, theatres and cultural institutions attracting millions of national and international tourists annually. It is the nation's center for communications, publishing, advertising, financial markets, banking, visual and performing arts and fashion. The area surrounding 265 State Street is known for its unique retail, excellent restaurants and exciting nightlife. Nearby attractions and world class cultural institutions include the Brooklyn Academy of Music, Brooklyn Heights Promenade, Brooklyn Public Library, Brooklyn Museum of Art, Brooklyn Botanic Gardens, Brooklyn Bridge Park, Fort Greene Park, and the 526-acre Prospect Park. In addition, there are numerous residential services available, such as parking facilities, dry cleaners, banks and a panoply of food shops (Trader Joe's and Brooklyn Fare). Brooklyn's own "Restaurant Row" is located on Smith Street, and an eclectic array of other restaurants is found nearby in Fort Greene, Carroll Gardens and Brooklyn Heights.

4. Educational Facilities

The following schools are in the vicinity of the Building:

Local New York City Public Schools - P.S. 261 Philip Livingston (at 314 Pacific Street)
- P.S. 039 at 417 6th Avenue
- P.S. 107 John W. Kimball School (at 1301 8th Avenue)
- Magnet School Sci Math Tech (at 511 7th Avenue)
- Magnet School 008 Peter Rouget School (at 544 7th Avenue)
- P.S. 34 (at 131 Norman Avenue)

Private Schools:-

-Berkeley-Carroll School (Coed)
College Prep; Nursery through Grade 12
Lower grades: 712 Carroll Street
Elementary: 701 Carroll Street
Middle & Upper Division: 181 Lincoln Place

- Brooklyn Friends School (Coed)
College Prep; Preschool through Grade 12
Lower School: 375 Pearl Street
Upper School: Willoughby Street

- Saint Ann's School (Coed)
College Prep; Preschool through Grade 12
Lower Grades: 26 Willow Place & 124 Henry Street
Elementary: 153 Pierrepont Street
Middle & Upper Division: 129 Pierrepont Street

- Packer Collegiate Institute (Coed)
170 Joralemon Street

- Brooklyn Heights Montessori School (Coed)
Elementary and Junior High School
185 Court Street

In addition, there are private and parochial schools throughout Manhattan and Brooklyn which are easily accessible from the Building.

Nearby branches of the New York Public Library include the Brooklyn Heights Branch (at 280 Cadman Plaza), the Central Library (at Grand Army Plaza), and the Carroll Gardens Branch (located at Clinton and Union Streets).

5. Medical Facilities

A number of hospitals are proximate to the Condominium, including Brooklyn Hospital (located at 121 DeKalb Avenue) which is less than 10 blocks from the Condominium, New York Methodist Hospital (located at 506 6th Street) which is less than a mile and a half from the Condominium, and Maimonides Medical Center (located at 4802 Tenth Avenue) which is less than four miles from the Condominium.

6. Religious Facilities

There are numerous houses of worship for a multiplicity of faiths within the neighborhood.

7. Municipal Services

Police, fire, water, sanitation, snow removal and road maintenance services are provided by The City of New York and all charges (except water) are financed through real estate taxes paid by Unit Owners to The City of New York. Water charges for the Building will be metered and paid by Unit Owners as a Common Expense of the Condominium.

The local police station is the 84th Precinct located at 301 Gold Street. The nearest fire station is Engine Company 226 located at 409 State Street, which is 2 blocks away from the Condominium.

8. Addresses

The mailing address for the Residential Units is 265 State Street, Brooklyn, New York 11201. The nearest post office branch is located at 271 Cadman Plaza East. It is anticipated the Hotel Unit will have a separate mailing address on Schermerhorn Street, two Commercial Units will have mailing addresses on Smith Street, and a third Commercial Unit will have a Schermerhorn Street mailing address. The official address for the Condominium will be the Residential Area address.

9. Zoning and Use

The Property is zoned C6-1(R-7) which permits construction of the Condominium as planned.

E.

Boerum Condominium
265 State Street
Schedule A: Purchase Prices and Related Information for the Projected First Year of Condominium Operation (12/15/16-12/14/17)

Unit	Number Bedrooms (BR) / Bathrooms (BA) (2)	Terrace/Balcony Square Footage (1)	Storage Bin Square Footage (Cellar) (1)	Unit Square Footage (1)	Offering Price (2)	Share of 35% of Resident Managers Unit Purchase Price	General Common Interest (3)(a)	Residential Common Interest (3)(b)	Estimated Monthly Common Charges (4)	Estimated Monthly Real Estate Taxes 1st Year (5)	Estimated Annual Real Estate Taxes 1st Year (5)	Estimated Monthly Real Estate Taxes 2017/2018 Tax Year (5)	Estimated Annual Real Estate Taxes 2017/2018 Tax Year (5)	Estimated Total Monthly Charges 1st Year (6)	Estimated Total Annual Charges 1st Year (6)
701	3/2.5	849		1,745	$ 2,400,000	$ 4,467	0.6347%	1.0269%	$ 1,829.71	$ 1,504.60	$ 18,055.19	$ 2,124.13	$ 25,489.61	$ 3,334.31	$ 40,011.68
702	3/2.5			1,705	$ 2,020,000	$ 3,892	0.5529%	0.8945%	$ 1,593.90	$ 1,310.69	$ 15,728.24	$ 1,850.38	$ 22,204.52	$ 2,904.58	$ 34,854.99
703	1/1			763	$ 810,000	$ 1,742	0.2474%	0.4003%	$ 713.28	$ 586.54	$ 7,038.50	$ 828.06	$ 9,936.68	$ 1,299.82	$ 15,597.86
704	1/1			768	$ 800,000	$ 1,753	0.2491%	0.4029%	$ 717.95	$ 590.39	$ 7,084.63	$ 833.48	$ 10,001.80	$ 1,308.34	$ 15,700.08
705	2/2			1,063	$ 1,200,000	NA	0.3447%	0.5577%	$ 993.73	$ 817.16	$ 9,805.94	$ 1,153.64	$ 13,843.64	$ 1,810.89	$ 21,730.71
706	2/2			1,356	$ 1,550,000	$ 3,095	0.4398%	0.7114%	$ 1,267.64	$ 1,042.40	$ 12,508.80	$ 1,471.62	$ 17,659.43	$ 2,310.04	$ 27,720.45
707	3/2.5			1,765	$ 1,990,000	$ 4,029	0.5724%	0.9260%	$ 1,649.99	$ 1,356.81	$ 16,281.73	$ 1,915.49	$ 22,985.91	$ 3,006.80	$ 36,081.56
708	2/2			1,276	$ 1,475,000	$ 2,912	0.4138%	0.6694%	$ 1,192.85	$ 980.90	$ 11,770.81	$ 1,384.80	$ 16,617.57	$ 2,173.75	$ 26,085.02
709	2/2			1,329	$ 1,600,000	$ 3,033	0.4310%	0.6973%	$ 1,242.40	$ 1,021.64	$ 12,259.73	$ 1,442.32	$ 17,307.80	$ 2,264.04	$ 27,168.50
710	2/2			1,283	$ 1,500,000	$ 2,928	0.4161%	0.6731%	$ 1,199.40	$ 986.28	$ 11,835.39	$ 1,392.39	$ 16,708.73	$ 2,185.68	$ 26,228.13
711	2/2			1,257	$ 1,625,000	$ 2,869	0.4076%	0.6595%	$ 1,175.09	$ 966.30	$ 11,595.54	$ 1,364.18	$ 16,370.13	$ 2,141.38	$ 25,696.61
712	1/1			902	$ 900,000	$ 2,059	0.2925%	0.4732%	$ 843.22	$ 693.40	$ 8,320.75	$ 978.91	$ 11,746.90	$ 1,536.62	$ 18,439.42
713	3/2			1,496	$ 1,850,000	$ 3,415	0.4852%	0.7849%	$ 1,398.52	$ 1,150.02	$ 13,800.26	$ 1,623.56	$ 19,482.67	$ 2,548.54	$ 30,582.44
714	2/2			1,266	$ 1,400,000	$ 2,890	0.4106%	0.6642%	$ 1,183.50	$ 973.21	$ 11,678.57	$ 1,373.95	$ 16,487.34	$ 2,156.72	$ 25,880.60
801	3/2.5			1,744	$ 2,200,000	$ 3,981	0.5656%	0.9150%	$ 1,630.35	$ 1,340.67	$ 16,088.01	$ 1,892.70	$ 22,712.42	$ 2,971.02	$ 35,652.26
802	3/2.5			1,705	$ 2,070,000	$ 3,892	0.5529%	0.8945%	$ 1,593.90	$ 1,310.69	$ 15,728.24	$ 1,850.38	$ 22,204.52	$ 2,904.58	$ 34,854.99
803	1/1			763	$ 825,000	$ 1,742	0.2474%	0.4003%	$ 713.28	$ 586.54	$ 7,038.50	$ 828.06	$ 9,936.68	$ 1,299.82	$ 15,597.86
804	1/1			768	$ 815,000	$ 1,753	0.2491%	0.4029%	$ 717.95	$ 590.39	$ 7,084.63	$ 833.48	$ 10,001.80	$ 1,308.34	$ 15,700.08
805	2/2			1,063	$ 1,225,000	$ 2,426	0.3447%	0.5577%	$ 993.73	$ 817.16	$ 9,805.94	$ 1,153.64	$ 13,843.64	$ 1,810.89	$ 21,730.71
806	2/2			1,356	$ 1,570,000	$ 3,095	0.4398%	0.7114%	$ 1,267.64	$ 1,042.40	$ 12,508.80	$ 1,471.62	$ 17,659.43	$ 2,310.04	$ 27,720.45
807	3/2.5			1,765	$ 2,030,000	$ 4,029	0.5724%	0.9260%	$ 1,649.99	$ 1,356.81	$ 16,281.73	$ 1,915.49	$ 22,985.91	$ 3,006.80	$ 36,081.56
808	2/2			1,276	$ 1,500,000	$ 2,912	0.4138%	0.6694%	$ 1,192.85	$ 980.90	$ 11,770.81	$ 1,384.80	$ 16,617.57	$ 2,173.75	$ 26,085.02
809	3/2.5			1,539	$ 1,750,000	$ 3,513	0.4991%	0.8074%	$ 1,438.71	$ 1,183.08	$ 14,196.93	$ 1,670.22	$ 20,042.67	$ 2,621.79	$ 31,461.48
810	2/2			1,283	$ 1,525,000	$ 2,928	0.4161%	0.6731%	$ 1,199.40	$ 986.28	$ 11,835.39	$ 1,392.39	$ 16,708.73	$ 2,185.68	$ 26,228.13
811	2/2			1,257	$ 1,650,000	$ 2,869	0.4076%	0.6595%	$ 1,175.09	$ 966.30	$ 11,595.54	$ 1,364.18	$ 16,370.13	$ 2,141.38	$ 25,696.61
812	1/1			902	$ 915,000	$ 2,059	0.2925%	0.4732%	$ 843.22	$ 693.40	$ 8,320.75	$ 978.91	$ 11,746.90	$ 1,536.62	$ 18,439.42
813	3/2			1,496	$ 1,885,000	$ 3,415	0.4852%	0.7849%	$ 1,398.52	$ 1,150.02	$ 13,800.26	$ 1,623.56	$ 19,482.67	$ 2,548.54	$ 30,582.44
814	2/2			1,266	$ 1,420,000	$ 2,890	0.4106%	0.6642%	$ 1,183.50	$ 973.21	$ 11,678.57	$ 1,373.95	$ 16,487.34	$ 2,156.72	$ 25,880.60
901	3/2.5			1,744	$ 2,250,000	$ 3,981	0.5656%	0.9150%	$ 1,630.35	$ 1,340.67	$ 16,088.01	$ 1,892.70	$ 22,712.42	$ 2,971.02	$ 35,652.26
902	3/2.5			1,705	$ 2,120,000	$ 3,892	0.5529%	0.8945%	$ 1,593.90	$ 1,310.69	$ 15,728.24	$ 1,850.38	$ 22,204.52	$ 2,904.58	$ 34,854.99
903	1/1			763	$ 840,000	$ 1,742	0.2474%	0.4003%	$ 713.28	$ 586.54	$ 7,038.50	$ 828.06	$ 9,936.68	$ 1,299.82	$ 15,597.86
904	1/1			768	$ 830,000	$ 1,753	0.2491%	0.4029%	$ 717.95	$ 590.39	$ 7,084.63	$ 833.48	$ 10,001.80	$ 1,308.34	$ 15,700.08
905	2/2			1,063	$ 1,250,000	$ 2,426	0.3447%	0.5577%	$ 993.73	$ 817.16	$ 9,805.94	$ 1,153.64	$ 13,843.64	$ 1,810.89	$ 21,730.71
906	2/2			1,356	$ 1,590,000	$ 3,095	0.4398%	0.7114%	$ 1,267.64	$ 1,042.40	$ 12,508.80	$ 1,471.62	$ 17,659.43	$ 2,310.04	$ 27,720.45
907	3/2.5			1,765	$ 2,070,000	$ 4,029	0.5724%	0.9260%	$ 1,649.99	$ 1,356.81	$ 16,281.73	$ 1,915.49	$ 22,985.91	$ 3,006.80	$ 36,081.56
908	2/2			1,276	$ 1,525,000	$ 2,912	0.4138%	0.6694%	$ 1,192.85	$ 980.90	$ 11,770.81	$ 1,384.80	$ 16,617.57	$ 2,173.75	$ 26,085.02
909	3/2.5			1,539	$ 1,780,000	$ 3,513	0.4991%	0.8074%	$ 1,438.71	$ 1,183.08	$ 14,196.93	$ 1,670.22	$ 20,042.67	$ 2,621.79	$ 31,461.48
910	2/2			1,283	$ 1,550,000	$ 2,928	0.4161%	0.6731%	$ 1,199.40	$ 986.28	$ 11,835.39	$ 1,392.39	$ 16,708.73	$ 2,185.68	$ 26,228.13
911	2/2			1,257	$ 1,675,000	$ 2,869	0.4076%	0.6595%	$ 1,175.09	$ 966.30	$ 11,595.54	$ 1,364.18	$ 16,370.13	$ 2,141.38	$ 25,696.61
912	1/1			902	$ 930,000	$ 2,059	0.2925%	0.4732%	$ 843.22	$ 693.40	$ 8,320.75	$ 978.91	$ 11,746.90	$ 1,536.62	$ 18,439.42
913	3/2			1,496	$ 1,920,000	$ 3,415	0.4852%	0.7849%	$ 1,398.52	$ 1,150.02	$ 13,800.26	$ 1,623.56	$ 19,482.67	$ 2,548.54	$ 30,582.44
914	2/2			1,266	$ 1,440,000	$ 2,890	0.4106%	0.6642%	$ 1,183.50	$ 973.21	$ 11,678.57	$ 1,373.95	$ 16,487.34	$ 2,156.72	$ 25,880.60
1001	3/2.5			1,744	$ 2,300,000	$ 3,981	0.5656%	0.9150%	$ 1,630.35	$ 1,340.67	$ 16,088.01	$ 1,892.70	$ 22,712.42	$ 2,971.02	$ 35,652.26
1002	3/2.5			1,705	$ 2,175,000	$ 3,892	0.5529%	0.8945%	$ 1,593.90	$ 1,310.69	$ 15,728.24	$ 1,850.38	$ 22,204.52	$ 2,904.58	$ 34,854.99
1003	1/1			763	$ 855,000	$ 1,742	0.2474%	0.4003%	$ 713.28	$ 586.54	$ 7,038.50	$ 828.06	$ 9,936.68	$ 1,299.82	$ 15,597.86
1004	1/1			768	$ 845,000	$ 1,753	0.2491%	0.4029%	$ 717.95	$ 590.39	$ 7,084.63	$ 833.48	$ 10,001.80	$ 1,308.34	$ 15,700.08
1005	2/2			1,063	$ 1,275,000	$ 2,426	0.3447%	0.5577%	$ 993.73	$ 817.16	$ 9,805.94	$ 1,153.64	$ 13,843.64	$ 1,810.89	$ 21,730.71
1006	2/2			1,356	$ 1,610,000	$ 3,095	0.4398%	0.7114%	$ 1,267.64	$ 1,042.40	$ 12,508.80	$ 1,471.62	$ 17,659.43	$ 2,310.04	$ 27,720.45
1007	3/2.5			1,765	$ 2,110,000	$ 4,029	0.5724%	0.9260%	$ 1,649.99	$ 1,356.81	$ 16,281.73	$ 1,915.49	$ 22,985.91	$ 3,006.80	$ 36,081.56
1008	2/2			1,276	$ 1,550,000	$ 2,912	0.4138%	0.6694%	$ 1,192.85	$ 980.90	$ 11,770.81	$ 1,384.80	$ 16,617.57	$ 2,173.75	$ 26,085.02
1009	3/2.5			1,539	$ 1,810,000	$ 3,513	0.4991%	0.8074%	$ 1,438.71	$ 1,183.08	$ 14,196.93	$ 1,670.22	$ 20,042.67	$ 2,621.79	$ 31,461.48
1010	2/2			1,283	$ 1,575,000	$ 2,928	0.4161%	0.6731%	$ 1,199.40	$ 986.28	$ 11,835.39	$ 1,392.39	$ 16,708.73	$ 2,185.68	$ 26,228.13
1011	2/2			1,257	$ 1,700,000	$ 2,869	0.4076%	0.6595%	$ 1,175.09	$ 966.30	$ 11,595.54	$ 1,364.18	$ 16,370.13	$ 2,141.38	$ 25,696.61
1012	1/1			902	$ 945,000	$ 2,059	0.2925%	0.4732%	$ 843.22	$ 693.40	$ 8,320.75	$ 978.91	$ 11,746.90	$ 1,536.62	$ 18,439.42
1013	3/2			1,496	$ 1,955,000	$ 3,415	0.4852%	0.7849%	$ 1,398.52	$ 1,150.02	$ 13,800.26	$ 1,623.56	$ 19,482.67	$ 2,548.54	$ 30,582.44
1014	2/2			1,266	$ 1,460,000	$ 2,890	0.4106%	0.6642%	$ 1,183.50	$ 973.21	$ 11,678.57	$ 1,373.95	$ 16,487.34	$ 2,156.72	$ 25,880.60
1101	3/2.5			1,744	$ 2,350,000	$ 3,981	0.5656%	0.9150%	$ 1,630.35	$ 1,340.67	$ 16,088.01	$ 1,892.70	$ 22,712.42	$ 2,971.02	$ 35,652.26
1102	3/2.5			1,705	$ 2,230,000	$ 3,892	0.5529%	0.8945%	$ 1,593.90	$ 1,310.69	$ 15,728.24	$ 1,850.38	$ 22,204.52	$ 2,904.58	$ 34,854.99
1103	1/1			763	$ 870,000	$ 1,742	0.2474%	0.4003%	$ 713.28	$ 586.54	$ 7,038.50	$ 828.06	$ 9,936.68	$ 1,299.82	$ 15,597.86
1104	1/1			768	$ 860,000	$ 1,753	0.2491%	0.4029%	$ 717.95	$ 590.39	$ 7,084.63	$ 833.48	$ 10,001.80	$ 1,308.34	$ 15,700.08
1105	2/2			1,063	$ 1,300,000	$ 2,426	0.3447%	0.5577%	$ 993.73	$ 817.16	$ 9,805.94	$ 1,153.64	$ 13,843.64	$ 1,810.89	$ 21,730.71
1106	2/2			1,356	$ 1,630,000	$ 3,095	0.4398%	0.7114%	$ 1,267.64	$ 1,042.40	$ 12,508.80	$ 1,471.62	$ 17,659.43	$ 2,310.04	$ 27,720.45
1107	3/2.5			1,765	$ 2,150,000	$ 4,029	0.5724%	0.9260%	$ 1,649.99	$ 1,356.81	$ 16,281.73	$ 1,915.49	$ 22,985.91	$ 3,006.80	$ 36,081.56
1108	2/2			1,276	$ 1,575,000	$ 2,912	0.4138%	0.6694%	$ 1,192.85	$ 980.90	$ 11,770.81	$ 1,384.80	$ 16,617.57	$ 2,173.75	$ 26,085.02
1109	3/2.5			1,539	$ 1,840,000	$ 3,513	0.4991%	0.8074%	$ 1,438.71	$ 1,183.08	$ 14,196.93	$ 1,670.22	$ 20,042.67	$ 2,621.79	$ 31,461.48
1110	2/2			1,283	$ 1,600,000	$ 2,928	0.4161%	0.6731%	$ 1,199.40	$ 986.28	$ 11,835.39	$ 1,392.39	$ 16,708.73	$ 2,185.68	$ 26,228.13
1111	2/2			1,257	$ 1,725,000	$ 2,869	0.4076%	0.6595%	$ 1,175.09	$ 966.30	$ 11,595.54	$ 1,364.18	$ 16,370.13	$ 2,141.38	$ 25,696.61
1112	1/1			902	$ 960,000	$ 2,059	0.2925%	0.4732%	$ 843.22	$ 693.40	$ 8,320.75	$ 978.91	$ 11,746.90	$ 1,536.62	$ 18,439.42
1113	3/2			1,496	$ 1,990,000	$ 3,415	0.4852%	0.7849%	$ 1,398.52	$ 1,150.02	$ 13,800.26	$ 1,623.56	$ 19,482.67	$ 2,548.54	$ 30,582.44

Unit	Number Bedrooms (BR) / Bathrooms (BA) (2)	Terrace/Balcony Square Footage (1)	Storage Bin Square Footage (Cellar) (1)	Unit Square Footage (1)	Offering Price (2)	Share of 35% of Resident Managers Unit Purchase Price	General Common Interest (3)(a)	Residential Common Interest (3)(b)	Estimated Monthly Common Charges (4)	Estimated Monthly Real Estate Taxes 1st Year (5)	Estimated Annual Real Estate Taxes 1st Year (5)	Estimated Monthly Real Estate Taxes 2017/2018 Tax Year (5)	Estimated Annual Real Estate Taxes 2017/2018 Tax Year (5)	Estimated Total Monthly Charges 1st Year (6)	Estimated Total Annual Charges 1st Year (6)
1114	2/2			1,266	$ 1,480,000	$ 2,890	0.4106%	0.6642%	$ 1,183.50	$ 973.21	$ 11,678.57	$ 1,373.95	$ 16,487.34	$ 2,156.72	$ 25,880.60
1201	3/2.5			1,744	$ 2,425,000	$ 3,981	0.5656%	0.9150%	$ 1,630.35	$ 1,340.67	$ 16,088.01	$ 1,892.70	$ 22,712.42	$ 2,971.02	$ 35,652.26
1202	3/2.5			1,705	$ 2,290,000	$ 3,892	0.5529%	0.8945%	$ 1,593.90	$ 1,310.69	$ 15,728.24	$ 1,850.38	$ 22,204.52	$ 2,904.58	$ 34,854.99
1203	1/1			763	$ 885,000	$ 1,742	0.2474%	0.4003%	$ 713.28	$ 586.54	$ 7,038.50	$ 828.06	$ 9,936.68	$ 1,299.82	$ 15,597.86
1204	1/1			768	$ 875,000	$ 1,753	0.2491%	0.4029%	$ 717.95	$ 590.39	$ 7,084.63	$ 833.48	$ 10,001.80	$ 1,308.34	$ 15,700.08
1205	2/2			1,063	$ 1,325,000	$ 2,426	0.3447%	0.5577%	$ 993.73	$ 817.16	$ 9,805.94	$ 1,153.64	$ 13,843.64	$ 1,810.89	$ 21,730.71
1206	2/2			1,356	$ 1,650,000	$ 3,095	0.4398%	0.7114%	$ 1,267.64	$ 1,042.40	$ 12,508.80	$ 1,471.62	$ 17,659.43	$ 2,310.04	$ 27,720.45
1207	3/2.5			1,765	$ 2,190,000	$ 4,029	0.5724%	0.9260%	$ 1,649.99	$ 1,356.81	$ 16,281.73	$ 1,915.49	$ 22,985.91	$ 3,006.80	$ 36,081.56
1208	2/2			1,276	$ 1,600,000	$ 2,912	0.4138%	0.6694%	$ 1,192.85	$ 980.90	$ 11,770.81	$ 1,384.80	$ 16,617.57	$ 2,173.75	$ 26,085.02
1209	3/2.5			1,539	$ 1,870,000	$ 3,513	0.4991%	0.8074%	$ 1,438.71	$ 1,183.08	$ 14,196.93	$ 1,670.22	$ 20,042.67	$ 2,621.79	$ 31,461.48
1210	2/2			1,283	$ 1,625,000	$ 2,928	0.4161%	0.6731%	$ 1,199.40	$ 986.28	$ 11,835.39	$ 1,392.39	$ 16,708.73	$ 2,185.68	$ 26,228.13
1211	2/2			1,257	$ 1,750,000	$ 2,869	0.4076%	0.6595%	$ 1,175.09	$ 966.30	$ 11,595.54	$ 1,364.18	$ 16,370.13	$ 2,141.38	$ 25,696.61
1212	1/1			902	$ 975,000	$ 2,059	0.2925%	0.4732%	$ 843.22	$ 693.40	$ 8,320.75	$ 978.91	$ 11,746.90	$ 1,536.62	$ 18,439.42
1213	3/2			1,496	$ 2,025,000	$ 3,415	0.4852%	0.7849%	$ 1,398.52	$ 1,150.02	$ 13,800.26	$ 1,623.56	$ 19,482.67	$ 2,548.54	$ 30,582.44
1214	2/2			1,266	$ 1,500,000	$ 2,890	0.4106%	0.6642%	$ 1,183.50	$ 973.21	$ 11,678.57	$ 1,373.95	$ 16,487.34	$ 2,156.72	$ 25,880.60
1401	3/2.5			1,744	$ 2,600,000	$ 3,981	0.5656%	0.9150%	$ 1,630.35	$ 1,340.67	$ 16,088.01	$ 1,892.70	$ 22,712.42	$ 2,971.02	$ 35,652.26
1402	3/2.5			1,705	$ 2,450,000	$ 3,892	0.5529%	0.8945%	$ 1,593.90	$ 1,310.69	$ 15,728.24	$ 1,850.38	$ 22,204.52	$ 2,904.58	$ 34,854.99
1403	1/1			763	$ 950,000	$ 1,742	0.2474%	0.4003%	$ 713.28	$ 586.54	$ 7,038.50	$ 828.06	$ 9,936.68	$ 1,299.82	$ 15,597.86
1404	1/1			768	$ 940,000	$ 1,753	0.2491%	0.4029%	$ 717.95	$ 590.39	$ 7,084.63	$ 833.48	$ 10,001.80	$ 1,308.34	$ 15,700.08
1405	2/2			1,063	$ 1,425,000	$ 2,426	0.3447%	0.5577%	$ 993.73	$ 817.16	$ 9,805.94	$ 1,153.64	$ 13,843.64	$ 1,810.89	$ 21,730.71
1406	2/2			1,356	$ 1,750,000	$ 3,095	0.4398%	0.7114%	$ 1,267.64	$ 1,042.40	$ 12,508.80	$ 1,471.62	$ 17,659.43	$ 2,310.04	$ 27,720.45
1407	3/2.5			1,765	$ 2,340,000	$ 4,029	0.5724%	0.9260%	$ 1,649.99	$ 1,356.81	$ 16,281.73	$ 1,915.49	$ 22,985.91	$ 3,006.80	$ 36,081.56
1408	2/2			1,276	$ 1,700,000	$ 2,912	0.4138%	0.6694%	$ 1,192.85	$ 980.90	$ 11,770.81	$ 1,384.80	$ 16,617.57	$ 2,173.75	$ 26,085.02
1409	3/2.5			1,539	$ 1,900,000	$ 3,513	0.4991%	0.8074%	$ 1,438.71	$ 1,183.08	$ 14,196.93	$ 1,670.22	$ 20,042.67	$ 2,621.79	$ 31,461.48
1410	2/2			1,283	$ 1,700,000	$ 2,928	0.4161%	0.6731%	$ 1,199.40	$ 986.28	$ 11,835.39	$ 1,392.39	$ 16,708.73	$ 2,185.68	$ 26,228.13
1411	2/2			1,257	$ 1,865,000	$ 2,869	0.4076%	0.6595%	$ 1,175.09	$ 966.30	$ 11,595.54	$ 1,364.18	$ 16,370.13	$ 2,141.38	$ 25,696.61
1412	1/1			902	$ 1,030,000	$ 2,059	0.2925%	0.4732%	$ 843.22	$ 693.40	$ 8,320.75	$ 978.91	$ 11,746.90	$ 1,536.62	$ 18,439.42
1413	3/2			1,496	$ 2,165,000	$ 3,415	0.4852%	0.7849%	$ 1,398.52	$ 1,150.02	$ 13,800.26	$ 1,623.56	$ 19,482.67	$ 2,548.54	$ 30,582.44
1414	2/2			1,266	$ 1,600,000	$ 2,890	0.4106%	0.6642%	$ 1,183.50	$ 973.21	$ 11,678.57	$ 1,373.95	$ 16,487.34	$ 2,156.72	$ 25,880.60
1501	3/2.5			1,744	$ 2,575,000	$ 3,981	0.5656%	0.9150%	$ 1,630.35	$ 1,340.67	$ 16,088.01	$ 1,892.70	$ 22,712.42	$ 2,971.02	$ 35,652.26
1502	3/2.5			1,705	$ 2,425,000	$ 3,892	0.5529%	0.8945%	$ 1,593.90	$ 1,310.69	$ 15,728.24	$ 1,850.38	$ 22,204.52	$ 2,904.58	$ 34,854.99
1503	1/1			763	$ 925,000	$ 1,742	0.2474%	0.4003%	$ 713.28	$ 586.54	$ 7,038.50	$ 828.06	$ 9,936.68	$ 1,299.82	$ 15,597.86
1504	1/1			768	$ 915,000	$ 1,753	0.2491%	0.4029%	$ 717.95	$ 590.39	$ 7,084.63	$ 833.48	$ 10,001.80	$ 1,308.34	$ 15,700.08
1505	2/2.5			1,405	$ 1,815,000	$ 3,207	0.4556%	0.7371%	$ 1,313.45	$ 1,080.07	$ 12,960.81	$ 1,524.80	$ 18,297.56	$ 2,393.51	$ 28,722.15
1506	2/2			1,356	$ 1,700,000	$ 3,095	0.4398%	0.7114%	$ 1,267.64	$ 1,042.40	$ 12,508.80	$ 1,471.62	$ 17,659.43	$ 2,310.04	$ 27,720.45
1507	3/2.5			1,765	$ 2,280,000	$ 4,029	0.5724%	0.9260%	$ 1,649.99	$ 1,356.81	$ 16,281.73	$ 1,915.49	$ 22,985.91	$ 3,006.80	$ 36,081.56
1508	2/2.5			1,332	$ 1,725,000	$ 3,040	0.4320%	0.6988%	$ 1,245.20	$ 1,023.95	$ 12,287.40	$ 1,445.57	$ 17,346.87	$ 2,269.15	$ 27,229.82
1601	4/3.5	259		2,500	$ 3,650,000	$ 5,854	0.8318%	1.3456%	$ 2,397.62	$ 1,971.60	$ 23,659.24	$ 2,783.43	$ 33,401.19	$ 4,369.22	$ 52,430.69
1602	4/3.5	425		2,424	$ 3,600,000	$ 5,775	0.8206%	1.3275%	$ 2,365.37	$ 1,945.08	$ 23,340.99	$ 2,745.99	$ 32,951.89	$ 4,310.45	$ 51,725.42
1603	3/2.5	577		1,629	$ 2,550,000	$ 4,047	0.5751%	0.9303%	$ 1,657.70	$ 1,363.15	$ 16,357.83	$ 1,924.45	$ 23,093.35	$ 3,020.85	$ 36,250.21
1604	4/3.5	420		2,163	$ 3,250,000	$ 5,177	0.7355%	1.1899%	$ 2,120.21	$ 1,743.48	$ 20,921.79	$ 2,461.38	$ 29,536.56	$ 3,863.69	$ 46,364.29
1605	4/3.5	100		2,405	$ 3,350,000	$ 5,547	0.7881%	1.2749%	$ 2,271.65	$ 1,868.02	$ 22,416.21	$ 2,637.19	$ 31,646.32	$ 4,139.67	$ 49,676.03
1701	4/3.5	241		2,489	$ 3,700,000	$ 5,819	0.8267%	1.3374%	$ 2,383.13	$ 1,959.69	$ 23,516.26	$ 2,766.61	$ 33,199.33	$ 4,342.82	$ 52,113.83
1702	4/3.5			2,424	$ 3,500,000	$ 5,533	0.7861%	1.2717%	$ 2,266.04	$ 1,863.40	$ 22,360.86	$ 2,630.68	$ 31,568.18	$ 4,129.45	$ 49,553.37
1703	2/2.5			1,298	$ 1,900,000	$ 2,963	0.4209%	0.6810%	$ 1,213.42	$ 997.81	$ 11,973.76	$ 1,408.67	$ 16,904.08	$ 2,211.23	$ 26,534.77
1704	4/3.5			2,163	$ 3,100,000	$ 4,937	0.7015%	1.1348%	$ 2,022.05	$ 1,662.77	$ 19,953.19	$ 2,347.43	$ 28,169.13	$ 3,684.82	$ 44,217.79
1705	4/3.5	228		2,292	$ 3,150,000	$ 5,362	0.7618%	1.2324%	$ 2,195.93	$ 1,805.75	$ 21,669.00	$ 2,549.29	$ 30,591.44	$ 4,001.68	$ 48,020.16
1801	5/4.5	241		2,821	$ 4,250,000	$ 6,577	0.9344%	1.5116%	$ 2,693.50	$ 2,214.91	$ 26,578.89	$ 3,126.92	$ 37,523.03	$ 4,908.40	$ 58,900.85
1802	4/3.5			2,424	$ 3,600,000	$ 5,533	0.7861%	1.2717%	$ 2,266.04	$ 1,863.40	$ 22,360.86	$ 2,630.68	$ 31,568.18	$ 4,129.45	$ 49,553.37
1803	4/3.5			2,163	$ 3,200,000	$ 4,937	0.7015%	1.1348%	$ 2,022.05	$ 1,662.77	$ 19,953.19	$ 2,347.43	$ 28,169.13	$ 3,684.82	$ 44,217.79
1804	5/4.5	228		2,768	$ 4,250,000	$ 6,448	0.9162%	1.4821%	$ 2,640.91	$ 2,171.67	$ 26,059.99	$ 3,065.87	$ 36,790.47	$ 4,812.58	$ 57,750.93
1901	4/3.5	482		2,349	$ 3,850,000	$ 5,637	0.8009%	1.2956%	$ 2,308.58	$ 1,898.38	$ 22,780.58	$ 2,680.06	$ 32,160.73	$ 4,206.96	$ 50,483.51
1902	4/3.5			2,424	$ 3,700,000	$ 5,533	0.7861%	1.2717%	$ 2,266.04	$ 1,863.40	$ 22,360.86	$ 2,630.68	$ 31,568.18	$ 4,129.45	$ 49,553.37
1903	4/3.5			2,163	$ 3,300,000	$ 4,937	0.7015%	1.1348%	$ 2,022.05	$ 1,662.77	$ 19,953.19	$ 2,347.43	$ 28,169.13	$ 3,684.82	$ 44,217.79
1904	4/3.5	457		2,311	$ 3,850,000	$ 5,536	0.7865%	1.2724%	$ 2,267.21	$ 1,864.37	$ 22,372.39	$ 2,632.04	$ 31,584.46	$ 4,131.58	$ 49,578.92
PH01	4/3.5	513		2,349	$ 4,050,000	$ 5,654	0.8034%	1.2997%	$ 2,315.82	$ 1,904.34	$ 22,852.08	$ 2,688.47	$ 32,261.66	$ 4,220.16	$ 50,641.95
PH02	4/3.5	1,162		2,424	$ 3,850,000	$ 6,196	0.8803%	1.4241%	$ 2,537.61	$ 2,086.72	$ 25,040.65	$ 2,945.95	$ 35,351.41	$ 4,624.33	$ 55,492.00
PH03	4/3.5	1,083		2,163	$ 3,650,000	$ 5,555	0.7893%	1.2769%	$ 2,275.16	$ 1,870.90	$ 22,450.80	$ 2,641.26	$ 31,695.15	$ 4,146.06	$ 49,752.69
PH04	4/3.5	1,689		2,311	$ 4,150,000	$ 6,239	0.8864%	1.4340%	$ 2,555.14	$ 2,101.13	$ 25,213.62	$ 2,966.30	$ 35,595.60	$ 4,656.28	$ 55,875.31
	SUB-TOTALS	**8,954**	**0**	**188,367**	**$ 248,205,000**	**$ 432,635**	**61.8138%**	**100.0000%**	**$ 178,184.91**	**$ 146,524.42**	**$ 1,758,293.00**	**$ 206,857.42**	**$ 2,482,289.00**	**$ 324,709.32**	**$ 3,896,511.89**
Non-Residential Units															
Retail Unit #1				6,099			1.9779%		$ 1,458.68	$ 3,728.49	$ 44,741.83	$ 5,263.74	$ 63,164.90	$ 5,187.17	$ 62,246.02
Retail Unit #2				3,995			1.2956%		$ 955.47	$ 2,442.25	$ 29,307.03	$ 3,447.88	$ 41,374.61	$ 3,397.73	$ 40,772.72
Retail Unit #3				3,850			1.2796%		$ 943.70	$ 2,353.61	$ 28,243.32	$ 3,322.74	$ 39,872.91	$ 3,297.31	$ 39,567.67
Hotel Unit				103,709			33.6331%		$ 24,803.82	$ 63,400.15	$ 760,801.81	$ 89,506.05	$ 1,074,072.58	$ 88,203.97	$ 1,058,447.64
Non-Residential Unit Sub-Total				**117,653**			**38.1862%**		**$ 28,161.67**	**$ 71,924.50**	**$ 805,543.64**	**$ 101,540.42**	**$ 1,218,485.00**	**$ 93,391.14**	**$ 1,201,034.04**
	TOTALS	**8,954**		**306,020**	**$ 248,205,000**	**$ 432,635**	**100.0000%**	**100.0000%**	**$ 206,346.58**	**$ 218,449**	**$ 2,563,836.64**	**$ 308,397.83**	**$ 3,700,774.00**	**$ 418,100.46**	**$ 5,097,545.93**

Unit 705 - Resident Managers Unit

SCHEDULE A-1

SCHEDULE OF STORAGE BIN LICENSE PAYMENTS

Schedule A-1: Purchase Prices for Storage Bins Licenses and Related Information for the Projected First Year of Condominium Operation (12/15/16-12/14/17)

Storage Bin	Storage Bin Square Footage	Purchase Price	License Fee Per Month	License Fee Per Year
1	20	$ 18,000	$ 25.00	$ 300.00
2	25	$ 22,000	$ 31.25	$ 375.00
3	16	$ 14,000	$ 20.00	$ 240.00
4	16	$ 14,000	$ 20.00	$ 240.00
5	18	$ 16,000	$ 22.50	$ 270.00
6	18	$ 16,000	$ 22.50	$ 270.00
7	18	$ 16,000	$ 22.50	$ 270.00
8	18	$ 16,000	$ 22.50	$ 270.00
9	18	$ 16,000	$ 22.50	$ 270.00
10	18	$ 16,000	$ 22.50	$ 270.00
11	18	$ 16,000	$ 22.50	$ 270.00
12	18	$ 16,000	$ 22.50	$ 270.00
13	18	$ 16,000	$ 22.50	$ 270.00
14	18	$ 16,000	$ 22.50	$ 270.00
15	18	$ 16,000	$ 22.50	$ 270.00
16	18	$ 16,000	$ 22.50	$ 270.00
17	18	$ 16,000	$ 22.50	$ 270.00
18	18	$ 16,000	$ 22.50	$ 270.00
19	18	$ 16,000	$ 22.50	$ 270.00
20	22	$ 20,000	$ 27.50	$ 330.00
21	17	$ 15,000	$ 21.25	$ 255.00
22	22	$ 20,000	$ 27.50	$ 330.00
23	22	$ 20,000	$ 27.50	$ 330.00
24	18	$ 16,000	$ 22.50	$ 270.00
25	18	$ 16,000	$ 22.50	$ 270.00
26	18	$ 16,000	$ 22.50	$ 270.00
27	18	$ 16,000	$ 22.50	$ 270.00
28	18	$ 16,000	$ 22.50	$ 270.00
29	18	$ 16,000	$ 22.50	$ 270.00
30	18	$ 16,000	$ 22.50	$ 270.00
31	18	$ 16,000	$ 22.50	$ 270.00
32	18	$ 16,000	$ 22.50	$ 270.00
33	18	$ 16,000	$ 22.50	$ 270.00
34	18	$ 16,000	$ 22.50	$ 270.00
35	18	$ 16,000	$ 22.50	$ 270.00
36	18	$ 16,000	$ 22.50	$ 270.00
37	18	$ 16,000	$ 22.50	$ 270.00
38	18	$ 16,000	$ 22.50	$ 270.00
39	18	$ 16,000	$ 22.50	$ 270.00
40	18	$ 16,000	$ 22.50	$ 270.00
41	18	$ 16,000	$ 22.50	$ 270.00
42	18	$ 16,000	$ 22.50	$ 270.00
43	18	$ 16,000	$ 22.50	$ 270.00
44	18	$ 16,000	$ 22.50	$ 270.00
45	20	$ 18,000	$ 25.00	$ 300.00
46	16	$ 14,000	$ 20.00	$ 240.00
47	22	$ 20,000	$ 27.50	$ 330.00
48	18	$ 16,000	$ 22.50	$ 270.00
49	18	$ 16,000	$ 22.50	$ 270.00
50	18	$ 16,000	$ 22.50	$ 270.00
51	22	$ 20,000	$ 27.50	$ 330.00
TOTAL	**942**	**$ 839,000**	**$ 1,178**	**$ 14,130**

SCHEDULE A-2

SCHEDULE OF PARKING LICENSE PAYMENTS:

Schedule A-2: Purchase Prices for Licenses and Related Information for the Projected First Year of Condominium Operation (12/15/16-12/14/17)

Parking License No.	Purchase Price	License Fee Per Month	License Fee Per Year
1	$ 65,000	$ 215.57	$ 2,586.83
2	$ 65,000	$ 215.57	$ 2,586.83
3	$ 65,000	$ 215.57	$ 2,586.83
4	$ 65,000	$ 215.57	$ 2,586.83
5	$ 65,000	$ 215.57	$ 2,586.83
6	$ 65,000	$ 215.57	$ 2,586.83
7	$ 65,000	$ 215.57	$ 2,586.83
8	$ 65,000	$ 215.57	$ 2,586.83
9	$ 65,000	$ 215.57	$ 2,586.83
10	$ 65,000	$ 215.57	$ 2,586.83
11	$ 65,000	$ 215.57	$ 2,586.83
12	$ 65,000	$ 215.57	$ 2,586.83
13	$ 65,000	$ 215.57	$ 2,586.83
14	$ 65,000	$ 215.57	$ 2,586.83
15	$ 65,000	$ 215.57	$ 2,586.83
16	$ 65,000	$ 215.57	$ 2,586.83
17	$ 65,000	$ 215.57	$ 2,586.83
18	$ 65,000	$ 215.57	$ 2,586.83
19	$ 65,000	$ 215.57	$ 2,586.83
20	$ 65,000	$ 215.57	$ 2,586.83
21	$ 65,000	$ 215.57	$ 2,586.83
22	$ 65,000	$ 215.57	$ 2,586.83
23	$ 65,000	$ 215.57	$ 2,586.83
24	$ 65,000	$ 215.57	$ 2,586.83
25	$ 65,000	$ 215.57	$ 2,586.83
26	$ 65,000	$ 215.57	$ 2,586.83
27	$ 65,000	$ 215.57	$ 2,586.83
28	$ 65,000	$ 215.57	$ 2,586.83
29	$ 65,000	$ 215.57	$ 2,586.83
30	$ 65,000	$ 215.57	$ 2,586.83
31	$ 65,000	$ 215.57	$ 2,586.83
32	$ 65,000	$ 215.57	$ 2,586.83
33	$ 65,000	$ 215.57	$ 2,586.83
34	$ 65,000	$ 215.57	$ 2,586.83
35	$ 65,000	$ 215.57	$ 2,586.83
36	$ 65,000	$ 215.57	$ 2,586.83
37	$ 65,000	$ 215.57	$ 2,586.83
38	$ 65,000	$ 215.57	$ 2,586.83
39	$ 65,000	$ 215.57	$ 2,586.83
40	$ 65,000	$ 215.57	$ 2,586.83
TOTAL	**$ 2,600,000**	**$ 8,623**	**$ 103,473**

NOTES TO SCHEDULE A

(1) Reference should be made to the Floor Plans in Part II of this Plan for the layout and location of each type of Unit and Storage Bin. Purchasers are advised, however, that the dimensions shown on the Floor Plans in Part II are only approximations (within reasonable tolerances) and are subject to change should site conditions so necessitate. Each Unit should be physically inspected to determine its actual dimensions, layout and condition. In preparing the Residential Unit room count in Schedule A, Sponsor counted each bedroom identified as a bedroom on the Floor Plans as one bedroom, and each bathroom containing a toilet, sink and shower facilities as one bathroom. If a bathroom did not contain shower or bath facilities, it was counted as a half-bath.

As more fully described in the "Architect's Description of Property and Specifications" contained in Part II of the Plan and as is customary in New York City, in calculating the approximate square foot area of each Unit shown on Schedule A, Sponsor's Architect measured horizontally from the exterior face of the exterior walls (perimeter mechanical pipes are not deducted) to the midpoint of partitions separating one Unit from another Unit and to the corridor face of partitions separating the Unit from stairs, elevators and other mechanical equipment spaces or other Common Elements. Any Common Elements located within a Unit shall not be considered a part of such Unit. As is customary in New York City, these square foot areas exceed the useable floor area of each Unit.

(2) (a) Purchasers are advised that offering prices for Units may be changed on an individual basis as discussed in "Changes in Prices and Units" in Part I, Section I of the Plan. In addition to paying the Purchase Price at closing, each Purchaser will be obligated to pay the Transfer Taxes, Mansion Tax (if applicable), title insurance costs and other title-related closing costs, contribute a sum equal to two months' Common Charges as working capital for each Residential Unit purchased, and pay any adjustments due Sponsor. If a Purchaser obtains a mortgage, "points," escrow deposits, attorneys' fees and other costs of obtaining the mortgage must be paid by Purchaser. See "Closing Costs and Adjustments" in Part I, Section N of the Plan, for a more detailed description of closing costs.

(b) Sponsor intends to sell Residential Unit 705 to the Board of Managers to be used as the residence for the Condominium's Resident Manager (the "**RM Unit**"). The Purchase Price for the RM Unit is anticipated to be $1,200,000.00 ("**RM Purchase Price**"). The RM Purchase Price is anticipated to be paid 35% in cash and 65% out of the proceeds of a purchase money loan from an Institutional Lender. There also will be closing costs associated with the purchase of the RM Unit such as title insurance, Transfer Taxes, Mansion Tax, mortgage recording tax, recording fees, lender attorney fees and other loan-related costs (collectively, the "**RM Closing Costs**"). The RM Closing Costs are currently estimated to be $36,100.00. Sponsor anticipates that 65% of the RM Closing Costs will be financed as part of the purchase money mortgage and that 35% of the RM Closing Costs will be paid in cash. In order for the Board of Managers to have sufficient cash to pay the cash portion of the RM Purchase Price and RM Closing Costs, each Purchaser shall be required to pay at Unit Closing Purchaser's share of thirty-five (35%) percent of the RM Purchase Price and Purchaser's share of 35% of the RM Closing Costs based on Residential Common Interest (such proportionate share, the "**Allocable Share**"). The costs in Column 2(b) reflect the Allocable Share payable by each Purchaser of a Residential Unit at Unit Closing. See Part I, Section U entitled "Agreements Binding on the Condominium" for additional details regarding purchase by the Board of the RM Unit.

(3) (a) The Common Interest of each Unit has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, and is based on the approximate 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.

(b) Residential Common Interest is applicable only to Residential Units. Residential Common Interest for a particular Residential Unit is the proportion between the Common Interest allocated to that Residential Unit and the aggregate Common Interest of all Residential Units. Residential Common Interest is used to determine, among other things, the amount of Residential Common Charges payable by each Residential Unit Owner.

(4) The estimated Common Charges attributable to each Unit represents the Unit Owner's proportionate share of the expense of operating, maintaining and repairing the Common Elements, including, without limitation, shared heating and cooling costs. All projected costs are for the period beginning December 15, 2016 and ending December 14, 2017. The projected Common Charges for each Unit do not include costs for which the Unit Owner will be responsible such as repairs to the interior of the Unit, insurance for personal property within the Unit or debt service on any mortgage loan a Unit Owner obtains to finance the purchase of the Unit. Each Residential Unit, each Commercial Unit and the Hotel Unit will be separately metered for electricity to operate the lighting and appliances in the Unit, and the Unit Owner will pay the cost thereof directly to Con Edison. Each Residential Unit will include an electrically powered water source heat pump to regulate heating and cooling in the Unit. Unit Owners will pay the costs of operating same. The Common Charge estimates shown on Schedule A thus do not include the projected cost of electricity to operate the heat pumps serving the Residential Units. Those estimated electricity costs, as well as estimated electricity costs Residential Unit Owners can expect to pay for lighting and other appliances in their Units, are shown in Schedule B-1 of this Offering Plan. The Board of Managers may determine to engage a service company to perform regular service on the heat pumps and if so, Unit Owner must permit access to the service company for inspection and service, and agree to pay its share of the service cost.

(5) Upon the recording of the Declaration, individual tax lots will be established for each Unit. Sometime thereafter, each Unit will be separately assessed by the City of New York for purposes of real estate taxes. Once Units are separately assessed for real estate taxes, each Unit Owner will be responsible only for payment of the tax bill attributable to Unit Owner's Unit, and will not be responsible for paying the tax bill attributable to any other Unit. Likewise, with separate assessments, one Unit cannot be subject to a tax lien arising out of another Unit Owner's failure to pay the taxes due on that other Unit Owner's Unit.

Sponsor is advised by Marcus & Pollack LLP ("**Real Estate Tax Counsel**"), in a letter dated June 6, 2014, a copy of which is included in Part I, Section S of the Plan (the "**Assessed Valuation Opinion**"), Real Estate Tax Counsel anticipates that in arriving at the assessed valuation for each Unit, the New York City Department of Finance ("**DOF**") will first assess the Property as an entirety and that this overall assessment will then be apportioned by DOF among the Units. Real Estate Tax Counsel advises that historically, the apportionment of assessed value by DOF attributable to residential units was based in part upon the proportion that the sales price for each unit in the initial offering plan bore to the total sell out price of all units, and in part upon extrinsic indicia of value with respect to the units. Real Estate Tax Counsel further advises that more recently, DOF has been allocating assessed value for residential units in a condominium based upon common interest. Accordingly, for purposes of projections in this Offering Plan, Sponsor has allocated the projected assessed valuation among Units based on Common Interest. However, same is not a representation that DOF will use any particular method of apportioning assessed value among the Units.

The First Year of Condominium Operation is projected to be December 15, 2016 through December 14, 2017. For real estate tax projection purposes, this period includes approximately seven (7) months of tax year 2016/2017 and approximately five (5) months of tax year 2017/2018.

Based on Sponsor's construction time table, Real Estate Tax Counsel projects that the Project will not have been completed by the January 5, 2016 taxable status date for the 2016/2017 tax year. Accordingly, Real Estate Tax Counsel projects that the Property will be assessed for 2016/2017 as if partially completed (specifically, 50% complete) and the first year the Property will be assessed as fully complete is 2017/2018.

Pursuant to the foregoing, for tax year 2016/2017, Real Estate Tax Counsel estimates billable assessed value for the Residential Area at $9,441,985. Using an estimated class 2 residential tax rate of 13.145% for that year, Real Estate Tax Counsel estimates taxes for the Residential Area at $1,241,148 for 2016/2017.

Real Estate Tax Counsel further estimates, for tax year 2016/2017, that the billable assessed value for the Commercial Units and Hotel Unit will be an aggregate of $5,901,800. Using an estimated class 4 commercial tax rate of 10.323% for that year, Real Estate Tax Counsel estimated taxes for the Commercial Units and Hotel Unit at an aggregate of $609,242 for 2016/2017.

For tax year 2017/2018, the first year the Residential Units are expected to be assessed as complete, Real Estate Tax Counsel estimates the billable assessed value of the Residential Area at $18,883,970. Using an estimated residential class 2 tax rate of 13.145%, Real Estate Tax Counsel estimates taxes for the Residential Area at $2,482,298 for 2017/2018.

For tax year 2017/2018, Real Estate Tax Counsel estimates billable assessed value of the Commercial Units and the Hotel Unit at an aggregate of $11,803,600. Using an estimated class 4 commercial tax rate of 10.323%, Real Estate Tax Counsel estimates taxes for the Commercial Units and the Hotel Unit at an aggregate of $1,218,485 for 2017/2018.

Using approximately seven (7) months of projected taxes for 2016/2017 and approximately five (5) months from 2017/2018, Real Estate Tax Counsel estimates a total of $1,758,293 as the real estate tax liability for the Residential Units for the First Year of Condominium Operation, based upon the period December 15, 2016 through December 14, 2017.

Using approximately seven (7) months of projected taxes for 2016/2017 and approximately five (5) months from 2017/2018, Real Estate Tax Counsel estimates a total of $863,094 as the real estate tax liability for the Commercial Units and the Hotel Unit for the First Year of Condominium Operation, based upon the period December 15, 2016 through December 14, 2017.

To provide Purchasers with a more realistic estimate of real estate taxes, Schedule A shows estimated taxes based on Real Estate Tax Counsel's estimate of the assessed value of the Property following completion as well as the estimated taxes for the anticipated First Year of Condominium Operation. The amounts shown for projected assessments and taxes based on a completed project, are the amounts discussed above for 2017/2018.

Sponsor intends to apply for Industrial and Commercial Abatement Program ("**ICAP**") real estate tax benefits for the Hotel Unit and the Commercial Units, but Sponsor makes no representation as to whether ICAP benefits will be obtained, in what amount the ICAP benefits will be or when the ICAP benefits will take effect.

The projected Residential Area tax liability is anticipated, but not warranted or represented, to be allocated among the Residential Units by the City of New York based on Residential Common Interest, and has been allocated this way on Schedule A.

ALTHOUGH IN SPONSOR'S OPINION THE FOREGOING METHOD OF PROJECTING REAL ESTATE TAXES IS REASONABLE, THE FOREGOING ANALYSIS IS NOT A GUARANTY OR WARRANTY THAT THIS METHOD OF ALLOCATING ASSESSED VALUE TO EACH UNIT WILL BE THE METHOD USED BY THE NEW YORK CITY TAXING AUTHORITIES IN ESTABLISHING THE REAL ESTATE TAX ASSESSMENT FOR EACH UNIT, OR THAT THE TAX RATE OR ASSESSED VALUE USED IN THE PROJECTIONS WILL BE THE TAX RATE OR ASSESSED VALUE ADOPTED BY THE CITY OF NEW YORK FOR THE TAX YEARS IN QUESTION. THE CITY OF NEW YORK MAY USE DIFFERENT ALLOCATION METHODS AND MAY INCREASE THE TAX RATE IN YEARS TO COME. THE TAX PROJECTIONS ABOVE AND IN SCHEDULE A ARE MERELY ESTIMATES AND ARE NOT TO BE CONSTRUED AS A REPRESENTATION OR ASSURANCE OF THE ACTUAL AMOUNT OF REAL ESTATE TAX THAT WILL BE ASSESSED AGAINST ANY UNIT OR PAID BY ANY UNIT OWNER.

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Immediately following Schedule A are Schedules A-1 and A-2 which set forth the Storage Bin License Payments and the Parking License Payments, respectively, that are payable in connection with the right to enter into a Storage Bin License and/or Parking License, as well as the projected monthly license payments associated with each license for the anticipated First Year of Condominium Operation. The Storage Bins, located in the Storage Bin Area in the cellar, are uninhabitable space and may not legally be used as a bedroom or living room. Any use of the Storage Bins in this manner may result in a building code violation being issued against the Building.

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Sponsor has been advised by its Offering Plan Counsel that Residential Unit Owners who are not subject to the Federal alternative minimum tax and who itemize deductions on their Federal income tax returns, will be entitled, under present Federal tax laws, to a deduction for Federal income tax purposes for the separately assessed real estate taxes they pay on their Residential Unit, and for the interest they pay on any mortgage covering their Residential Unit, provided that the Residential Unit is used as their own primary residence or specifically selected secondary residence and subject to certain limitations on deductibility as more particularly described in Sponsor's Offering Plan Counsel's opinion contained in the Plan. Purchasers are further advised that to the extent they are entitled to these deductions, deductions may vary in future years based on, among other things, the amount of mortgage interest and real estate taxes Unit Owner pays in a given year. Since the rules and limitations regarding deductibility are complex, Purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Residential Units for Federal alternative minimum tax purposes.

Tax Disclosure: Taxpayers are hereby informed that (i) this Offering Plan was not intended or written to be used, and it cannot be used, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this Offering Plan was written to support the promotion or marketing of the transaction(s) or matter(s) addressed in this Offering Plan; and (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

F. SCHEDULE B
PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
ANTICIPATED TO BEGIN DECEMBER 15, 2016

Common Charges – Residential	$2,138,219.00
Common Charges – Comm. Unit #1	$ 17,504.00
Common Charges – Comm. Unit #2	$ 11,466.00
Common Charges – Comm. Unit #3	$ 11,324.00
Common Charges – Hotel Unit	$ 297,646.00
Parking License Fees	$ 103,473.00
Storage License Fees	$ 14,130.00
Total Projected Receipts (Note 1)	$2,593,762.00

Labor and Benefits (Note 2)	$ 729,506.00
Gas (Note 3)	$ 369,620.00
Electricity (Note 4)	$ 433,862.00
Water Charges and Sewer Rent (Note 5)	$ 131,231.00
Repairs and Maintenance (Note 6)	$ 54,000.00
Service Contracts and Supplies (Note 7)	$ 205,650.00
Insurance (Note 8)	$ 217,000.00
Management Fee (Note 9)	$ 65,000.00
Resident Managers Unit (Note 10)	$ 67,096.00
Legal and Audit Fees (Note 11)	$ 25,000.00
Other Expenses (Note 12)	$ 20,000.00
Contingency (Note 13)	$ 40,000.00
Replacement Reserve (Note 14)	$ 235,797.00
Total Projected Common Expenses	$2,593,762.00

The Notes to Schedule B below are an integral part of this Schedule and should be read in conjunction herewith.

ALLOCATION OF COMMON EXPENSES BETWEEN RESIDENTIAL UNITS, COMMERCIAL UNITS AND HOTEL UNIT

	Total Projected Expenses	Residential Units	Commercial Unit #1	Commercial Unit #2	Commercial Unit #3	Hotel Unit
Labor and Benefits	$ 729,506.00	$ 644,434.81	$ 4,406.43	$ 2,886.32	$ 2,850.74	$ 74,928.08
Gas	$ 369,620.00	$ 369,620.00	Sub-Metered	Sub-Metered	Sub-Metered	Sub-Metered
Electricity	$ 433,862.00	$ 433,862.00	Sub-Metered	Sub-Metered	Sub-Metered	Sub-Metered
Water	$ 131,231.00	$ 131,231.00	Sub-Metered	Sub-Metered	Sub-Metered	Sub-Metered
Repairs and Maintenance	$ 54,000.00	$ 36,052.00	$ 930.00	$ 609.00	$ 601.00	$ 15,808.00
Service	$ 205,650.00	$ 167,216.00	$ 1,991.00	$ 1,304.00	$ 1,288.00	$ 33,852.00
Insurance	$ 217,000.00	$ 134,136.00	$ 4,292.00	$ 2,811.00	$ 2,777.00	$ 72,984.00
Management Fee	$ 65,000.00	$ 40,179.00	$ 1,286.00	$ 842.00	$ 832.00	$ 21,861.00
Resident Managers Unit	$ 67,096.00	$ 41,475.00	$ 1,327.00	$ 869.00	$ 859.00	$ 22,566.00
Legal	$ 25,000.00	$ 15,453.00	$ 494.00	$ 324.00	$ 320.00	$ 8,408.00
Other Expenses	$ 20,000.00	$ 12,363.00	$ 396.00	$ 259.00	$ 256.00	$ 6,727.00
Contingency	$ 40,000.00	$ 24,726.00	$ 791.00	$ 518.00	$ 512.00	$ 13,453.00
Replacement Reserve	$ 235,797.00	$ 205,075.00	$ 1,591.00	$ 1,042.00	$ 1,029.00	$ 27,059.00
TOTAL EXPENSES	**$2,593,762.00**	**$2,255,822.00**	**$ 17,504.00**	**$ 11,466.00**	**$ 11,324.00**	**$ 297,646.00**

FOOTNOTES TO SCHEDULE B

The projections in the First Year's Budget are based on the assumption that the First Year of Condominium Operation will be the 12-month period December 15, 2016 to December 14, 2017. The actual First Year of Condominium Operation may be earlier or later than that 12-month period. If the date scheduled for the First Unit Closing, which marks commencement of the First Year of Condominium Operation, differs by six (6) months or more from the projected commencement date of the First Year of Condominium Operation set forth in the Plan as amended, the Plan will be further amended to include an updated projected First Year's Budget with revised projections, if revised projections are necessary (the "**Revised Budget Amendment**"). If the aggregate of the revised budget projections exceed the aggregate of the budget projections set forth herein for the First Year's Budget by 25% or more, Sponsor will offer all Purchasers who entered into Option Agreements prior to the date the Revised Budget Amendment is accepted for filing, the right, for a period of at least fifteen (15) days, to rescind their Option Agreements and have their Premium Payments returned.

Projected Receipts

(1) These are the total annual Common Charges anticipated to be collected from all Unit Owners during the projected First Year of Condominium Operation, as well as income from Parking Licenses (assuming 40 Parking Licenses at $215.57 per Parking License per month) and Storage Bin Licenses (assuming 51 Storage Bins at approximately $20.00 to $31.25 per Storage Bin License per month). Common Charges will be used by the Board of Managers to pay Common Expenses of the Condominium. Except as otherwise set forth in the Notes below, Common Charges to pay Common Expenses will be allocated among Residential Unit Owners, Commercial Unit Owners and Hotel Owner based on the anticipated usage and benefits to be derived by such Unit Owners. The Commercial Unit Owners will be obligated to pay a share of General Common Expenses only for services or facilities used by or serving the Commercial Units. Hotel Unit Owner will be obligated to pay a share of the General Common Expenses only for services or facilities used by of serving the Hotel Unit. General Common Expenses allocated to Residential Units will be allocated among Residential Units based on Residential Common Interest.

Projected Expenses

Purchasers are advised that all budget projections are estimates and approximations. Projections herein were made by Sponsor in consultation with First Service Residential ("**Sponsor's Budget Expert**"). Although the projections are believed to be reasonable, they are not assured or guaranteed.

(2) Labor and Benefits $729,506.00

This cost reflects salary/benefits of employees listed below:

Employee	Hourly Rate	Weekly Rate	Annual Rate	Number	**Total**
Resident Manager			$ 75,000.00	1	$ 75,000.00
Handyman	$20.00	$800.00	$ 41,600.00	1	$ 41,600.00
Porter	$18.00	$720.00	$37,440.00	4	$ 149,760.00
Doorman/Concierge	$18.00	$720.00	$37,440.00	4.2	$ 157,248.00
Subtotals				10.2	$ 423,608.00
Overtime (5% of base wages)					$21,180.40

Vacation, Sick and Holiday (11% of base wages)	$46,596.88
Total Wages	**$ 491,385.28**
Health Benefits	$ 61,200.00
Payroll Taxes	$ 73,448.07
Total Wages, Benefits and Payroll Taxes	**$626,033.35**
Total Wage, Benefits and Taxes for Parking Attendant	$ 103,473.04
Aggregate Payroll and Benefits	**$ 729,506.39**

The projected level of staffing for the Condominium complies with all applicable housing and labor laws. The building staff will be non-union and wages meet state minimum wage laws. The projected expenses for wages, salaries and benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's Budget Expert, in managing comparable buildings. These expenses are allocated among Unit Owners based on each Unit's percentage of Common Interest with the exception of the Commercial Units and the Hotel Unit. The Commercial Units and the Hotel Unit will only share in their percentage of Common Interest in the costs of the Resident Manager, the Handyman and one Porter.

(3) Gas (Cooking and Heat/Hot Water) $369,620.00

Based on an estimate made in a letter dated January 22, 2014 from WSP located at 512 Seventh Avenue, New York, New York 10018 (the "**WSP Letter**"), it is projected that gas to power hot water and cooking, corridor and ventilation heating, space heating and back of house for the Residential Area as well as for the clothes dryers in the Residential Units and gas grill on the Amenity Terrace, will cost approximately $369,620.00. This estimate is based on a projected usage of 224,012 therms of gas per year at an anticipated cost of $1.58 per therm x 110% per therm. The cost of gas for cooking, heat and hot water was increased by a 10% inflation factor. The projected cost of gas will be paid by the Residential Unit Owners as a Residential Common Expense. The foregoing is not a representation or warranty as to the actual cost of gas. The actual cost of gas will be based on actual consumption and the rate in effect at the time consumed, and likely will vary from the projection set forth herein.

Gas to the Commercial Units and the Hotel Unit will be separately submetered.

(4) Electricity $433,862.00

This amount is based on an estimate set forth in the WSP Letter, that the cost of electricity for the Residential Common Elements including, without limitation, operation of elevators serving the Residential Units and public area lighting and power will be approximately $433,862.00. This estimate is based on projected usage of 1,792,819 KW/HR/YR at an annual cost of $0.22 per KW/HR x 105% per KW/HR. The cost of electricity was based upon a 5% inflation factor. The projected cost herein has been allocated solely to the Residential Units. Electricity provided to the Commercial Units and the Hotel Unit will be directly metered and paid by the Unit Owners directly to the utility company. The foregoing is not a representation or warranty as to the actual cost of electricity. The actual cost will be based on actual consumption and the rate in effect at the time consumed, and likely will vary from the projection set forth herein.

Each Residential Unit will be separately metered by Con Edison for the electricity consumed in that Unit and the cost of electricity consumed or used in each such Unit and any Limited Common Elements appurtenant thereto shall be payable directly to Con Edison.

(5) Water Charges and Sewer Rent $131,231.00

The budgeted amount constitutes a projection of the water charges and sewer rents that will be payable with respect to the Residential Units and Common Elements. It is expected that water consumption and sewer rent will be sub-metered and billed by the Board of Managers to the Commercial Unit Owners and the Hotel Unit Owner as a Special Assessment. The projected water and sewer cost is based on an estimate in the WSP Letter that the Residential Units and Common Elements will consume approximately 11,898.94 gallons per year at $3.44 per 100 cubic feet for water and 2,285,500 gallons per year at $5.83 per 100 cubic feet for sewer x 110% per cubic feet for water and sewer. The cost for water and sewer was increased by a 10% inflation factor. The foregoing is not a representation or warranty as to the actual cost of water and sewer. The actual cost will be based on actual consumption and the rate in effect at the time consumed, and likely will vary from the projection set forth herein.

(6) Repairs and Maintenance $54,000.00

This estimate includes painting, maintenance and repair costs of General Common Elements and Residential Common Elements as set forth below. Unit Owners will be responsible for the cost of repairs and painting in the interiors of their Units. No provision has been made to cover the cost of any capital expenditure.

Supplies	$ 30,000.00
Plumbing	$ 2,500.00
Electrical	$ 2,500.00
Elevators	$ 1,000.00
Intercom	$ 1,000.00
Windows/Locks/Doors	$ 2,000.00
General Repairs	$ 10,000.00
Plastering and Painting	$ 5,000.00
Total	**$ 54,000.00**

This estimate is based on experience of Sponsor's Budget Expert in operating buildings comparable to the Building. The Commercial Units and the Hotel Unit will share only in the expense of supplies, plumbing, electrical, windows/locks/doors and general repairs. These costs have been allocated between the Residential Units, the Retail Units and the Hotel Unit based on Common Interest. The remaining costs are allocated solely to the Residential Units.

(7) Service Contracts and Supplies $205,650.00

This estimate includes the cost of various services used in or for the Common Elements, as follows:

Elevator Maintenance	$ 32,000.00
Exterminating	$ 2,500.00
Fire Extinguishers	$ 750.00
Landscaping	$ 15,000.00
Flowers	$ 13,000.00
Fire Alarm (Protection)	$ 5,000.00

Central Station Monitoring	$ 2,200.00
Sprinkler	$ 1,500.00
Supplies	$ 25,000.00
Generator	$ 12,000.00
HVAC	$ 25,000.00
Window Washing (1x per year)	$ 45,000.00
Sub-metering	$ 2,700.00
Telephone/Mobile	$ 12,000.00
Uniforms	$ 12,000.00
Total	$ 205,650.00

It is anticipated that the elevators will be covered by a warranty for at least part of the First Year of Condominium Operation, and that upon expiration of the warranty the Board will enter into an elevator maintenance contract. However, a budget line item has been provided for elevator service so the budget is consistent with anticipated future year budgets. No maintenance or service contracts have been entered into as of the filing date of the Plan. The budgeted amounts are based on estimates received from contractors and/or the experience of Sponsor's Budget Expert in operating buildings comparable to the Building. Budgeted amounts from Sponsor's Budget Expert are based on Sponsor's Budget Expert's experience in operating other buildings of comparable size, quality and mixed use. The Sponsor's Budget Expert has over 25 years' experience in the management industry and First Service Residential manages over 500 cooperative and condominium buildings in New York City.

While Schedule B includes a reasonable allowance for increases in cost which may occur prior to and during the First Year of Condominium Operation, no warranty or guarantee is made that the actual cost for these services or other services will be in accordance with these projections. The Commercial Unit Owners and the Hotel Unit Owner will share in all service expenses except for elevator, landscaping and flowers, and their share will be based on Common Interest.

(8) **Insurance $ 217,000.00**

The projection for the cost of insurance premiums is based on a letter, dated April 23, 2014 from M.R. Cooper, Ltd. This company recommends the following fire, casualty and general liability coverages:

COVERAGES	LIMITS OF LIABILITY
Property	
Building Limit (ordinance or law coverage included)	$ 122,416,000.00
Business Personal Property Limit	$ 500,000.00
Demolition & Increased Cost	$ 5,000,000.00
Flood	$ 5,000,000.00
Earthquake:	$ 5,000,000.00
Deductibles	
Building, Underground Water, Sewer Back-up	$ 10,000.00
Flood	$ 25,000.00
Earthquake	$ 50,000.00
General Liability	

Each Occurrence	$ 1,000,000.00
General Aggregate	$ 2,000,000.00
Personal and Advertising Injury	$ 1,000,000.00
Fire Damage Liability	$ 50,000.00
Medical Expense	$ 5,000.00
Hired/Non Owner Auto Liability	$ 1,000,000.00

Directors & Officers Liability $ 1,000,000.00

Claims Made Basis (includes managing agent's rider as additional insured)
Deductible $5,000

Umbrella Liability

Limit of Liability in excess of primary limits	$ 100,000,000.00
Self Insured Retention	$ 10,000.00

Includes Excess Director's & Officers

Crime

Employees Dishonesty Limit	$ 500,000.00
Managing Agent's Rider	$ 500,000.00
Deductible	$ 1,000.00

Boiler and Machinery or Equipment Breakdown

Limit	$ 100,000,000.00
Deductible	$ 5,000.00

The total premium for these various coverages is estimated at $217,000.00. The proposed property insurance is for coverage on an all-risk replacement cost basis, based on $350 per square foot. This rate indication excludes coverage for operation of the Hotel Unit and personal property in the Hotel Unit. The fire, casualty and general liability insurance carried by the Condominium is anticipated to provide (i) that each Unit Owner is an additional insured party; (ii) that there will be no cancellation without notice to the Condominium Board; and (iii) for a waiver of subrogation; a waiver of invalidity because of acts of the insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

The Condominium's coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units or any Common Elements exclusive to such Units, nor does it include coverage of ceilings or finish flooring in Units or other improvements in Units for which Unit Owners are responsible. Accordingly, Unit Owners are required to carry insurance on their Units as set forth in the By-laws.

This quotation is an indication of insurance premiums at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums will be for the First Year of Condominium Operation. Purchasers should be aware of the possibility of rate increases. Sponsor is advised that the projected property insurance is adequate for replacement of those portions of the Building for which the Board of Managers is responsible in the event of a total loss. The carrier will be selected at the time the coverage is bound. This will occur prior to the First Unit Closing.

Sponsor will procure, on behalf of the Board, on or before the date of the First Unit Closing, the general liability insurance that is required to be carried by the Condominium.

(9) Management Fee $ 65,000.00

Based on the management agreement to be entered into with FirstService Residential, a real estate management firm having an office at 622 Third Avenue, New York, NY, who is anticipated to serve as initial managing agent ("**Managing Agent**") for the Condominium. It is expected that the Managing Agent will receive an annual fee of $65,000 for the first year. See Part I, Section U of the Plan entitled "Agreements Binding on the Condominium" for additional information about the management agreement.

(10) Resident Managers Unit $67,096.00

It is anticipated that Sponsor will sell Residential Unit 705 (the "**RM Unit**") to the Board of Managers for use and occupancy of the Resident Manager of the Condominium for a purchase price of $1,200,000.00 (the "**RM Purchase Price**"). The Board of Managers also will incur closing costs in connection with the purchase of the RM in the estimated amount of $36,100 (the "**RM Closing Costs**"). It is anticipated that 35% of the RM Purchase Price is to be paid by the Board of Managers in cash (the "**Cash Portion**") and the 65% balance to be financed with a loan from an Institutional Lender (the "**RM Closing Costs**"). It is anticipated that a portion of the RM Closing Costs will also be financed as part of the purchase money loan. The costs represented by this line item reflect (i) estimated annual debt service on a purchase money loan in the amount of $803,465 @ an interest rate of 5% per year for a 5 year interest-only loan, (ii) Common Charges estimated at approximately $11,925 for the first year, (iii) real estate taxes allocable to the RM Unit estimated at $9,806 for the first year, (iv) an annual telephone cost of $2,400.00 for the first year, and (v) estimated electricity cost of $2,792.02 for the first year. Though the sale of the RM Unit to the Board is not anticipated to occur in the projected First Year of Condominium Operation, the Board of Managers may be required to pay a use and occupancy fee to Sponsor for the period prior to sale of the RM Unit equal approximately to Sponsor's carrying costs for the RM Unit (i.e., debt service, Common Charges and real estate taxes attributable to the RM Unit). Sponsor reserves the right, as discussed elsewhere in this Plan, to finance the sale of the RM Unit to the Board on terms that would be different than the foregoing.

(11) Legal and Audit Fees $25,000.00

Based upon the estimate set forth in a letter dated April 28, 2014 from Tarlow & Co., C.P.A.'s, located at 7 Penn Plaza, Suite 210, New York, New York, 10001, Sponsor has budgeted $13,000.00 for estimated auditing and accounting fees in connection with the preparation of the audited financial statements for the First Year of Condominium Operation and Federal, state and city income tax returns. The balance of the budgeted amount ($12,000.00) has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Board meetings, preparation of Board minutes and negotiation of minor agreements. This amount has been allocated between the Units on the basis of Common Interest.

(12) Other Expenses $20,000.00

Other Expenses covers telephone, office supplies, office equipment, postage, special communications and mailings to the Unit Owners, annual meetings, and general expenses as set forth below. These costs have been allocated to the Unit Owners based on Common Interest.

Cable and Internet	$ 5,000.00
Printing and Postage	$ 5,000.00

General $10,000.00

(13) Contingency $ 40,000.00

This fund may be used at the discretion of the Board toward unforeseen expenses or other appropriate Condominium expenses. The purpose of the contingency is to provide for unanticipated expenses or unanticipated increases in projected expenses.

(14) Replacement Reserve $ 235,797.00

The funds collected under this line item are for deposit into an account to hold the Replacement Reserve Fund which is to be funded out of Common Charges and used for periodic maintenance, repair and replacement of the Common Elements, in accordance with the By-laws. It is approximately 10% of the total projected Common Expenses for the First Year of Condominium Operation.

****

The foregoing projected budget may be modified from time to time prior to commencement of and during the First Year of Condominium Operation, to add or delete or increase or decrease one or more items of operating expenses. If additional funds are required to pay expenses, it may be necessary to increase Common Charges or specially assess Unit Owners.

****

IN THE OPINION OF FIRSTSERVICE RESIDENTIAL (SET FORTH AS THE CERTIFICATION OF SPONSOR'S BUDGET EXPERT IN THE "CERTIFICATIONS" SECTION IN PART II OF THIS OFFERING PLAN), THE PROJECTED INCOME IS ADEQUATE TO MEET THE PROJECTED COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING DECEMBER 15, 2016. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR OTHER INCOME AND COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF CONDOMINIUM OPERATION WILL BE PRECISELY AS SET FORTH IN SAID BUDGET, SINCE THE ANNUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE MAY VARY FROM AMOUNTS SET FORTH IN THE BUDGET. IN FACT, IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

SCHEDULE B-1

SCHEDULE OF PROJECTED RESIDENTIAL UNIT ELECTRICITY COSTS

Electricity consumed in each Residential Unit for operation of lighting and operating the typical electrical appliances and heating and air conditioning within each Unit, will be measured by the Con Ed meter serving the Unit and charges therefor will be paid directly to Con Edison by the Unit Owner.

WSP, Consulting Engineers, by letter dated September 6, 2013 and updated January 22, 2014 (the "**WSP Unit Cost Letter**"), a copy of which follows this page, has provided projections of electricity costs for the above electricity uses for individual Residential Units.

The projections in the WSP Unit Cost Letter comprise "Schedule B-1" of this Offering Plan. No representation or guaranty is made that a particular Unit Owner's actual electricity costs will be as projected. Indeed, actual electricity costs will vary from the projections due to such factors as different usage among Residential Unit Owners and rate fluctuations.

WSP

512 Seventh Avenue
13th Floor
New York, NY 10018
Main: 212 532 9600
www.wspgroup.com/usa

September 6, 2013
Updated: January 22, 2014

Mr. Stephen Hill
Goldstein, Hill & West Architects, LLP
11 Broadway, Suite 1700
New York, NY 10004

Re: 71 Smith St.
Residential Electricity Cost
WSP Reference No. N12.12490.00

Dear Mr. Hill:

We have prepared estimated annual electric energy cost for lighting and operating the typical electrical appliances, and heating and air conditioning within each apartment.

The estimated average KWH per year per square foot and annual cost of electricity per square foot used by individual apartments are 12.03 KWH/sf/year at $2.65 per sf, based on a Con Edison rate of $0.22 per KWH for 2013. The following table sets forth the estimated annual costs of electricity for typical Residential Units. These costs of energy consumptions are inclusive of the Con Ed direct metering of power and lighting.

Residential Apartment Rate:
Updated: January 22, 2014

UNIT	DESCRIPTION	APPROX. UNIT SQUARE FOOTAGE	% of SF	H+C LOADS (KWH/YR)	KWH/YR	Cost/Apt/YR	Cost/SF	Unit Fuse Size (amperage @208v, 1ph U.O.N.)	Unit Quantity of Active Circuits
7A/701	3BR	1,745	0.009	10,684	20620	$4,536.44	$2.60	100A/2P	34
7B/702	3BR	1,705	0.009	10,439	20147	$4,432.45	$2.60	100A/2P	34
7C/703	1BR	763	0.004	4,672	9016	$1,983.55	$2.60	100A/2P	34
7D/704	1BR	768	0.004	4,702	9075	$1,996.55	$2.60	100A/2P	34
7E/706	2BR	1,356	0.007	8,302	16023	$3,525.16	$2.60	100A/2P	34
7F/707	3BR	1,765	0.009	10,807	20857	$4,588.43	$2.60	100A/2P	34
7G/708	2BR	1,276	0.007	7,813	15078	$3,317.19	$2.60	100A/2P	34
7H/710	2BR	1,283	0.007	7,855	15161	$3,335.39	$2.60	100A/2P	34
7J/712	1BR	902	0.005	5,523	10659	$2,344.91	$2.60	100A/2P	34
7K/714	2BR	1,266	0.007	7,751	14960	$3,291.19	$2.60	100A/2P	34
7L/713	3BR	1,496	0.008	9,160	17678	$3,889.12	$2.60	100A/2P	34
7M/711	2BR	1,257	0.007	7,696	14854	$3,267.79	$2.60	100A/2P	34
7N/709	2BR	1,329	0.007	8,137	15704	$3,454.97	$2.60	100A/2P	34

WSP

Mr. Stephen Hill
Goldstein, Hill & West Architects, LLP
71 Smith St.
September 9, 2013
Updated: January 22, 2014

WSP Reference No. N12.12490.00

7P/705	2BR	1,083	0.006	6,631	12798	$2,815.45	$2.60	100A/2P	34
8A/801	3BR	1,744	0.009	10,678	20608	$4,533.84	$2.60	100A/2P	34
8B/802	3BR	1,705	0.009	10,439	20147	$4,432.45	$2.60	100A/2P	34
8C/803	1BR	763	0.004	4,672	9016	$1,983.55	$2.60	100A/2P	34
8D/804	1BR	768	0.004	4,702	9075	$1,996.55	$2.60	100A/2P	34
8E/806	2BR	1,356	0.007	8,302	16023	$3,525.16	$2.60	100A/2P	34
8F/807	3BR	1,765	0.009	10,807	20857	$4,588.43	$2.60	100A/2P	34
8G/808	2BR	1,276	0.007	7,813	15078	$3,317.19	$2.60	100A/2P	34
8H/810	2BR	1,283	0.007	7,855	15161	$3,335.39	$2.60	100A/2P	34
8J/812	1BR	902	0.005	5,523	10659	$2,344.91	$2.60	100A/2P	34
8K/814	2BR	1,266	0.007	7,751	14960	$3,291.19	$2.60	100A/2P	34
8L/813	3BR	1,496	0.008	9,160	17678	$3,889.12	$2.60	100A/2P	34
8M/811	2BR	1,257	0.007	7,696	14854	$3,267.79	$2.60	100A/2P	34
8N/809	3BR	1,539	0.008	9,423	18186	$4,000.90	$2.60	100A/2P	34
8P/805	2BR	1,063	0.006	6,508	12561	$2,763.46	$2.60	100A/2P	34
9A/901	3BR	1,744	0.009	10,678	20608	$4,533.84	$2.60	100A/2P	34
9B/902	3BR	1,705	0.009	10,439	20147	$4,432.45	$2.60	100A/2P	34
9C/903	1BR	763	0.004	4,672	9016	$1,983.55	$2.60	100A/2P	34
9D/904	1BR	768	0.004	4,702	9075	$1,996.55	$2.60	100A/2P	34
9E/906	2BR	1,356	0.007	8,302	16023	$3,525.16	$2.60	100A/2P	34
9F/907	3BR	1,765	0.009	10,807	20857	$4,588.43	$2.60	100A/2P	34
9G/908	2BR	1,276	0.007	7,813	15078	$3,317.19	$2.60	100A/2P	34
9H/910	2BR	1,283	0.007	7,855	15161	$3,335.39	$2.60	100A/2P	34
9J/912	1BR	902	0.005	5,523	10659	$2,344.91	$2.60	100A/2P	34
9K/914	2BR	1,266	0.007	7,751	14960	$3,291.19	$2.60	100A/2P	34
9L/913	3BR	1,496	0.008	9,160	17678	$3,889.12	$2.60	100A/2P	34
9M/911	2BR	1,257	0.007	7,696	14854	$3,267.79	$2.60	100A/2P	34
9N/909	3BR	1,539	0.008	9,423	18186	$4,000.90	$2.60	100A/2P	34
9P/905	2BR	1,063	0.006	6,508	12561	$2,763.46	$2.60	100A/2P	34
10A/1001	3BR	1,744	0.009	10,678	20608	$4,533.84	$2.60	100A/2P	34
10B/1002	3BR	1,705	0.009	10,439	20147	$4,432.45	$2.60	100A/2P	34
10C/1003	1BR	763	0.004	4,672	9016	$1,983.55	$2.60	100A/2P	34
10D/1004	1BR	768	0.004	4,702	9075	$1,996.55	$2.60	100A/2P	34
10E/1006	2BR	1,356	0.007	8,302	16023	$3,525.16	$2.60	100A/2P	34
10F/1007	3BR	1,765	0.009	10,807	20857	$4,588.43	$2.60	100A/2P	34
10G/1008	2BR	1,276	0.007	7,813	15078	$3,317.19	$2.60	100A/2P	34
10H/1010	2BR	1,283	0.007	7,855	15161	$3,335.39	$2.60	100A/2P	34
10J/1012	1BR	902	0.005	5,523	10659	$2,344.91	$2.60	100A/2P	34
10K/1014	2BR	1,266	0.007	7,751	14960	$3,291.19	$2.60	100A/2P	34
10L/1013	3BR	1,496	0.008	9,160	17678	$3,889.12	$2.60	100A/2P	34



Mr. Stephen Hill
Goldstein, Hill & West Architects, LLP
71 Smith St.
WSP Reference No. N12.12490.00
September 9, 2013
Updated: January 22, 2014

10M/1011	2BR	1,257	0.007	7,696	14854	$3,267.79	$2.60	100A/2P	34
10N/1009	3BR	1,539	0.008	9,423	18186	$4,000.90	$2.60	100A/2P	34
10P/1005	2BR	1,063	0.006	6,508	12561	$2,763.46	$2.60	100A/2P	34
11A/1101	3BR	1,744	0.009	10,678	20608	$4,533.84	$2.60	100A/2P	34
11B/1102	3BR	1,705	0.009	10,439	20147	$4,432.45	$2.60	100A/2P	34
11C/1103	1BR	763	0.004	4,672	9016	$1,983.55	$2.60	100A/2P	34
11D/1104	1BR	768	0.004	4,702	9075	$1,996.55	$2.60	100A/2P	34
11E/1106	2BR	1,356	0.007	8,302	16023	$3,525.16	$2.60	100A/2P	34
11F/1107	3BR	1,765	0.009	10,807	20857	$4,588.43	$2.60	100A/2P	34
11G/1108	2BR	1,276	0.007	7,813	15078	$3,317.19	$2.60	100A/2P	34
11H/1110	2BR	1,283	0.007	7,855	15161	$3,335.39	$2.60	100A/2P	34
11J/1112	1BR	902	0.005	5,523	10659	$2,344.91	$2.60	100A/2P	34
11K/1114	2BR	1,266	0.007	7,751	14960	$3,291.19	$2.60	100A/2P	34
11L/1113	3BR	1,496	0.008	9,160	17678	$3,889.12	$2.60	100A/2P	34
11M/1111	2BR	1,257	0.007	7,696	14854	$3,267.79	$2.60	100A/2P	34
11N/1109	3BR	1,539	0.008	9,423	18186	$4,000.90	$2.60	100A/2P	34
11P/1105	2BR	1,063	0.006	6,508	12561	$2,763.46	$2.60	100A/2P	34
12A/1201	3BR	1,744	0.009	10,678	20608	$4,533.84	$2.60	100A/2P	34
12B/1202	3BR	1,705	0.009	10,439	20147	$4,432.45	$2.60	100A/2P	34
12C/1203	1BR	763	0.004	4,672	9016	$1,983.55	$2.60	100A/2P	34
12D/1204	1BR	768	0.004	4,702	9075	$1,996.55	$2.60	100A/2P	34
12E/1206	2BR	1,356	0.007	8,302	16023	$3,525.16	$2.60	100A/2P	34
12F/1207	3BR	1,765	0.009	10,807	20857	$4,588.43	$2.60	100A/2P	34
12G/1208	2BR	1,276	0.007	7,813	15078	$3,317.19	$2.60	100A/2P	34
12H/1210	2BR	1,283	0.007	7,855	15161	$3,335.39	$2.60	100A/2P	34
12J/1212	1BR	902	0.005	5,523	10659	$2,344.91	$2.60	100A/2P	34
12K/1214	2BR	1,266	0.007	7,751	14960	$3,291.19	$2.60	100A/2P	34
12L/1213	3BR	1,496	0.008	9,160	17678	$3,889.12	$2.60	100A/2P	34
12M/1211	2BR	1,257	0.007	7,696	14854	$3,267.79	$2.60	100A/2P	34
12N/1209	3BR	1,539	0.008	9,423	18186	$4,000.90	$2.60	100A/2P	34
12P/1205	2BR	1,063	0.006	6,508	12561	$2,763.46	$2.60	100A/2P	34
13A/1401	3BR	1,744	0.009	10,678	20608	$4,533.84	$2.60	100A/2P	34
13B/1402	3BR	1,705	0.009	10,439	20147	$4,432.45	$2.60	100A/2P	34
13C/1403	1BR	763	0.004	4,672	9016	$1,983.55	$2.60	100A/2P	34
13D/1404	1BR	768	0.004	4,702	9075	$1,996.55	$2.60	100A/2P	34
13E/1406	2BR	1,356	0.007	8,302	16023	$3,525.16	$2.60	100A/2P	34
13F/1407	3BR	1,765	0.009	10,807	20857	$4,588.43	$2.60	100A/2P	34
13G/1408	2BR	1,276	0.007	7,813	15078	$3,317.19	$2.60	100A/2P	34
13H/1410	2BR	1,283	0.007	7,855	15161	$3,335.39	$2.60	100A/2P	34
13J/1412	1BR	902	0.005	5,523	10659	$2,344.91	$2.60	100A/2P	34
13K/1414	2BR	1,266	0.007	7,751	14960	$3,291.19	$2.60	100A/2P	34



Mr. Stephen Hill
Goldstein, Hill & West Architects, LLP
71 Smith St.
WSP Reference No. N12.12490.00
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13L/1413	3BR	1,496	0.008	9,160	17678	$3,889.12	$2.60	100A/2P	34
13M/1411	2BR	1,257	0.007	7,696	14854	$3,267.79	$2.60	100A/2P	34
13N/1409	3BR	1,539	0.008	9,423	18186	$4,000.90	$2.60	100A/2P	34
13P/1405	2BR	1,063	0.006	6,508	12561	$2,763.46	$2.60	100A/2P	34
14A/1501	3BR	1,744	0.009	10,678	20608	$4,533.84	$2.60	100A/2P	34
14B/1502	3BR	1,705	0.009	10,439	20147	$4,432.45	$2.60	100A/2P	34
14C/1503	1BR	763	0.004	4,672	9016	$1,983.55	$2.60	100A/2P	34
14D/1504	1BR	768	0.004	4,702	9075	$1,996.55	$2.60	100A/2P	34
14E/1506	2BR	1,356	0.007	8,302	16023	$3,525.16	$2.60	100A/2P	34
14F/1507	3BR	1,765	0.009	10,807	20857	$4,588.43	$2.60	100A/2P	34
14G/1508	2BR	1,332	0.007	8,155	15740	$3,462.77	$2.60	100A/2P	34
14H/1505	2BR	1,405	0.007	8,602	16602	$3,652.55	$2.60	100A/2P	34
15A/1604	4BR	2,163	0.011	13,243	25560	$5,623.10	$2.60	200A/2P	34
15B/1602	4BR	2,424	0.013	14,841	28644	$6,301.62	$2.60	200A/2P	34
15C/1601	4BR	2,500	0.013	15,307	29542	$6,499.19	$2.60	200A/2P	34
15D/1603	3BR	1,629	0.009	9,974	19249	$4,234.87	$2.60	200A/2P	34
15E/1605	4BR	2,405	0.013	14,725	28419	$6,252.22	$2.60	200A/2P	34
16A/1704	4BR	2,163	0.011	13,243	25560	$5,623.10	$2.60	200A/2P	34
16B/1702	4BR	2,424	0.013	14,841	28644	$6,301.62	$2.60	200A/2P	34
16C/1701	4BR	2,489	0.013	15,239	29412	$6,470.60	$2.60	200A/2P	34
16D/1703	2BR	1,298	0.007	7,947	15338	$3,374.38	$2.60	200A/2P	34
16E/1705	4BR	2,292	0.012	14,033	27084	$5,958.46	$2.60	200A/2P	34
17A/1803	4BR	2,163	0.011	13,243	25560	$5,623.10	$2.60	200A/2P	34
17B/1802	4BR	2,424	0.013	14,841	28644	$6,301.62	$2.60	200A/2P	34
17C/1801	5BR	2,821	0.015	17,272	33335	$7,333.69	$2.60	200A/2P	34
17D/1804	5BR	2,768	0.015	16,948	32709	$7,195.91	$2.60	200A/2P	34
18A/1903	4BR	2,163	0.011	13,243	25560	$5,623.10	$2.60	200A/2P	34
18B/1902	4BR	2,424	0.013	14,841	28644	$6,301.62	$2.60	200A/2P	34
18C/1901	4BR	2,349	0.012	14,382	27757	$6,106.64	$2.60	200A/2P	34
18D/1904	4BR	2,311	0.012	14,150	27308	$6,007.85	$2.60	200A/2P	34
19A/PH3	4BR	2,163	0.011	13,243	25560	$5,623.10	$2.60	200A/2P	34
19B/PH2	4BR	2,424	0.013	14,841	28644	$6,301.62	$2.60	200A/2P	34
19C/PH1	4BR	2,349	0.012	14,382	27757	$6,106.64	$2.60	200A/2P	34
19D/PH4	4BR	2,311	0.012	14,150	27308	$6,007.85	$2.60	200A/2P	34

WSP

Mr. Stephen Hill
Goldstein, Hill & West Architects, LLP
71 Smith St.
September 9, 2013
Updated: January 22, 2014

WSP Reference No. N12.12490.00

If you have any questions, or would like to discuss the above further, please do not hesitate to contact me directly

Very truly yours

WSP

Frank Muscarella

Frank Muscarella, PE, LEED AP
Senior Vice President

cc:	Nick Kourmanetos	-GHWA
	Francisco Padilla	-WSP
	Artem Zolotarev	-WSP
	Jeff Spiritos	-Flank
	Mick Walsdorf	-Flank
	Todd Wilson	-Flank
	James Grippi	-Carlyle

G. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i-

FirstService
RESIDENTIAL

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)

June 4, 2014

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

Re: The Boerum Condominium
265 State Street, Brooklyn, New York

To whom it may concern:

First Service Residential New York, Inc. is a licensed real estate brokerage firm in the State of New York, engaged in the management of over 100 condominium, cooperative and residential rental properties over the course of 25 years. The undersigned has no beneficial interest in Sponsor or the profitability of the subject project.

The undersigned has reviewed the allocation of common interests as shown on the Schedule A to be included in the Condominium described in the offering plan for the subject project.

The common interests among the Units have been allocated to each based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit, in accordance with Section 339-i(1)(iv) of the New York State Real Property Law.

Very truly yours,

First Service Residential New York, Inc.

By: _____
Name: Marc Kotler
Title: Senior Vice President

Sworn to before me this
4th day of June 2014

_____
Notary Public
CHRISTIANNE MONTOUTE
Notary Public, State of New York
No. 01MO6114812
Qualified in Kings County
Commission Expires May 6, 2017

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H. COMMERCIAL UNITS AND HOTEL UNIT

The Condominium is anticipated to contain three (3) Commercial Units and one (1) Hotel Unit. One Commercial Unit is located on Schermerhorn Street, east of the Hotel Lobby and west of the entrance ramp to the Parking Area. Two Commercial Units are located on Smith Street, one of which also fronts on Schermerhorn and one of which also fronts on State Street. The primary access to the Commercial Units is from the outdoors. The only access to the Commercial Units from within the Building is from the Building stairwells, as to which access is limited to emergency access only and may not be used by the Commercial Unit or the Hotel Unit for convenience. Except in emergency residents of the Residential Area may not use the stairs that run through the Hotel Unit. Guests and other users of the Hotel Unit may not enter and use the stairs except in emergency situations either. Access doors to the stairs will be alarmed at the 3rd through 6th floor

The entrance to the Hotel Unit is on Schermerhorn Street. The Hotel Unit is anticipated to contain 196 guest rooms on Floors 3 through 6 and will contain a fitness center, meeting rooms, kitchen, offices and mechanical and employee space in the cellar. The lobby of the Hotel Unit will be on the ground floor. The Hotel Unit also includes the loading dock on the ground floor. The Hotel Unit Owner will have the right to erect, on the façade of the Building on the floors where it encloses the Hotel Unit, proximate to the entrance to the Hotel Unit, one or more signs which may be illuminated (but may not be blinking), including neon, flags, banners and similar signage, for advertising and identification purposes, without the consent of the Board of Managers, but subject to an aesthetic and design standard consistent with a first class hotel operating within a first-class residential building.

The Commercial Units and the Hotel Unit are not offered for sale under the Plan. However, Sponsor reserves the right to sell any or all of such Units on terms to be negotiated with a purchaser. Sponsor reserves the right to subdivide any of the Commercial Units and to sell one or more than one Commercial Unit. Sponsor reserves the right to subdivide the Hotel Unit as well. Sponsor also reserves the right to retain ownership of any or all Commercial Units and/or the Hotel Unit in its own name or in the name of an Affiliate, and not to sell or offer to sell any or all of such Units. Sponsor will amend the Plan to disclose any subdivision or conveyance of Commercial Units or the Hotel Unit. If and when the Hotel Unit and/or a Commercial Unit is sold, the Owner of that Unit will have rights similar to Sponsor to subdivide and sell the Units so created from the subdivision and in any event to use the Units so created for any legal purpose. The Hotel Unit Owner, be same Sponsor or any other party, will have the right, without limitation, to offer interval ownerships of portions of the Hotel Unit, in its sole discretion and in accordance with applicable law.

Sponsor makes no representation as to the date of completion of the Hotel Unit, date of commencement of operation of the Hotel Unit or type or brand of hotel that will operate in the Hotel Unit. If the Hotel Unit is not complete at the time of the First Unit Closing, this will not affect the operation of the Residential Condominium Area.

The Commercial Units and the Hotel Unit may be used for any purpose permitted by law and the Condominium Documents. The Condominium Documents provide that no immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Commercial Units and the Hotel Unit are prohibited from being used as a so-called "adult book shop" or any other type of pornography or sex shop or establishment involving nude or semi-nude live performances (other than as a legitimate theatre for the performance arts in which nude or semi-nude performances are part of the play, dance concert or other performance), cabaret, "head shop" (or any other type of establishment for the sale of illegal drugs and/or drug related paraphernalia or equipment) or bail bonds

office. Conflicts between uses permitted under the Zoning Resolution or other applicable law and the Condominium Documents, shall be resolved in favor of the Condominium Documents.

Operation of the Commercial Units and/or the Hotel Unit in their ordinary course of business may generate noises or smells or other effects that might be disturbing to residents of the Building. Unit Owners and the Board of Managers will have no control over a permitted use of a Commercial Unit or the Hotel Unit. Purchasers and/or Unit Owners shall have no claim against Sponsor or the Board of Managers should such noise, smells or other disturbances occur in the ordinary course of usage of a Commercial Unit and/or the Hotel Unit for a permitted purpose.

The allocation of Common Expenses to the Commercial Units and the Hotel Unit as set forth in the proposed operating budget for the First Year of Condominium Operation contained as Schedule B in Part I, Section F of the Plan, has been based on usage or Common Interest, as described therein. Sponsor has been advised by FirstService Residential, Sponsor's Budget Expert, that the projections of Common Charges payable by the Commercial Unit Owners and the Hotel Unit Owner during the anticipated First Year of Condominium Operation appear reasonable and sufficient to cover the anticipated operating expenses fairly attributable to the Commercial Units and to the Hotel Unit during the projected First Year of Condominium Operation. (See "Certifications" in Part II of this Plan.)

The Commercial Unit Owners and Hotel Owner have certain rights that differ from the rights of Residential Unit Owners. For instance, but without limitation, each Commercial Unit Owner and the Hotel Unit Owner will not be subject to a right of first refusal by the Board of Managers upon the sale or lease of all or any part of such Owner's Unit. In addition, a Commercial Unit Owner and a Hotel Unit Owner may (i) make non-structural additions, alterations or improvements in such Owner's Unit, (ii) change the layout of such Owner's Unit and (iii) subdivide such Owner's Unit and reapportion Common Interest previously allocated to such Unit among the newly created Units, on prior notice to, but without the consent of, the Board of Managers. No change may be made to façade of the Building on floors 3-6 without the prior consent of the Hotel Unit Owner, such consent not to be unreasonably withheld or delayed. In addition to the Hotel Unit Owner's signage rights above, the Commercial Unit Owners will have the right to erect signs on the façade of the Building immediately above the storefronts of their Units, provided if illuminated, same are non-blinking.

In Sponsor's opinion the foregoing rights will not have a material adverse impact on the Condominium should a Commercial Unit Owner or a Hotel Unit Owner exercise these rights, because each Commercial Unit Owner and a Hotel Unit Owner are still subject to various restrictions, including without limitation, compliance with applicable law and regulation.

Until Sponsor shall have obtained a final certificate of occupancy for the Building, Sponsor shall have the right not to approve an alteration by a Commercial Unit Owner and/or a Hotel Unit Owner and/or to require in connection with any alteration (whether structural or non-structural) and/or any amendment to the Declaration necessitated by same, that a Commercial Unit Owner and/or the Hotel Unit Owner engage, at Unit Owner's expense, counsel designated by Sponsor and Sponsor's Architect and/or expediter/code consultant, or another architect and/or expediter/code consultant designated by Sponsor, to make the necessary filings with the New York City Department of Buildings and the New York City Department of Finance, and to file the necessary amendment to the Declaration, as described more fully in the By-laws.

I. CHANGES IN PRICES AND UNITS

1. Changes in Prices

Units are offered at the prices set forth in Schedule A, but Sponsor reserves the right to negotiate prices on an individual basis. Offering prices will be decreased or increased by an amendment to the Plan prior to the new price's use if the change in price is an across-the-board change affecting one or more lines of Units or is a price to be advertised. However, as Purchase Prices may be changed by Sponsor on an individual basis, Sponsor reserves the right to decrease Purchase Prices or modify other terms of sale relating to price without filing an amendment to the Plan at any time during the offering if such reduction in Purchase Price or modification of such other terms of sale is the result of an individually negotiated transaction. Further, Sponsor may enter into an agreement with a purchaser to sell one or more Units at prices higher than those set forth in Schedule A, provided that an amendment containing the new price is submitted to the Department of Law prior to the price's use. An amendment whose sole purpose is to effect a change in price shall be effective immediately upon its receipt by the Department of Law.

No change in the price of a Unit will on its own vary the estimated annual Common Charges or percentage of interest in the Common Elements attributed to that Unit.

Sponsor shall have the right to negotiate changes in other offering terms, as more fully set forth in Part I, Section M of the Plan, entitled "Rights and Obligations of Sponsor."

2. Changes in Units

In order to meet the possible varying demand for number and type of Units, or to meet the particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right at any time, both before and after recording the Declaration and without the consent of Purchasers, Unit Owners or the Board of Managers, with respect to Units owned by Sponsor, to (i) change or reverse the layout of any Unit and make adjustments in interior dimensions of Units, (ii) change the number of rooms in any Unit, (iii) change the size and/or number of Units by subdividing one or more such Units into two or more separate Units, combining separate Units into one or more Units, altering boundary walls of Units, or otherwise, including, without limitation, incorporating any wall, hallway or portion thereof, space, or other area abutting a Unit or Unit(s) owned by Sponsor into one or more of said Units or otherwise, and (iv) if appropriate, reapportion the Common Interest among the Units affected by such change. However, Common Interest need not be reapportioned if a portion of the public hallway is incorporated into a Unit or Units as described above. Sponsor also reserves the right to increase or decrease the number of Storage Bins and/or size of the Parking Area and/or to modify the size of Storage Bins. Changes made by Sponsor pursuant to the foregoing will be disclosed in an amendment to the Plan and the Declaration will be amended accordingly, as and if appropriate, to reflect such changes as well.

Site conditions may cause variations in walls, ceilings, heights and other dimensions from those included in the Floor Plans or otherwise described in this Plan. Except for changes necessitated by site conditions or necessary engineering or structural alterations or required by applicable law or regulation, no material changes in size, dimension, floor space or layout will be made for which an Option Agreement is in full force and effect without the consent of Purchaser thereunder. If the layout and dimensions of a Unit conform substantially to the Plans and Specifications, subject to Sponsor's right to make changes necessitated by site conditions, a Purchaser will not be excused from purchasing the Unit for such reason and will not have any claim against Sponsor as a result of such insubstantial deviation. Sponsor will have no liability to any Purchaser nor will any Purchaser be entitled to a credit,

offset or reduction in the Purchase Price for Purchaser's Unit or otherwise be relieved from any obligations under the Option Agreement, by virtue of a minor inaccuracy or error in the Floor Plans.

Sponsor will file an amendment to the Plan to reflect any changes in the number of Units, should Sponsor change the number of Units during the term of this offering. If the Declaration has already been filed at the time any of the foregoing changes are made, the Declaration also will be amended by Sponsor, as necessary, with the consent of all Unit Owners directly affected, if such consent is required by law or the Condominium Documents.

Notwithstanding anything in this Offering Plan to the contrary, if Sponsor must make material changes to size, dimension, Common Interest, floor space or layout of Units or to size, dimension, layout, quantity or quality of Common Elements, due to site conditions, governmental requirements or other unforeseen circumstances, Sponsor will amend the Plan accordingly to disclose the changes. Any Purchaser under contract to purchase a Unit whose purchase would be substantially adversely affected by such changes, will be given the right to rescind the Option Agreement and at least fifteen (15) days within which to exercise this right, and if rescission is exercised, will receive back the Premium Payment made thereunder together with interest earned thereon.

Sponsor, all Commercial Unit Owners and Hotel Unit Owner shall have the right to make alterations in and to their Units in accordance with the Condominium Documents.

J. PROCEDURE TO PURCHASE

Generally

Any person interested in purchasing a Residential Unit must apply at the Sales Office for an Offering Plan. Upon receipt of the Plan, the potential purchaser must tender a check in the amount of $150.00 payable to "71 Smith Street Property Owner, L.L.C." as a non-refundable fee for the Offering Plan. This fee is a non-binding expression of interest and does not constitute a reservation or obligation. When and if Purchaser closes under an Option Agreement, Sponsor will either remit the $150.00 paid for the Plan to Purchaser in the form of a check, or grant Purchaser a credit in the amount of same against the Exercise Price, the method of reimbursement to be at Sponsor's sole discretion.

The agreement that Purchaser will execute in connection with the purchase of a Unit is referred to as an "**Option Agreement**." An Option Agreement (as opposed to a purchase agreement) permits Sponsor to report income from the sale of the Unit in the year the sale closes. Were the agreement to be re-characterized by the Internal Revenue Service ("**IRS**") or Sponsor as a purchase agreement in connection with Sponsor's income tax filings, there would not be adverse tax or other consequences to Purchaser. The term "Option Agreement" does not mean that Purchaser is receiving any optional upgrades to the Unit, except as may be specifically stated in the Option Agreement. If Purchaser does not elect timely to exercise the option granted under the Option Agreement and/or otherwise does not remain in compliance with the terms thereof, then Sponsor, subject to the terms of the Option Agreement, shall be entitled to terminate the Option Agreement and retain the Premium Payment made thereunder with interest earned thereon, if any. Sponsor would not, however, have the right of specific performance against a Purchaser. Under the Option Agreement, Sponsor must sell to a Purchaser who exercises the option (which Purchaser does by electing to close and paying the Exercise Price at Purchaser's Unit Closing), and performs all of Purchaser's obligations under the Option Agreement. Purchaser has the right of specific performance against Sponsor in the event of Sponsor's breach of the Option Agreement.

Purchasers will be afforded an opportunity to review the Offering Plan prior to executing an Option Agreement, the form of which is contained in Part II of this Plan. The Option Agreement shall be binding on Purchaser if accepted by Sponsor as set forth below.

A potential Purchaser shall be afforded a period of at least three (3) business days to review the Plan and all filed amendments thereto prior to executing an Option Agreement. A Purchaser who executes an Option Agreement and deposits the requisite Premium Payment without having had the opportunity to review the Offering Plan for at least three (3) business days, shall have the right to rescind the Option Agreement and receive back the Premium Payment check tendered to Sponsor within seven (7) days after the execution of the Option Agreement, provided Purchaser's written notice of rescission is personally delivered to Selling Agent at the Sales Office by the end of the seventh calendar day after execution of the Option Agreement or mailed to Selling Agent at the Sales Office and postmarked within the seven (7) day period.

For Purchasers who execute an Option Agreement prior to acceptance for filing by the Attorney General of an amendment to this Offering Plan pursuant to which the Plan is declared effective (the "**Effectiveness Amendment**"), the Premium Payment shall be payable in two installments: ten percent (10%) of the Purchase Price is payable at signing (the "**Initial Premium Payment**") and an additional payment equal to five percent (5%) of the Purchase Price (the "**Additional Premium Payment**") will be payable the earlier of: (i) thirty (30) days after the Effectiveness Amendment is deemed given to Purchaser, or (ii) six (6) months after the payment of the Initial Premium Payment, but in no event later than the closing under the Option Agreement. Purchaser may elect to pay the entire 15% Premium Payment at the time of signing even if the Offering Plan has not been declared effective. With respect to Option Agreements entered into after the Offering Plan has been declared effective, Sponsor reserves the right to require both the Initial Premium Payment and the Additional Premium Payment be paid upon

execution of the Option Agreement. The term "Premium Payment" as used herein refers to both the Initial Premium Payment and, if the same has been paid at the time in question, the Additional Premium Payment. The "**Exercise Price**" is payable upon exercise of the option at Unit Closing and is the Purchase Price less all Premium Payments made through the Unit Closing Date. The Premium Payment (and/or each installment thereof) shall be made payable to "Bryan Cave LLP as Escrow Agent."

If Purchaser comprises two or more parties, all parties comprising Purchaser shall execute and deliver simultaneously with the Option Agreement, a statement designating one of the parties to receive the interest earned on the Premium Payment ("**Interest-Recipient Designation Form**"). Form W-9 or applicable Form W-8, as appropriate, for Purchaser or the designated interest-recipient, as applicable, must be executed and delivered simultaneously with the Option Agreement as well.

Within fifteen (15) business days after delivery by Purchaser to Sponsor, its attorneys or Selling Agent of an executed Option Agreement, together with the required Premium Payment, Sponsor will either accept the Option Agreement and cause to be returned to Purchaser a fully executed counterpart thereof, or reject the Option Agreement and refund the Premium Payment tendered (without interest). Sponsor reserves the right to request thorough identification and financial information (including, without limitation, credit reports and litigation searches) concerning prospective purchasers, subject to limitations imposed by law. The Option Agreement will not be binding upon Sponsor until the Option Agreement, executed by Sponsor, is deemed given to Purchaser.

Sponsor reserves the right at any time and from time to time for any reason whatsoever (except as prohibited by law), without prior notice or prior amendment to the Plan, to refuse to accept and execute an Option Agreement for any Residential Unit, or to refuse to accept and execute an Option Agreement or Option Agreements (as the case may be) for more than one Residential Unit to any one person or entity. Sponsor also reserves the right without prior notice or prior amendment to the Plan, to hold one or any number of Units off the market and to not offer same for sale from time to time and at any time during this offering.

Sponsor also reserves the right to sell Residential Units either individually or in groups, to investor-Purchasers and/or corporate or institutional Purchasers who intend to rent the Unit(s) they purchase to employees or other persons, in addition to selling Residential Units to Purchasers for their own use and occupancy.

Purchasers may apply for financing to purchase a Unit. However, the Option Agreement will not be contingent upon Purchaser's receipt of a financing commitment. Thus if Purchaser applies for and is denied a loan, or if Purchaser applies for a loan and receives a commitment for less than the amount applied for, Purchaser will still be obligated to close under the Option Agreement. If Purchaser fails to close under the Option Agreement the Option Agreement will be subject to termination and upon such termination, Purchaser will forfeit the Premium Payment paid under the Option Agreement, plus all interest earned thereon.

The Option Agreement provides that Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Option Agreement, or in cancelling the Option Agreement or otherwise enforcing Purchaser's obligations thereunder. **THE OPTION AGREEMENT ALSO PROVIDES THAT EXCEPT AS PROHIBITED BY LAW, THE PARTIES WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR CONNECTED WITH, OR RELATING TO, THIS PLAN, THE OPTION AGREEMENT OR THE RELATIONSHIP CREATED BY THE OPTION AGREEMENT BETWEEN SPONSOR AND PURCHASER.**

In addition, the Option Agreement provides that if Purchaser is an entity (as opposed to a natural person), Purchaser must provide Sponsor with evidence documenting the formation of Purchaser and the authority of Purchaser to enter into the Option Agreement and consummate the purchase of the Unit. In particular, if Purchaser is an entity formed under the laws of a jurisdiction other than New York State, Purchaser must provide Sponsor with

a certified copy of an application for authority filed by the entity with the New York State Department of State which, among other things, designates the Secretary of State of the State of New York ("**Secretary**") as agent of the entity upon whom process may be served and provides an address to which the Secretary shall mail a copy of any such service.

The form of Option Agreement contained in Part II of the Plan does not contain any provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law. Neither the Plan nor the form of Option Agreement may be amended or modified to contain any provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law.

Risk of loss with respect to a Unit under an Option Agreement remains with Sponsor until Purchaser's closing under the Option Agreement. However, if a Purchaser takes occupancy prior to closing under a pre-closing occupancy agreement with Sponsor, Sponsor may require that Purchaser obtain appropriate insurance covering losses to Purchaser's personal belongings in the event of casualty while Purchaser is in occupancy, as to which Sponsor shall have no liability.

If at the time the Option Agreement is entered into Sponsor agrees to provide Purchaser with a Storage Bin License Agreement and/or a Parking License Agreement at Unit Closing, one or more riders memorializing the election will be entered into. If the determination to permit Purchaser to acquire a Storage Bin License and/or Parking License is made after the Option Agreement is entered into, the agreement to do so will be memorialized in an amendment to the Option Agreement. In any event, the Storage Bin Payment and/or Parking License Payment will be due simultaneously with payment of the Exercise Price at Unit Closing and execution of Storage Bin License Agreement and/or Parking License Agreement, as applicable. No payment on account of same will be required to be paid upon execution of the Option Agreement or modification to Option Agreement. Sponsor will obtain any certificate of occupancy or temporary certificate of occupancy necessary to permit the Storage Bin Area and Parking Area, as applicable, for its intended purpose prior to retaining any funds paid by Purchaser to acquire a Storage Bin License and/or Parking License, as applicable. In the event the Closing on a Storage Bin License and/or a Parking License, as applicable, occurs contemporaneously with the Unit Closing, and the Storage Bin Area and/or the Parking Area, as applicable, are not covered by a temporary or final certificate of occupancy, the proceeds of the sale of the Storage Bin License and/or the Parking License, as applicable, shall be retained in escrow with Escrow Agent until a temporary or final certificate of occupancy is issued for the Storage Bin Area with respect to the purchase of a Storage Bin License, and until a temporary or final certificate of occupancy is issued for the Parking Area with respect to the purchase of a Parking License. Upon the issuance of a temporary or final certificate of occupancy covering the Storage Bin, Sponsor shall advise the Escrow Agent accordingly and shall provide a copy of the applicable certificate of occupancy, and Escrow Agent shall thereupon be authorized to release the proceeds of the Storage Bin License sale to Sponsor or to anyone else Sponsor designates. Upon the issuance of a temporary or final certificate of occupancy covering the Parking Area, Sponsor shall advise the Escrow Agent accordingly and shall provide a copy of the applicable certificate of occupancy, and Escrow Agent shall thereupon be authorized to release the proceeds of the Parking License sale to Sponsor or to anyone else Sponsor designates.

Purchasers are advised that Storage Bins are located on the cellar level and the Parking Area is located on the second floor of the Building. Sponsor makes no representation that the Storage Bins, Storage Bin Area or Parking Area will remain dry or will not experience water infiltration. Neither Sponsor, the Board of Managers nor the Managing Agent will be responsible for damage to any items placed in the Storage Bins or to vehicles parked in the Parking Area. Parties who place items in Storage Bins or permit their vehicles to be parked in the Parking Area do so at their own risk and accordingly are advised to consult with an insurance adviser regarding appropriate coverage for such items.

Assignment; Advertising

Option Agreements are not assignable without Sponsor's prior written consent, which consent may be withheld for any reason or no reason. If Purchaser is a corporation, partnership, limited liability company, trust or other legal entity, any sale, assignment, transfer pledge, encumbrance or other disposition of any of the ownership interest of Purchaser (including, without limitation, the stock, membership or beneficial interests of the stockholders, partners, members or beneficiaries of Purchaser or its stockholders, partners, members or beneficiaries) shall be considered an assignment of the Option Agreement and shall be subject to Sponsor's consent. Consent, if given, may be conditioned, among other things, upon Purchaser's payment of a non-refundable fee or other charge to Sponsor and/or Sponsor's counsel in connection with the assignment. Such payment will be payable at the time Sponsor consents to the assignment.

The Option Agreement includes Purchaser's covenant that Purchaser shall not list the Residential Unit for resale or rental with any broker or on-line service, or advertise or otherwise offer, promote or publicize the availability of the Residential Unit for sale, lease or other occupancy, without Sponsor's prior written consent, prior to the closing of title to the Residential Unit. In addition, the Option Agreement includes Purchaser's covenant that for a period ending on the earlier of (i) twelve (12) months after Purchaser's Unit Closing, (ii) expiration of the Initial Control Period, or (iii) Sponsor's sale and closing of all the Residential Units offered under this Plan, Purchaser, as Unit Owner, may not advertise or list via broker, Internet, or otherwise, the Unit for sale in New York State, unless Purchaser purchased a single Residential Unit from Sponsor for use and occupancy by Unit Owner or Unit Owner's immediate family and Purchaser used it for that purpose. Any conveyance in violation of the foregoing will be voidable by Sponsor and shall subject the Unit Owner to liability for damages to Sponsor, which shall survive the closing of title under the Option Agreement.

Special Work in Units

Although Sponsor does not anticipate negotiating with Purchasers to modify their Units, Purchasers are advised that if Sponsor agrees to modify a Unit or combine two or more Units into one or more Units, at a cost to Purchaser in addition to the Purchase Price, Sponsor may require that Purchaser pay this special work cost at the time the Option Agreement is signed and in any event, before Purchaser's Unit Closing. If Purchaser is required to pay such special work cost prior to Unit Closing, Sponsor initially may place the funds in escrow with Escrow Agent. Any special work funds placed in escrow are not considered part of the Premium Payment or Purchase Price and may be released by Escrow Agent in full or in part prior to Unit Closing, to Sponsor or anyone else Sponsor shall designate, upon receipt by Escrow Agent of Sponsor's written confirmation that Sponsor has incurred the cost for which the funds were deposited, specifying the cost for which disbursement is requested. As a result, if a Purchaser who deposited special work funds is entitled to and does rescind the Option Agreement, Purchaser will not receive a refund of any such special work funds previously released to Sponsor or permitted to be retained by Sponsor pursuant to the terms of the special work provisions in the Option Agreement, to restore the Unit to the condition it would have been in absent the special work undertaken at Purchaser's request. If Sponsor exercises its right to abandon the Plan, and provided Purchaser is in compliance with all provisions of the Option Agreement, Sponsor shall terminate the Option Agreement and thereupon return to Purchaser the Premium Payment made by Purchaser with interest, if any is earned thereon and payable to Purchaser under the Option Agreement or this Plan, plus special work funds to which Purchaser is entitled.

Escrow Provisions and Escrow Account

The form of Option Agreement that each Purchaser will be required to sign is included as Document 3 in Part II of the Plan. Each Option Agreement will include a rider setting forth the terms and conditions pursuant to which the Premium Payment will be maintained in escrow (the "**Escrow Rider**"), key elements of which are summarized below. In addition to being executed by Sponsor and Purchaser, the Escrow Rider will be executed

by Sponsor's Closing Counsel, Bryan Cave LLP, who will serve as escrow agent for the Premium Payment monies ("**Escrow Agent**"), solely to confirm its agreement to its role as Escrow Agent set forth in the Escrow Rider.

Sponsor will cause all Premium Payments for Residential Units received from Purchasers (or any incremental payment of a Premium Payment, as applicable), directly or through Sponsor's agents or employees, to be delivered to Escrow Agent. Escrow Agent will, upon receipt from Sponsor or Selling Agent of a Premium Payment together with an Option Agreement executed by Purchaser and Sponsor, execute the Escrow Rider and deposit the funds in Purchaser's name in a special segregated interest-bearing sub-account of a master attorney trust account entitled "Bryan Cave LLP Attorney Trust - The Boerum Condominium" or similar name (the "**Escrow Account**") maintained by M & T Bank ("**Escrow Bank**") at Escrow Bank's branch located at 350 Park Avenue, New York, New York 10022 or at such other lending institution in which the firm elects to maintain its attorney trust account, subject to the following. Specifically, in accordance with requirements of Escrow Bank, unless and until Escrow Bank is provided with a **complete original Form W-9 (or complete original applicable Form W-8 if applicable)** executed by Purchaser (or, if Purchaser comprises more than one party, executed by one of the parties comprising Purchaser designated by all parties comprising Purchaser to serve as recipient of the interest earned on the Premium Payment), the Premium Payment funds cannot be deposited in the Escrow Account. Accordingly, unless and until Escrow Agent receives a complete original W-9 (or W-8, as applicable), the Premium Payment funds will be deposited in Escrow Agent's master IOLA account, in which interest is paid to the New York State IOLA Fund and is not paid to Purchaser. Thus in addition to the Option Agreement and Premium Payment, Purchaser must deliver Form W-9 (or Form W-8, as applicable) executed by Purchaser or designated interest-recipient, as applicable, together with the interest-recipient designation form, if applicable, before the Premium Payment can be deposited into the Escrow Account established for this Offering Plan.

Interest will begin to accrue when the funds deposited in the Escrow Account "clear" in accordance with the requirements of law governing the deposit of funds. The interest rate at Escrow Bank on escrow accounts similar to the Escrow Account as of April 1, 2014 was .15% per year for deposits. Sponsor makes no representation as to the interest rate that may be in effect while a Purchaser's funds are on deposit in the Escrow Account, and neither Sponsor nor Escrow Agent shall have any liability should the interest rate on the Escrow Account fluctuate to an amount less than the foregoing amount. In addition, neither Sponsor nor Escrow Agent shall have any obligation to deposit funds in an account bearing a minimum interest rate. No administrative fees shall be deducted from a Premium Payment deposited by Purchaser or the interest earned on the Premium Payment while on deposit in the Escrow Account. Sponsor shall bear any administrative costs associated with maintenance of the Escrow Account.

Subject to the conditions discussed in this paragraph, in accordance with the regulations of the Federal Deposit Insurance Corporation ("**FDIC**") and pursuant to the terms of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended (the "**Dodd-Frank Act**"), as of the date of this Plan deposits at Escrow Bank in a Purchaser's name are anticipated to be covered by FDIC insurance to a maximum of $250,000. Purchasers of Units requiring Premium Payments in excess of $250,000 are advised accordingly. Sponsor is advised that the FDIC takes the position that for purpose of computing insurance coverage, all deposits in a party's name in a banking institution are added together and insured to a maximum of $250,000, in the aggregate. Accrued interest through the date of a financial institution's failure also is included when calculating insurance coverage. Thus, if Purchaser already has or opens an account at Escrow Bank in Purchaser's name, and should FDIC insurance be called upon, the funds in that account will be aggregated with the Premium Payment and insured to a maximum of $250,000. The FDIC further advises consumers that a depositor cannot increase FDIC insurance coverage by dividing funds owned in the same ownership category among different accounts in the same name. No representation is made by Escrow Agent or Sponsor regarding any further amendment of the Dodd-Frank Act after the date of this Plan or that the FDIC will insure any Purchaser's funds, if and when called upon to do so. Neither Escrow Agent nor Sponsor will incur any liability whatsoever under this Plan or otherwise if the FDIC, when and if called upon, fails or refuses to insure the Premium Payment (or any other funds maintained by Purchaser in Escrow Bank) or if the FDIC insures only a portion thereof.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any legal obligation of the Escrow Agent to hold the Premium Payment as trust funds pursuant to law, is void. Purchasers shall not be obligated to pay legal or other expense of Sponsor in connection with establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

The Escrow Rider will contain the following provisions:

Within five (5) business days after an Option Agreement signed by Sponsor and Purchaser has been tendered to Escrow Agent with the requisite Premium Payment made payable to Escrow Agent, Escrow Agent will execute the Escrow Rider and deposit the Premium Payment into the Escrow Account, provided Escrow Agent has received the Interest-Recipient Designation Form (if applicable), ***original*** executed Form W-9 or applicable Form W-8 executed by Purchaser or interest-recipient designee, and any other ancillary documents required to deposit the Premium Payment into the Escrow Account. If the requisite documents to deposit the Premium Payment into the Escrow Account have not been received with the Option Agreement and Premium Payment, the Premium Payment will be deposited into Escrow Agent's IOLA account within said 5-day period, to be transferred to the Escrow Account when and if said requisite documents are received by Escrow Agent.

Within ten (10) business days after depositing the Premium Payment in the Escrow Account, Escrow Agent will notify Purchaser of the deposit, the account number and the initial interest rate, if applicable. If the Premium Payment has been deposited into an IOLA account because Purchaser has failed to provide Form W-9 or applicable Form W-8, or other necessary document, Purchaser will be notified of the deposit but no interest rate information will be provided as in an IOLA account, interest is payable to the NYS IOLA fund rather than Purchaser. Escrow Agent is obligated to provide written notice of deposit as set forth herein.

Notice of the Premium Payment will be mailed to Purchaser at the address in the Option Agreement. Notice addressed to Purchaser and mailed to Purchaser at the address in the Option Agreement shall be deemed given to Purchaser and received by Purchaser, whether or not it is actually received, and shall be deemed received on the date mailed.

If Purchaser does not receive notice of deposit of the Premium Payment postmarked within fifteen (15) business days after the date Purchaser tendered a fully executed Option Agreement to Escrow Agent together with the Premium Payment required thereunder, Purchaser may cancel the Option Agreement and rescind so long as the right to rescind is exercised within ninety (90) days after tender by Purchaser of the executed Option Agreement together with the Premium Payment to Escrow Agent. Complaints concerning failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, NY 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Premium Payment was timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

The Premium Payment received on account of the Purchase Price under the Option Agreement may not be commingled with other money or pledged or hypothecated to Sponsor as per General Business Law Section 352-h. Deposits for payment for special work, if any, shall initially be placed in the Escrow Account as may be provided in the Option Agreement and released in accordance with the provisions of the Option Agreement discussing the special work and payment therefor. Any special work payment so deposited are not refundable, shall not, by virtue of deposit in the Escrow Account, become part of the Premium Payment and shall not be applied on account of the Purchase Price.

The Premium Payment will remain in escrow with Escrow Agent until one of the following events has occurred in which case Escrow Agent shall release the funds as indicated: (i) Purchaser's closing under the Option Agreement in which event the funds will be paid to Sponsor (or to anyone else Sponsor shall designate), in

accordance with the provisions of this Plan and the Escrow Rider without any further authorization by Purchaser required, or (ii) Purchaser's permitted rescission of the Option Agreement (in which event the funds will be paid to Purchaser), or (iii) Sponsor's termination of the Option Agreement following Purchaser's non-exercise of the Option or failure to reinstate the Option Agreement within the period specified in Sponsor's notice given in accordance with the Plan, in which event the funds may be paid to Sponsor (or to anyone else Sponsor shall designate), or (iv) otherwise directed in a writing signed by both Sponsor and Purchaser directing the disposition of such funds, or (v) otherwise directed by a final non-appealable judgment or order of a court of competent jurisdiction directing the disposition of such funds, or (vi) the Escrow Agent is changed in connection with a transfer of funds to a new escrow agent, (vii) released pursuant to Regulations of the New York State Department of Law pertaining to release of escrowed funds, or (viii) Sponsor's abandonment of the Plan (in which event the funds will be paid to Purchaser).

In no event will Sponsor apply to Escrow Agent for release of escrowed funds of a Purchaser whose Option Agreement has been terminated until after the Plan has been consummated (that is, until after the post-closing amendment has been accepted for filing by the Attorney General's Office). Consummation of the Plan does not relieve Sponsor of its obligations under General Business Law § 352-h.

If there is no closing under the Option Agreement and there is no written agreement between the parties to release the Premium Payment, and if there is no court order respecting disposition of the funds, and if the Escrow Agent receives a request by either party to release the Premium Payment, Escrow Agent shall provide written notice of at least thirty (30) days to both Sponsor and Purchaser before releasing the Premium Payment. For purposes of this provision, notice shall be deemed given if delivered by hand to Purchaser or Purchaser's counsel at the address set forth in the Option Agreement or if mailed to Purchaser or Purchaser's counsel at the address set forth in the Option Agreement whether or not it is actually received, and shall be deemed given on the date delivered if delivered by hand or five (5) business days after the date mailed if mailed, postage prepaid.

If Escrow Agent has not received notice of objection to release of the Premium Payment prior to expiration of the 30-day period described in the previous paragraph, Escrow Agent may release the funds as requested and in connection therewith, shall notify both parties in writing of the release. If Escrow Agent receives written notice from either party within the 30-day period objecting to the release of the Premium Payment, Escrow Agent shall continue to hold the funds until otherwise directed as set forth above. However, Escrow Agent shall also have the right at any time to deposit the funds with the clerk of a court in the county in which the Property is located, and if Escrow Agent exercises this right, Escrow Agent shall notify both Sponsor and Purchaser to that effect in writing.

In no event shall any disputed funds in the Escrow Account be paid to Sponsor (or to anyone else Sponsor shall designate) until otherwise directed in:

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

(b) a final, non appealable judgment or order of a court of competent jurisdiction.

Escrow Agent shall be entitled to act upon any document believed by it, in its reasonable judgment, to be genuine. Release of funds from the Escrow Account requires written authorization from a partner of Escrow Agent who is an authorized signatory on the Escrow Account. As of the date of this Offering Plan, the signatories on the Escrow Account were the following: Michael Rosen, Alan Pearce, Dennis Fleischmann, Kenneth Henderson, Gary Wolff, Sandor Green, Erica Forman, Vincent Alfieri, Christine Cesare, Steve Stimell, Ronald Emanuel, Andrew Auerbach.

Sponsor will not object to the release of the Premium Payment to a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan, or to all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

If the Premium Payment is held at the Escrow Bank in the Escrow Account, any interest earned on the Premium Payment funds will (i) be paid to Purchaser at Purchaser's Unit Closing or upon Purchaser's permitted rescission of an Option Agreement, or (ii) upon termination of an Option Agreement pursuant to agreement with Sponsor, be paid as Sponsor and Purchaser, shall direct, or (iii) upon Sponsor's abandonment of the Plan, be paid to Purchaser. If funds are held in the IOLA account, Purchaser will under no circumstances be entitled to interest.

Subject to the foregoing, in the event the Option Agreement is terminated due to Purchaser's non-compliance therewith, Purchaser shall have no right to receive back the Premium Payment made thereunder and the Premium Payment plus interest earned thereon, may be retained by Sponsor.

Escrow Bank will send IRS 1099-INT notices required by applicable law reflecting interest earned on the Premium Payment while it is in the Escrow Account to the address set forth in the applicable Form W-8 or Form W-9 executed by Purchaser or the designated interest-recipient, as applicable.

Before funds are transferred to a new escrow account, or if Escrow Agent is replaced, the Plan will be amended to provide the same full disclosure with respect to the new escrow account and new escrow agent as provided herein.

Conflicts between the foregoing summary of escrow requirements contained in this Offering Plan as same may be amended (or in the Option Agreement), and General Business Law Section 352-e(2-b) and 352-e and the Attorney General's regulations promulgated pursuant thereto concerning escrow trust funds, shall be resolved in favor of the statutory and regulatory provisions governing escrow funds.

Pre-Closing Inspection of Residential Unit

Sponsor will provide Purchaser with at least five (5) business days notice of a date and time prior to the Original Scheduled Closing Date (defined below) when Purchaser may inspect the Residential Unit to be purchased upon exercise of the option under the Option Agreement. Purchaser may not inspect a Residential Unit and appurtenant Limited Common Elements, until Sponsor has notified Purchaser that the Residential Unit is ready for inspection. Sponsor reserves the right to postpone and/or reschedule any scheduled inspections of a Residential Unit upon one (1) business day's notice and Sponsor reserves the further right to schedule additional inspections of a Residential Unit as Sponsor deems necessary or appropriate. Purchaser shall attend such inspection with Sponsor's representative, and shall, together with Sponsor's representative, complete, date and sign an inspection statement in Sponsor's then standard form (the "**Inspection Statement**") at the conclusion of the inspection. The anticipated form of Inspection Statement is included in Part II of this Offering Plan.

If Purchaser wishes to conduct the pre-closing inspection with a professional engineer engaged by Purchaser for that purpose, Purchaser may do so. However, the engineer may not inspect the Residential Unit any sooner than the time set forth in the notice given to Purchaser for the inspection as described above. If during the inspection Purchaser notes certain punchlist items that Sponsor, through its inspection representative, agrees to complete, repair or replace, these items (collectively, "**Punchlist Items**") shall be itemized on a list attached to the Inspection Statement (the "**Punchlist**"). The Punchlist must be dated, and must be initialed by Sponsor's representative and signed and dated by both Sponsor's representative and Purchaser at time of inspection to be binding on Sponsor. The only Punchlist Items Sponsor shall be obligated to complete shall be those contained in such initialed and dated Punchlist. Any obligations of Sponsor with respect to Punchlist Items shall be for the benefit of the named Purchaser under an Option Agreement and shall not accrue to any Affiliate, successor or assign of such named Purchaser, or to any subsequent purchaser of the Residential Unit that is the subject of such Option Agreement.

Purchaser's failure to attend the inspection appointment as described above, or to sign and deliver the completed Inspection Statement (and, if applicable, Punchlist), shall constitute Purchaser's full and unconditional acceptance of the Residential Unit and Limited Common Elements appurtenant thereto, in their "as-is" condition.

All discussions regarding Punchlist Items must take place between Purchaser and Sponsor prior to closing pursuant to the foregoing, or as post-closing follow-up. No discussion of Punchlist Items will take place at the closing itself, as Sponsor's inspection representative will not be present at closing.

Purchaser's execution of the Inspection Statement shall obligate Purchaser to provide access to Sponsor and/or its contractors and agents, to perform the work specified therein. To the extent Sponsor agrees to attend to items on the Punchlist and Sponsor is unable to complete one or more of such items prior to the Unit Closing, Sponsor will complete punchlist work within a reasonable amount of time following Purchaser's Unit Closing provided Purchaser permits Sponsor access to do so. Specifically, if following the Unit Closing Purchaser, as Unit Owner, fails to provide access to the Unit, Unit Terrace and/or Storage Bin, as applicable, within ten (10) days after Sponsor or its agent or contractor has notified Purchaser of Sponsor's intention to complete a Punchlist Item in the Unit, Unit Terrace or Storage Bin, Sponsor shall have no further obligation to complete that Punchlist Item and Purchaser shall be deemed to have waived any claim against Sponsor for completion of such Punchlist Item.

Sponsor's agreement to complete Punchlist Items on the signed Punchlist shall obligate Sponsor to perform Sponsor's work in accordance with the standards for Sponsor's work set forth therefor in the Plan.

Exercise of Option; Payment of Exercise Price

Sponsor anticipates but does not warrant or represent, that the First Unit Closing will be scheduled to occur, and thus the First Year of Condominium Operation will begin, on or about December 15, 2016 ("**Projected Commencement Date**"). Sponsor reserves the right to amend this Plan from time to time to establish a new Projected Commencement Date for the First Year of Condominium Operation. If the actual date of the First Unit Closing differs by 12 months or more from the Projected Commencement Date for the First Year of Condominium Operation set forth in the Plan, as said Projected Commencement Date may have been amended by a filed amendment to the Plan presented to a Purchaser as of the date that Purchaser executed an Option Agreement, Sponsor will offer that Purchaser the right, for a period of at least fifteen (15) days, to rescind Purchaser's Option Agreement and have the Premium Payment paid thereunder refunded.

Once the Effectiveness Amendment has been accepted for filing by the AG's Office and a Unit is ready to be closed, Purchaser will be given at least thirty (30) days' prior written notice of a scheduled closing date for Purchaser's Residential Unit ("**Exercise Notice**"). The scheduled closing date listed in that notice is referred to as the "**Original Scheduled Closing Date.**" If a Purchaser desires to close on less than said thirty (30) day notice, Sponsor shall be permitted to accommodate Purchaser's request, if Purchaser specifically waives the 30-day notice provision. The Original Scheduled Closing Date will be a date at least ten (10) days after the Effectiveness Amendment has been accepted for filing by the Department of Law.

The option will be exercised by Purchaser's payment of the Exercise Price at closing. Closings will be held at the offices of Sponsor's Closing Counsel, Bryan Cave LLP, 1290 Avenue of the Americas, New York, New York 10104.

On the Unit Closing Date each Purchaser will be required to pay the New York City Real Property Transfer Tax, the New York State Real Estate Transfer Tax and the Mansion Tax, if applicable, with respect to the Unit(s) being purchased. (See Part I, Section N entitled "Closing Costs and Adjustments" for cost details.)

At each Unit Closing, the Exercise Price shall be paid by an unendorsed bank or cashier's check(s) or unendorsed personal certified check(s) of Purchaser drawn on or issued by a New York bank, trust company or other New York lending institution which is a member of the New York Clearing House Association (unless Sponsor agrees otherwise), payable to Sponsor (or to anyone else Sponsor shall designate). Alternatively, at Purchaser's request, Sponsor will cooperate to facilitate wire transfers of Exercise Price at Unit Closing.

At each Unit Closing Sponsor will provide Purchaser with a FIRPTA certification pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended, stating Sponsor is not a "foreign person" within the meaning of that section. If Purchaser is financing the purchase, Purchaser's lender's attorneys shall be obligated to file Form 1099S, if applicable, and to provide a copy thereof to Sponsor.

At each Unit Closing, each Purchaser will be required to sign a power of attorney to the Board of Managers and Sponsor substantially in the form contained in Part II of the Plan or in such other form as may then be required by applicable law.

If Purchaser agreed to enter into a Storage Bin License and/or a Parking License, same must be paid for and entered into simultaneously with closing of the Unit. No representation is made as to the expected date of completion of the Storage Bin Area and the Parking Area and Storage Bins and/or the Parking Area may not be available at or for a period of time following the closing of title to a Residential Unit. Sponsor will obtain any certificate of occupancy or temporary certificate of occupancy necessary to permit the Storage Bin Area and the Parking Area for their intended purpose prior to retaining any funds paid by Purchaser to acquire a Storage Bin License or a Parking License, as applicable. In the event the Closing on a Storage Bin License and/ or the Parking License occurs contemporaneously with the Unit Closing, and the Storage Bin Area and/ or the Parking Area are not covered by a temporary or final certificate of occupancy, the proceeds of the sale of the Storage Bin License and/or the Parking License, as applicable, shall be retained in escrow with Escrow Agent until a temporary or final certificate of occupancy is issued. Upon the issuance of a temporary or final certificate of occupancy covering the Storage Bin Area with respect to Storage Bin Licenses and/or the Parking Area with respect to Parking Licenses, Sponsor shall advise the Escrow Agent accordingly and shall provide a copy of the applicable certificate of occupancy, and Escrow Agent shall thereupon be authorized to release the proceeds of the Storage Bin License sale or the Parking License sale, as applicable, to Sponsor or to anyone else Sponsor designates.

If Purchaser does not pay the Exercise Price and/or Storage Bin Price or Parking License Price on the Original Scheduled Closing Date or any permitted adjournment thereof, or fails to honor any other obligation under the Option Agreement, Sponsor shall have the right to terminate the Option Agreement. Sponsor or Sponsor's Closing Counsel on behalf of Sponsor, shall notify Purchaser in writing that Sponsor intends to terminate the Option Agreement, shall specify the reason therefor, and shall grant Purchaser a period of at least thirty (30) days within which Purchaser may reinstate the Option Agreement. **SPONSOR RESERVES THE RIGHT TO MAKE TIME OF THE ESSENCE WITH RESPECT TO PURCHASER'S OPPORTUNITY TO REINSTATE THE OPTION AGREEMENT WITHIN THE SPECIFIED PERIOD. AFTER THE SPECIFIED PERIOD EXPIRES, IF THE OPTION AGREEMENT HAS NOT BEEN REINSTATED, SPONSOR MAY TERMINATE THE OPTION AGREEMENT, RETAIN PURCHASER'S PREMIUM PAYMENT(S) TOGETHER WITH INTEREST EARNED THEREON (IF ANY) AND SELL THE UNIT TO ANOTHER PURCHASER AS IF THE OPTION AGREEMENT HAD NEVER BEEN ENTERED INTO.**

If Purchaser is not ready to close on the Original Scheduled Closing Date, any adjournment of the Unit Closing granted by Sponsor at Purchaser's request will, at Sponsor's discretion, be on the condition that (i) all adjustments required to be made at closing (and described in "Closing Costs and Adjustments" in Part I, Section N of the Plan) be made as of the Original Scheduled Closing Date, and (ii) Purchaser shall pay Sponsor at closing, by unendorsed personal certified or bank check drawn on a bank that is a member of the New York Clearinghouse Association, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the Original

Scheduled Closing Date to (and including) the day before the actual closing date ("**Sponsor's Adjournment Fee**"). Time shall be of the essence with respect to Purchaser's obligation to close on a rescheduled closing date requested by Purchaser to which Sponsor consents. A time of the essence obligation means that if Purchaser fails to close on the rescheduled closing date for any reason whatsoever, Sponsor has the right to terminate the Option Agreement and retain Purchaser's Premium Payment and all interest earned thereon, as liquidated damages. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the Unit Closing. However, the provisions shall apply to any postponements by Purchaser of the agreed-upon adjourned closing date. Sponsor reserves the right to waive any or all of the provisions of this paragraph.

Notwithstanding the foregoing, Purchaser shall have the right, to be exercised one time only, to adjourn the Unit Closing to a date not later than fifteen (15) calendar days after the Original Scheduled Closing Date that is mutually convenient to Sponsor and Sponsor's Closing Counsel. If Purchaser requests an adjournment in accordance with this right, and if the Unit Closing occurs no later than fifteen (15) calendar days after the Original Scheduled Closing Date, Purchaser shall not be obligated to pay Sponsor's Adjournment Fee or to adjust closing costs as of the Original Closing Date. If, however, Purchaser requests the adjournment less than three (3) business days prior to the Original Scheduled Closing Date, and/or if the Unit Closing occurs more than fifteen (15) calendar days after the Original Scheduled Closing Date, Sponsor will have the right to impose closing adjustments as of the Original Closing Date and Sponsor's Adjournment Fee as discussed above. Purchaser shall remain obligated to pay any additional fees due Sponsor's Closing Counsel pursuant to the Offering Plan and Option Agreement by reason of any adjournment of the Original Scheduled Closing Date pursuant to this provision or otherwise.

Sponsor's Closing Counsel's fee for each Unit purchased shall include a charge of $300 for the first adjournment after the one "free" adjournment provided under the Option Agreement granted at Purchaser's request, provided the adjournment is requested at least three (3) business days in advance of the Original Scheduled Closing Date as same may have been adjourned pursuant to the "free" adjournment. If the closing is adjourned by Purchaser less than three (3) business days before the Original Scheduled Closing Date (as same may have been adjourned pursuant to one "free" adjournment, the adjournment fee shall be $600. There shall be an additional fee of $600 for each adjournment after the foregoing adjournments agreed to by Sponsor at Purchaser's request.

In the event Sponsor cannot convey title to the Unit in accordance with the Option Agreement by reason other than Purchaser's non-compliance with the Option Agreement, Sponsor's sole liability shall be to return to Purchaser all monies held by Sponsor, with interest, if any has been earned thereon.

The Option Agreement is contingent upon Sponsor declaring the Plan effective, as described in Part I, Section L of this Plan. If the Plan is abandoned, Option Agreements will be cancelled, and all monies held by Sponsor shall be returned to Purchasers, with interest, if any has been earned thereon.

With the exceptions of move-ins by Unit Owner who purchase under this Offering Plan, as to whom the following restrictions shall not apply, move-ins must be coordinated by a Unit Owner in consultation with Managing Agent and in consultation with Sponsor, if Sponsor then owns any Residential Unit. Move-ins will be scheduled for a business day (i.e., a Monday through Friday that is not a legal or religious holiday). All move-ins will be scheduled to begin no earlier than 9:00 a.m. and to conclude no later than 5:00 p.m. If a Unit Owner's move-in (or move-in of a Unit Owner's tenant) extends past 5:00 p.m., Unit Owner may be obligated for overtime charges for Condominium staff until the move-in is complete. Such cost will be charged by the Board of Managers to the Unit Owner as a Special Assessment. Notwithstanding the foregoing, neither Sponsor nor the Board shall be obligated to accommodate a Unit Owner (or a tenant of a Unit Owner) whose move-in is not complete by 5:00 p.m. and no representation is made that Building staff will be available to remain on duty in the event a move-in is not complete by 5:00 p.m. or that a move-in will be permitted to continue past 5:00 p.m.

Neither this Plan nor the Option Agreement may contain, nor may same be amended to contain, a provision waiving Purchaser's rights, or abrogating Sponsor's rights, pursuant to Article 23-A of the General Business Law.

The Interstate Land Sales Full Disclosure Act, 15 U.S.C. §§1701 et seq. ("**ILSA**"), is a federal statute administered, as of July 21, 2011, by the Consumer Financial Protection Bureau ("**CFPB**") pursuant to the Dodd-Frank Act. ILSA requires sponsors of certain new construction residential development projects, including certain condominium projects, to file a statement of record (the "**Statement**") and property report (the "**Property Report**") with CFPB and provide a copy of the Property Report to purchasers before they sign a purchase agreement, unless the project or sale is exempt from this filing requirement. On September 26, 2014, President Obama signed into law a bill amending ILSA to exempt sponsors of new construction condominium projects from the obligation to file a Statement and Property Report. The law takes effect 180 days after its enactment, which effective date is March 25, 2015. Because the Project is not exempt from the ILSA filing requirement as of the date of this Offering Plan, Sponsor filed a Statement and Property Report with CFPB. Purchasers who enter into Option Agreements prior to March 25, 2015 will receive a copy of the Property Report together with this Offering Plan and will have the rights afforded purchasers of units in non-exempt projects pursuant to ILSA. As of March 25, 2015 the registration and filing requirements of ILSA are no longer applicable to the Project as the Project will be exempt from same. Thus Purchasers entering into an Option Agreement on and after March 25, 2015 will receive the Offering Plan only, without a copy of the Property Report, and will not have the rights afforded purchasers of units in non-exempt projects pursuant to ILSA.

Any conflict between the Plan and the Option Agreement will be resolved in favor of the Plan.

K. OCCUPANCY AGREEMENTS

Sponsor does not anticipate entering into any occupancy agreements with Purchasers permitting occupancy of a Unit prior to closing under the Option Agreement. If Sponsor decides to allow Purchasers to enter into occupancy agreements, Sponsor will amend the Plan to disclose such fact and Sponsor will include a copy of the occupancy agreement as an exhibit to the amendment.

L. DECLARATION OF EFFECTIVENESS

Sponsor may declare the Plan effective when executed Option Agreements for at least 15% of the Residential Units offered under the Plan (*i.e.*, Option Agreements for at least 20 Residential Units) have been accepted by Sponsor from bona fide Purchasers (including, without limitation, Purchasers purchasing for investment as well as Purchasers purchasing for their own personal occupancy), and executed by Sponsor, although Sponsor will not be obligated to declare the Plan effective at that time. Sponsor must declare the Plan effective by the date on which Sponsor has received, accepted and executed Option Agreements for 80% of the Residential Units offered hereunder.

The Plan will not be declared effective based on Option Agreements (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or that has not been waived, (ii) signed by Purchasers who were not afforded the protections required by 13 NYCRR §20.3(o)(15) (*i.e.*, Purchasers who were not afforded (x) at least three (3) business days to review the Plan and all filed amendments prior to executing an Option Agreement, or (y) at least seven (7) days after executing and delivering an Option Agreement together with the required Premium Payment, to rescind the Option Agreement and have the Premium Payment refunded, as described in the section of the Plan entitled "Procedure to Purchase") or (iii) signed by any Purchaser who is Sponsor, the Selling Agent or the Managing Agent, or is a principal of Sponsor, the Selling Agent or the Managing Agent, or is related to Sponsor, the Selling Agent or the Managing Agent, or to any principal of Sponsor, the Selling Agent or the Managing Agent, by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner, except that such a Purchaser may be included in the count to establish effectiveness if Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

The 15% sales threshold upon which Sponsor's declaration of effectiveness is based may include all Option Agreements entered into with a single Purchaser acquiring more than one Residential Unit, as well as all Option Agreements entered into with Purchasers buying one Residential Unit.

Notification of effectiveness will be communicated to Purchasers by the Effectiveness Amendment or by written notice to all Purchasers. If the declaration of effectiveness is communicated by written notice to Purchasers, then within five (5) business days after service of such notice on Purchasers, Sponsor will submit to the AG's Office a proposed effectiveness amendment incorporating the notice of effectiveness.

The Plan may be abandoned by Sponsor, at its sole option, at any time before Sponsor declares the Plan effective or before Sponsor has received and accepted Option Agreements for 80% of the Residential Units offered hereunder. Sponsor shall promptly submit for filing to the Department of Law an amendment to the Plan disclosing the Plan's abandonment and a notice of abandonment on Form RS-3, or such other form as may then be required by the Department of Law setting forth the reason for abandonment and disposition of all funds received.

Within five (5) business days after such amendment to the Plan is accepted for filing by the Department of Law, all Premium Payments paid by Purchasers who are in compliance under their Option Agreements (or who were not previously non-compliant under their Option Agreements and forfeit their Premium Payments), shall be refunded to them in full with interest, if any has been earned thereon.

Once Sponsor declares the Plan effective or executed Option Agreements for 80% of the Residential Units have been received and accepted by Sponsor, the Plan may not be abandoned except in the event of (i) title defects which cannot be cured without litigation, (ii) title defects which can be cured only by incurring expenditures in excess of 1/2 of 1% of the total offering price set forth on the front cover of this Plan (excluding legal fees), in the aggregate, (iii) substantial damage to or destruction of the Property by fire or other casualty which can be cured only by Sponsor incurring expenditures in excess of 1/2 of 1% of the total offering price set forth on the front

cover of this Plan (excluding legal fees), in the aggregate or (iv) a taking of all or any material part of the Property in condemnation proceedings or eminent domain. Sponsor shall have the obligation to incur expenses up to the amounts and in the circumstances described in clauses (ii) and (iii) of the previous sentence in an effort to prevent abandonment of the Plan after it has been declared effective. Except as set forth in the preceding two sentences, there will be no obligation of Sponsor to incur any expense or engage in litigation to cure title defects in order to prevent abandonment of the Plan after it has been declared effective.

Purchasers are advised that banks and other lenders may impose various restrictions on loans made to purchasers of residential condominium apartments. Such restrictions could include, for instance, a requirement that a certain percentage of Residential Units be owned by parties other than Sponsor, before a lender will make a loan. It thus may be difficult for a Purchaser seeking to finance a purchase to obtain a loan before this minimum sales threshold is achieved. From and after the First Unit Closing, some of these same restrictions may still apply. Thus, if Sponsor were to declare the Plan effective and close with the 15% minimum sales required for effectiveness, a lender who has a percentage sales and/or ownership requirement in excess of 15%, might not lend in the Building until additional Units are sold and closed. This sales threshold could be as high as 70%. In addition, some lenders will not provide financing in a building where an investor other than the original sponsor has an ownership interest of 10% or more. These considerations could affect Purchasers from Sponsor and Unit Owners seeking to resell Units, if their re-sale purchasers are unable to obtain loans.

M. CLOSING OF TITLE TO RESIDENTIAL UNITS

The term "closing of title" (alternately referred to as a "Unit Closing" or simply as "closing") as used in this Plan means the conveyance of title to a Residential Unit from Sponsor to a Purchaser pursuant to an Option Agreement.

The closing date for each Unit will be set by Sponsor and will be at least ten (10) days after the Effectiveness Amendment has been accepted for filing by the Department of Law and on at least thirty (30) days' prior written notice of closing to Purchaser, unless, however, Purchaser has requested to close on less than said thirty (30) days' notice, in which event Sponsor and Purchaser shall have the right to close earlier. Sponsor shall have the right from time to time to adjourn closing dates set by Sponsor, upon prior notice to Purchasers.

All fixtures located in a Residential Unit, if any, on the date the Option Agreement for that Unit is executed which are owned by Sponsor, are included in the sale to Purchaser unless expressly excluded in the Option Agreement. Notwithstanding the foregoing, furnishings and other personal property in a Residential Unit used as a model apartment are not included in the sale of that Unit, or any other Unit, unless the Option Agreement expressly and specifically provides they are included.

A Unit Owner's fee title ownership of a Unit includes, as part of the ownership of the Unit, an undivided interest in common with all other Unit Owners, in ownership of the Common Elements. Accordingly, when Sponsor conveys title to a Unit to a Purchaser, the conveyance includes, and Purchaser acquires, an undivided interest in common with all other Unit Owners, in ownership of the Common Elements and all personal property or fixtures located in or on the Common Elements on the date the Declaration is recorded, or otherwise described in the Declaration as being part of the Common Elements.

Purchaser shall be given an opportunity to inspect the Unit being purchased prior to closing as discussed in Part I, Section J of the Plan under the subheading "Pre-Closing Inspection of Unit."

Sponsor will not close title to a Residential Unit under an Option Agreement unless the Unit is covered by at least a temporary certificate of occupancy. If a temporary or final certificate of occupancy has been issued for a Unit, Purchaser will be obligated to accept title to the Unit without abatement of the Purchase Price or provision for escrow, despite incomplete construction of (i) minor details of the Unit, including but not limited to Punchlist Items, (ii) other Units, (iii) the Common Elements, or (iv) Limited Common Elements or other elements customarily left incomplete until after occupancy of the Unit or to be completed at the end of development of the Property.

It is anticipated that the Construction Loan will be payable in increments out of the proceeds of sale of closings of individual Units as they occur. Thus it is anticipated that the Construction Loan will remain a lien upon a Unit until such Unit is sold and closed. In order to ensure that the Unit to be closed is conveyed free and clear of the lien of the Construction Loan as required under this Plan, Sponsor will arrange with the Construction Lender to release each Unit from the lien of the Construction Loan in conjunction with the closing of the Unit and the loan will remain a lien only on Units still owned by Sponsor on that date.

Risk of loss, damage or destruction from fire or other casualty (collectively "**Loss**") to a Residential Unit remains with Sponsor until Purchaser's closing of title to the Unit. In the event of Loss prior to closing a Residential Unit under an Option Agreement, Sponsor shall have the right, but not the obligation, to restore or rebuild the Unit. In addition, under certain circumstances, as described below, Sponsor may elect not to restore the Unit and to abandon the Plan. If Purchaser takes occupancy of a Unit prior to closing Purchaser shall be obligated to obtain insurance to cover losses to Purchaser's belongings in the event of casualty, as to which losses Sponsor shall have no liability.

In the event of Loss to a Residential Unit under an Option Agreement prior to closing and the election (or obligation) of Sponsor to restore and rebuild the Unit, the Option Agreement for that Unit shall remain in full force and effect, Purchaser will not be entitled to reject title or receive a credit against or abatement of the Purchase Price, Sponsor shall be entitled to a reasonable period of time within which to complete the restoration or repair, and the closing date may be adjourned if same has already been scheduled, without any liability to Sponsor for delay.

In the event of Loss to a Residential Unit under an Option Agreement (i) prior to recording of the Declaration where Sponsor elects not to restore or rebuild the Unit, or (ii) after the Declaration has been recorded where the Unit Owners do not elect to rebuild or repair the Condominium and/or the Unit Owners elect to terminate the Condominium in accordance with the Declaration and By-laws, then the Option Agreement for that Unit shall be deemed canceled and of no force and effect. If the Loss occurs prior to recording the Declaration and Sponsor elects not to restore, Sponsor will notify Purchaser accordingly within ninety (90) days of the casualty, of its election not to restore and if the Loss occurs after the Declaration is recorded and determination not to restore rests with the Unit Owners, Sponsor will advise Purchaser of the Unit Owners' determination within 30 days after the Unit Owners make their determination. In either situation, once a decision is made not to restore, Sponsor shall return to Purchaser all sums paid by Purchaser under the Option Agreement together with interest earned thereon, and neither Sponsor nor Purchaser shall have any further liability to or against each other, and Sponsor and Purchaser shall each be released and discharged from liability to the other, except, however, if Purchaser shall not be in compliance under the Option Agreement (beyond any applicable cure period), Sponsor may retain the Premium Payment made by Purchaser under the Option Agreement, together with interest earned thereon, as liquidated damages.

In the event of Loss to the Property which occurs prior to the recording of the Declaration and prior to the declaration of effectiveness of the Plan, Sponsor shall have the right, but not the obligation to restore or rebuild. If Sponsor elects not to rebuild, Sponsor may abandon the Plan as described in Part I, Section L of the Plan. Once the Plan has been declared effective, Sponsor shall rebuild and/or restore, subject to Sponsor's right not to rebuild and to abandon the Plan if the cost of restoration is in excess of 1/2 of 1% of the total offering price set forth on the front cover of this Plan (excluding legal fees), in the aggregate, also as set forth in Part I, Section L.

The First Unit Closing is expected, but not warranted or guaranteed to occur on or about December 15, 2016, concurrently with or after the occurrence of the following events:

1. Issuance of a temporary or final certificate of occupancy covering the Building or the portion of the Building in which the Unit is located. Delivery by Sponsor of a temporary certificate of occupancy covering the Unit and acceptance of a deed to the Unit by Purchaser shall constitute a presumption that Sponsor has satisfactorily performed those obligations of Sponsor to be performed prior to closing of title to the Unit. On-going construction in other areas of the Building or the Property or lack of a certificate of occupancy covering another Residential Unit, the Hotel Unit or the Commercial Units or other areas of the Property, including, without limitation the Storage Bins or Parking Area, shall not constitute grounds for Purchaser's refusal or failure to close on Purchaser's Residential Unit.

2. A registered architect or licensed professional engineer have shall certified that the Tax Lot Drawings filed with the Declaration are an accurate copy of portions of the plans of the Property as built and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for construction of the Property, the Tax Lot Drawings shall have been filed, and the Declaration shall have been recorded in the Office of the City Register, Kings County.

3. Discharge, bonding or partial release of liens (if any), affecting the Unit to be closed, pursuant to Section 339-r of the Condominium Act.

4. Service upon Purchaser of a written notice of the closing date at least thirty (30) days in advance of closing and provision to Purchaser of an opportunity to inspect the Unit prior to closing.

5. Amendment of the Plan by Sponsor to disclose that Sponsor has declared the Plan effective.

6. Execution of an instrument by Purchaser substantially in the form provided in Part II of the Offering Plan or such other form as shall then be required by applicable law (and delivery of said instrument to Purchaser's title company or attorney for recording), designating the Board of Managers and Sponsor as Purchaser's attorney-in-fact, coupled with an interest, for but not limited to the purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Residential Unit acquired by the Board of Managers in accordance with any of the provisions of the By-laws and/or for purposes consistent with the implementation of the Offering Plan.

7. Delivery by Sponsor to the Purchaser of the Unit of any manufacturers' warranties for equipment and appliances installed by Sponsor in the Unit (where same are issued by manufacturer in the ordinary course), which warranties shall be available in the Unit following the Unit Closing.

8. Execution of and delivery by Sponsor to Purchaser of a bargain and sale deed for the Unit with covenant against grantor's acts in proper form for recording, substantially in the form contained in Part II of the Plan, free and clear of all liens and encumbrances except the Permitted Encumbrances. The deed must also be signed by the Purchaser.

9. If ordered by Purchaser, the issuance at closing of a commitment by a title insurance company licensed to do business in New York State, to insure that the Condominium was validly formed pursuant to the Condominium Act and that Purchaser has good and insurable fee title in the Unit, free and clear of all liens and encumbrances, except for the Permitted Encumbrances and except for any mortgage Purchaser obtains to purchase the Unit, and subject to the provisions of the Declaration and By-laws, it being understood, however, that Sponsor will be conveying only such title with such affirmative insurance for the Permitted Encumbrances, as the Title Company shall be prepared to insure without additional cost to Sponsor, as set forth below. (See the next section of this Plan for the estimated cost of such title insurance.)

Title to a Unit will be conveyed subject to the following exceptions (which are referred to in this Plan as the **"Permitted Encumbrances"**):

(a) Any state of facts an accurate survey of the Property or personal inspection of the Unit and/or Property would show provided same do not render title to the Unit unmarketable;

(b) All of the terms, covenants and conditions of the Declaration, the By-laws, the Tax Lot Drawings as they are filed or recorded and as any or all of same may be amended, the Rules and Regulations of the Condominium and the Offering Plan and amendments thereto;

(c) Power of attorney from the Unit Owner to the Sponsor and to the Board of Managers and their successors in office;

(d) All easements set forth in the Declaration and By-laws;

(e) Zoning Lot Ownership Statement, if any, recorded in the Office of the City Register and any other declaration or instrument affecting the Property which Sponsor must file to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, New York City Planning Commission, Board of Standards and Appeals, or of any other public agency or authority, applicable to the construction, alteration, repair, demolition or restoration of the Building;

(f) Zoning Resolution and other resolutions, regulations and ordinances (and amendments thereto) now or hereafter adopted;

(g) Consents by Sponsor or any former owner of the Property for the erection of structure(s) under or above any street on which the Property abuts;

(h) Standard exceptions contained in the form of title insurance policy then issued by the Title Company or any other title company licensed to do business in New York State;

(i) Any encumbrance as to which the Title Company or any other title company licensed to do business in New York State would be willing, in a fee policy, to insure (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien;

(j) Terms, covenants, restrictions, conditions, provisions and reservations and easements contained in the deed from The City of New York, acting by the Board of Transportation of the City of New York, dated June 17, 1952 and recorded June 19, 1952 in Liber 7954 cp 407;

(k) Terms, covenants, conditions, restrictions, provisions, reservations and easements contained in the Replacement Land Disposition Agreement between the City of New York, acting by and through its Department of Housing Preservation and Development, and the New York State Urban Development Corporation d/b/a Empire State Development Corporation, dated as of November 14, 2003, and recorded in the Office of the City Register of New York County on April 2, 2004 as CRFN 2004000197731;

(l) Terms, covenants, restrictions, conditions, provisions and easements contained in the deed from The City of New York to New York State Urban Development Corporation, dated February 28, 1974 and recorded March 15, 1974 in Reel 697 page 490;

(m) Terms, covenants, conditions, provisions and agreements set forth in the Schermerhorn Pacific Urban Renewal Plan as exhibited in Reel 697 page 518;

(n) Terms, covenants, restrictions and provisions contained in the deed from New York State Urban Development Corporation to HS Development Partners LLC, dated as of November 14, 2003, and recorded April 2, 2004 as CRFN 2004000197730;

(o) Terms, covenants, restrictions and provisions contained in the Declaration of Covenants and Restrictions and Zoning Lot Development Agreement made by HS Development Partners LLC dated as of April 1, 2005, and recorded July 15, 2005 as CRFN 2005000396542;

(p) Modification of Declaration of Covenants and Restrictions and Zoning Lot Development Agreement dated as of September 24, 2012 by HS Development Partners LLC recorded October 5, 2012 as CRFN 2012000396177;

(q) Declaration made by HS Development Partners LLC dated as of November 14, 2003, and recorded April 2, 2004 as CRFN 2004000197732;

(r) Certification Pursuant to Zoning Lot Subdivision C made by Fidelity National Title Insurance Company dated May 21, 2004, and recorded July 26, 2004 as CRFN 2004000459592;

(s) Zoning Lot Description and Ownership Statement made by HS Development Partners LLC dated as of July 1, 2004, and recorded July 26, 2004 as CRFN 2004000459585;

(t) Certification Pursuant to Zoning Lot Subdivision C made by Fidelity National Title Insurance Company dated July 14, 2004, and recorded August 3, 2004 as CRFN 2004000475560;

(u) Certification Pursuant to Zoning Lot Subdivision C made by Fidelity National Title Insurance Company dated July 14, 2004, and recorded August 3, 2004 as CRFN 2004000475561;

(v) Certification Pursuant to Zoning Lot Subdivision C made by Fidelity National Title Insurance Company dated July 14, 2004, and recorded August 3, 2004 as CRFN 2004000475562;

(w) Zoning Lot Description and Ownership Statement made by HS Development Partners LLC dated July 14, 2004, and recorded August 3, 2004 as CRFN 2004000475563;

(x) Zoning Lot Description and Ownership Statement made by HS Development Partners LLC dated July 14, 2004, and recorded August 3, 2004 as CRFN 2004000475564;

(y) Zoning Lot Description and Ownership Statement made by HS Development Partners LLC dated July 14, 2004, and recorded August 3, 2004 as CRFN 2004000475565;

(z) Waiver of Declaration of Zoning Lot Restrictions made by Manufacturers and Traders Trust Company dated December 7, 2005, and recorded January 5, 2006 as CRFN 200600006794;

(aa) Waiver of Declaration of Zoning Lot Restrictions made by M & T Real Estate Trust dated December 7, 2005, and recorded January 5, 2006 as CRFN 200600006795;

(bb) Waiver of Declaration of Zoning Lot Restrictions made by The City of New York dated as of December 29, 2005, and recorded January 5, 2006 as CRFN 200600006796;

(cc) Certification Pursuant to Zoning Lot Subdivision C made by Fidelity National Title Insurance Company dated May 27, 2013, and recorded July 8, 2013 as CRFN 2013000267219;

(dd) Zoning Lot Description and Ownership Statement made by 71 Smith Street Property Owner, L.L.C. dated June 24, 2013, and recorded July 8, 2013 as CRFN 2013000267220;

(ee) Certification Pursuant to Zoning Lot Subdivision D made by Fidelity National Title Insurance Company dated July 24, 2013, and recorded September 3, 2013 as CRFN 2013000353017;

(ff) Zoning Lot Description and Ownership Statement made by 71 Smith Street Property Owner, L.L.C. dated August 14, 2013, and recorded September 3, 2013 as CRFN 2013000353018

(gg) Assignment of Leases and Rents made by 71 Smith Street Property Owner, L.L.C. to Manufacturers and Traders Trust Company, dated November 29, 2012 and recorded December 7, 2012 as CRFN 2012000480630;

(hh) One (1) UCC-1 Financing Statement filed December 7, 2012 as CRFN 2012000480631, Debtor: 71 Smith Street Property Owner, L.L.C., c/o The Carlyle Group, 520 Madison Avenue, New York, New York 10022; Secured Party: Manufacturers and Traders Trust Company, as Administrative Agent, 350 Park Avenue, New York, NY 11201;

(ii) Subway Indemnity Agreement made by 71 Smith Street Property Owner, L.L.C. and New York Transit Authority dated as of January 24, 2014.

(jj) All other covenants, restrictions, easements and agreements recorded against the Unit or the Property before execution of the Option Agreement; and

(10) Payment by Purchaser of all closing adjustments and closing expenses and costs, including but not limited to those described in the next section of the Plan.

The Declaration. By-laws and tax lot drawings for the Condominium and such other documents, as required by law, will be recorded and filed in the Office of the City Register, Kings County, prior to the First Unit Closing in accordance with the New York Condominium Act or applicable statute and local law.

N. CLOSING COSTS AND ADJUSTMENTS

At Closing, each Purchaser shall be required to pay certain costs and expenses in addition to the payment of the Exercise Price. The following is a list of the types and amounts of costs and expenses Purchasers should expect to pay. Estimates for title and recording expenses are provided by Fidelity National Title Insurance Company ("**Title Company**"), which company currently insures Sponsor's fee title to the Property and are based (as are all of the following items), on rates and charges in effect as of April 1, 2014. Charges are subject to change by the New York State Department of Insurance without prior notice.

1. Title Insurance

(a) If a Purchaser of a Residential Unit elects to obtain fee title insurance for a Unit, Purchaser will be obligated to order the insurance and pay the premium therefor which will vary depending upon the Purchase Price. Title insurance rates are set by the Title Insurance Rate Service Association (TIRSA) Manual, and filed with the New York State Department of Insurance.

(b) The current rate for fee title insurance alone for a Residential Unit (i.e., no mortgage title insurance) is (i) for fee policies of $100,000 up to and including $500,000, $461 for the first $100,000 of the Purchase Price and approximately $3.05 for each additional $1,000 dollars or fraction thereof up to and including $500,000, (ii) for fee policies of more than $500,000 up to and including $1,000,000, $1,502 for the first $500,001 of Purchase Price and approximately $2.79 for each additional $1,000 dollars or fraction thereof up to and including $1,000,000, and (iii) for fee policies over $1,000,000, $3,155 for the first $1,000,000 of Purchase Price and approximately $2.56 for each additional $1,000 or fraction thereof up to and including $5,000,000. For fee policies above $5,000,000 the rate is $2.28 per $1,000 for each $1,000 above $5,000,000 through $10,000,000.

(c) If a Purchaser elects to obtain mortgage title insurance simultaneously with a policy for fee title insurance, the premium for the mortgage policy will be at the "simultaneous rate" as follows: (i) for policies of $100,000 up to and including $500,000, $137 for the first $100,000 and $0.76 for each additional $1,000 or fraction thereof up to and including $500,000, (ii) for policies over $500,000 up to and including $1,000,000, $443 for the first $500,000 and $0.70 for each additional $1,000, or fraction thereof up to and including $1,000,000, and (iii) for policies over $1,000,000, $791 for the first $1,000,001 and $0.64 for each additional $1,000 over $1,000,000 up to and including $5,000,000. For mortgage policies between $5,000,001 and $10,000,000, the rate is $0.57 for each $1,000 over $5,000,000 through $10,000,000.

(d) As an example of how the foregoing rates would be applied, consider the following: If a Purchaser of a Residential Unit priced at $1,800,000.00 obtained a mortgage loan of $1,440,000.00, the mortgage title insurance would cost $1,073 and fee title insurance would cost $5,205, resulting in a total expenditure of $6,278 for mortgage and fee title insurance. If Purchaser purchased without mortgage financing (i.e., an "all cash" transaction) the cost for fee title insurance alone would be $5,205.

(e) Sponsor makes no representation regarding insurance available from insurers other than through the Title Company. Purchasers should also note that all mortgage insurance cost projections included above are exclusive of any endorsements to the loan policy a lender may require, which endorsements could increase the insurance cost. Purchasers may order insurance through a title company of their own choosing licensed to do business in the State of New York without penalty, or, if they choose to insure through the Title Company, by contacting Isabelle Pullis at (212) 471-3708, (917) 941-7846 or by email at ipullis@fnf.com.

(f) Purchasers are advised that certain title related services provided in connection with real estate situated in New York (including but not limited to condominium units) by title insurance companies, title insurance agents and examining counsel (whether or not they are located in New York) are subject to New York

State and local sales and compensating use taxes. Services subject to tax include, but are not limited to, the following: title reports when no policy of title insurance is to be issued, lien searches, municipal and tax searches, copies of public records, and service charges imposed in connection with any such services. Sales tax will not be charged on the premium paid for issuance of a title insurance policy, on which a premium tax is paid to New York State. Purchasers are advised to contact their title company for further information, and to review the New York State Department of Taxation and Finance's Tax Bulletin (TB-ST-5) dated September 23, 2010 entitled "Abstracts of Title and Other Public Records Searches, at http://www.tax.ny.gov/pubs_and_bulls/tg_bulletins/st/abstracts_of_title.htm.

2. Recording Fees

Purchaser will be required to pay fees for recording each Unit deed, the power of attorney in favor of the Board of Managers and Sponsor, and any mortgage Purchaser obtains to finance the purchase of a Unit. Purchaser also shall be required to pay the fees for recording the partial release of mortgage and UCC-3 termination statement related to the construction financing on the Property, if any, and any other documents Sponsor is required to file or record to convey title free and clear of liens and encumbrances. The current recording fees are $42 per document plus $5 per page.

Purchaser also shall be obligated to pay the administrative filing fee for the New York State Real Property Transfer Report (RP-5217 NYC) and the New York City Real Property Transfer Tax Return described below, which fee is currently in the aggregate amount of $125 for residential property.

3. Transfer Taxes

Under the Option Agreement, Purchaser will be required to pay the New York State Real Estate Transfer Tax applicable to the transaction (the "**State Transfer Tax**"). The State Transfer Tax currently is $2.00 per $500, or fractional portion thereof, of the consideration for the Unit. As of the date of this Plan, the State of New York imposes no administrative fee with respect to filing New York State Form TP-584 in connection with the State Transfer Tax. However, Purchasers will be obligated to pay any such administrative fee or other filing charge as the State of New York may impose in the future with respect to such filing.

(i) Under the Option Agreement, Purchaser also will be required to pay the New York City Real Property Transfer Tax (the "**RPT Tax**") applicable to the transaction and complete the RPT Tax Return in connection therewith (the State Transfer Tax and the RPT Tax are referred to in this Plan collectively as the "**Transfer Taxes**"). The RPT Tax rate currently is 1% of consideration for individual residential condominium units priced at $500,000 or less and 1.425% of consideration for individual residential condominium units priced at more than $500,000. As mentioned above, Purchaser shall also be required to pay the administrative charge for filing the RPT Tax Return (and any other administrative fee or filing charges as the City of New York may impose) and NYS Real Property Transfer Tax Report, which currently is in the aggregate amount of $125.

(ii) Purchasers are advised that two issues with respect to the RPT Tax are presented if Purchaser purchases more than one Residential Unit.

(A) The first issue is whether Purchase Prices for the Residential Units are aggregated for purposes of determining if the Purchase Price is more than $500,000. The New York City Department of Finance ("**DOF**") appears to concede that the Purchase Prices will not be aggregated for this purpose and that separate Purchase Prices for separate units will be respected as separate prices for separate units, if (x) the units are transferred by separate deeds, and (y) the allocation of the price among the different units is reasonable. Purchasers are advised, however, that DOF could change its position on this issue at any time.

(B) The second issue is that DOF has taken the position that if more than one residential condominium unit is purchased by the same purchaser either simultaneously or in related transactions, and if such units have not been physically combined into a single unit prior to closing, the transaction is no longer the sale of an "individual" residential unit and the tax rates described in Paragraph 3(b)(i) above do not apply. Instead, DOF maintains that since the transaction is no longer the sale of an individual residential unit, higher non-residential RPT Tax rates apply. The applicable non-residential rates currently are 1.425% for purchases with a consideration of $500,000 or less, and 2.625% for purchases with a consideration of more than $500,000. However, the New York City Tax Appeals Tribunal ("**Tribunal**") has upheld three Administrative Law Judge ("**ALJ**") determinations (***In the Matter of David Gruber, In the Matter of Rosenblum*** and ***In the Matter of Cambridge Leasing***), that concluded that a simultaneous sale of multiple residential condominium units to the same purchaser was in fact subject to the lower RPT Tax rates applicable to the sale of individual residential units. Nevertheless, in each case the Tribunal's rulings were limited to the specific facts involved and the Tribunal specifically declined to adopt the ALJ's conclusion that no sale of multiple residential units to the same purchaser could ever be subject to the higher non-residential RPT Tax rates. Accordingly, it is uncertain how DOF will apply the RPT Tax to a specific sale of multiple residential condominium units to the same purchaser, in view of recent Tribunal decisions.

Without a contract provision making purchasers responsible for payment of the Transfer Taxes, payment of the Transfer Taxes ordinarily is the obligation of a seller. New York City and New York State take the position that where a contract of sale for real property provides, as does the Option Agreement, that the purchaser pays the Transfer Taxes, the Purchase Price for the property is that much higher than the amount stated in the contract itself. The State Transfer Tax and the RPT Tax have thus been calculated by New York City and New York State in situations where a purchaser pays the Transfer Taxes, first by computing the RPT Tax and the State Transfer Tax on the Purchase Price listed in the contract of sale or Option Agreement, and then adding this aggregate tax amount to the Purchase Price listed in the contract of sale or Option Agreement, as applicable, to derive a "grossed up" Purchase Price. The RPT Tax and State Transfer Tax are then recalculated based upon this "grossed up" Purchase Price. Purchasers accordingly will be obligated to pay the RPT Tax and the State Transfer Tax calculated pursuant to this "grossing up" procedure, and also will be obligated to pay the RPT Tax at such higher rate as may be applicable when and if Purchaser is purchasing two or more Residential Units simultaneously. It is possible a similar grossed-up calculation will be imposed for other costs paid by Purchaser, if taxing authorities take the position they would be Sponsor costs absent a contractual provision making them a Purchaser's obligation. Accordingly, a grossed-up calculation will be employed with respect to document preparation and related fees paid to Sponsor's Closing Counsel by Purchaser as discussed in Section 7 below.

The foregoing discussion is not a representation or warranty that New York State and/or New York City will continue to compute the Transfer Taxes owed them by use of the policies, practices, formulas or rates described above, or that Sponsor will so compute the Transfer Taxes.

4. Mansion Tax

Purchasers are advised that New York State imposes an additional transfer tax upon Purchasers in an amount equal to 1% of the consideration for a Residential Unit where the consideration for the Unit is $1,000,000 or more (the "**Mansion Tax**"). **PURCHASERS ARE FURTHER ADVISED THAT NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE TAKES THE POSITION, WHICH POSITION HAS BEEN COMMUNICATED VERBALLY TO SPONSOR, THAT FOR PURPOSES OF THE MANSION TAX, CONSIDERATION INCLUDES NOT ONLY THE PURCHASE PRICE FOR THE RESIDENTIAL UNIT LISTED IN THE OPTION AGREEMENT, BUT ALSO THE AGGREGATE OF ANY TRANSFER TAXES PAYABLE BY PURCHASER UNDER THE OPTION AGREEMENT. THUS, FOR INSTANCE, A RESIDENTIAL UNIT PRICED AT $985,000 UNDER AN OPTION AGREEMENT WHERE A PURCHASER PAYS THE TRANSFER TAXES WOULD SUBJECT THE PURCHASER TO LIABILITY FOR THE MANSION TAX AS THE AGGREGATE OF THE PURCHASE PRICE PLUS THE TRANSFER TAXES EXCEEDS $1,000,000 ($1 MILLION).** Purchasers of

Residential Units where the consideration (including the Purchase Price itself, plus the aggregate Transfer Taxes and possibly other costs payable by Purchaser as discussed above) is $1,000,000 ($1 million) or more, will be obligated to pay the Mansion Tax at closing. The foregoing discussion is not a representation or warranty that New York State will continue to compute the Mansion Tax owed to it in accordance with the foregoing policies, practices, formulas or rates.

5. Mortgage-Related Costs

Purchasers obtaining mortgage loans to finance their purchase are advised that they will be responsible for the payment of all closing costs and expenses in connection with their mortgage in amounts determined by the lender. These costs customarily include, among others, origination fees or "points," commitment fees, fees for credit checks, mortgage title insurance, bank attorneys' fees and appraisal fees.

Purchasers obtaining mortgage loans also will be obligated to pay mortgage recording tax. The mortgage recording tax rate in New York City currently is 2.05% of the mortgage amount for mortgages of less than $500,000, and 2.175% of the mortgage amount for mortgages of $500,000 or more. The borrower under a mortgage for a residential condominium unit is entitled to a $30 deduction for the first $10,000 of the mortgage amount. If Purchaser obtains a mortgage loan covering more than one Residential Unit and the mortgage is $500,000 or more, the commercial mortgage recording tax rate of 2.80% will apply.

A Purchaser obtaining a mortgage loan may be entitled, pursuant to Section 339-ee(2) of the Condominium Act, to a credit against a portion of the mortgage recording tax that Purchaser ordinarily would be required to pay upon the recording of Purchaser's mortgage based on mortgage tax previously paid by Sponsor. Purchaser's credit will be equal to the product of the Unit's Common Interest multiplied by the mortgage tax previously paid on the Property. Alternatively, if Purchaser is obtaining a mortgage loan to finance purchase of a Unit, Sponsor in its sole discretion may arrange with Sponsor's construction lender to provide for splitters of Sponsor's Construction Loan and assignment of the portions of said Construction Loan so split in an aggregate amount not exceeding Purchaser's committed mortgage loan, to Purchaser's lender .Purchasers and their lenders shall be obligated to cooperate and accept such assignment should such splitters be used. To the extent Purchaser receives a credit against the mortgage tax pursuant to the provisions of Section 339-ee(2) of the Condominium Act or RPTL Section 255, that would otherwise be payable in connection with Purchaser's purchase money mortgage, Purchaser shall be obligated to reimburse Sponsor in the amount of the credit so received. In no event shall Purchaser be required to pay more than the amount of mortgage tax Purchaser would have paid absent the statutory credit. That is, the aggregate of the amount to be reimbursed by Purchaser to Sponsor, plus any mortgage tax that Purchaser must pay, will not exceed the amount that Purchaser would have been required to pay as the full mortgage tax absent the credit.

Purchasers are advised that if Units are not separately assessed for real estate taxes for the then current tax year as of Purchaser's closing date, the Board of Managers will collect escrows for real estate taxes or bill Unit Owners in accordance with the procedures discussed in Paragraph 6 of this Section N. If Purchaser's lender nevertheless requires that Purchaser deposit real estate tax escrows with the lender, Purchaser will be in the position of making double escrow deposits, since the Board of Managers will not waive this requirement under the Plan.

6. Adjustments for Common Charges and Real Estate Taxes

All real estate taxes and Common Charges attributable to a Unit paid by Sponsor for any period of time during which the Unit Owner will own the Unit, shall be adjusted between Sponsor and Purchaser as of the closing date. If a closing occurs after the 15th day of the month, Purchaser may be required to pay the Common Charges for the next month at the closing as well. If Purchaser is in possession of a Unit under an Interim Lease or Occupancy Agreement, rent or other occupancy fee also will be adjusted as of the closing date.

If a Unit closes during the 2016/2017 tax year (i.e., the tax year running from July 1, 2016 through June 30, 2017), it is possible the Unit will not be separately assessed for real estate taxes for that tax year by that Unit's closing date. Until separate assessment for each Unit, Sponsor will continue to receive the tax bill and will be liable for taxes on the Property. Thus, if Units have not been separately assessed by Unit closing, an adjustment for real estate taxes will be made at Unit closing based on the Unit's proportionate share of the real estate taxes for the entire Property, which shall be obtained by multiplying the taxes payable on account of the Property for that year by the Common Interest attributable to the Unit.

If separate assessments have not been made prior to the closing of title to a Unit, Sponsor may collect from each Purchaser at closing and place in escrow with Managing Agent or other appropriate party ("**RE Tax Escrowee**") in a separate account established for that purpose (the "**Tax Escrow Account**"), an amount equal to the Unit's estimated proportionate share of real estate taxes projected to be due for the entire Property for the half of the tax year next commencing after closing of said Unit (i.e., for either the first half or second half, depending on when the Unit closes), based on the method of allocation described above. If the tax assessor indicates that more than one half of a tax year may elapse before the Units are individually assessed, Sponsor may collect at closing Purchaser's proportionate share of taxes for the upcoming half and deliver same to RE Tax Escrowee for deposit in the Tax Escrow Account as described above, and direct the Board of Managers to collect monthly escrows from Unit Owners with their Common Charges for the balance, based upon the estimated tax bill for the entire Property and the then current tax rate (or a higher tax rate to hedge against a possible rate increase if the new rate has not yet been set) and deposit same in the Tax Escrow Account. Alternatively, Sponsor may elect not to collect escrows at Unit Closing and instead, to direct the Board to bill Unit Owners for their proportionate share of the estimated tax payment next due based on the allocation method described above, and place all sums so collected in the Tax Escrow Account. At the time taxes are payable, Sponsor shall pay, out of Sponsor's own funds, Sponsor's proportionate share of the Property tax bill allocable to the Units Sponsor then owns, based on the allocation method described above, and RE Tax Escrowee shall be obligated to release to Sponsor the appropriate amount of escrowed tax funds from the Tax Escrow Account for Sponsor's use in paying the share of taxes attributable to Units that have been sold and closed to other Unit Owners. If escrows are collected for real estate taxes as discussed above, then until such time as the Units are separately assessed and during the time such escrows are collected, the amount of funds in the Tax Escrow Account will be disclosed in any amendments to the Offering Plan filed after the First Unit Closing.

If the actual taxes due for any period for which Sponsor collected escrows are higher than the amount collected and held in escrow, the Board of Managers shall pay the difference and shall bill Unit Owners for their proportionate share of any necessary reimbursement, as a Special Assessment. The amount Sponsor pays on account of its Units as set forth in subparagraph (c) of this Section 6, will be based on the actual, rather than estimated tax due, so it is not anticipated that there will be a shortfall in taxes attributable to Sponsor's Units. Sponsor will in any event remain liable for all real estate taxes attributable to Sponsor's Units until Sponsor conveys those Units. If any Unit Owner, including Sponsor, fails to pay a Unit's pro rata share of real estate taxes when due, by Common Charge billing, special assessment billing, or both, the Board of Managers will have a lien on such Unit for non-payment thereof, as if such charges were Common Charges. If the actual taxes due are lower than the amount collected and held in escrow by RE Tax Escrowee, Sponsor shall pay the tax bill and shall direct RE Tax Escrowee to return to Unit Owners their proportionate share of any excess. At such time as the Unit is separately assessed, the Unit Owner will be obligated to pay taxes directly to the taxing authority. Thus, if the Units are separately assessed with payments to commence during a period for which RE Tax Escrowee holds escrow funds, Sponsor shall direct RE Tax Escrowee to return the funds to each Owner and Owner will be responsible for paying said Unit Owner's own tax bill.

7. Closing Counsel Document Preparation Fees

Sponsor's Closing Counsel (i.e., Bryan Cave LLP), will serve as Escrow Agent for Premium Payments and will coordinate, prepare for, and attend Residential Unit closings on behalf of Sponsor. All closings

must be held at the offices of Sponsor's Closing Counsel, 1290 Avenue of the Americas, New York, NY 10104. Each Purchaser shall make a payment for document preparation and related fees including, but without limitation, the preparation of ACRIS forms, by certified or bank check to Sponsor's Closing Counsel, for each Unit purchased, in accordance with the following schedule:

(a) $3,000 per Unit for an all cash closing (i.e., without mortgage financing), or $3,200 per Unit if Purchaser is obtaining mortgage financing for the purchase, which fee is the same whether or not a Storage Bin License Agreement or Parking License Agreement is being entered into.

In addition to the foregoing, Purchaser shall be obligated to pay, at Purchaser's Unit Closing, to the extent applicable to the transaction, by certified or bank check (or attorney escrow check) the following fees:

(b) $700 if Purchaser requires and Sponsor consents that the Unit Closing be held in a location in Manhattan other than at the offices of Bryan Cave LLP. If, however, Purchaser requires and Sponsor consents to a closing outside of Manhattan, Purchaser will be required to pay for the time involved for Sponsor's Counsel to travel to, attend and return from closing, and the additional fee will not be limited to $700; plus

(c) $300 for the first adjournment after the one "free" adjournment provided under the Option Agreement granted at Purchaser's request, provided the adjournment is requested at least three (3) business days in advance of the Original Scheduled Closing Date as same may have been adjourned pursuant to the "free" adjournment. If the closing is adjourned by Purchaser less than three (3) business days before the Original Scheduled Closing Date (as same may have been adjourned pursuant to one "free" adjournment, the adjournment fee shall be $600. There shall be an additional fee of $600 for each adjournment after the foregoing adjournments agreed to by Sponsor at Purchaser's request; plus

(d) $1,800 for each notification sent by Sponsor or Sponsor's Closing Counsel arising out of or connected with Purchaser's failure to comply with its obligations under the Option Agreement; plus

(e) $300 if Purchaser, Purchaser's attorney, or Purchaser's lender or its counsel is 30-60 minutes late to a scheduled Unit Closing, and an additional $500 for each hour or portion thereof after the first hour that Purchaser, Purchaser's attorney, Purchaser's lender or lender's counsel is late to a scheduled Closing; plus

(f) $300 if (x) Purchaser or Purchaser's lender does not arrive and produce certified funds or an official bank check for the Exercise Price and other payments due at Closing, at the time scheduled for commencement of the Unit Closing, or (y) Purchaser's lender is present at the time scheduled for commencement of the Unit Closing but does not have execution copies of the loan documents in lender's possession at the time scheduled for commencement of the Closing; plus

(g) $1,000 for each assignment of the Option Agreement, or for each addition, substitution or deletion of names on the Option Agreement, in each case requested by Purchaser and agreed to by Sponsor. Such payment is payable by Purchaser at the time the assignment or name change is requested, but if for any reason same is not paid then, it must be paid no later than Unit Closing; plus

(h) $1,000 if the Option Agreement is modified after it is executed (for example, without limitation, to include the purchase of a Storage Bin License or Parking License, or for any other reason arising from Purchaser's request or needs), for each such modification agreed to by Sponsor; plus

(i) $1,500 if Purchaser determines to acquire a Storage Bin License or Parking License after the Closing of the Residential Unit, and Sponsor consents.

The costs above in (a) through (i) are cumulative to the extent applicable to an individual Unit Closing.

8. Working Capital Contribution

Purchaser shall also be required to pay at each Residential Unit Closing an amount equal to two (2) months of Common Charges attributable to each Unit being purchased, which will be paid to the Board of Managers to be deposited in the operating account of the Condominium as working capital, as described in Part I, Section T of this Plan.

9. Professional Fees

Purchaser shall have sole responsibility for payment of all professionals, including attorneys, engaged or retained by Purchaser.

10. Fees for Delay

If Purchaser is not ready to close on the closing date scheduled by Sponsor pursuant to the Plan (the "**Original Scheduled Closing Date**"), any adjournment of the closing granted by Sponsor at Purchaser's request, subject to Purchaser's one-time right to a 15-day adjournment as provided in the Option Agreement, will, at Sponsor's discretion, be on the condition that (i) all adjustments required to be made at closing will be made as of the Original Scheduled Closing Date, and (ii) Purchaser shall pay Sponsor at closing, by unendorsed personal certified or bank check drawn on a bank that is a member of the New York Clearinghouse Association, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the Original Scheduled Closing Date to (and including) the day before the actual Closing Date. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the closing date. However, the provisions shall apply to any postponements by Purchaser of an agreed-upon adjourned closing date. Sponsor reserves the right to waive any or all of the provisions of this paragraph.

11. Resident Manager Allocable Share Costs

Sponsor intends to sell Unit 705 (the "**RM Unit**") to the Board of Managers for use and occupancy by the Resident Manager for a purchase price of $1,200,000 (the "**RM Purchase Price**"). There will also be closing costs incurred by the Board of Managers in connection with the purchase of the RM Unit such as, without limitation, fee title insurance, Transfer Taxes, Mansion Tax, mortgage recording tax, recording fees and other loan-related costs ("**RM Closing Costs**"). The RM Closing Costs are currently estimated to be $36,100.00. The Board of Managers will be obligated to pay the RM Closing Costs as well as the RM Purchase Price. The RM Purchase Price together with the RM Closing Costs is projected to be $1,236,100.00 (the "**RM Purchase Costs**). The RM Purchase Costs are anticipated to be paid 35% in cash (the "**Cash Portion**") and 65% out of the proceeds of a purchase money loan from an Institutional Lender. Each Purchaser of a Residential Unit will be obligated to pay a proportionate share of 35% of the RM Purchase Costs based on the Residential Common Interest appurtenant to the Unit being purchased (such portion, the "**Allocable Share**").

12. Sample Closing Costs

The following is an illustration of the type and estimated amounts of closing costs a Purchaser buying a Residential Unit with a Purchase Price of $1,810,000 for all cash (i.e., without mortgage financing) might expect to pay under this Plan. The below illustration does not include any sales tax payable by Purchaser in connection with obtaining title insurance, as discussed in Item 1, subparagraph (f) of this Section N. All amounts are subject to change.

Fee Title Insurance	$ 5,205

State Transfer Tax	$ 7,332
RPT Tax (including $125 filing fee)	$26,243
Mansion Tax	$18,100
Recording Fees	$125 (estimated)
Working Capital Contribution	$2,882
Resident Manager Allocable Share Costs	$3,493
Sponsor Legal Fee	$3,000
Total Estimated Closing Costs for Unit:	**$ 66,380**

The foregoing assumes that Purchaser closes timely and that no fees are assessed for adjournments or assignments of the Option Agreement or for delaying the commencement of the closing. The amounts listed for NYC RPT Tax and State Transfer Tax are "grossed up" for Transfer Taxes payable in accordance with the discussion above. In addition to the foregoing expenses, Purchaser will be obligated to pay Purchaser's attorney, should one be engaged. If financing is obtained, Purchaser will be obligated to pay bank fees, mortgage tax, and attorneys' fees to lender's counsel, and such other fees as lender shall impose. With the exception of the cost of mortgage tax, which is based on a rate set by statute and the amount of the mortgage, these fees vary substantially and thus are not estimated above.

The entire contents of this Section N as same may be revised or amended, shall be deemed incorporated in the Option Agreement for each Residential Unit.

O. RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor shall have the following rights and obligations under this Plan.

1. Construction

(a) Sponsor expects to close on construction financing for the Project with Construction Lender in the first quarter of 2015. Construction Lender will be obligated to release each Unit from the lien of the construction loan upon sale of the Unit upon satisfaction of certain conditions by Sponsor. Before each Unit Closing all liens and mortgages affecting the Unit, if any, shall be paid, bonded or satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by a release instrument provided by Construction Lender to be recorded prior to recordation of the deed to the Unit, or Sponsor will provide sufficient security to the Title Company such that the Title Company will be willing to insure the Unit without exception for such lien.

(b) Sponsor shall build and complete the Condominium in accordance with the Plans and Specifications, subject to Sponsor's right to substitute appliances, fixtures, equipment or materials of substantially equal or better quality for those described in the Plans and Specifications, and to make modifications in layout or design. Any of the foregoing substitutions or modifications may be made without prior notice or amendment to the Plan. Sponsor will not substitute appliances, fixtures, equipment or materials of lesser quality than those specified in the Plans and Specifications.

(c) Prior to the First Unit Closing under this Plan, Sponsor shall have obtained at least a partial temporary certificate of occupancy covering the Unit to be closed. If the First Unit Closing shall have occurred under a temporary certificate of occupancy, Sponsor shall attempt to obtain a final certificate of occupancy for the Building within two (2) years after the First Unit Closing, subject, however, to force majeure, actions by the Board of Managers, any members thereof, actions by Unit Owners or tenants of Unit Owners, or any other cause over which Sponsor has no control. Sponsor shall cause any such temporary certificate of occupancy to be renewed prior to expiration thereof. Sponsor and its principals shall remain responsible to obtain a final certificate of occupancy for the Property subject, however (after expiration of the Initial Control Period), to cooperation by the Board of Managers and Unit Owners.

(d) If a permanent certificate of occupancy ("**PCO**") for the Building has not been issued at the time of the First Unit Closing, Sponsor will obtain a written estimate from Sponsor's Architect as to the remaining cost reasonably necessary to complete the construction work to obtain a PCO ("**PCO Cost Certification**"). The PCO Certification may be revised from time to time as additional work is completed and the estimated remaining costs of obtaining a PCO decrease. It is expected that the costs to obtain the PCO will be paid out of remaining Construction Loan proceeds and cash payments by Sponsor. At all times as the aggregate Premium Payments held by Escrow Agent in the Escrow Account exceeds the PCO Cost Certification, Escrow Agent shall be authorized to release from the Escrow Account at each Unit Closing the Premium Payment held for that Unit, provided that the sum remaining in the Escrow Account once that Premium Payment is released, is equal to or greater than the then applicable PCO Cost Certification. If at the time the initial PCO Cost Certification is issued, the amount in the Escrow Account is less than the PCO Cost Certification, then in lieu of (or in addition to) retaining the Premium Payments in escrow, Sponsor may deposit with an escrow agent (including, without limitation, Escrow Agent) cash or an unconditional, irrevocable letter of credit, or post a surety bond, or provide other collateral acceptable to the Department of Law, such that either the collateral or the collateral plus the aggregate Premium Payments, is at least equal to the amount of the PCO Cost Certification. In such instance, each Premium Payment may be released to Sponsor or anyone Sponsor designates or directs either at the time of the Unit Closing or upon placement of the substitute collateral in escrow, as applicable. Escrow Agent may rely entirely upon the PCO Cost Certification in releasing funds from escrow and is not required to make any independent inquiry or evaluation.

(e) Sponsor will pay all contractors, subcontractors, suppliers and all others involved in the construction of the Condominium who are engaged by Sponsor, for authorized work performed and authorized fixtures, material and equipment supplied to or installed in the Condominium and will cause all mechanics' liens arising out of Sponsor's construction of the Condominium or the furnishing or installation of fixtures or equipment, to be discharged, bonded or otherwise handled so as not to encumber Purchaser's title, promptly after Sponsor has received actual notice that any such liens are filed.

(f) Sponsor's obligations pursuant to General Business Law Article 23-A, if any, which are required to survive delivery of the deed to a Purchaser, and those obligations of Sponsor set forth in this section which are to be performed subsequent to closing, if any, shall survive delivery of the deed.

(g) (i) Construction is a complicated process requiring coordination of numerous tasks, contractors and suppliers, and balancing of complex mechanical and architectural systems. No assurance can be or is given with regard to the accuracy of any projected completion dates set forth in this Offering Plan. During the first years of Condominium operation, it is anticipated that construction workers and related personnel will be at the Property from time to time completing construction of the Project, making adjustments and corrections, and performing various other tasks related to completion of construction and Sponsor's undertakings and obligations with respect to same. During any of these periods, various Building systems, including but not limited to water supply, air conditioning, heating, ventilation and elevators, may need to be shut down temporarily.

(ii) To minimize damage to finished spaces that might be caused during move-ins by Purchasers, the entrance lobby, elevator cab and public corridors may not be fully decorated until after all Residential Unit move-ins are completed. Sponsor may also choose not to fully complete decorations of common areas of the Building, including, without limitation, installation of light fixtures in common areas, hanging of wall coverings or laying of carpeting, etc., until that particular portion of the Building is complete or a particular floor is fully occupied by Residential Unit Owners.

(iii) Any alteration work being considered by a Unit Owner prior to the time a final certificate of occupancy for the Building is issued, must be approved by Sponsor as well as the Board of Managers, before it may be undertaken. Sponsor shall have the absolute right to deny consent to alteration requests until a final certificate of occupancy is procured for the Building as open alteration permits by Unit Owners will interfere with Sponsor's ability to obtain a final certificate of occupancy. Sponsor also may require that any such alteration work to which Sponsor consents which requires filing with the New York City Department of Buildings or the New York City Department of Finance, be handled by Sponsor's Architect and/or Sponsor's expediter/code consultant, at Unit Owner's expense, to try to minimize interference with Sponsor's filings to obtain a final certificate of occupancy.

(iv) Certain services, such as telecommunications, and other similar services, may be provided by outside suppliers, and delays in provision of these services by such outside suppliers, are not and will not be the responsibility of Sponsor and Sponsor shall have no liability in connection therewith. Such suppliers may determine not provide these services until occupancy of the Building has reached certain threshold levels. Portions of the Building, such as the Residents' Gym and Amenity Center, may be completed after some or all of the Units are completed, and thus after Unit Closings commence. The fact that a particular portion of the Building, or a particular amenity is not completed or otherwise is not available for use by a Unit Owner, shall not be a basis for a Purchaser to refuse to close title to Purchaser's Unit, nor shall it serve as a basis for any claim against Sponsor.

(v) In addition, the presence of hoists or construction elevator shafts, or similar temporary construction facilities, may delay the closing of title to certain Residential Units until such hoists, elevators or other temporary facilities are no longer needed and are removed. During the period when Sponsor is completing construction of the Building, moves by Residential Unit Owners into the Building may be restricted to certain periods when the elevators and other access elements are not being used by the construction trades. The initial temporary

certificate of occupancy is likely to be a partial one, covering portions of the Building. As each temporary certificate of occupancy is extended, it is expected to cover an increasing portion of the Building. Accordingly, it is likely different Residential Units will be completed and covered by a temporary certificate of occupancy at different times, with some Residential Units completed and ready to close before others. Purchasers thus should be aware that they may be required to close title to their Units while construction in other Units and other parts of the Building is continuing, possibly for an extended period of time, and that noise, dust and other objectionable conditions inherent in a construction site may inconvenience or disturb Unit Owners or their tenants after they have taken occupancy of their Units. Sponsor will not be liable to Unit Owners for any inconvenience or disturbance arising out of the fact that the Project is under construction. Purchasers and Unit Owners shall have no right to claim against Sponsor, or to delay their Unit Closings or rescind their Option Agreements, due to any of the foregoing.

(h) To facilitate Sponsor's obligations under the Plan to procure a certificate of occupancy for the Building and to perform any other construction required under the Plan or any Option Agreement entered into pursuant thereto, Sponsor and Sponsor's contractors, subcontractors, construction workers and other personnel shall have the following rights and easements in and through the Common Elements from and after the First Unit Closing until such work has been completed: (i) general right and easement of access to, and use of Common Elements (including, without limitation, preferential and priority use of elevator), (ii) right and easement to transport construction equipment, materials, supplies and debris on, across or through the Common Elements, and to temporarily store construction equipment, materials, supplies and debris in any Storage Bins owned by Sponsor or in or on portions of the Parking Area or other Common Elements determined appropriate by Sponsor and/or Sponsor's contractors in its or their sole discretion, and (iii) right to temporarily interrupt or suspend services or systems in or to the Property (including, without limitation, water, heating, cooling, electricity, gas, ventilation, plumbing and other building systems). Sponsor will use reasonable efforts to utilize the foregoing rights and easements in a manner that will minimize inconvenience to Residential Unit Owners and other residents of the Building in which the work is being performed.

(i) Sponsor shall deliver to the Board of Managers "as-built" plans for the Building (e.g., architectural, structural, mechanical, electrical, plumbing), as approved by the Department of Buildings, at the later of the date Sponsor obtains a final certificate of occupancy for the Property or the annual meeting at which Sponsor transfers control of the Board of Managers to the Unit Owners.

(j) If warranties for equipment and appliances in a Unit are actually made by a particular manufacturer or contractor, and are made available to Sponsor, Sponsor shall deliver copies to Purchaser at the Unit Closing. If warranties for equipment and appliances comprising Common Elements, and for any electrical, heating and plumbing systems comprising Common Elements, are actually made by a particular manufacturer or contractor, and are made available to Sponsor, Sponsor shall deliver copies of same to the Board of Managers at the expiration of the Initial Control Period, following Sponsor's surrender of voting control of the Board of Managers. If such warranties require assignment to the Board to be enforced by the Board and are assignable, Sponsor will assign same. At the same time following expiration of the Initial Control Period as Sponsor delivers or assigns the warranties described above, Sponsor will deliver and assign the manufacturer's roof warranty to the Board of Managers. At that time Sponsor also will deliver to the Board of Managers (not Sponsor-controlled) copies of major equipment start-up sheets and operating manuals for appliances, equipment and electronic systems and other systems comprising Common Elements, if same exist and if Sponsor was provided with same by the manufacturer, contractor or installer. Sponsor shall have no liability whatsoever with respect to appliances, equipment and systems operated by the Board of Managers in a manner inconsistent with instructions, manuals or other operating requirements that either cause same to malfunction or vitiate the warranty provided in connection with same.

(k) The risk of loss, damage or destruction due to fire or other casualty to the Building, on Sponsor's and Purchaser's rights and obligations, is discussed in Part I, Section M of the Plan entitled "Closing of

Title to Units." See also Schedule B contained in Section F of this Plan for a detailed description of the insurance coverage to be obtained for the Building for the First Year of Condominium Operation.

2. Board of Managers

(a) Sponsor shall not be liable for or obligated to defend any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of closing of title to such Unit or the leasing thereof to any Purchaser, or with respect to the Common Elements, arising out of any occurrence taking place on or after the date of recording the Declaration, or to indemnify the Board of Managers, or any Unit Owner, except with respect to claims arising out of the acts, omissions or representations of Sponsor. Subject to the foregoing, Sponsor shall defend suits arising out of acts, omissions or representations of Sponsor.

(b) Sponsor will pay all Common Charges for Units it owns (once Common Charges are assessed and collected as described below), as well as Special Assessments that may be imposed by the Board of Managers, for Units Sponsor owns, and real estate taxes attributable to Units Sponsor owns, while Sponsor owns these Units. Sponsor represents it has the financial resources to meet its obligation with respect to Units it owns and expects to fund its obligations from sales proceeds and/or reserves Sponsor maintains for these purposes. However, as is common in offering plans filed in New York City, no bond or other security has been or will be furnished to the Board of Managers or Unit Owners to secure Sponsor's obligations to complete construction of the Condominium or as concerns Units owned by Sponsor, including but not limited to Sponsor's obligations to pay Common Charges or real estate taxes for Units it owns or to complete construction of the Condominium after the First Unit Closing and obtain a final certificate of occupancy for the Building. All obligations of Sponsor pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners.

(c) The Board of Managers shall have the right to impose and commence collecting Common Charges at date of First Unit Closing or to waive the payment of Common Charges as described in this provision for a period of time. Specifically, the Board of Managers in its sole discretion shall have the right to waive Unit Owners' obligations to pay Common Charges for a period of time determined by the Board of Managers, and accordingly to commence collection of Common Charges at a later date than the First Unit Closing, provided that Sponsor undertakes to pay the basic operating costs of the Condominium during this period. If the collection of Common Charges will be delayed for a period of time, (i) Sponsor shall disclose this in the post-closing amendment to the Plan and shall provide an estimate of the length of the delay period, (ii) Sponsor shall provide at least 30 days written notice to Unit Owners of the expiration of the delay period and the date on which the Board will commence collecting Common Charges and shall include a copy of such notice in an amendment to the Plan, (iii) during the delay period when Common Charges are not being collected, Sponsor will timely pay all operating expenses of the Condominium, including without limitation, insurance premiums and any reserve fund payments required by lenders, (iv) upon commencement of collection of Common Charges, there will not be an assessment by the Board of Managers for any item set forth in the projected First Year's Budget as same may have been amended by filed amendment to the Plan, and (v) Sponsor shall remain obligated to provide updates of the Condominium's budget adopted by the Board of Managers in filed amendments to the Plan. Sponsor shall become responsible for all Common Charges assessed against Units owned by it only from and after the date the Board determines to commence collection of Common Charges. As Sponsor initially controls the Board of Managers, any decision of the Board to delay collection of Common Charges will effectively be Sponsor's decision. Once the Board of Managers has made a determination to assess and collect Common Charges, Sponsor shall pay all Common Charges and Special Assessments with respect to Units owned by Sponsor, until these Units are sold to Purchasers or conveyed to parties other than Sponsor. If there is a vote by the Board of Managers to sue the Sponsor, members appointed by Sponsor's appointees to the Board will recuse themselves from the vote.

(d) Sponsor shall cause the Board of Managers to procure, by the First Unit Closing, the insurance described in Schedule B of this Plan, and otherwise required by the By-laws.

3. Offering and Sales Issues

(a) Sponsor agrees to keep copies of the Plan, exhibits and documents referred to in the Plan on file at Sponsor's office or at another designated place for six years from the date the Offering Plan is accepted for filing by the Attorney General.

(b) 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 Common Elements to complete construction in a manner consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder for as long as necessary to complete these obligations. The Board of Managers shall no right to impede, obstruct or prevent exercise of the foregoing rights by Sponsor. Sponsor will use reasonable efforts in the exercise of these rights so as not to interfere with a Unit Owner's reasonable use of said Owner's Unit during any work period. However, there may be a temporary limitation as to use of the Unit and/or public areas when and if Sponsor exercises its rights, and Sponsor shall have no liability in such event. Sponsor's reservation and rights shall include, but not be limited to:

(i) The right to maintain a Sales Office, one or more model apartments and other general and sales and leasing office(s) and personnel on the Property, to post signs in on the Building, and to conduct other activities connected with promotion, sales or leasing, such as inspection and display of vacant or leased Units, or other components of the Project to prospective purchasers or lessees, consistent with the first class nature of the Project; and

(ii) Right of access in and to Units, and Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing and similar work.

With respect to the right reserved in this subparagraph 3(b) above, it is expressly provided and understood that Sponsor and its agents, employees, contractors and Affiliates, shall have the right to use portions of the Property (including, without limitation, Common Elements of the Condominium) as construction, staging, sales and promotion offices, as model apartments and for other purposes related to completion of construction of the Project and the sale (and leasing) of Units and other components of the Project. Such right to use said facilities for such purposes shall continue until all Units are sold and conveyed. The Board of Managers may not enact rules or regulations, or perform other acts, or make any other provisions, that would interfere with the rights of Sponsor and its agents, employees, contractors and Affiliates, in this paragraph. Such rights shall inure to the benefit of Sponsor's successors and assigns.

(c) The Housing Merchant Implied Warranty (General Business Law Article 36-B) does not apply to this offering because that statute applies only to new single family homes or new for-sale units in a multi-unit residential structure of 5 stories or less in which title is transferred to owners under a condominium or cooperative regime. Sponsor has the obligation, nevertheless, to construct the Condominium in accordance with applicable law and code and substantially in accordance with the Plans and Specifications.

(d) Unless caused by a violation of the Sound Transmission Code or other applicable code, there is no obligation on the part of Sponsor with respect to sound transmission. Unless caused by a violation of an applicable code with respect to ventilation systems, there is no obligation on the part of Sponsor as to odors. Unless caused by a code violation, there is no obligation on the part of Sponsor as to mold, mildew, spores, fungi or other toxins. There is no warranty by Sponsor as to view or light quality. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty or otherwise). In the event of

any conflict between the foregoing disclaimers in this subparagraph 3(d) and Sponsor's obligation to construct the Project in accordance with applicable law and code and substantially in accordance with the Plans and Specifications, Sponsor's obligation to construct the Project in accordance with applicable law and code and substantially in accordance with the Plans and Specifications will control.

(e) Sponsor will pay or cause to be paid all expenses in connection with the sale of Units owned by Sponsor and offered under this Plan (except for costs specifically made payable by Purchasers under this Plan), and will pay all selling expenses including, but not limited to, advertising and printing costs, architect and engineering fees, and costs of filing this Plan and amendments thereto.

(f) Sponsor reserves the right, without amendment to the Plan, to negotiate the price of a Unit, and all other aspects of the transaction related to price, any other terms of the Plan or Option Agreement, any obligation of a Purchaser and every other aspect of the transaction. Notwithstanding the foregoing, Sponsor may not negotiate a price for a Unit higher than the price for that Unit contained in the Plan or in an amendment to the Plan, it being understood that prices may be increased only by amendment to the Plan and not by negotiation. Disclosure of the fact that modification of an Option Agreement or the price of a Unit may be requested by a Purchaser or various aspects of the sale may be the subject of negotiation does not mean that any of them, or any other particular item, except as is otherwise specifically disclosed, is actually being offered to any particular Purchaser, and Sponsor shall not be obligated to alter the terms of sale or to impose any such obligation on itself as to a particular Purchaser, whether or not it makes such allowances to any other Purchaser or Purchasers. The negotiation of such terms shall be on a case-by-case basis in Sponsor's sole discretion and without amendment to the Plan. In accordance with the foregoing, it should be understood that there is no obligation for any particular item to be negotiated or granted to any particular Purchaser, and that Purchasers purchasing similar interests may pay different amounts or receive different terms with respect to the transaction.

(g) In the event of (i) dissolution or liquidation of Sponsor while Sponsor still owns Units that are being offered under this Plan, or (ii) transfer by Sponsor to a single transferee of ten (10) or more Residential Units or at least twenty percent (20%) of the total Residential Units in the Condominium (whichever is less), to be offered by such transferee under the Plan, the principals of Sponsor will provide one or more financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Residential Units, under the Offering Plan and under applicable laws and regulations. By "financially responsible" Sponsor understands the regulations promulgated by the Department of Law to mean a party who would satisfy the financial requirements imposed on sponsors by Article 23-A of the General Business Law and the regulations of the Department of Law.

(h) Sponsor's obligation with respect to repair of damage from casualty or other cause occurring prior to the closing of title to a Unit, is discussed in Part I, Section J of the Plan, entitled "Procedure to Purchase."

(i) Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability. Sponsor has not given and Purchaser has not relied on or bargained for any such warranties. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise).

(j) Sponsor reserves the right to offer for sale to Residential Owners, at Sponsor's discretion, Storage Bin Licenses and Parking Licenses.

4. Repair of Defects

(a) Sponsor shall not be obligated to correct or cause to be corrected any defects in construction of a Residential Unit or the Common Elements, or in the installation or operation of any mechanical

equipment therein, except as set forth herein. In the event correction of a defect is covered under any guaranty or warranty given to Sponsor by the construction consultant, general contractor or construction manager (collectively the "**General Contractor**") engaged by Sponsor to complete construction of the Condominium (or by any contractor or subcontractor engaged by the General Contractor or Sponsor), Sponsor may, but shall not be obligated to, apply to the General Contractor to correct the defect. Sponsor shall, however, correct or cause to be corrected any defects in construction of the Condominium and the Residential Units and any Residential Limited Common Element appurtenant thereto, or in the installation or operation of mechanical equipment installed by Sponsor therein, but only if (i) such defect is due to substantially improper workmanship or materials substantially at variance with the Plans and Specifications, and (ii) Sponsor is notified in writing (x) by the Unit Owner to whom Sponsor sold a Residential Unit, within thirty (30) days following the Unit Closing Date for that Unit if the defect concerns that Residential Unit or appurtenant Residential Limited Common Element (or if Sponsor permits occupancy of the Unit by a Purchaser under any interim occupancy agreement, then within thirty (30) days after the commencement date of the interim occupancy agreement), or (y) by the Board of Managers, within thirty (30) days following the First Annual Meeting of Unit Owners, if the defect concerns the General or Residential Common Elements. Notwithstanding the foregoing, if a defect in a particular General or Residential Common Element located in a Residential Unit can be detected only after occupancy of the Unit, then the Unit Owner must notify the Board of Managers of the defect, and Sponsor must be notified by the Board of Managers of same, within thirty (30) days of the Unit Closing Date for that Residential Unit, for Sponsor to be obligated to remediate same, assuming it is a defect otherwise eligible for remediation by Sponsor pursuant to this Section 4. If Sponsor is not notified within these time periods, Sponsor shall not have any obligation to remediate the defect even if it otherwise would be eligible for remediation. In no event, however, shall Sponsor be obligated to compel, or to take action to compel, the General Contractor (or any contractor or subcontractor) to perform under any guaranty or warranty given by it in connection with work performed at the Property. In no event shall a Punchlist Item be deemed a defect eligible for remediation pursuant to this Section 4 or otherwise.

(b) Notwithstanding anything to the contrary contained in this Offering Plan, the determination as to whether a problem of which Sponsor is given notice pursuant to the foregoing is a defect eligible for remediation by Sponsor pursuant to this Section 4, shall be made by Sponsor and/or, in Sponsor's sole discretion, Sponsor's Architect, Sponsor's General Contractor, and/or pertinent subcontractor, in its or their sole and reasonable judgment. Likewise, Sponsor and/or its General Contractor, Sponsor's Architect and/or the pertinent contractor or subcontractor, in its or their sole and reasonable discretion, shall select the method of correcting any defect determined to be eligible for remediation pursuant to this Section 4. On prior notice from Sponsor and/or its General Contractor, and/or the pertinent contractor or subcontractor, the Unit Owner, Purchaser or the Board of Managers, as applicable, shall allow Sponsor, Sponsor's contractors, agents or licensees and/or the Managing Agent access to the Unit or area in question on any weekday to inspect and/or correct such eligible defect. The quality of construction shall be comparable to local construction standards customary in the particular trade in question and in accordance with the Plans and Specifications.

(c) Sponsor shall be deemed to have discharged any commitment it may have made or be deemed to have made with respect to curing defects pursuant to this Section 4, if (i) the Unit Owner, Purchaser or Board of Managers, as applicable, prevents Sponsor, Sponsor's contractors, agents or licensees and/or the Managing Agent access to the Building and/or the Unit where corrective work has been requested, and Sponsor thus is prevented from or otherwise unable to make a determination as to the eligibility of the defect for remediation pursuant to this Section 4, (ii) the defect, in Sponsor's sole and reasonable judgment (and/or at Sponsor's sole discretion, the reasonable judgment of Sponsor's Architect, Sponsor's General Contractor and/or pertinent subcontractor) does not meet the standards for remediation by Sponsor pursuant to this Section 4 and Sponsor does not otherwise elect to remediate same, or (iii) Sponsor shall have corrected or caused to be corrected the defect in accordance with the practice of the industry as said practice is determined by Sponsor's Architect or Sponsor's General Contractor or engineer, in its sole and reasonable discretion.

(d) Sponsor shall in no event be obligated to remediate problems with equipment, appliances or systems installed by Sponsor which arise out of improper maintenance or operation by Unit Owners or the Board of Managers. Such problems shall not be defects eligible for remediation pursuant to this Section 4 or otherwise.

(e) Sponsor's undertaking to correct eligible defects in a Residential Unit, as described above, runs only to Unit Owners who purchase a Residential Unit from Sponsor. It does not run to Owners who purchase Residential Units on resale by other Unit Owners, nor does it run to the tenant of a Residential Unit, even if the tenant leases the Unit from an Owner who acquired the Unit from Sponsor.

(f) Notwithstanding anything in this Plan to the contrary, Sponsor shall not be responsible for correcting or repairing any defects in construction or defects in the installation or operation of any appliances (including, without limitation, kitchen appliances and washers and dryers), equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from manufacturers, contractors, materialmen, or others, are delivered and/or assigned to a Unit Owner or the Board of Managers.

(g) In addition, in no event shall Sponsor have any responsibility to correct or repair "Minor Construction Defects," either as a Punchlist Item or otherwise. Minor Construction Defects shall include, without limitation, (i) any condition resulting from normal use, wear and tear or natural deterioration or from the normal shifting or settling of the Building or from settlement cracking in drywall, or from settling, separation or cupping of wood floors, (ii) any minor condition or defect involving color, alignment, fit, noise, drafts, cracks, chips, scratches, breaks, warpage or other imperfections, (iii) for defects of an insubstantial nature including, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in stone or porcelain surfaces, tile, marble and granite or other grouting, separation in joints of tile, marble, granite or wood flooring, electrical plates not straight, (iv) variations in floor level and slight separation between base and floor, (v) ceiling imperfections, (vi) normal settlement and deflection and consequential damage resulting therefrom, including, without limitation, cracks in roof and/or Unit Terrace pavers, tiles or concrete cracks that do not impair the structural soundness of the Building, (vii) minor painting defects, (viii) alignment of bathroom finishes, (ix) air infiltration from windows, (x) normal plumbing, heating and air conditioning noises, (xi) normal floor noises and creaking, (xii) carpet or floor discoloration and stretching, (xiii) variations in width, length or tone of wood floor strips or normal shrinking or expansion of wood flooring due to changes in moisture content of wood, (xiv) cracks or variations in tone, finish or color of any stone used in bathrooms, kitchens or other stone surfaces, (xv) scratches and dents in flooring, (xvi) salting or color variation in exterior colored mortar and brick or (xvii) ponding and/or controlled drainage on roof surfaces.

(h) Sponsor shall be the sole judge as to whether items requiring remediation in accordance with Sponsor's obligation under this section require repair or replacement. Sponsor will not be obligated in any event to replace abnormally scratched or chipped plastic laminate, vitreous china, natural stone, wood, porcelain or metallic surfaces, but shall be obligated, if at all, to repair same by filling or refinishing the surface. Sponsor has no obligation to make any repair to the Units, Storage Bins, Parking Area or other Common Elements, except as expressly set forth in this Offering Plan. Nothing contained in this Section 4 or elsewhere in the Plan shall be construed to render Sponsor liable for consequential damages, whether based on negligence, breach of contract, warranty or otherwise (except as Sponsor may be liable for by law). Except as expressly set forth herein, Sponsor has no obligation to correct or repair any defect or condition in any Unit, the Common Elements, or the Building or in any installation, apparatus, fixture or appurtenance. The foregoing provisions set forth Sponsor's entire responsibility with respect to corrections and repairs and none other shall be implied.

THE ITEMS AND CONDITIONS DESCRIBED ABOVE ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING. A PURCHASER OF A UNIT MAY EXPERIENCE SOME OR ALL OF THESE CONDITIONS IN PURCHASER'S UNIT OR IN THE COMMON ELEMENTS. NOTHING

CONTAINED IN THIS SECTION MAY BE CONSTRUED SO AS TO RENDER SPONSOR LIABLE FOR CONSEQUENTIAL DAMAGES WHETHER BASED ON NEGLIGENCE, BREACH OF CONTRACT, BREACH OF WARRANTY OR OTHERWISE, IT BEING INTENDED THAT SPONSOR'S SOLE ROLE UNDER THIS SECTION WILL BE TO REPAIR OR REPLACE THE ITEM, SUBJECT TO THE TERMS AND CONDITIONS ABOVE.

(i) Notwithstanding anything to the contrary in the foregoing discussion, Unit Owners as well as the Board of Managers shall be obligated to permit Sponsor and its contractors and agents access to Units and the Common Elements at the request of Sponsor and/or its contractors and agents, in order for Sponsor to complete its construction obligations pursuant to this Plan, for however long and as often as necessary to complete such work.

(j) Warranties, if any, of manufacturers and subcontractors relating to heating, electrical work, plumbing, and appliances installed in or performed in a Residential Unit, if any, will be available to Purchasers immediately following their Unit Closing, at the Building. Sponsor undertakes to provide such warranties to Purchasers only to the extent same are actually issued by such manufacturers and subcontractors and only to the extent same were provided to Sponsor by the manufacturer or subcontractor.

(k) Sponsor shall have an unqualified right of access to the Property and the Common Elements therein to remediate any defect timely brought to Sponsor's attention pursuant to the foregoing by a Unit Owner or the Board of Managers and/or otherwise determined by Sponsor to be eligible for remediation by Sponsor pursuant to this Plan and/or to complete construction of the Project as described in this Offering Plan in accordance with the Plans and Specifications and applicable law. As Sponsor is obligated to construct the Condominium in accordance with applicable law and substantially in accordance with the Plans and Specifications, Sponsor shall have an absolute right of access to the Common Elements for completion of construction and equipping in accordance with the Plans and Specifications, for as long as such work shall take to complete. The Board of Managers shall have no right to limit, impede, obstruct, interfere with or prevent Sponsor's access to the Property or the Common Elements for the foregoing purposes. If Sponsor is apprised of an alleged defect, Sponsor and/or its engineer, architect or contractors shall have the absolute right to enter the Building and the Common Elements to evaluate and if appropriate, thereafter remediate same. There shall be no limitation on Sponsor's right to enter the Building or the Common Elements or any portion of the Property, pursuant to the foregoing.

(l) Sponsor is obligated to construct the Condominium in accordance with applicable law and codes, and substantially in accordance with the Plans and Specifications (as said term is defined in the "Definitions" section of this Plan). In the event of any conflict between the foregoing disclaimers in this paragraph 4 and Sponsor's obligation to construct the Project in accordance with applicable law and code and substantially in accordance with the Plans and Specifications, Sponsor's obligation to construct the Project in accordance with applicable law and code and substantially in accordance with the Plans and Specifications will control.

5. Leasing and Use of Unsold Residential Units

Sponsor reserves the right to use or occupy for itself or its agents, or to rent or lease to a tenant who is not a Purchaser (for such rent and upon such terms as are agreed to between the parties), any Unit not conveyed or with respect to which an Option Agreement is not then outstanding, and to later offer that Unit for sale. In the event a previously leased Unit subsequently is sold and conveyed to a Purchaser, Sponsor shall advise Purchaser that the Unit previously was occupied; however, Sponsor shall not be obligated in any way to decorate, refurbish or repair such Unit and Sponsor's undertakings in Section O(4) shall not be applicable with respect to the sale of such Unit. Sponsor shall also have the right to lease all or any part of the Commercial Units on such terms and conditions as Sponsor and tenant may agree upon subject to applicable law.

Notwithstanding the foregoing, Sponsor advises Purchasers it is Sponsor's intention, in good faith, to sell rather than rent Units. However, Sponsor reserves the unconditional right to rent rather than sell Units.

Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, Sponsor is not committed to selling more Units than the 15% of the Residential Units necessary to declare the Plan effective. Sponsor reserves the further right to sell to Purchasers who intend to be owner-occupants or investors. Investor-Purchasers may, in turn, rent out their Units, and accordingly, some Units may not be used for personal occupancy of the Owner. Therefore, it is possible that Purchasers who buy for their own occupancy ("owner-occupants") may never gain effective control of the Condominium. It is possible that Unit Owners who are owner-occupants may have different interests than Unit Owners who purchase for investment.

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All rights accruing to Sponsor under the foregoing provisions of this Section O shall also accrue to an Affiliate or designee of Sponsor.

P. CONTROL BY SPONSOR

The affairs of the Condominium shall be governed by the Board of Managers. The role and responsibilities of the Board of Managers are described in the Declaration and By-laws of the Condominium. The initial Board of Managers shall consist of three (3) members appointed by Sponsor: one (1) representing Residential Unit Owners, one representing Commercial Unit Owners, and one (1) representing the Hotel Unit Owner. These Board members shall hold office until their successors shall have been installed at the First Annual Meeting of Unit Owners, at which time a seven (7) member Board of Managers shall be established as discussed below.

Of the seven (7) Board members established at the First Annual Meeting of Unit Owners, five (5) Board members will be elected or appointed by the Residential Unit Owners (each a "**Residential Board Member**" and collectively, the "**Residential Board Members**"), subject to Sponsor's right to appoint all Residential Board Members during the Initial Control Period as discussed below, one (1) Board member will be elected or appointed by the Commercial Unit Owners (the "**Commercial Board Member**"), and one (1) Board member will be appointed by the Hotel Unit Owner (the "**Hotel Unit Member**") The Commercial Board Member shall represent all Commercial Unit Owners and in no event shall make any decision or take any action that discriminates against or adversely impacts a Commercial Unit Owner without the consent of the affected Commercial Unit Owner. While Sponsor is the Owner of at least one Commercial Unit, Sponsor shall have the right to appoint the Commercial Board Member.

The First Annual Meeting of Unit Owners shall be called by Sponsor within approximately ninety (90) days after the earlier of (i) conveyance of title to 75% of the Residential Units offered pursuant to this Plan, or (ii) the tenth annual anniversary of the First Unit Closing, subject to Sponsor's right to call the first annual meeting earlier in accordance with the By-laws.

Sponsor will have voting control over the Board of Managers until the later to occur of (i) closing of title to 95% of the Residential Units offered under the Offering Plan, or (ii) ten (10) years after the date of the First Unit Closing ("**Initial Control Period**"). Sponsor may appoint all Residential Board Members during the Initial Control Period. Sponsor may, at its discretion, relinquish voting control of the Board of Managers prior to expiration of the Initial Control Period.

At the annual meeting of Unit Owners following the date as of which Sponsor closes on the sale of the final Residential Unit and no longer owns any Residential Units, Sponsor's remaining Residential Board Member shall step down and a replacement for Sponsor's departing Residential Board Member shall be elected. At all annual meetings of Unit Owners while Sponsor owns a Unit (both during and after the Initial Control Period), Sponsor shall have the right to vote for non-Sponsor candidates nominated for election to the Board of Managers in accordance with Sponsor's ownership of Units and the number of votes attributable to such Units.

The By-laws of the Condominium do not provide that after the Initial Control Period ends, a majority of the Board members must be (i) individual Unit Owners or Spouses of individual Unit Owners who occupy their Units, or individual principals or authorized designees of Unit Owners that are entities, who occupy their Units (i.e., there is no By-law requirement that Owners be "owner-occupants") or (ii) unrelated to Sponsor and its principals. Thus it is possible that at the end of the Initial Control Period, representatives of investor-Owners who rent out their Units may comprise a majority of the Board. It is also possible that some non-occupant investor-Owners may be related to Sponsor.

Regardless of whether Sponsor or the Unit Owners remove a member of the Board of Managers appointed by Sponsor, only Sponsor shall have the right to designate a replacement for such Sponsor appointee. Likewise, vacancies on the Board of Managers caused by death, resignation or otherwise of members appointed by Sponsor may be filled only by appointment by Sponsor.

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

Whenever Sponsor shall have the right under the Condominium Documents to appoint more than one member of the Board, Sponsor may appoint one individual to represent all of Sponsor's appointees to the Board of Managers, and that individual shall have the same rights and votes as would have been available to Sponsor had Sponsor appointed separate members of the Board.

During the longer of (i) the period during which Sponsor owns Units representing at least 25% in Common Interest or (ii) ten years after the date of the First Unit Closing (such period, the "**Sponsor Veto Control Period**"), the Board of Managers may not, without the prior written consent of Sponsor, (i) make or permit to be made any addition, alteration or improvement to the Common Elements or Limited Common Elements appurtenant to Units, or to any Unit owned by Sponsor, (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (however, Sponsor will not unreasonably withhold consent to additions to any contingency reserve provided for in Schedule B to this Plan to the extent the aggregate amount of said reserve does not in any one fiscal year of the Condominium exceed 3% of the operating expenses of the Condominium for that year), (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law and to the extent the existing reserves are insufficient), (iv) amend the Condominium Documents so as to affect Sponsor adversely in any way, (v) increase the number of employees from those described in Schedule B to this Plan or otherwise effectuate an increase in Common Charges from those shown in Schedule B, or (vi) exercise a right of first refusal to purchase or lease a Unit. Notwithstanding the foregoing, Sponsor's consent shall not be withheld for Condominium expenses described in Schedule B or required (a) to comply with applicable law or regulations, (b) to remedy any violation which it is the responsibility of the Board of Managers to cure, (c) to remedy any work order of an insurer, or (d) for the health and safety of the occupants of the Property. Subject to the foregoing, Sponsor shall have the right to withhold its consent to any of the foregoing actions.

Q. RIGHTS AND OBLIGATIONS OF RESIDENTIAL UNIT OWNERS/SUMMARY OF BY-LAW PROVISIONS

Sale or Lease of Residential Units

Each Residential Unit Owner will have the right to sell said Owner's Residential Unit without restriction as to price but subject to a right of first refusal held by the Board of Managers, and other conditions set forth in the By-laws. The right of first refusal procedure requires that the Unit Owner provide the Board of Managers with the name and address of a purchaser from whom the Unit Owner has accepted an offer to buy the Residential Unit together with the terms of the offer, and such other information as the Board of Managers shall reasonably require of selling Unit Owners, including, without limitation, identification and financial information concerning the potential purchaser. Within twenty (20) days after the Board has received notice of the proposed sale plus all additional information as the Board shall have requested (i.e., within twenty (20) days after the application to the Board is complete), the Board shall accept the offer on the same terms offered by the proposed purchaser (e.g., the Board shall exercise its right of first refusal) or waive its right to do so.

If the Board of Managers elects to purchase the Residential Unit, the Board of Managers shall close on such purchase within sixty (60) days after giving notice of the election to purchase. If the Board waives its right of first refusal (or fails to act) within twenty (20) days after the application is complete, the Unit Owner may proceed to close on the sale to the proposed purchaser in accordance with the proposed terms and conditions set forth in the offer submitted to the Board, within ninety (90) days after the Board's waiver or expiration of the Board's period to exercise its right of first refusal.

The Storage Bin License Agreement and Parking License Agreement each will provide that the license terminates once the Residential Unit Owner no longer owns a Residential Unit. However, the Unit Owner may assign its Storage Bin License and/or Parking License to the purchaser of its Residential Unit as one of the terms of the contract of sale. In event of Unit Owner's assignment to its buyer, the Board of Managers will enter into a new Storage Bin License and/or Parking License with the buyer following sale. Alternatively, a Unit Owner with a Storage Bin License or Parking License may assign the license to another Residential Unit Owner in the Building without selling such Unit Owner's Residential Unit, and such assignment shall not be subject to a right of first refusal by the Board, and the Board shall enter into a new Storage Bin License Agreement and/or Parking License Agreement with the other Residential Unit Owner. A Storage Bin License and/or Parking License be entered into only by a party who owns a Residential Unit Owner and shall be valid only for the period of ownership.

A Purchaser acquiring a Residential Unit from Sponsor shall be required to pay to the Board of Managers a sum equal to two months' Common Charges for each Residential Unit purchased, for deposit by the Board into the operating account of the Condominium as working capital, as discussed in Part I, Section T of this Offering Plan. Purchasers buying from a Unit Owner on resale shall be obligated to pay to the Board a sum equal to one month's Common Charges for deposit by the Board into its operating account, reserves or otherwise, as the Board in its discretion shall determine.

The By-laws should be reviewed for additional details about the sale of a Residential Unit and steps to be followed in connection with the Board of Managers' right of first refusal.

Each Residential Unit Owner will have the right to enter into a lease (or other occupancy agreement) for the use of said Owner's Residential Unit (and of the Storage Bin and parking right under the Parking License, if applicable), with the prior written consent of and subject to a right of first refusal held by the Board of Managers in accordance with procedures and requirements contained in the By-laws. Pertinent requirements include, without limitation, the following: leases (or other occupancy agreements) must contain minimum terms of at least twelve (12) consecutive months (or such other minimum terms as the Condominium shall establish), and maximum terms not exceeding two (2) years (or such other maximum terms as the Condominium shall establish),

tenants (or other occupants) must satisfy such financial and other criteria established by the Board, and leases (or other occupancy agreements) must contain such provisions required by the By-laws, including, without limitation the right of the Board of Managers to evict the tenant (or other occupant) due to Residential Unit Owner default under the By-laws, tenant default under the lease (or occupant default under the occupancy agreement), and the right of the Board of Managers pursuant to Section 339-kk of the Condominium Act to collect rent payments from the tenant (or occupancy payments from the occupant) if the Residential Unit Owner is in arrears in paying Common Charges. Section 339-kk of the Condominium Act is summarized below. The lease of a Residential Unit need not include the right to use a Storage Bin under a Storage Bin License or right to park under a Parking License, held by the Residential Unit Owner, and the Residential Unit Owner may retain the right to use the Storage Bin and Parking Area while the Storage Bin License, Parking License and Residential Unit lease are in effect. If Unit Owner has entered into a Parking License Agreement, the Unit Owner may designate the tenant under the lease as a permitted user under the Parking License Agreement, but it need not, and may instead retain the rights under the Parking License itself.

No transient tenant or short term paying guest in a Residential Unit (i.e., a tenant or paying guest in occupancy for a period of less than twelve (12) consecutive months) including, without limitation, any short term tenant, guest or other occupant in a Residential Unit solicited or obtained through an on-line booking, or rental or other listing service, will be permitted.

The Board's refusal to consent to a proposed lease or other occupancy of a Residential Unit, must be based upon (a) the Board of Managers' agreement to lease or occupy the Residential Unit on the same terms, conditions and rent offered by the proposed lessee or occupant, (b) the Board of Manager's production of a lessee or occupant who will lease or occupy the Residential Unit on such terms, conditions and rental or occupancy payment, (c) the fact that the proposed term of the lease or other occupancy agreement does not comply with minimum or maximum terms established by the Board, or (d) the fact that the tenant or other occupant does not meet financial or other criteria established by the Board.

Notwithstanding the foregoing, if a Residential Unit is owned by an institution, corporation, or other business entity, the Owner of that Unit may enter into a lease (or other occupancy agreement) for that Unit with an employee of the Residential Unit Owner or with any other party designated by such Unit Owner directly associated or affiliated with the Residential Unit Owner, without the lease (or other occupancy agreement) being subject to the approval and right of first refusal by the Board, provided, however, that (i) at least ten (10) business days in advance of the commencement date of the lease (or other occupancy agreement), the Unit Owner provides the Board with the name of the tenant (or occupant), position of employment or other relationship the tenant (or occupant) has with the Residential Unit Owner and the period of time such engagement or other relationship is scheduled to last, and (ii) the lease (or other occupancy agreement) has a minimum and maximum term consistent with the requirements established by the Board. All other conditions and provisions set forth in the By-laws required to be incorporated into leases (or other occupancy agreements) between Residential Unit Owners and their tenants (or other occupants) shall be applicable to such entity/employee leases (or other occupancy agreements) as well.

Sales and leases (or other occupancy agreements) for Units by Sponsor or the Commercial Unit Owners shall not be subject to the consent of and right of first refusal by the Board of Managers. Leases (or other occupancy agreements) for Units by Sponsor, any Commercial Unit Owner or any Hotel Unit Owner shall not be subject to any minimum or maximum term restriction.

In accordance with regulations of the Department of Law, in determining whether or not to exercise its right of first refusal in connection with the proposed sale or lease (or other occupancy) of a Residential Unit, the 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.

As discussed above, an amendment to the Condominium Act included the addition of Section 339-kk to the Real Property Law ("**RPL 339-kk**"), which purports to confer certain rights upon condominium boards of managers. RPL 339-kk provides in pertinent part as follows:

(a) 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 60 days of the expiration of any grace period after they are due, upon notice from the condominium board of managers as described below, all rental payments due from the tenant shall be payable directly to the condominium association. (RPL 339-kk defines "non-occupying owner" to mean "a unit owner in a condominium association who does not occupy the dwelling unit.")

(b) If the common charges, assessments or late fees due for any unit have not been paid in full within 60 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 to the non-occupying owner providing that commencing immediately, and continuing 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. 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.

(c) 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 (3) business days to the rental tenant and non-occupying owner. Thereafter, all rental payments for the unit shall be made payable to the non-occupying owner or to owner's designated agent.

(d) A non-occupying owner who disputes the condominium association's claim to a rental payment pursuant to RPL 339-kk 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 30 days of the date that the board receives notice that the owner seeks to dispute such claim.

(e) Nothing in RPL 339-kk shall limit any rights of unit owners or the board of managers existing under any other law or agreement.

(f) Payment by a rental tenant to the condominium association made in connection with RPL 339-kk shall relieve the rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

The foregoing is a summary of RPL 339-kk adapted from the language of the statute. Sponsor makes no representation about the application or enforceability of the new statute or any provision of same. Purchasers are urged to review RPL 339-kk in its entirety and to consult with their own attorney about the statute's enforceability and/or its possible impact on their own intentions and expectations respecting their purchase. The provisions of RPL 339-kk are incorporated into the Condominium By-laws.

Acquisition of Units By Board of Managers

If the Board of Managers desires to exercise its right of first refusal to acquire a Residential Unit offered for sale by a Residential Unit Owner, or to acquire a Residential Unit at a foreclosure sale or otherwise, the Board may pay for the Unit from its operating funds or reserves, or the Board of Managers may levy a Special Assessment against Residential Unit Owners, or the Board of Managers may borrow money secured by a mortgage against the Residential Unit being acquired, all as more fully set forth in the By-laws. The Board of Managers will be

obligated to pay the Common Charges and real estate taxes assessed against any such Residential Unit, which expenses themselves will be part of the Residential Common Charges of the Condominium and thus will be paid by all Residential Unit Owners. The net proceeds of sale of any such Residential Unit owned by the Board of Managers on behalf of all Residential Unit Owners (or by the Board of Managers on behalf of all Unit Owners), shall be applied as the Board, in its discretion, shall determine.

The Board of Managers shall not exercise its right of first refusal to purchase or lease (or otherwise occupy) any Residential Unit or agree to purchase a Residential Unit at a foreclosure sale or otherwise, without the prior approval of a majority in Residential Common Interest.

Mortgaging of Units by Unit Owners

Each Unit Owner has the right to mortgage said Owner's Unit to a Mortgagee, provided that (i) the mortgage shall be recorded and shall be expressly subordinate to the Declaration, (ii) the Unit Owner making such mortgage pays all Common Charges and other assessments against the Unit at or prior to making the mortgage and (iii) the Unit Owner making the mortgage complies with all other provisions of the By-laws with respect to mortgaging the Unit.

Liens for Non-Payment of Common Charges

Pursuant to New York State Real Property Law ("**RPL**") Section 339-z, the Board of Managers, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges and Special Assessments, including without limitation, the proportionate share of real estate taxes attributable to the Unit prior to separate assessment, or real estate taxes for which the Board is collecting escrows, in either case, prior to separate assessment of the Units. The Board will likewise have a lien for non-payment of Common Charges and Special Assessments. These liens will be subordinate only to liens for past due and unpaid real estate taxes filed by the taxing authority, and all sums unpaid on a first mortgage of record against the Unit.

In accordance with RPL Section 339-aa, any lien for unpaid Common Charges, Special Assessments or other assessments may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners, similar to a foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover unpaid Common Charges without necessarily filing a lien, all as more fully described in the Declaration and By-laws.

During the period in which Sponsor controls the Board of Managers, Sponsor's designees to the Board will be responsible for causing the Board to take action, consistent with the By-laws, against Unit Owners who are in arrears in paying Common Charges, including, without limitation, Sponsor, with respect to Units owned by Sponsor.

Assessment and Termination of Liability of Unit Owners for Common Charges

The Board of Managers will prepare an annual projected operating budget and projections of General Common Expenses for the operation of the Common Elements of the Condominium and furnish same to the Unit Owners.

General Common Expenses shall include, among other things and without limitation, the cost of insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the By-laws and an amount for establishment and maintenance of the Replacement Reserve Fund. General Common Expenses may also include such amounts as the Board of Managers may deem proper for

repairs, reserves, replacements, improvements, betterments, maintenance and other operating expenses of the General Common Elements, including, without limitation, an amount for a general operating reserve, for an additional reserve fund for replacement, and an amount to cover any deficit in the General Common Charges collected for any prior year. The General Common Expenses may also include such amounts as may be required for the purchase or lease (or other occupancy) by the Board of Managers or its designee, corporate or otherwise, of any Unit which is to be acquired, leased or otherwise occupied pursuant to a right of first refusal as set forth in the By-laws or which is being sold at a foreclosure or other judicial sale, or otherwise to be acquired by the Board of Managers. General Common Expenses shall also include other items stated in the Declaration or the By-laws to be General Common Expenses.

General Common Expenses generally shall be allocated among the Residential Units, the Commercial Units and the Hotel Unit based on the aggregate Common Interest of the Residential Units, the Commercial Units and the Hotel Unit, or on the estimated amount by which a particular expense item benefits or is used by the Residential Area or Commercial Units or the Hotel Unit, or such other method as the Board of Managers shall determine, provided the allocation is fairly attributable to the Units in question and reasonable under the circumstances. Unless and until the Board of Managers shall determine otherwise, said allocation shall be the same as contained in the First Year's Budget as explained in the Notes attached thereto.

The Board will allocate the Residential Area's pro-rata share of General Common Expenses, determined as aforesaid, among the Residential Unit Owners in accordance with their respective Residential Common Interest.

Each Unit Owner will be responsible to open an electricity account and to pay electricity costs attributable to all electrical consumption in the Unit, such as, without limitation, lighting, appliances and the dedicated condenser and heat pump units serving the Unit for heating and cooling, to Con Edison, as of the earlier of possession or closing of the Unit.

Each Unit Owner will be responsible to pay Common Charges allocable to said Owner's Unit at such time or times (but not less than monthly) as the Board of Managers shall determine, commencing with the closing of title to the Unit, unless collection of Common Charges shall not yet have commenced, as described in this Offering Plan and permitted under the By-laws. The Board shall have the right to commence collecting Common Charges at some point after the First Unit Closing under this Plan. Accordingly, it is possible that Unit Owners who have closed title to their Units may be responsible for paying utility charges prior to the time they become responsible for paying Common Charges. Common Charges assessed during the month in which title closes shall be adjusted between Purchaser and Sponsor as of the closing date, if collection of Common Charges has commenced on or before said date.

The liability of each Unit Owner for the payment of Common Charges and other assessments assessed or due against Owner's Unit, shall terminate prospectively upon a permissible sale, transfer or other conveyance of such Unit. A purchaser of a Unit shall be jointly and severally liable with the seller for unpaid Common Charges and assessments assessed and due up to the date of conveyance and a purchaser may be required by the Board of Managers to pay unpaid Common Charges and other assessments assessed against the Unit prior to the purchaser's acquisition. A Mortgagee who holds a first mortgage lien on the Unit or other purchaser purchasing a Unit at a sale arising out of the foreclosure of such first mortgage, however, or by deed in lieu of foreclosure of such first mortgage, shall not be liable for unpaid Common Charges or assessments assessed or otherwise imposed against the Unit and secured by a lien filed against the Unit prior to the date of the foreclosure sale or the conveyance by deed in lieu of foreclosure, but the Unit Owner whose Unit is sold at such foreclosure sale or by deed in lieu of foreclosure, shall remain liable for all unpaid Common Charges accruing prior to date of such sale. Notwithstanding the foregoing, an Eligible Holder who acquires title to a Unit pursuant to remedies in its Permitted Mortgage or by foreclosure or by deed in lieu of foreclosure, shall be obligated to pay a maximum of six (6)

months of regularly budgeted but unpaid Common Charges or Special Assessments assessed or otherwise imposed against the Unit, which accrued prior to the date of foreclosure or prior to the date of recording the deed in lieu of foreclosure, as applicable.

Repairs, Replacement and Maintenance of Units and Common Elements

Generally, all painting, decorating, maintenance and repairs ordinary or extraordinary, (a) in or to any Unit (other than to the Common Elements contained therein), will be made by the Unit Owner at the Unit Owner's sole cost and expense, and (b) in or to the Common Elements will be made by the Board of Managers and the cost thereof will be a Common Expense (or Residential Common Expense or Commercial Common Expense or Hotel Common Expense, as applicable).

Windows

Windows serving Residential Units are part of the Unit they serve. However, for the First Year of Condominium Operation, the budget provides for one cleaning of the exterior side of Residential Unit windows from the inside of the Building Any additional exterior window cleaning and all interior window cleaning will be at Unit Owner's sole cost and expense. Unit Owners will be obligated to cooperate with and provide access to their Unit, and if applicable, their Unit Terrace, to the Board of Managers for purposes of implementing exterior window cleaning. Though the windows are part of the Residential Unit they serve, no alterations or replacements of windows may be made without the prior written consent of the Board, in accordance with the By-laws. Further, all windows shall be maintained in accordance with standards promulgated by the Board of Managers.

Broken window glass or window frames in a Unit shall be replaced by the Unit Owner at the Unit Owner's sole cost and expense unless such breakage was caused by the Board of Managers or its agents, in which case replacement shall be made by the Board of Managers at its cost and expense. Limit stops will be provided on all operable windows in all Residential Units.

Windows, both plate glass and any other windows, serving Commercial Units and Hotel Unit, as well as all frames for same, are part of the Unit and the Commercial Unit Owners or Hotel Unit, as applicable, shall have sole responsibility for maintenance, repair, replacement and cleaning thereof.

In addition, in order to preserve the architectural harmony of the façade of the Building, all Residential Unit Owners shall be obligated, regardless of the type of window-treatment they use, to provide for a white backing on the window-treatment such that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance.

Doors and Locks

Any door providing entrance into a Residential Unit from a public corridor as well as any locks on that door, are part of the Unit. Likewise, doors leading to Unit Terraces, and locks on such doors, are part of the Unit they serve. Residential Unit Owners shall be obligated to maintain and repair such doors and locks that are part of their Units at their expense. Unit Owners shall not be permitted to alter doors to their Units or Unit Terraces without the prior consent of the Board of Managers, and shall be obligated to maintain and repair same in accordance with applicable law, regulation and architectural and other standards established by the Board. The locks on doors to a Storage Bin belong to the Unit Owner and the Board of Managers shall have no responsibility or liability therefor.

All doors opening into a Commercial Unit from the outdoors and locks for same are part of the Unit and must be maintained and repaired in accordance with standards for a first class residential building with ground floor retail space.

All doors opening into the Hotel Unit from the outdoors and locks for same are part of the Hotel Unit and must be maintained and repaired in accordance with standards for a first class residential building with a Hotel Unit.

In accordance with the Rules and Regulations, Residential Unit Owners must always maintain a key to their Unit, and if requested by the Board of Managers, with the Managing Agent to facilitate access for emergencies and for maintenance, in particular with respect to Unit Terraces, of any adjacent equipment or appliances, and for window washing, should the Board of Managers determine to provide for same. Alternatively, the Managing Agent shall have the right to maintain a master passkey or card that will permit access to all Units on an emergency basis.

Unit Terraces

If a Residential Unit contains an appurtenant Unit Terrace, any fencing, architectural partitions, gates or railings separating the Unit Terrace from Common Elements or another Unit or Unit Terrace, are Residential Limited Common Elements appurtenant to such Residential Unit.

The structural concrete roof slab or other roof construction material, the asphalt or other roofing material thereover, the roof membrane, flashing and similar waterproofing or other roofing elements protecting the interior of the Building and located under the pavers, decking, tiles or other flooring of a Unit Terrace, as well as any drainage system also are Residential Limited Common Elements appurtenant to the Unit. Any pavers, decking, tile or other flooring installed on the Unit Terrace and any faucets, hose bibs, electrical outlets and lighting installed in or on the Unit Terrace, are part of the Unit, however, and are not Residential Limited Common Elements. Residential Unit Owners will be responsible for sweeping, clearing, maintaining and cleaning Unit Terraces and any plantings and appliances therein. Unit Owners must also keep drains on or in the Unit Terrace free from leaves, dirt and other debris and ice, so drains run freely. Unit Owners shall be responsible generally for maintaining the Unit Terrace in a manner that prevents damage to the Building and Units below the Unit Terrace.

No alterations of or installations on or in a Unit Terrace may be made without the prior written consent of the Board of Managers and, during the Initial Control Period, Sponsor as well. Sponsor shall have the absolute right to deny consent to any Unit Terrace Alteration during the Sponsor Veto Control Period. In no event may Unit Terraces be enclosed.

Smoke and Carbon Monoxide Detectors

All Residential Units will contain, depending on size of the Unit, one or more Smoke/CO Detectors. These will be considered Residential Limited Common Elements appurtenant to the Unit. Each Unit Owner will be responsible at its own cost and expense to test each Smoke/CO Detector at regular intervals and maintain same in working condition, including, without limitation, ensuring that the sensor therein is always in working order. Notwithstanding the foregoing, the Board of Managers shall have the right to implement a program to inspect, maintain and service Smoke/CO Detectors and sensors therein on a regular basis. Should the Board do so, the cost of same will be a Residential Common Expense and all Residential Unit Owners will be obligated to cooperate by providing access to their Unit to permit such inspection, maintenance and service to occur.

General Provisions

The Board of Managers shall have a right of access to any Unit and the Limited Common Elements appurtenant thereto, for the purpose of making inspections or for the purpose of correcting any condition originating in such Unit and threatening another Unit or a Common Element or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Owner's

Unit or elsewhere in the Building, provided that requests for entry are made in advance, except in cases of emergency, when such right of entry is immediate, all as more fully described in the By-laws.

Insurance

Prior to the First Unit Closing, the Board of Managers shall procure the insurance coverage set forth in Schedule B. Purchasers are encouraged to review Schedule B for details about the Condominium's insurance coverage.

Purchasers are advised that the insurance coverage to be maintained by the Board of Managers is not anticipated to cover claims for personal injury or property damage resulting from occurrences in individual Units or in a Storage Bin, nor is it anticipated to include coverage found in a standard "homeowner's" policy for belongings, improvements or furniture or other personal property in the Unit or in a Storage Bin or a Unit Terrace.

Accordingly, each Unit Owner is required to carry, at Unit Owner's own expense, casualty insurance with respect to all fixtures (i.e., cabinets that are built-in or attached to the wall, appliances, plumbing and electrical fixtures, bathroom vanities that are built-in or attached to the wall, etc.), equipment and personal property within said Owner's Unit and any Limited Common Element appurtenant thereto, and liability insurance with respect to occurrences in or about the Unit and any Limited Common Element appurtenant thereto, in accordance with the By-laws. Each policy shall contain a waiver by the insurer of the right to claim by way of subrogation against the Board of Managers, and such other provisions as set forth in the By-laws. A current copy of each insurance policy or a certificate confirming such insurance is in effect, must be maintained by the Unit Owner with the Managing Agent at all times. If damage to a Unit is the type covered by Unit Owner's insurance and the proceeds of Unit Owner's insurance are not sufficient to cover the cost of repair or restoration, Unit Owner will nevertheless remain liable for the cost of the repair or restoration.

A Residential Unit Owner must also insure the Storage Bin licensed by the Residential Unit Owner, and contents thereof. Neither Sponsor nor the Board of Managers will have any liability for loss of, or damage to items placed in the Storage Bin. The Condominium's insurance will, however, cover the Parking Area.

The By-laws provide that if the Property or any part thereof is damaged by fire or other casualty, the net insurance proceeds payable under casualty insurance policies held by the Board of Managers shall be paid to the Board of Managers if same shall be $500,000 or less in the aggregate, or to an Insurance Trustee engaged by the Board of Managers for that purpose, if same exceeds $500,000 in the aggregate. In both instances the funds shall be held in trust for the benefit of the Unit Owners and their Permitted Mortgagees. The $500,000 limit automatically increases 5% each calendar year over the limit of the previous year. When the Board of Managers is authorized or required to proceed with repair or reconstruction of the Property, the By-laws require the Board to arrange for and commence such work promptly and to diligently prosecute same to completion. The Board of Managers or the Insurance Trustee, as applicable, is required to disburse such proceeds to the contractor(s) engaged to perform the repair and/or restoration work, in appropriate progress payments, upon satisfaction of certain conditions.

Additions, Alterations and Improvements by Unit Owners

No Unit Owner may make any addition, alteration or improvement to a Common Element or a Limited Common Element except as provided otherwise in the By-laws. No Unit Owner shall make any structural addition, alteration, repair or improvement in said Owner's Unit or in or on any Residential Limited Common Element appurtenant thereto that would impact on Common Elements of the Building (e.g., common electrical risers or plumbing or gas conduits, etc.), without the prior written approval of the Board of Managers, and, during the Initial Control Period, without Sponsor's prior approval as well, which approval may be withheld by Sponsor in its sole

discretion. Until Sponsor obtains a final certificate of occupancy for the Building, Sponsor shall have the absolute right to deny consent to any alteration proposed by a Unit Owner. In addition, Sponsor shall have the right to require that with respect an alteration to which Sponsor consents, any alteration application to the Department of Buildings to be made by a Unit Owner, including, without limitation, alterations involving installations on Unit Terraces, must be handled by or coordinated through Sponsor's Architect and/or Sponsor's expediter/code consultant, and paid for by the Unit Owner. All contractors engaged by Unit Owners for the purpose of performing construction work in the Unit (including without limitation, painters, electricians, carpenters and plumbers) must be licensed and adequately insured and must provide a satisfactory certificate of insurance prior to commencing work.

To preserve the architectural harmony of the facade of the Building, minimize the possibility of unsightly or obstructed views from Unit Terraces and Residential Units and promote the safety of those on lower Unit Terraces as well as on the street below, each Residential Unit Owner having the exclusive use of a Unit Terrace will be required to obtain the approval of the Board of Managers (and Sponsor, during the Initial Control Period) before altering, decorating, installing an awning on or over, landscaping, or painting the same. The Board of Managers or Sponsor may grant or withhold such approval in its sole discretion. Residential Unit Owners with a Unit Terrace appurtenant to their Units shall in no event be permitted to enclose these areas.

Meetings of Unit Owners

Meetings of all Unit Owners shall be held at least once annually within approximately three weeks of the anniversary date of the First Annual Meeting of Unit Owners. The First Annual Meeting of Unit Owners shall be called by Sponsor or the Board of Managers (or Managing Agent on behalf of the Board) within approximately 90 days after the earlier of (i) conveyance of title by Sponsor to 75% of the Residential Units offered under this Plan, or (ii) the third anniversary date of the First Unit Closing under this Plan, subject to Sponsor's right to call the First Annual Meeting of Unit Owners at an earlier date, in accordance with the By-laws. At such annual meetings at which a quorum is established, the Unit Owners shall elect or appoint, as applicable, members who shall serve as the Board of Managers. A quorum shall be established at meetings of Residential Unit Owners and meetings of all Unit Owners by the presence in person or by proxy of Residential Unit Owners representing at least 50% in Residential Common Interest.

Compliance with By-laws and Rules and Regulations

Rules and Regulations pertaining to operation of the Condominium and the use of the General Common Elements may be promulgated and amended from time to time by the Board of Managers. Copies of such Rules and Regulations shall be furnished to each Unit Owner prior to the time that they become effective.

Each Unit Owner must comply strictly with the By-laws and the rules, regulations, resolutions and decisions adopted pursuant thereto. Failure to comply with any of the same shall be grounds for action to recover sums due, for damages or injunctive relief, or both, by the Board of Managers or in a proper case, an aggrieved Unit Owner. In the case of flagrant or repeated violation the Board may ask the offending Unit Owner for sufficient surety for future compliance.

Rules Regarding Animals

Among the rules and regulations applicable to Residential Owners is the requirement that only domestic animals (e.g., no farm or exotic or wild animals) may be maintained in a Unit. Residential Unit Owners may maintain (or permit their tenants to maintain) up to two (2) domestic birds, reptiles or animals without prior consent of the Board of Managers. However, consent of the Board to additional domestic birds, reptiles or animals is required. The service elevator must be used to transport all animals in and out of the Building.

R. RIGHTS AND OBLIGATIONS OF BOARD OF MANAGERS/SUMMARY OF BY-LAW PROVISIONS

Board of Managers: Election, Number, Term, Compensation, Qualifications, Removal

Under the By-laws, the Condominium will be managed by a Board of Managers. The initial Board of Managers shall consist of three (3) members appointed by Sponsor as follows: Mick Walsdorf representing Residential Unit Owners, Jon Kully representing the Commercial Unit Owners, and Timothy Crowley representing the Hotel Owner. The initial Board members shall be principals of Sponsor or business associates or employees of Sponsor. Sponsor reserves the right to designate different individuals to serve on the Board. Sponsor's appointees to the Board shall resign at the first annual meeting of Unit Owners (subject to reappointment by Sponsor), at which time a new Board shall be established.

The First Annual Meeting of Unit Owners shall be called by Sponsor within approximately ninety (90) days after the earlier of (i) conveyance of title to 75% of the Residential Units offered under this Plan, or (ii) the fifth annual anniversary date of the First Unit Closing subject to Sponsor's right to call the meeting at an earlier date in accordance with the By-laws.

From and after the first annual meeting of Unit Owners, the Board of Managers will consist of seven (7) members. Of these seven (7) members, five (5) will be elected or appointed by the Residential Unit Owners (collectively, the "**Residential Board Members**"), subject to certain rights of Sponsor during the Initial Control Period, one (1) will be elected or appointed by the Commercial Unit Owners (the "**Commercial Board Member**"), and one (1) will be elected or appointed by the Hotel Unit Owner (the "**Hotel Board Member**"). Although the Commercial Board Member may be appointed by one of the Commercial Unit Owners, the Commercial Board Member shall represent all Commercial Unit Owners and in no event shall make any decision or take any action that discriminates against or adversely affects a Commercial Unit Owner without the consent of the affected Commercial Unit Owners. While Sponsor is the Owner at least one Commercial Unit, Sponsor shall have the right to appoint the Commercial Board Member and while Sponsor is the Owner of the Hotel Unit, Sponsor shall have the right to appoint the Hotel Board Member.

Sponsor will have voting control over the Board of Managers until the later to occur of (i) closing of title to 95% of the Residential Units offered under the Offering Plan, or (ii) ten (10) years after the date of the First Unit Closing ("**Initial Control Period**"). Sponsor assures Purchasers it is Sponsor's intent and expectation that Sponsor will sell all Residential Units.

Sponsor may appoint all Residential Board Members during the Initial Control Period. Sponsor shall have the right to appoint one or more than one individual to vote Sponsor's interests on the Board of Managers during the Initial Control Period, and any such individual(s) so appointed shall have the same rights and votes as Sponsor would have had had Sponsor appointed separate individuals for each position. Sponsor may, at its discretion, relinquish voting control of the Board of Managers prior to expiration of the Initial Control Period. All Residential Board Members shall serve one-year terms during the Initial Control Period, except as provided below.

If Sponsor elects not to appoint all Residential Board Members during the Initial Control Period, any Residential Board Member elected by the Unit Owners shall serve a term ending on the sooner of (i) 12 months after election (or the date said member's successor is elected or appointed) or (ii) the first annual meeting of Unit Owners held after expiration of the Initial Control Period, as described below.

At the annual (or a specially-called) meeting of the Unit Owners following expiration of the Initial Control Period (or following such earlier date as Sponsor relinquishes voting control of the Board of Managers),

successors for all but one (1) of Sponsor's designated Residential Board Members (or for all of Sponsor's designated Residential Board Members if Sponsor no longer owns a Residential Unit) shall be elected by the Residential Unit Owners.

The term of office of Residential Board Members elected at the first annual meeting of Unit Owners after expiration of the Initial Control Period shall be two (2) years for three (3) members, and one (1) year for two (2) members, or until their respective successors are elected or appointed. The three (3) candidates receiving the highest number of votes shall serve the two-year terms, and the two (2) candidates receiving the lower number of votes (or Sponsor's designee, as applicable), shall serve the one-year terms. Thereafter at all annual meetings, candidates will be elected for two-year terms.

After expiration of the Initial Control Period, Sponsor shall continue to have the right to designate one (1) Residential Board Member as long as Sponsor owns at least one (1) Residential Unit. When Sponsor no longer owns any Residential Units, then at the annual meeting of Unit Owners next following that date, Sponsor's remaining Residential Board Member shall step down and a successor shall be elected by the Residential Unit Owners. At all annual meetings of Unit Owners (both during and after the Initial Control Period), Sponsor shall have the right to vote for non-Sponsor candidates nominated for election to the Board of Managers in accordance with Sponsor's ownership of Units and the number of votes attributable to such Units.

The term of office of the Commercial Board Member shall be one (1) year, or until his or her successor is elected or appointed. The term of office of the Hotel Board Member shall be one (1) year, or until his or her successor is elected or appointed.

Members of the Board of Managers may serve for more than one term.

Members of the Board of Managers shall serve without compensation unless the Board of Managers amends the Condominium Documents to provide otherwise, an amendment Sponsor will not propose or support while it controls the Board. Residential Board Members, other than appointees of Sponsor, shall be Residential Unit Owners or the Spouse of a Residential Unit Owner (in the case of individual Residential Unit Owners) or shall be the designee of an Eligible Holder of a Permitted Mortgage on a Residential Unit. With respect to any type of Unit Owner or mortgagee that is an entity, the Board member generally must be an individual principal, member or other authorized designee of the Unit Owner or mortgagee. With respect to multi-party Unit Owners (i.e., Spouses, partners, etc.), only one person per Unit may be a member of the Board of Managers. To be authorized to vote as a Board member, and to be authorized to run for a seat on the Board, a Unit Owner must not be in default of any payment of Common Charges and other assessments.

The By-laws of the Condominium do not include a provision requiring that at the end of the Initial Control Period, a majority of the Board of Managers must be individual Unit Owners or Spouses of individual Unit Owners who occupy their Units, or individual principals or authorized designees of Unit Owners that are entities, who occupy their Units (i.e., no requirement that Owners be "owner-occupants") or who are unrelated to Sponsor and its principals. Accordingly, at the end of the Initial Control Period, it is possible that representatives of investor Owners who rent out rather than personally occupy their Units, may comprise a majority of the Board. Owner-occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed, because of their different reasons for purchasing (i.e., purchase as a home as opposed to purchase for investment).

Members of the Board of Managers may resign at any time by giving notice in writing to the Board.

At any regular or special meeting of the Unit Owners, any one or more Residential Board Members, other than a member appointed by Sponsor, may be removed with or without cause by a majority of the

Residential Unit Owners and a successor to that Board member may then and there or thereafter be elected by the remaining Board members to fill the vacancy thus created, provided notice of such proposed removal was given to the Board member and in the notice of meeting. Any member of the Board of Managers appointed by Sponsor or its designee may be removed by Sponsor or its designee without notice, for any reason, and by a majority of the Unit Owners, with notice and for cause. The Commercial Board Member and the Hotel Board Member may be removed, by respectively, the Commercial Unit Owners or the Hotel Unit Owner, without notice for any reason and by a majority of the Unit Owners for cause, provided in the case of removal by a majority of Unit Owners, notice of such proposed removal was given to the Board Member and in the notice of meeting.

Any member of the Board of Managers whose removal has been proposed, shall be given the opportunity to be heard at the meeting (except for a Sponsor-appointed member being removed by Sponsor, a Commercial Board Member being removed by the Commercial Unit Owners and the Hotel Board Member being removed by the Hotel Unit Owner, as to whom no opportunity to be heard need be given). Regardless of whether a Sponsor-appointee to the Board is removed by Sponsor, by Sponsor's designee or by the Unit Owners, only Sponsor or its designee shall have the right to designate a replacement for such Board member. Likewise, only the Commercial Unit Owners shall have the right to designate a replacement for a Commercial Board Member appointed or elected by the Commercial Unit Owners, and only the Hotel Unit Owner shall have the right to designate a replacement for the Hotel Board Member, regardless of how a vacancy in that position arises. Notwithstanding the foregoing, if one Commercial Unit Owner is authorized by the other Commercial Unit Owners to appoint and replace the Commercial Board Member, and the authorized Commercial Unit Owner fails to designate a replacement for the Commercial Board Member when such position is vacant due to resignation, removal, death or otherwise within thirty (30) days of the date the vacancy occurs, the authorizing Commercial Unit Owners shall be obligated to designate the Commercial Board Member to represent all Commercial Unit Owners.

Special meetings of the Board of Managers may be called by the President on not less than three (3) business days' notice to each member of the Board of Managers, given personally or by U.S. mail or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers also shall be called by the President or Secretary (in like manner and on like notice), on the written request of at least three (3) members of the Residential Board of Managers or upon the written request of the Commercial Board Member or upon the written request of the Hotel Board member. No business shall be transacted at a special meeting except as stated in the notice.

Powers and Duties of the Board of Managers

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or By-laws may not be delegated to the Board by the Unit Owners.

The Board of Managers shall meet at least six (6) times during each fiscal year.

As more fully set forth in the By-laws, all determinations of the Board of Managers shall be made at a meeting at which a quorum is present. At all meetings of the Board of Managers the presence of a majority of the members shall constitute a quorum for the transaction of business. The vote of a majority of the members of the Board of Managers present at a meeting of the Board of Managers at which a quorum has been established shall constitute the decision of the Board. If at a full meeting of the Board of Managers a vote taken at the meeting results in a tie, the President of the Board shall be obligated to cast the tie-breaking vote.

The Board of Managers is authorized to establish and maintain a Replacement Reserve Fund for the periodic maintenance, repair and replacement of the Common Elements, to be funded out of regular assessments for Common Charges and/or otherwise as the Board of Managers in its discretion may determine. The

Board of Managers may also establish and maintain reasonable reserves for, among other things, and without limitation, emergencies, contingencies of bad weather or uncollected accounts.

Liability of Board of Managers, Officers and Unit Owners

The members and officers of the Board of Managers shall not be liable to the Unit Owners except for their own individual willful misconduct or bad-faith actions or bad-faith failures to act. The Unit Owners shall indemnify and hold harmless each of the members and officers of the Board of Managers against all loss, damage or liability such party incurs arising out of that individual's acts or failures to act, or by reason of the fact that such person was a member of the Board of Managers or an officer of the Condominium, as applicable, except with respect to liability arising from willful misconduct, bad-faith actions or bad-faith failures to act.

Members of the Board of Managers shall have no personal liability with respect to any contract made by them as the Board of Managers within the scope of their authority or believed by them in good faith to be within the scope of such authority. The liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers, shall be limited to the Unit Owner's proportionate share of the total liability, based on the Unit Owner's Common Interest.

Votes of Unit Owners

At each meeting of all Unit Owners, each Unit Owner shall be entitled to cast one (1) vote, either in person or by proxy, for each .0001% of Common Interest attributable to said Owner's Unit(s), for each item voted upon. Thus, if a Unit has a Common Interest of .0013%, the Unit Owner shall be entitled to cast 13 votes for each item voted upon at that meeting. Likewise, at each meeting of Residential Unit Owners, or on issues for which only Residential Unit Owners are entitled to vote, each Residential Unit Owner shall be entitled to cast one (1) vote, either in person or by proxy, for each .0001% of Residential Common Interest attributable to said Owner's Unit(s). Similarly, on issues for which only Commercial Unit Owners are entitled to vote, each Commercial Unit Owner shall be entitled to cast one (1) vote, either in person or by proxy, for each .0001% of the proportion said Commercial Unit Owner's Common Interest bears to the aggregate Common Interest of all Commercial Owners.

Repair or Restoration after Fire or Other Casualty

In the event of damage to the Property as a result of fire or other casualty, the Board of Managers shall promptly cause the Property (excluding, however, appliances, fixtures or improvements that belong to and/or were installed by a Unit Owner or tenant of a Unit, and excluding any furnishings, decorations or other personal property supplied or installed in a Unit or Unit Terrace by a Unit Owner or a tenant of a Unit) to be repaired and/or restored as nearly as practicable to the condition it was in before the casualty, using the proceeds of casualty insurance on the Property maintained by the Board of Managers and/or other Condominium funds for that purpose, subject to various conditions described below and more fully described in the By-laws.

Termination of Condominium

The Condominium shall not be terminated or withdrawn from the Condominium Act except in accordance with the Condominium Documents and all laws applicable to the Property at the time termination is desired. In this regard, the Condominium may be terminated following a loss due to casualty, provided at least 75% of the Property is destroyed or substantially damaged and Owners of at least 75% in number of Units affirmatively determine not to proceed with repair or restoration, as described in the By-laws. In addition, the Condominium may be withdrawn from the Condominium Act by the affirmative vote of Unit Owners representing at least 80% in Common Interest of Units. In the event a determination is made to terminate due to casualty, or if 80% vote to terminate is achieved, the Property (or so much as shall remain, if there has been a casualty) shall be subject to an

action for partition by any Unit Owner or lienor as if owned in common. If a partition action is brought, the net proceeds of sale resulting from the partition action (and the net proceeds of insurance policies in event of a casualty) shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of the Unit Owner's share of net proceeds, all liens on the Unit Owner's Unit in the order of priority of such liens.

Procedure to Review Real Estate Tax Assessments

The Board of Managers on behalf of and as agent for any Residential Unit Owner who has given written authorization, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to that Owner's Unit. The Board of Managers may retain legal counsel on behalf of Residential Unit Owners for which it is acting as agent and charge all such Unit Owners a pro-rata share of expenses, disbursements, and legal fees, for which charges the Board of Managers shall have a lien as if for Common Charges, pursuant to the Condominium Act. If any Unit Owner seeks individually to have the assessed value of said Owner's Unit reduced, by bringing a separate tax certiorari proceeding, the Board of Managers, 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 such Unit Owner indemnifies the Board of Managers and all other Unit Owners from all costs, claims and expenses (including, without limitation, reasonable attorney's fees and expenses), resulting from such proceedings.

Covenant Against Partition of Common Elements

Section 339-i(3) of the Condominium Act provides that the Common Elements shall remain undivided and there is no right of partition, except as otherwise provided in the Condominium Act, which right is mentioned herein under the heading "Termination of Condominium."

Severance of Ownership Prohibited

Both the Condominium Act and the By-laws of the Condominium prohibit a Unit Owner from attempting to convey a Unit separate from its appurtenant Common Interest. The intent of such provision is to prevent any severance of such combined ownership.

Accumulation of Reserves

The Board of Managers shall assess Common Charges for accumulation of the Replacement Reserve Fund and may assess reserves for such other purposes, as more fully set forth in the By-laws.

Amendments

Subject to certain exceptions, including, among others, exceptions regarding the rights of Sponsor and the rights of the Commercial Unit Owners and the Hotel Unit Owner, the By-laws may be amended, modified, supplemented or deleted by an affirmative vote of 66⅔% in number and in Common Interest of the Unit Owners, and the Declaration may be amended by vote of Unit Owners representing 51% in number and Common Interest of Units, at a meeting of Unit Owners duly held for such purpose, as more fully described in the Condominium Documents.

* * * * *

The foregoing summary is not intended to be a complete discussion of the Condominium Documents. It is simply an introduction to the Declaration and By-laws reproduced in Part II, which should be carefully reviewed in full by all Unit Owners.

S. TAXES - TAX STATUS OF CONDOMINIUM, INCOME TAX DEDUCTIONS TO UNIT OWNERS; REAL ESTATE TAXES

The following discussions concerning the tax status of the Condominium and income tax deductions to Residential Unit Owners are based on Sponsor's Offering Plan Counsel's Opinion contained at the end of this Section S, which should be reviewed by Purchasers for a fuller, more comprehensive understanding of the income tax considerations affecting their purchase.

1. Tax Status of Condominium

Common Charges shall be borne by Unit Owners and assessed and collected by the Board of Managers. The status of the Board of Managers for Federal, New York State and New York City income tax purposes is uncertain. If the Board of Managers were treated for tax purposes as an aggregation of Unit Owners, income earned by the Board (i.e., rents or other occupancy payments on Units owned and leased or otherwise made available for occupancy by the Board or interest on Condominium funds), less the cost of earning the income, would be deemed income to the Unit Owners and would be taxable to them. However, Common Charges would not be considered income to the Unit Owners and expenditures incurred in maintaining Common Elements would not be deductible to Unit Owners (at least to the extent Unit Owners use their respective Units as residences rather than in a trade or business and perhaps otherwise).

If, on the other hand, the Unit Owners, acting through the Board of Managers, are treated as an entity for income tax purposes, then under Treasury Regulations dealing with the classification of entities for income tax purposes, they would be classified as a partnership for such purposes, absent an election by the Board to classify the entity as a corporation. As a partnership, the Condominium itself would not be subject to income tax (other than possibly the New York City unincorporated business tax). Instead, the taxable income or loss of the Condominium would be passed through to the Unit Owners who would be required to report such income or loss on their respective income tax returns. The manner in which such income or loss would be computed is not entirely clear, but it would presumably be computed in a manner similar to that described below for condominiums that elect to be classified as a corporation for income tax purposes.

However, as it is anticipated that the Condominium will treat itself as an entity for Federal income tax purposes and will make an election to be classified as a corporation for such purposes (although no assurance can be given in this regard), the remainder of this discussion assumes that the Condominium will be classified as a corporation for income tax purposes.

Assuming the Condominium elects to be treated as a corporation for income tax purposes, the Condominium would be required to file tax returns and would be subject to the regular Federal, State and local corporate income tax on its taxable income. The Condominium's taxable income would be the excess of its gross income over its deductible expenses. Gross income would include, among other things, any rental income or investment income received by the Condominium and all Common Charges paid by Unit Owners. However, any portion of the Common Charges segregated and used to finance specified capital expenditures or reserves for such capital expenditures would generally not be required to be includible in gross income. Furthermore, excess Common Charges not used in a particular year and either returned to Unit Owners or applied to the following year's Common Expenses may be excluded from income.

Notwithstanding the foregoing, for a year during which the Condominium satisfies the requirements of Section 528 of the Internal Revenue Code, the Condominium may be eligible to elect to be exempt from Federal income tax on Common Charges collected from Unit Owners. One of the requirements of Section 528 is that substantially all of the units of the condominium be used by individuals for residences. The pertinent Treasury Regulations appear to focus on residential use by individuals, rather than ownership by individuals, and also provide

that a Unit that has never been occupied will be deemed to be used by an individual for residential purposes if, based on all the facts and circumstances, the unit appears to have been constructed for residential purposes. "Substantially all" is interpreted by the Internal Revenue Service as meaning at least 85% of the total square footage of all units within the condominium project, including commercial units. The details on how the 85% is measured to satisfy the "substantially all" test is not entirely clear in the Internal Revenue Code and pertinent Treasury Regulations.

Other requirements to elect to be exempt pursuant to Section 528 include that (i) 60% or more of the gross income must consist of assessments from Unit Owners and (ii) 90% percent or more of the expenditures must be for the acquisition, construction, management, maintenance and care of property of the Condominium, requirements which appear to be met for the projected First Year of Condominium Operation if the Condominium operates during such year in accordance with the projected First Year's Budget contained in this Plan as Schedule B.

As suggested by the foregoing, the qualification of the Condominium to elect to be exempt from tax pursuant to Section 528 involves factual issues which can only be determined on a year-by-year basis and whether the "substantially all" test is satisfied. Sponsor's Offering Plan Counsel accordingly cannot express an opinion as to whether the Condominium will qualify to make a Section 528 election for a particular year or whether it would be advisable to do so for any given year. If the Condominium either does not qualify under Section 528 or, if qualified, does not elect Section 528 tax treatment in any year, it could be subject to the regular Federal corporate income tax on its taxable income as described above. However, as it is expected that the Board of Managers in the ordinary course of operations is likely to spend most of the Condominium's income for allowable deductions or properly designate it for capital purposes, whether or not Section 528 is available and/or is elected, the Condominium's income tax liability, if any, will be limited.

2. Income Tax Deductions to Residential Unit Owners

A Residential Unit Owner will own a Residential Unit in fee simple and each Residential Unit will be a separate tax lot for real estate tax purposes. Therefore, each Residential Unit Owner will be liable for any real estate taxes separately assessed against its Residential Unit. Each Residential Unit Owner may mortgage its Unit, subject to compliance with the provisions of the By-laws, and if so, will be liable for payment of mortgage interest and principal due thereunder.

Sponsor has been advised by its Offering Plan Counsel that Residential Unit Owners who are not subject to the Federal alternative minimum tax and who itemize deductions on their Federal income tax returns, will be entitled, under present Federal tax laws, to a deduction for Federal income tax purposes for the separately assessed real estate taxes they pay on their Residential Unit, and for the interest they pay on any mortgage covering their Residential Unit, provided that the Residential Unit is used as their own primary residence or specifically selected secondary residence and subject to certain limitations on deductibility as more particularly described in Sponsor's Offering Plan Counsel's Tax Opinion at the end of this Section S.

Subject to such limitations on deductions, Purchasers should note that mortgage interest is deductible generally only with respect to (i) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of $1,000,000), plus (ii) 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.

Since the rules and limitations regarding the deductibility of home mortgage interest are complex, Purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Residential Units for Federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the

deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

* * * *

No warranty or representation is or can be made by Sponsor, Sponsor's Offering Plan Counsel or any other person that the Internal Revenue Service or state and local tax authorities will accept any or all of the views stated above, or that the tax law upon which Sponsor's Offering Plan Counsel based its opinion will not change, or that the United States Treasury Department or the New York State Department of Taxation will allow the aforementioned deductions. No representation or warranty is or can be made that the tax law or the regulations or rulings issued thereunder, or any judicial interpretation thereof, may not change so as to disallow the deductions in whole or in part. Neither Sponsor nor its Offering Plan Counsel shall be liable if it is held that the Unit Owners are not entitled to the income tax deductions described above, for any reason.

The foregoing discussion is based on laws and facts as of the date of initial presentation of this Plan which may change subsequently. Potential purchasers are advised to consult their own accountants, attorneys or tax advisors as to tax consequences to themselves of ownership of a Unit, at the time that they are considering such purchase.

Tax Disclosure: Taxpayers are hereby informed that (i) this Offering Plan was not intended or written to be used, and it cannot be used, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this Offering Plan was written to support the promotion or marketing of the transaction(s) or matter(s) addressed in this Offering Plan; and (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

3. Real Estate Taxes

As mentioned elsewhere in this Plan, each Unit in the Condominium will be a separate tax lot. This means that each Unit ultimately will be separately assessed for real estate taxes. Once Units are separately assessed for real estate taxes by the City of New York, each Unit Owner will be responsible only for payment of the tax bill attributable to Unit Owner's Unit, and will not be responsible for paying the tax bill attributable to any other Unit. Likewise, with separate assessments, one Unit cannot be subject to a tax lien arising out of another Unit Owner's failure to pay the taxes due on that other Unit Owner's Unit.

Certain Purchasers of Residential Units, including senior citizens and veterans, may be exempt, in whole or in part, from real estate taxes. Each potential Purchaser should consult his or her own tax adviser as to the availability of such exemptions.

Submission of the Declaration and Tax Lot Drawings to the New York City Real Property Assessment Department for review is one of the first steps in the process by which the Units will become separate tax lots. The timing of this submission generally depends upon the date the Plan is declared effective, as typically the submission is not made until that time. As of the date of this Plan, Sponsor has no reason to anticipate any delay other than normal governmental processing time in effectuating creation of separate tax lots and individual Unit assessments.

Purchasers are advised, however, that due to the City's schedule in assessing real property generally, it is possible that separate assessments of Units may not be made for six to twelve months after separate tax lots legally are established. That is, separate tax lots may be established (thereby enabling Sponsor to convey Units to Purchasers), but separate assessments may follow some months later. Thus, for a period of time following establishment of separate tax lots, one tax bill may still be rendered for the entire Property. Details as to how the tax

bill will be paid under these circumstances are included in Part I, Section N of this Plan, entitled "Closing Costs and Adjustments."

Upon the recording of the Declaration, individual tax lots will be established for each Unit. Sometime thereafter, each Unit will be separately assessed by the City of New York for purposes of real estate taxes. Once Units are separately assessed for real estate taxes, each Unit Owner will be responsible only for payment of the tax bill attributable to Unit Owner's Unit, and will not be responsible for paying the tax bill attributable to any other Unit. Likewise, with separate assessments, one Unit cannot be subject to a tax lien arising out of another Unit Owner's failure to pay the taxes due on that other Unit Owner's Unit.

Note 5 to Schedule A of this Offering Plan provides a detailed description of the basis of projections for real estate taxes for the First Year of Condominium Operation, as well as for the Condominium upon completion of construction, and the pertinent portion of Note 5 is repeated here for convenience.

Sponsor is advised by Marcus & Pollack LLP ("**Real Estate Tax Counsel**"), in a letter dated June 6, 2014, a copy of which is included in Part I, Section S of this Plan (the "**Assessed Valuation Opinion**"), that Real Estate Tax Counsel anticipates that in arriving at the assessed valuation for each Unit, the New York City Department of Finance ("**DOF**") will first assess the Property as an entirety and that this overall assessment will then be apportioned by DOF among the Units. Real Estate Tax Counsel advises that historically, the apportionment of assessed value by DOF attributable to residential units was based in part upon the proportion that the sales price for each unit in the initial offering plan bore to the total sell out price of all units, and in part upon extrinsic indicia of value with respect to the units. Real Estate Tax Counsel further advises that more recently, DOF has been allocating assessed value for residential units in a condominium based upon common interest. Accordingly, for purposes of projections in this Offering Plan, Sponsor allocated the projected assessed valuation on Schedule A based on Common Interest. However, same is not a representation that DOF will use any particular method of apportioning assessed value among the Units.

The First Year of Condominium Operation is projected to be December 15, 2016 through December 14, 2017. For real estate tax projection purposes, this period includes approximately seven (7) months of tax year 2016/2017 and approximately five (5) months of tax year 2017/2018.

Based on Sponsor's construction time table, Real Estate Tax Counsel projects that the Project will not have been completed by the January 5, 2016 taxable status date for the 2016/2017 tax year. Accordingly, Real Estate Tax Counsel projects that the Property will be assessed for 2016/2017 as if partially completed (specifically, 50% complete) and the first year the Property will be assessed as fully complete is 2017/2018.

Pursuant to the foregoing, for tax year 2016/2017, Real Estate Tax Counsel estimates billable assessed value for the Residential Area at $9,441,985. Using an estimated class 2 residential tax rate of 13.145% for that year, Real Estate Tax Counsel estimates taxes for the Residential Area at $1,241,148 for 2016/2017.

Real Estate Tax Counsel further estimates, for tax year 2016/2017, that the billable assessed value for the Commercial Units and Hotel Unit will be an aggregate of $5,901,800. Using an estimated class 4 commercial tax rate of 10.323% for that year, Real Estate Tax Counsel estimated taxes for the Commercial Units and Hotel Unit at an aggregate of $609,242 for 2016/2017.

For tax year 2017/2018, the first year the Residential Units are expected to be assessed as complete, Real Estate Tax Counsel estimates the billable assessed value of the Residential Area at $18,883,970. Using an estimated residential class 2 tax rate of 13.145%, Real Estate Tax Counsel estimates taxes for the Residential Area at $2,482,298 for 2017/2018.

For tax year 2017/2018, Real Estate Tax Counsel estimates billable assessed value of the Commercial Units and the Hotel Unit at an aggregate of $11,803,600. Using an estimated class 4 commercial tax rate of 10.323%, Real Estate Tax Counsel estimates taxes for the Commercial Units and the Hotel Unit at an aggregate of $1,218,485 for 2017/2018.

Using approximately seven (7) months of projected taxes for 2016/2017 and approximately five (5) months from 2017/2018, Real Estate Tax Counsel estimates a total of $1,758,293 as the real estate tax liability for the Residential Units for the First Year of Condominium Operation, based upon the period December 15, 2016 through December 14, 2017.

Using approximately seven (7) months of projected taxes for 2016/2017 and approximately five (5) months from 2017/2018, Real Estate Tax Counsel estimates a total of $863,094 as the real estate tax liability for the Commercial Units and the Hotel Unit for the First Year of Condominium Operation, based upon the period December 15, 2016 through December 14, 2017.

To provide Purchasers with a more realistic estimate of real estate taxes, Schedule A shows estimated taxes based on Real Estate Tax Counsel's estimate of the assessed value of the Property following completion as well as the estimated taxes for the anticipated First Year of Condominium Operation. The amounts shown for projected assessments and taxes based on a completed project, are the amounts discussed above for 2017/2018.

Sponsor intends to apply for Industrial and Commercial Abatement Program ("**ICAP**") real estate tax benefits for the Hotel Unit and the Commercial Units, but Sponsor makes no representation as to whether ICAP benefits will be obtained, in what amount the ICAP benefits will be or when the ICAP benefits will take effect.

The projected Residential Area tax liability is anticipated, but not warranted or represented, to be allocated among the Residential Units by the City of New York based on Residential Common Interest, and has been allocated this way on Schedule A.

ALTHOUGH IN SPONSOR'S OPINION THE FOREGOING METHOD OF PROJECTING REAL ESTATE TAXES APPLICABLE TO EACH UNIT IS REASONABLE, THE FOREGOING ANALYSIS IS NOT A GUARANTY OR WARRANTY THAT THIS METHOD OF ALLOCATING ASSESSED VALUE TO EACH UNIT WILL BE THE METHOD USED BY THE NEW YORK CITY TAXING AUTHORITIES IN ESTABLISHING THE REAL ESTATE TAX ASSESSMENT FOR EACH UNIT, OR THAT THE TAX RATE OR ASSESSED VALUE USED IN THE PROJECTIONS WILL BE THE TAX RATE OR ASSESSED VALUE ADOPTED BY THE CITY OF NEW YORK FOR THE TAX YEARS IN QUESTION. THE CITY OF NEW YORK MAY USE DIFFERENT ALLOCATION METHODS AND MAY INCREASE THE TAX RATE IN YEARS TO COME. THE TAX PROJECTIONS ABOVE AND IN SCHEDULE A ARE MERELY ESTIMATES AND ARE NOT TO BE CONSTRUED AS A REPRESENTATION OR ASSURANCE OF THE ACTUAL AMOUNT OF REAL ESTATE TAX THAT WILL BE ASSESSED AGAINST ANY UNIT OR PAID BY ANY UNIT OWNER.

Neither Sponsor, Real Estate Tax Counsel, Offering Plan Counsel, Selling Agent nor any other person or entity, makes any warranty, guaranty or representation as to the assessed value of the Property or any Unit therein after completion of construction, or as to the amount of real estate tax that will be assessed against any Unit, or the amount of real estate taxes that will be payable at any time by any Owner of a Unit. Purchasers are urged to consult their own attorneys or tax advisors concerning the real estate tax consequences of ownership of a Unit in the Condominium.

4. Real Estate Tax Assessments and Tax Certiorari Proceedings

The Board of Managers shall have the right accorded condominium boards of managers in Section 339-y of the Condominium Act, on behalf of and as agent for any Residential Unit Owner who has given written authorization to the Board of Managers, to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to the Unit, as set forth in the By-laws. All Residential Unit Owners will share the costs in connection therewith and the benefits derived therefrom. If any Unit Owner seeks individually to have the assessed value of said Owner's Unit reduced, by bringing a separate tax certiorari proceeding, the Board of Managers, 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 such Unit Owner indemnifies the Board of Managers and all other Unit Owners from all costs, claims and expenses (including, without limitation, reasonable attorney's fees and expenses), resulting from such proceedings. There are currently no tax certiorari proceedings pending for the Property.

5. REAL ESTATE TAX COUNSEL'S ASSESSED VALUATION OPINION

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PHILIP H. AZARIAN
BRUCE A. BRASKY

June 6, 2014

71 Smith Street Property Owner, L.L.C.
c/o Flank
520 West 27th Street, Suite 403
New York, New York 10001

Re: The Boerum Condominium
265 State Street
Brooklyn, New York
Brooklyn Block 170 Lot 1

Dear Sir/Madam:

You have requested that we project the real estate tax liability for the residential and commercial components of a new condominium building to be constructed at 265 State Street in Brooklyn for the first year of condominium operation.

This letter will provide estimates of real estate taxes for the residential and commercial components of the new master condominium building containing approximately 387,807 square feet. The residential component of the condominium portion of the building will consist of 128 separately assessed residential condominium apartment units, a health club, lounge area and accessory parking space totaling approximately 269,771 gross square feet. In addition, the condominium building will include separate condominium tax lots for a transient hotel with 103,709 square feet and 3 commercial units totaling approximately 14,327 square feet. The entire commercial condominium component will have a total of 118,036 square feet.

Since tax year 1982/1983, Real Property Tax Law §1805(3) has mandated that increases in assessed valuation must be phased in over a five year period, resulting in a Transitional Assessed Value. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitations, or additions of square footage to existing structures) changes directly into the taxable assessed valuation without the five-year phase-in. The Actual Assessed Value is the target value which will be reached at the end of the five year period, assuming the assessment is not increased in the interim. Taxes are payable based upon the lower of the Actual and Transitional assessed values.

The total Actual (target) and Transitional Assessed Valuations for the subject property for the most recent tax year are set forth as follows:

Tax Years	Actual Land Assessment	Actual Total Assessment	Transitional Land Assessment	Transitional Total Assessment
2013/14	$1,597,500	$1,668,000	$1,436,030	$1,450,610
2014/15	$1,597,500	$ 1,707,812	$1,496,630	$ 1,532,582

You have advised us of the following facts regarding this project:

1. 265 State Street will be the location of a newly constructed master condominium building which is the subject of this opinion letter. As previously stated above, upon completion of construction, the condominium building will contain a total of approximately 387,807 square feet. The residential component of the condominium portion of the building will consist of 128 separately assessed residential condominium apartment units, a health club, lounge area and accessory parking space totaling approximately 269,771 gross square feet. In addition, the condominium building will include separate condominium tax lots for a transient hotel and 3 commercial units totaling approximately 118,036 gross square feet.

2. The site which comprises the subject property currently consists of the tax lot identified on the New York City Department of Finance records as Block 170, Lot 1 in Brooklyn.

3. The construction commenced December 1, 2013 with the pouring of footings and is projected to be completed by December 1, 2016. For the purposes of this analysis, we estimate that the property will first be assessed as a completed building on January 5, 2017. As the estimated completion dated would occur prior to the tax status date for tax year 2017/2018, i.e., January 5, 2017, we estimate the 2017/2018 tax year should therefore be the first tax year in which the City's assessment roll fully reflects the value of the newly constructed building.

4. You have advised us that the first year of condominium operation is scheduled to extend from December 15, 2016 through December 14, 2017. As this period closely corresponds with the City's 2016/2017 and 2017/2018 fiscal tax assessment years, for the purposes of this analysis, we have based real estate taxes due for the first year of condominium operation on the assessed value of the condominium tax lots for seven (7) months of tax year 2016/17 and five (5) months of tax year 2017/2018.

There are three recognized appraisal methods which are employed by the New York City Department of Finance's Real Property Assessment Department ("DOF") to determine the full market value of real property. These methods are the original cost method, capitalization of income approach and the sales price comparison method.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a significant indicator of value with respect to new buildings. Relevant data used in the cost method includes material and labor ("hard") costs, and financing, engineering, architectural, testing and professional fees and construction period taxes ("soft") costs.

The capitalization of income method is based upon the proposition that the annual net income generated by a property, when divided by the rate of return an investor at a given time would accept for his money in a competing investment, yields a close estimate of the market value of the property. In the past the DOF has also utilized gross income multipliers to value residential property. However, DOF has recently indicated that they will no longer utilize this approach to value for this type of property.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. However, the addition of sale prices of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation. Real Property Tax Law Section 581 requires that the DOF assess residential condominiums and cooperative buildings without regard to their form of ownership. This requirement has been interpreted to mean that cooperatives and condominiums are to be assessed as if they were rental properties, thus requiring a valuation based upon the capitalization of income utilizing rents imputed from comparable rental properties.

Generally, when assessing a condominium building, the DOF tax assessors first value the building in its entirety. This overall assessment is then apportioned among the respective units, each of which will be assigned a tax lot designation once the condominium declaration has been recorded with the City Register. In the past, the apportionment was based in part upon the proportion of the projected selling price presented in the Offering Plans that each condominium unit bears to the gross sellout price for all units available for purchase in the project (hereinafter, "Proportionate Valuation"), and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases, if any, on particular units. However, more recently, the Department of Finance enunciated a policy which has allocated assessed values for each of the units within a condominium by utilizing each unit's respective percent interest in the common elements. As for the subject condomininium building, the individual units will be apportioned into individual tax lots with separate assessed values. However, owing to the fact that a significant percentage of the master condominium building's floor area will consist of transient hotel and commercial retail space, it is our opinion that the DOF tax assessors will create a hybrid assessment for the master condominium building wherein the value of the residential and commercial components will be separately assessed and their separate assessments then added together to create a single tax assessment for the entire condominium building. Nevertheless, please note that we make no representation or offer no assurances that the Department of Finance will use any particular method to apportion assessed valuation among the units for the purpose of

computing the portion of the condominium building's total assessed valuation that will be allocated to each condominium unit within the condominium building.

Reconciliation of the three approaches to valuation discussed above, for recently constructed residential apartment building throughout Brooklyn, justifies an estimated overall Total Actual Assessed Valuation for the entire master condominium building upon completion of construction of would be $30,687,570. We estimate that the residential component of the condominium building would have an Actual Assessed Valuation upon completion of $18,883,970 based upon an estimated assessed valuation of $70 per square feet for the 269,771 square feet of residential space. We further estimate that the commercial component of the condominium building would have an Actual Assessed Valuation upon completion of $11,803,600 based upon an estimated assessed valuation of $100 per square feet for the 118,036 square feet of commercial space. We project that these assessed values of the completed condominium would first be reflected on the City's 2017/2018 tax assessment roll.

For our projections, we have placed greatest weight on the Comparable Assessment Study. The Comparable Assessment studies generally indicate that the City's assessment of newly constructed residential condominiums and cooperatives are often lower than what would normally be indicated by the capitalization of income method.

The most recent and currently available tax rate for residential real property is 13.145% and for commercial property is 10.323%. For purposes of the following projections, we have assumed that these overall rates will remain in effect for the 2016/2017, and 2017/2018 tax years. The estimated taxes payable during tax years 2016/2017, and 2017/2018 for the residential and commercial condominium components as defined above, are projected as follows:

Estimated Residential Taxes Payable During Tax Year 2016/2017 – During the Course of Construction:

For purposes of this analysis, we have estimated that as of the January 5, 2016 taxable status date governing the 2016/2017 assessment roll, a foundation will be in place based upon the start of construction on December 1, 2013. We estimate that the condominium building will be assessed as if 50% completed

We have estimated the total Actual and Transitional Assessed Valuations for the residential component of the condominium building for tax year 2016/2017 assessment roll will be $9,441,985 The Assessed Valuation will be multiplied by the estimated tax class 2 residential tax rate for 2016/2017 of 13.145% for an estimated 2016/2017 fiscal year tax liability of $1,241,148.

Estimated Commercial Taxes Payable During Tax Year 2016/2017 – During the Course of Construction:

As noted above, we have estimated that that condominium building will be assessed as if 50% completed by January 5, 2016. We estimate that the condominium building will be assessed as if 50% completed.

We have estimated the total Actual and Transitional Assessed Valuations for the commercial component of the condominium building for tax year 2016/2-17 assessment roll will be $5,901,800. The Assessed Valuation will be multiplied by the estimated tax class 4 commercial tax rate for 2016/2017 of 10.323% for an estimated 2016/2017 fiscal year tax liability of $609,242.

Estimated Residential Taxes Payable During Tax Year 2017/2018 – Upon Completion of Construction:

For purposes of this analysis, we have estimated that as of the January 5, 2017 taxable status date governing the 2017/2018 assessment roll, the building will be assessed as a completed building and the total Actual and Transitional Assessed Values of the residential condominium component, inclusive of the 128 residential condominium units, accessory parking, health club and lounge area, to be $18,883,970. The Assessed Valuation will be multiplied by the estimated tax class 2 tax rate for 2017/2018 of 13.145% to arrive at the residential condominium component's estimated 2017/2018 tax liability of $2,482,298

Estimated Commercial Taxes Payable During Tax Year 2017/2018 – Upon Completion of Construction:

As noted above, we have estimated that the 2017/18 assessment roll will be the first assessment roll in which the condominium building will be assessed as a completed building. We estimate that the total Actual and Transitional Assessed Values of the commercial condominium component, inclusive of the transient hotel unit and commercial condominium units, to be $11,803,600. The Assessed Valuation will be multiplied by the estimated tax class 4 tax rate for 2017/18 of 10.323% to arrive at the entire commercial condominium component's estimated 2017/18 tax liability of $1,218,485.

Estimate of Assessed Value

We have estimated Assessed Values for the entire residential condominium component. The estimated assessed value and fiscal year taxes are as follows:

Tax Year	Actual Total Assessment	Transitional Total Assessment	Estimated Tax Rate	Estimated Fiscal Year Taxes
2016/17	$ 9,441,985	$ 9,441,985	13.145%	$1,241,148
2017/18	$18,883,970	$18,883,970	13.145%	$2,482,297

For tax year 2016/17 the residential condominium component's estimated annual real estate taxes is estimated at $1,241,148 of which 7 months of the real estate taxes or $724,003 will fall within the first year of the condominium operation when the building is estimated to be assessed as incomplete.

For the tax year 2017/18, when the building is estimated to be assessed as complete, the residential condominium component's real estate taxes are estimated at $2,482,297 of which 5 months of the real estate taxes or $1,034,290 will fall within the first year of the condominium operation.

Estimated Real Estate Taxes for the First Year of Condominium Operation – December 15, 2016 through December 14, 2017

For the first year of condominium operation covering the period of December 15, 2016 through December 14, 2017, we project that the real estate taxes will be based on seven (7) months of tax year 2016/2017 and five (5) months of tax year 2017/2018. Thus, for the first year of condominium operation, the estimated real estate tax liability for the residential will be as follows:

Residential Condominium Component

December 15, 2016 to June 30, 2017
7 months of tax year 2016/2017 when it is estimated that as of the taxable status date January 5, 2016 the property is still under construction. We estimate that by the taxable status date of January 5, 2016 for tax year 2016/17 the residential condominium component will be assessed as tax class 2 for the residential use.
9,441,985 x 13.145% / 12 x 7=$724,003.

July 1, 2017 to December 14, 2017
(5 months of tax year 2017/18)
$18,883,970 x 13.145% / 12 x 5 = $1,034,290

Estimated real estate taxes for the residential condominium component for the first year of condominium operation would be $1,758,293 ($724,003 + $1,034,290).

Commercial Condominium Component:

December 15, 2016 to June 30, 2017
7 months of tax year 2016/2017 when it is estimated that as of the taxable status date January 5, 2016 the property is still under construction. We estimate that by the taxable status date of January 5, 2016 for tax year 2016/17 the commercial condominium component will be assessed as tax class 2 for the commercial use. The Assessed Valuation, $5,901,800, will be multiplied by the estimated tax class 4 commercial tax rate for 2016/2017 of 10.323% for an estimated 2016/2017 fiscal year tax liability of $355,392.
5,901,800 x 10.323% / 12 x 7= $355,392

July 1, 2017 to December 14, 2017
(5 months of tax year 2017/18)
$11,803,600 x 10.323% / 12 x 5 = $507,702

Estimated real estate taxes for the commercial condominium component for the first year of condominium operation would be $863,094 ($355,392+ $507,702)

This letter was prepared at the sponsor's request. Certain figures set forth herein are approximations derived from material submitted by the sponsor and area subject to variation. We have not passed upon the accuracy of any figures or estimates contained in the Plan, and offer no warranties of the amount of any tax liabilities for any period.

Prospective Purchasers are advised that while there is a formula which has been utilized by the Real Property Assessment Department in assessing such properties in the past, it has not been employed consistently, and it is therefore not possible to estimate or determine the post-construction assessed valuation of this property with any degree of certainty. However, the estimates presented below are based upon current policies and practices of that department. All prospective purchasers are further advised that although the estimate of assessed valuation upon completion of construction is a good-faith estimate, such assessed valuation, when actually made, may be significantly more or less than as estimated herein.

The opinions expressed above are based on our interpretation of the Real Property Tax Law, Administrative Code of the City of New York, and the applicable rules, regulations, policies and practices of the Department of Finance in effect as of the date hereof. While we believe our opinions are well founded, they are not intended, and should not be construed as representations or warranties. You should be aware that the laws, regulations and practices of the Department of Finance upon

which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

The foregoing analysis is based upon our experience with the Real Property Assessment Department and the Tax Commission of the City of New York, and their assessment policies regarding newly constructed properties held in the condominium form of ownership. Application of a particular approach to valuation by an individual assessor may yield a substantially different result.

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

Very truly yours,

Marcus Pollack LLP

Marcus & Pollack LLP

KH:sm

6. Offering Plan Counsel's Opinions

A. Income Tax Opinion

BRYAN CAVE

August 5, 2014

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Miami
New York
Paris
Phoenix
San Francisco
Shanghai
Singapore
St. Louis
Washington, DC

Re: The Boerum Condominium
265 State Street
Brooklyn, New York 11201

Ladies and Gentlemen:

As owner of the property known located at 265 State Street, Brooklyn, New York (the **"Property"**) and sponsor (**"Sponsor"**) of the offering plan filed with the New York State Department of Law to establish the Property as a condominium (the **"Offering Plan"** or **"Plan"**), you have requested our opinion as to the deductibility for Federal, New York State and New York City income tax purposes of mortgage interest and Real Estate Taxes (defined below) paid by a person who purchases a **"Residential Unit"** upon establishment of the Property as a condominium (the **"Condominium"**), and thus becomes a **"Residential Unit Owner"** at the Condominium. Capitalized terms used in this letter and not defined in this letter shall have the meaning given in the Offering Plan.

In connection with this opinion we reviewed the Plan (including the schedules and exhibits that are part of the Plan) and all documents contained in the Plan.

The opinions expressed in this letter are based upon the assumptions that the Plan becomes effective and is consummated in accordance with its terms, a condominium regime is established at the Property upon the recording of a condominium declaration and by-laws (collectively, the **"Declaration"**) and the filing of the **"Tax Lot Drawings,"** and the legal consequences of ownership of a Unit are as described in the Plan. Specifically our opinions are based on the assumptions that:

A. a **"Unit Owner"** will own fee title to a **"Unit"** including an undivided interest in the **"Common Elements"** appurtenant to the Unit;

B. each Unit, including its appurtenant undivided interest in the Common Elements, will be a separate tax lot for purposes of New York City real estate taxes, each Unit ultimately will be separately assessed for real estate taxes (such separately assessed taxes are referred to herein as

"**Real Estate Taxes**"), and the Unit Owner will be directly liable for such assessment for Real Estate Taxes with respect to that Unit Owner's Unit, but not with respect to any other Unit;

C. subject to certain restrictions contained in the Declaration, a Unit Owner may mortgage the Unit as the Unit Owner wishes, and the Unit will not be subject to the lien of any mortgage placed on any other Unit; and

D. a Unit Owner may convey that Owner's Unit, subject, with certain exceptions, to certain rights of the Board of Managers (defined below) contained in the Declaration.

Pursuant to the Declaration, the Condominium will be managed by a Board of Managers (the "**Board of Managers**") whose members will be elected by the Unit Owners (including Sponsor, to the extent Sponsor owns Units). We understand that the Board of Managers will operate the Condominium as an unincorporated association under New York law. The Declaration provides that expenses incurred in the operation and maintenance of the Condominium exclusive of the Units themselves shall be borne by the Unit Owners and assessed (in accordance with the Declaration) and collected by the Board of Managers on behalf of the Unit Owners.

Based upon the foregoing, it is our opinion that an individual who (i) is a Residential Unit Owner, (ii) uses such Residential Unit as such individual's principal residence or specifically selected secondary residence (each a "**Qualified Residence**") and (iii) itemizes deductions, will be entitled under present tax laws and regulations, to deduct from adjusted gross income, for Federal, New York State and New York City income tax purposes, certain costs associated with ownership of the Residential Unit. Specifically, the individual Residential Unit Owner may deduct, subject to certain limitations on itemized deductions, (i) Real Estate Taxes assessed against the Owner's Residential Unit and (ii) subject to the limitations identified in the next sentence, interest on indebtedness incurred in acquiring, constructing or substantially improving a Qualified Residence which indebtedness is secured by such Qualified Residence ("**Acquisition Indebtedness**"), and interest on indebtedness (other than Acquisition Indebtedness) secured by a Qualified Residence ("**Equity Indebtedness**"), but only to the extent the aggregate amount of such Equity Indebtedness does not exceed the fair market value of the Qualified Residence less Acquisition Indebtedness with respect to such Qualified Residence.

However, the aggregate amount treated as Acquisition Indebtedness for any period (on both a principal residence and a specifically selected secondary residence) may not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return), and the aggregate amount treated as Equity Indebtedness for any period (on both a principal residence and a specifically selected secondary residence) may not exceed $100,000 ($50,000 in the case of a married individual filing a separate return). (See Sections 163 (interest) and 164 (taxes) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.)

The expenses discussed above will be deductible when paid or accrued by the Residential Unit Owner depending upon the Residential Unit Owner's method of accounting.

However, limitations on the ability to use itemized deductions based on income levels and other factors may reduce or even eliminate the ability to use such itemized deductions to reduce Federal, New York State and New York City income taxes. These limitations have varied effective dates and applicability to different years and different income levels, and each prospective purchaser is urged to consult with such prospective purchaser's own tax advisor to determine the effect of such limitations on such prospective purchaser's own individual circumstances. Moreover, any Residential Unit Owner required to compute Federal income tax liability pursuant to the Federal alternative minimum tax, will not be entitled to deduct Real Estate Taxes paid or accrued with respect to such Owner's Residential Unit or interest on Equity Indebtedness.

Generally, a person who purchases a Residential Unit for use in a trade or business will be entitled under present tax laws and regulations to deduct from gross income for Federal income tax purposes in accordance with its method of accounting (i) Real Estate Taxes assessed against such Owner's Residential Unit, and (ii) interest on indebtedness incurred or continued in connection with the conduct of such trade or business, subject, however, to the limitations of Section 469 of the Code relating to "passive activity" losses and Section 465 of the Code relating to the "at-risk" rules.

The status of the Condominium for Federal income tax purposes (and accordingly for New York State and New York City income tax purposes) as an aggregation of Unit Owners or as an entity for income tax purposes is not clear, and accordingly we express no opinion with respect to this matter.

If the Condominium is treated for tax purposes simply as an aggregation of the Unit Owners, the income received by the Board of Managers (such as rents on any Units owned and leased by the Board of Managers or interest earned on the Condominium's funds) and the expenses incurred by the Board of Managers on behalf of the Unit Owners in deriving such income, would be deemed to be income and expenses of the Unit Owners in proportion to their respective Common Interests, and the amount of such income less such expenses would be taxable to the Unit Owners. In such a case, however, the Common Charges paid by Unit Owners should be treated as a mechanism for the payment of the expenses of the Unit Owners, and accordingly should not be considered income to the Unit Owners.

If, on the other hand, the Condominium is treated as an entity for income tax purposes, then under Treasury regulations dealing with the classification of entities for income tax purposes, the Condominium would be classified as a partnership for such purposes absent an election to classify the entity as a corporation. As a partnership, the Condominium itself would not be subject to income tax (other than possibly the New York City unincorporated business tax). Instead, the taxable income or loss of the Condominium would be passed through to the Unit Owners, each of whom would be required to report such Unit Owner's distributive share of such income on such Unit Owner's income tax return. The manner in which such income or loss would be computed is not entirely clear, but it would presumably be computed in a manner similar to that described below for a condominium electing to be classified as a corporation for income tax purposes.

However, it is anticipated that the Condominium will treat itself as an entity for income tax purposes and will make an election to be classified as a corporation for such purposes, although no assurance can be given in this regard. Accordingly, the remainder of this discussion assumes that the Condominium will be classified as a corporation for income tax purposes. In such event, the Condominium would be subject to Federal corporate income tax (as well as to the New York State and New York City corporate franchise (income) tax) on its taxable income. See Rev. Rul. 74-99, 1974-1 C.B. 131, clarified by Rev. Rul. 80-63, 1980-1 C.B. 116. For these purposes, the Condominium's taxable income would be the excess of its gross income over its deductible expenses. Gross income would include, among other things, any rental income or investment income received by the Condominium and all Common Charges paid by Unit Owners. However, any portion of the Common Charges segregated and used to finance specified capital expenditures or reserves for such capital expenditures should generally not be required to be included in gross income. See Rev. Rul. 75-371, 1975-2 C.B. 52; Rev. Rul. 75-370, 1975-2 C.B. 25; Rev. Rul. 74-563, 1974-2 C.B. 38. Deductible expenses would generally include the Condominium's Common Expenses other than capital expenditures.

Notwithstanding the foregoing, if the Condominium satisfies the requirements of Section 528 of the Code, the Condominium, as a condominium management association, may elect to be exempt from Federal income taxes on Common Charges collected from Unit Owners. Whether or not a Section 528 election is made, the Condominium may be subject to New York State and New York City taxes.

The Section 528 requirements for exemption are as follows: (i) the association must be organized and operated to provide for the acquisition, construction, management, maintenance, and care of association property; (ii) 60 percent or more of the association's gross income must consist of assessments from residential unit owners ("**Exempt Function Income**"); (iii) at least 90 percent of the association's expenditures must be for the acquisition, construction, management, maintenance, and care of association property; (iv) no part of the net earnings can inure to the benefit of any member or private individual other than by the acquisition, construction, management, maintenance and care of association property or by rebates of excess assessments; and (v) substantially all units (i.e., at least 85% of the total square footage of all units) must be used by individuals as residences (the "**Residential Use Requirement**"). The pertinent Treasury Regulations appear to focus on residential use by individuals, rather than ownership by individuals, and also provide that a unit that has never been occupied will be deemed to be used by an individual for residential purposes if, based on all the facts and circumstances, the unit appears to have been constructed for residential purposes. An election under Section 528 of the Code is made on an annual basis by filing Form 1120-H.

Even if the Condominium were to satisfy the requirements of Section 528 of the Code and elect to be exempt from Federal income taxes on Exempt Function Income, it would still be taxable at a 30% flat rate on the amount, subject to a $100 specific deduction, by which its non-Exempt Function Income exceeds the amount of allowable deductions which are directly connected with the production of such income. Among other things, income derived from the interim investment of assessments collected would be includible in the amount of income subject to taxation.

The qualification of the Condominium to elect to be exempt from tax pursuant to Section 528 of the Code involves factual issues which can be determined only on a year-by-year basis. In addition, due to

uncertainties as to how the Residential Use Requirement is applied, it is unclear if the Condominium will meet that requirement. Thus, we cannot express an opinion as to whether the Condominium will qualify to make a Section 528 election or whether it would be advisable to do so for any given year. In the event that the Condominium either does not qualify under Section 528 of the Code or, if qualified, does elect Section 528 tax treatment in any year, it could be subject to the regular Federal corporate income tax on its taxable income as described above.

We express no views as to any tax consequences other than those explicitly discussed in this opinion. Specifically, we express no views as to the deductibility of any taxes other than Real Estate Taxes, or the tax status of the Condominium as such or the computation of the Condominium's income and franchise tax liabilities (if any), nor does this opinion address the tax consequences which result from ownership of a Unit other than a Residential Unit or from the ownership of a Residential Unit in connection with a Residential Unit Owner's trade or business or for the production of income (including the possible application of the passive loss rules and the at-risk rules) other than those explicitly expressed herein. We strongly advise each person contemplating the purchase of a Residential Unit to consult his or her own tax advisor as to all tax matters (including, without limitation, the tax matters discussed in this opinion).

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

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

We consent to the incorporation of this opinion into the Plan and to the references to our name in the Plan.

****

Tax Disclosure: We inform you that (i) this opinion and Offering Plan were not intended or written to be used, and they cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this opinion and Offering Plan were written to support the promotion or marketing of the transaction(s) or matter(s) addressed in this opinion and Offering Plan; and (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

Very truly yours,

Bryan Cave LLP

BRYAN CAVE LLP

B. **Real Property Law Section 339-i Opinion**

BRYAN CAVE

July 31, 2014

71 Smith Street Property Owner, L.L.C.
c/o Flank
520 West 27th Street
New York, New York 10001

Re: Offering Plan for The Boerum Condominium
265 State Street
Brooklyn, New York 11201

Ladies and Gentlemen:

The New York Condominium Act (NYS Real Property Law Article 9-B) provides in Section 339-i(1) that each unit in a condominium shall have appurtenant to it a "common interest" (a **"Common Interest"**) as expressed in the declaration. Section 339-i(1) provides further that there are four different methods of allocating such common interest.

With respect to the condominium to above condominium project at 265 State Street, Brooklyn, New York (the **"Condominium"**) you have advised us that the Common Interest appurtenant to each unit at the Condominium (each a **"Unit"** and collectively the **"Units"**) in the declaration of condominium (the **"Declaration"**), a draft of which is contained in your offering plan for the Condominium, will be based on the anticipated floor space of a 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 (as defined in the Declaration) for exclusive or shared use, and the overall dimensions of the Unit. This formula is substantially consistent with that permitted by Section 339-i(1)(iv) of the Condominium Act and thus constitutes a permitted method of allocating Common Interest.

In a letter dated June 4, 2014 addressed to the New York State Department of Law, a copy of which is included in Part I, Section G of the Offering Plan, FirstService Residential (hereinafter **"FSR"**) states that FSR has reviewed the Common Interest for each Unit at the Condominium determined pursuant to the foregoing method and confirms that this method of determining Common Interest is reasonable and equitable.

We have not independently verified the accuracy of statements made to us by you or the statements made to you by FSR, nor have we verified the accuracy of the calculations of Common Interest provided by you to us. We have, however, relied on and assumed the accuracy of these representations and calculations in rendering our opinion.

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If the representations made by you to us and by FSR to you are true and correct as of the date of the Declaration, and if indeed the Common Interest appurtenant to Units in the Condominium set out in the Declaration is calculated in a manner consistent with Condominium Act Section 339-i(1)(iv), then compliance with the Condominium Act Section 339-i(1) will have been achieved.

Very truly yours,

Bryan Cave LLP

Bryan Cave LLP

T. WORKING CAPITAL AND RESERVES

1. Working Capital

Each Purchaser of a Residential Unit under this Plan shall be required to pay at Purchaser's Unit Closing an amount equal to two months' Common Charges attributable to each Residential Unit being purchased, for use by the Board of Managers as working capital. Working capital payments made at Unit closings shall be deposited into the operating account of the Condominium and used to help pay for Common Expenses during the period when Common Charges have been imposed and are being collected but prior to the time that sufficient Common Charges have accrued to pay these items. From and after such time as the Board of Managers determines to commence collection of Common Charges, and while Sponsor controls the Board, working capital may be used for such purposes as the Board shall determine in its discretion, including, without limitation, a reserve fund, but will not be applied to effectuate a reduction in Common Charges.

Closing adjustments between Sponsor and the Board of Managers made at time of First Unit Closing, to the extent in favor of Sponsor for expenses paid by Sponsor on behalf of the Condominium in advance of the First Unit Closing (e.g., insurance premium, labor expenses, supplies, etc.), may be paid from working capital if such funds are available at that time.

Sponsor shall not be obligated to make any working capital payments.

No representation is made that working capital will be sufficient to accomplish the purpose set forth above or any other purposes as determined by the Board of Managers in its sole discretion.

2. Replacement Reserve Fund

There will be no reserve fund established by Sponsor. However, under the By-laws the Board of Managers is required to maintain a Replacement Reserve Fund funded out of Common Charges, for the periodic maintenance, repair and replacement of Common Elements. The Board of Managers is authorized under the By-laws to establish reserves for other purposes as well.

* * * *

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED ON THE ADEQUACY OF WORKING CAPITAL OR THE REPLACEMENT RESERVE FUND FOR ITS RESPECTIVE INTENDED PURPOSE. IF ADDITIONAL FUNDS ARE REQUIRED FOR WORKING CAPITAL OR FOR CAPITAL REPAIRS OR REPLACEMENTS, IT MAY BE NECESSARY FOR THE BOARD OF MANAGERS TO INCREASE GENERAL OR RESIDENTIAL COMMON CHARGES, OR TO MAKE A SPECIAL ASSESSMENT AGAINST UNIT OWNERS.

* * * *

U. AGREEMENTS BINDING ON THE CONDOMINIUM

The discussion in this Section U summarizes agreements and other documents which will bind or otherwise affect the Condominium. All costs anticipated to be incurred by the Condominium during the projected First Year of Condominium Operation pursuant to the agreements and documents discussed in this Section U, are included in Schedule B to this Offering Plan. All documents summarized in this Section are available for review in the Sales Office. The Sales Office will provide a copy of any of these documents, at Purchaser's expense, to Purchasers who request their own copy of same.

Management Agreement

Sponsor anticipates causing the Board of Managers to enter into a management agreement with FirstService Residential (the "**Managing Agent**"), effective as of the First Unit Closing. The Managing Agent is a licensed real estate management company having an office at 622 Third Avenue, New York, NY 10017. The Managing Agent is not an Affiliate of Sponsor.

The management agreement is anticipated to have an initial term of one year, commencing as of the date of the First Unit Closing, and thereafter to renew automatically for one-year terms unless terminated with or without cause by either party on thirty (30) days' prior written notice.

The Managing Agent is anticipated to receive an annual fee of $65,000 during the first year of Condominium operation, which is consistent with prevailing rates for properties similar to the Condominium. The annual fee will be payable in equal monthly installments. The Managing Agent will also be entitled to fees payable by Unit Owners for work performed on behalf of Unit Owners, such as, for instance, processing applications for sale or lease of a Unit (estimated to be $650.00 plus a processing fee of $75.00 for each standard consumer report and a fee of $112.50 per application to defray the cost of online application and electronic record retention of applications).

The major duties to be handled and services to be provided by the Managing Agent under the management agreement include, without limitation, the following: hiring of the appropriate personnel to maintain the Condominium, processing applications for sales and rental of Residential Units, supervising the moving in and out of the Building by residents, billing and collecting Common Charges, maintaining payroll records and causing to be filed necessary forms for employees in connection with same, rendering monthly income and expense statements to the Board of Managers, preparing and submitting an annual operating budget to the Board of Managers for review and consideration, maintaining the Building, doing all such acts necessary to comply with all orders and violations affecting the Building, entering into any and all contracts on behalf of the Board of Managers required to run and maintain the Building, addressing resident complaints, organizing the annual meeting of the Unit Owners and notifying the Unit Owners of same, and maintaining the Condominium's records and books.

The Board of Managers will be required under the management agreement to indemnify the Managing Agent against (i) liability sustained for injury to person or property in or about or in connection with the Property unless caused by the negligence of the Managing Agent and (ii) liability for all acts properly performed by the Managing Agent pursuant to instructions of the Board of Managers.

Transit Easement and Subway Indemnity Agreement

In connection with construction of the Project, the City of New York reserved a permanent easement (the "**NYCT New Building Easement**") in, under and through the Property for the portion of the Building and surrounding area of various subway lines (specifically, the G Line (Tracks E1 and E2), A Line (Tracks A3 and A4), F Line (Track B2), and Movie Track (Track A1), which areas are referred to collectively as the "**Affected Tunnel Structure**").

Also in connection with construction of the Project, Sponsor entered into a Subway Indemnity Agreement with the NYC Transit Authority (the "**TA**") dated January 8, 2014 setting out certain requirements for construction of the Project taking into consideration the Affected Tunnel Structure (the "**Subway Indemnity Agreement**"). Though much of the Subway Indemnity Agreement pertains to construction of the Building, certain provisions of the Subway Indemnity Agreement survive completion of the Building and expiration of the Subway Indemnity Agreement. These provisions are binding on Sponsor and its successors and assigns and are intended to bind the Board of Managers. Among the provisions that will survive expiration of the Subway Indemnity Agreement and impact the Condominium is an indemnification requirement pursuant to which indemnitor agrees to indemnify and hold harmless the TA, the Metropolitan Transportation Authority, the City and State of New York and various other parties, from and against any and all liability, loss and expense arising out of injuries to or death of persons, or damage to property resulting from or occurring by reason of breach by Owner under the Subway Indemnity Agreement, negligent or improper performance by Sponsor of the "Construction Work" (as defined in the Subway Indemnity Agreement) performed under the Subway Indemnity Agreement, and various other actions.

Another surviving provision of the Subway Indemnity Agreement requires that following completion of the Construction Work under the Subway Indemnity Agreement, the Owner of the Property name the City of New York, the State of New York, New York City Transit Authority, Metropolitan Transportation Authority and their respective affiliates and subsidiaries on all policies of liability insurance carried by Owner for the Building. Thus the Board of Managers will be obligated to name such parties on its liability policies.

In addition to the foregoing, the Subway Indemnity Agreement provides that ten (10) years after final completion of the Building, and at every ten (10) year interval thereafter, the Owner of the Property is required to retain a qualified engineering firm to perform an in depth inspection of the Affected Tunnel Structure and create a report of the inspection for the Metropolitan Transit Authority for information and evaluation.

The Subway Indemnity Agreement and all of Owner's obligations thereunder, are deemed assumed by any subsequent owner of the Property which provision is intended to pass on all the obligations of Sponsor to the Board of Managers and fully release Sponsor therefrom.

Purchase of Resident Manager Unit

Sponsor intends to sell Residential Unit 705 (or, at Sponsor's option and as disclosed in an amendment to this Plan, another Residential Unit) to the Board of Managers to be used as the residence for the Condominium's Resident Manager (the "**RM Unit**"). The closing of title to the RM Unit is anticipated to occur on the sooner of (i) closing of title to 75% of all Residential Units or (ii) three (3) years after the First Unit Closing. The Purchase Price for the RM Unit is anticipated to be $1,200,000.00 ("**RM Purchase Price**"). There also will be closing costs associated with purchase by the Board of Managers of the RM Unit, including without limitation, fee title insurance, Transfer Taxes, Mansion Tax, mortgage recording tax, recording fees and other loan-related costs (collectively "**RM Closing Costs**"). RM Closing Costs are currently estimated to be $36,100. The Board of Managers will be obligated to pay the RM Closing Costs as well as the RM Purchase Price. The RM Purchase Price together with the RM Closing Costs is $1,236,100.00. (the "**RM Purchase Costs**"). It is anticipated that 35% of the RM Purchase Costs will be paid in cash by the Board of Managers and the remaining 65% will be financed with a purchase money loan from an Institutional Lender secured by Sponsor. Alternatively, Sponsor may determine to finance the purchase of the RM Unit itself.

In order for the Board of Managers to have sufficient cash to pay the cash portion of the RM Purchase Price and the cash portion of the RM Closing Costs, each Purchaser shall be required to pay at Unit Closing Purchaser's share of thirty-five (35%) percent of the RM Purchase Costs based on Residential Common Interest (such proportionate share, the "**Allocable Share**"). Sponsor will collect Purchaser's Allocable Share on behalf of the Board and retain the portion attributable to the RM Purchase Price and apply it as a credit against the

RM Purchase Price payable by the Board at closing of the sale of the RM Unit. The balance of the Allocable Share will be held by the Managing Agent for the Board of Managers and will serve to pay RM Closing Costs at closing of the RM Unit. If the full 35% cash amount of the RM Purchase Price has not been collected at the time of the RM Unit Closing, the Board will execute and deliver a note with an interest rate of six (6%) percent per year and a maturity date of twelve (12) months for the remaining balance of the RM Purchase Price due Sponsor (the "**RM Note**"). In such event Sponsor will retain the Allocable Share of the RM Purchase Price paid by Purchasers at their Unit Closing, to pay down the RM Note. The balance will continue to be delivered to the Managing Agent on behalf of the Board. If Sponsor elects to finance the Board of Manager's purchase of the RM Unit, it will do so by providing a purchase money loan with an interest rate of 6% per year, interest only, for a term of one (1) year, and the right to secure the note evidencing such loan with a mortgage against the RM Unit. The Allocable Share for each Residential Unit is set forth on Schedule A in Part I, Section E of the Plan.

Sponsor will permit the Resident Manager to reside in the RM Unit prior to the Board of Manager's acquisition of same on a license basis and will have the right, at Sponsor's discretion, to impose a use and occupancy fee for same based on Sponsor's costs to carry the Unit (e.g., Common Charges, real estate taxes, debt service).

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The foregoing discussion is only a brief summary of key elements of the Management Agreement or Subway Indemnity Agreement that will bind the Condominium. It does not purport to be a full statement of all the provisions therein. Accordingly, Purchasers are advised to review these agreements in their entirety for a comprehensive understanding of their provisions. Copies of these agreements are available for review in the Sales Office.

V. IDENTITY OF PARTIES

Sponsor

Sponsor is 71 Smith Street Property Owner, L.L.C., a Delaware limited liability company with an office c/o Flank at 520 West 29th Street, Suite 403, New York, New York 10001.

71 Smith Street, L.L.C, also a Delaware limited liability company, is the sole member of Sponsor ("**Member**"). Flank 71 Smith L.L.C ("**Flank 71**") is the Operating Member of Member and authorized to take actions and decisions to cause Sponsor to develop the Project. Jonathan Kully and Michael Walsdorf are the individual principals of Flank 71 and of Sponsor with respect to this offering. 71 Smith Street Member, L.L.C., a Delaware limited liability company, is the Majority Member of Member; it comprises a series of investment funds formed by The Carlyle Group and has no individual principals.

Sponsor has not previously been involved in offerings of cooperative interests in realty. However, Mr. Kully and Mr. Walsdorf have been involved in the design, ownership, development and sale of real estate for a number of years.

Within the last five (5) years, Messrs. Kully and Walsdorf also served as principals of the sponsor of the offering plan for The Abingdon, located at 607-609 Hudson Street (aka 316-326 West 12th Street and aka 793 Greenwich Street), New York, NY 10014, which plan was filed with the Department of Law on April 14, 2011. The sponsor of the offering plan for The Abingdon is current with respect to its obligations under that offering plan. Mssrs. Kully and Walsdorf also served as principals of the sponsor of the offering plan for the 224 Mulberry Street Condominium, located at 224 Mulberry Street, New York, New York 10012, which plan was filed with the Department of Law on October 28, 2013. The sponsor of the offering plan for 224 Mulberry Street is current with respect to its obligations under that offering plan.

Selling Agent

The Selling Agent is Corcoran Sunshine Marketing Group ("**Corcoran Sunshine**"), having an office at 888 Seventh Avenue, New York, New York 10106. Corcoran Sunshine is a licensed real estate brokerage firm. Corcoran Sunshine has no financial interest in the Property, Sponsor, the managing agent or any other interested parties in this transaction, except for its fee for services rendered.

With headquarters in New York, Corcoran Sunshine has completed $25 billion in residential sales of newly constructed properties, converted properties, hotel condominiums, and repositioned properties. Currently, Corcoran Sunshine is actively managing the marketing and sales and leasing of numerous luxury residential developments and condominium hotels in major markets throughout the country. In New York City, Corcoran Sunshine has been responsible for the exclusive planning, design, marketing and sales representations of numerous luxury properties; select properties include The Greenwich Lane, One Jackson Square, The Rushmore, 101 Warren, Chelsea Enclave, One Beacon Court and One Central Park.

Attorneys for Sponsor

Offering Plan Counsel and Closing Counsel

Sponsor retained the law firm of Bryan Cave LLP, located at 1290 Avenue of the Americas, New York, New York 10104, to represent Sponsor in connection with this Plan. Bryan Cave also will serve as Closing Counsel for Sponsor. In such capacity, Bryan Cave will serve as Escrow Agent for Premium Payments made under the Option Agreements and will represent Sponsor in connection with Unit closings. Bryan Cave has not passed on

the legal opinions of any other attorneys referenced in the Plan or independently examined, investigated or passed upon, business or financial terms of the offering or the condition of the Property.

Real Estate Tax Counsel

Sponsor retained the law firm of Marcus & Pollack LLP located at 708 Third Avenue, New York, New York 10017 to project the post-completion assessed value of the Units. This firm furnished the Real Estate Tax Counsel's Assessed Valuation Opinion found in the Plan.

Architects and Engineers

Goldstein, Hill and West Architects LLP (**"GHW"**), located at 11 Broadway, Suite 1700, New York, New York 10004, serves as Sponsor's Architect for the Project. As such, GHW prepared the architect's report and the Floor Plans of the Units, both in Part II of the Plan. The principals of GHW have substantial experience in working with an array of real estate developers and government agencies. Said firm is independent of and unaffiliated with Sponsor.

Flank Architecture, PLLC, is the design architect for the Project. None of the principals of Flank Architecture have a financial or ownership interest in Sponsor and Sponsor has no financial or ownership interest in Flank Architecture.

WSP Cantor Seinuk, located at 228 East 45th Street, New York, New York 10017, is the structural engineer for the Project. Said engineering company is a renowned engineering firm with extensive experience in New York City specializing in all types of high-rise buildings and is independent of and unaffiliated with Sponsor.

Managing Agent

Sponsor anticipates causing the Board of Managers to enter into a management agreement with FirstService Residential New York Inc., a New York corporation, having an office at 622 Third Avenue, New York, New York 10017. The Managing Agent has been engaged in the development ownership, operation and management of New York City multifamily residential properties for over twenty-five years, and is not affiliated with Sponsor.

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.

A list of properties which have been managed by the Managing Agent include: The Plaza Condominium, 306 West 48th Street, 8 Spruce Street (NY by Gehry), 28 East 10th Street, 141 East 88th Street, Morton Square Condominium, 225 Fifth Avenue Condominium, Greenwich Club Condominium and 515 East 72nd Street Condominium. FirstService Residential New York Inc. manages over 500 properties with 70,000 units, made up of rental, cooperative and condominium apartments.

W. REPORTS TO UNIT OWNERS

All Unit Owners will be entitled to receive annually from the Board of Managers copies of:

The proposed annual budget of the Condominium at least two weeks before the date set for adoption of the budget by the Board of Managers (which budget will be certified as adequate for the purposes and period for which it is projected while Sponsor controls the Board of Managers);

An annual financial statement within four months after the end of each fiscal year of the Condominium (which annual financial statement shall be certified by a certified public accountant while Sponsor is in control of the Board of Managers); and

Notice of the annual meeting of Unit Owners, to be sent to Unit Owners not less than ten (10) days before the meeting.

X. DOCUMENTS ON FILE

In accordance with Section 352-e(9) of the General Business Law and Section 20.3(dd) of the Regulations of the Department of Law, copies of this Plan and all documents referred to herein and all exhibits submitted to the Department of Law in connection with the filing of this Plan will be available at the offices of Sponsor or at another designated location for inspection and copying by actual and prospective purchasers of Units, and shall remain available for inspection without charge, and copying at a reasonable charge, for a period of six (6) years following the First Unit Closing.

Y. GENERAL

There are no lawsuits or administrative or other proceedings now pending the outcome of which would materially affect this offering, the Property, the Condominium, the operation of the Condominium or Sponsor's capacity to perform its obligations under the Plan, which have not been disclosed herein.

In accordance with the provisions of the laws of the United States and the State of New York, Sponsor represents that Sponsor will not discriminate against any person because of marital status, household composition, disability, race, creed, color, age, national origin, sex, sexual preference, or ancestry in the sale of Units offered by the Plan or in the leasing of any Unit owned by Sponsor.

If an amendment to this Offering Plan is filed which discloses a change in the offering that may have a material adverse effect on a Purchaser or Purchasers, the potentially affected Purchaser(s) will be given an opportunity for at least fifteen (15) days after the date of presentation of the amendment to rescind its/their Option Agreement. Any Purchaser who exercises such right to rescind will receive back Purchaser's Premium Payment together with interest that may have been earned thereon subject, however, to Sponsor's right to condition return of the Premium Payment to a Purchaser who resides in the Unit under an Interim Lease, to the Purchaser's vacating and surrendering possession of the Unit.

No contracts or agreements, written or oral, have been entered into by Sponsor for the sale or other transfer of Units offered under this Plan, and no deposits or advances of funds to purchase Units have been accepted by Sponsor as of the date this Plan was accepted for filing by the Department of Law.

Z. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor represents that to the best of its knowledge, the "Architect's Description of Property and Specifications" set forth in Part II of this Plan accurately summarizes the general nature of the systems, materials, equipment, appliances and fixtures to be contained in or as part of the Condominium upon completion of construction. Sponsor hereby adopts said Description of Property and Specifications. The Description of Property and Specifications was prepared by Goldstein, Hill and West Architects LLP and is included in the Plan with the consent of said firm.

71 SMITH STREET PROPERTY OWNER, L.L.C.
SPONSOR

OFFERING PLAN

THE BOERUM CONDOMINIUM
265 STATE STREET
BROOKLYN, NEW YORK 11201

PART II

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1. ARCHITECT'S DESCRIPTION OF PROPERTY AND SPECIFICATIONS

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Section 20.7

DESCRIPTION OF THE PROPERTY AND BUILDING CONDITION:

The Boerum Condominium
265 State Street
Brooklyn, New York 11201

A. Location and Use of the Property:

1. Address:	265 State Street Brooklyn, New York 11201
2. Block/Lot Number:	Block 170, Lot 1
3. Zoning:	C6–1 (R7)
4. Permissible Uses:	Use Groups as Per New York City Zoning Resolution Residential: - 2 Garage - Accessory to Use Group 2 Hotel - 5 Commercial: - 6

B. Status of Construction:

1. Class of Construction:	Erected Class (Class 1B - Fireproof), conforming to all applicable regulations of the Building Code of the City of New York, including Local Law 17/95, Seismic Building Design.
2. Status of Construction:	The construction of the building commenced on April 10, 2014 and it is scheduled to be substantially complete on or about fall of 2016.
3. Certificate of Occupancy:	A Temporary Certificate of Occupancy will be issued prior to initial occupancy.
4. Permits and Description:	The Project will comply with NYC BC 2008 (NB#320517927), Fair Housing and all Local and Federal regulations, laws and codes. Sponsor has a licensed professional unaffiliated with Sponsor or the undersigned firm to conduct controlled inspections.

C. Site:

1. Size:	The size of the building parcel is approximately 27,581 square feet.
2. Number and Use of	

the Building:

One new building will be erected which will contain 128 Residential Units (the "Residential Area") from the 7th Floor through 20th with a garage and Bicycle Storage on the 2nd floor, 196 Hotel rooms from the 3rd through 6th Floor, which will comprise a single unit ("The Hotel Unit"), and three (3) Commercial units ("Commercial Units" on the ground floor). For the Residential Area the Ground Floor will contain a Lobby and building service areas which include a Mailroom, Concierge with Package Room and cold storage space within, as well as a vehicle entrance ramp to the parking garage located on the 2nd floor. The Residential Area of the Cellar will contain the Gym, Storage Units, Super's Office and Workshop, Trash Compactor Room, and Mechanical Rooms. For the Hotel Unit, The Ground Floor will have its own Lobby, Kitchen, Bar, Offices, Luggage storage and a loading berth. The Hotel Unit of the Cellar will contain the Fitness Center, Meeting Rooms, Kitchen, Offices, Employee Break Room, and Mechanical Rooms. There is also a Residential Amenity Area on the 15th Floor.

3. Streets:

The building is abutted by Schermerhorn Street to the North, State Street to the South and Smith Street to the West. The main entrance to the Residential Area is on State Street. The main entrance to the Hotel Unit is on Schermerhorn Street. All public streets will have steel faced curbing. New street lighting, approved by the City of New York, will be installed on all public streets which are State, Smith and Schermerhorn.

4. Sidewalks and Ramps:

The sidewalks adjacent to the property are to be new concrete sidewalks, free of tripping hazard and ponding, providing access to the building. Sidewalks are pitched to drain to catch basins in the public streets. Street lighting will be provided by new NYC approved curbside light poles. One vehicular ramp, with its entrance on Schermerhorn Street, will serve the parking garage located on the 2nd floor. It will be constructed of concrete with concrete curbs. The Condominium Board will be responsible for maintaining the sidewalks in accordance with New York City Department of Buildings and the authority having jurisdiction requirements. Sidewalks, curb cuts, and ramps shall comply with NYCDOT/local law and ADA requirements. Electric vaults providing service to the building will be located beneath the sidewalk on Smith Street. The vaults will be adjacent to the curb on the sidewalk, providing a clear path between the edges of the vault grating and building façade/property line. The electric vaults will be maintained by Con Edison.

D. Utilities:

1. Electricity:

Electricity will be provided by Consolidated Edison Company, ("Con Edison"), a regulated company. Each Residential Unit

(including the electricity required to power the heat pump units and any supplemental electric heating elements or heaters located in the same unit) shall be individually metered using Con Edison Meters and each Residential Unit Owner shall be responsible directly to Con Edison for payment of such charges. The electricity consumed within the Commercial and Hotel Units, will each be separately metered by Con Edison. The Residential Area will be responsible for electricity consumed in the Garage, Residential Lobby and Amenity Area.

2. Gas:

Gas will be provided by National Grid. The cost of the gas consumed in the Residential Area of the Building, used for cooking and domestic hot water in the Residential Area will be separately metered and will be borne by the Residential Unit Owners. The cost of gas consumed in the Hotel Unit for cooking (Commercial Kitchens) and domestic hot water will be separately metered and will be borne by the Hotel Unit Owner. Commercial Unit #3 will be provided with a separate gas meter and gas distribution piping capped within Commercial Unit #3 and the cost will be borne by the Commercial Unit Owner. There will be a main gas meter dedicated for heating for the entire building. The cost of gas consumed in the Hotel Unit for heating purposes will be charged to the Hotel Unit on the basis of a BTU meter on the Hotel Unit portion of the central boiler plant.

3. Water and Sewer:

Water and sewer service will be provided by the City of New York. Any water consumed in the Commercial Units and Garage will be separately sub-metered, and the charges for such water and the corresponding sewer rents will be paid for by the Owners of such Units. The charges for water and sewer services provided to the Residential Units and in the Residential Area of the building will be levied on the basis of Master City Meter and borne by the Residential Unit Owners. The charges for water and sewer services provided to the Hotel Unit will be levied on the basis sub meters and borne by the Hotel Unit Owner.

4. Telephone:

Telephone service will be provided by Time Warner, AT&T and/or other regulated companies. Each Residential Unit owner will be required to pay the telephone charges associated with his or her Unit. Similarly, the charges with respect to the telephones in the Hotel Unit and the Commercial Units will be separately paid for by the owners of such Unit. The telephone charges for the garage will be borne by the Residential Area. The telephone charges with respect to the Residential Areas of the Building such as the Concierge's Desk, Garage and Amenity Area will be borne by the Residential Area, as provided in the Building Operating Budget.

5. Cable Television:

Cable television service will be provided by Time Warner Cable, Verizon's FIOS (when available) or satellite based services. Each

Condominium Unit Owner will be required to pay a monthly service charge directly to the cable distributor, which will vary depending upon the services subscribed to by the Condominium Unit owner.

6. Data Transmission: Data transmission services will be provided by Time Warner Cable, Verizon FIOS (when available) or an Internet Service Provider (ISP) that serves the area. All Residential Units throughout the building have been pre-wired with Cat6 and RG6U, coax and empty conduits for the data provided. All charges with respect to providing this service will be paid by the Residential Unit Owner directly to the service provider.

7. Drains: All roof areas will be provided with cast iron roof and area drains which will discharge through internal cast iron leaders into building storm drains retention tanks before discharging to the street tower.

E. Sub-soil Conditions:

1. Boring: A portion of the building bears directly on an existing subway tunnel that was designed to support loads from a building above. Based on boring data from a geotechnical investigation, the portion of the building not directly supported by the subway tunnel is supported on a pile foundation.

2. Drainage: Sub-grade drainage system is not required for the foundation of the building. No sub-grade drainage system has been provided.

3. Grade: Exterior finished grades shall be sloped to drain water away from foundation walls of the building.

F. Landscaping:

1. Streetscape: There will be approximately 6 trees, as designated by the New York City Parks Department, next to the sidewalk on three sides of the building. The cost of maintaining these trees will be shared by all Unit Owner's.

2. Courtyard: The interior courtyard, located at the 3rd floor level belongs to the Hotel Unit with access for maintenance. The 3rd floor roof is pitched as required by code to the roof and overflow drains within the ballast. The cost of the maintenance and utilities for the interior courtyard on the 3rd floor will be borne by the Hotel Unit. The 15th floor Residential Amenity Area has an Amenity Deck, a Great Lawn with putting holes and a Children's Play Area as well as several lounge areas, including a Resident's Lounge fully furnished with chaises. The Amenity Deck includes a grill station and kitchen, with refrigerators, ice maker and sink, dining area and additional lounge

seating. The entire Amenity Deck is surrounded by a planted landscape of trees, shrubs and perennials. The planting consists of metal trellis framing boxwood hedges, back planting stone trough at screen wall with a variety of plantings to climb up the screen, stone tree planter box, stone pavers at lounge area with artificial lawn at perimeters. See attached plans AG-07. There will be adequately spaced ground recessed path lighting and planter mounted adjustable uplights provided on the roof deck. The roof is pitched at a slope of 1/8" per foot to the adequately sized roof and overflow drains below the pavers. The cost of the maintenance and utilities for the Residential Amenity Area and Terrace will be borne by the Residential Area as provided in the Building Operating Budget.

G. Building Size:

1. Total Height: The Building is approximately 231'- 0" in height from the highest average curb elevation to the top of the highest bulkhead. Local law 11/98 applies to the building façade. Building Elevation Drawings attached hereto.

2. Cellar: There is a Cellar with ceiling heights that vary.

3. Number of Floors: There are 19 levels above grade including the Ground Floor. The floor numbering system skips the 13th floor. The floors are numbered 1st thru 20th.

4. Equipment Rooms: Equipment rooms are located in the Cellar and in rooftop mechanical equipment rooms and on roof bulkheads.

5. Parapet Heights: Height from top of roof finish to top of parapet coping will be a minimum of 3'-6".

6. Occupancy: 1. There will be 128 Residential Units located on the 7th floor through floor 20th floor of the building.

2. Hotel Rooms located on the 3rd floor through the 6th floor of the building.

3. A portion of the Cellar will be for use by Residential Owners and will include mechanical equipment rooms, storage bins and a gym for use by the Residential Unit Owners. There is also a portion of the cellar that is part of the Hotel Unit which will include the Fitness Center, Meeting Rooms, Kitchen, Offices, Employee Break Room and Mechanical Rooms.

4. Three Commercial Units located on the Ground Floor.

5. One Garage on the 2nd Level with garage office and bicycle storage for the Residential Units.

H. Structural System:

1. Foundation: Reinforced concrete foundation walls, columns and shear walls are to be supported by a combination of piles and a mat slab over an existing subway tunnel. The foundation walls and floor slab are waterproofed with a continuous waterproofing membrane system by WR Grace. Florprufe 120 will be used below the slab. Preprufe 160R will be used on the single formed walls. Bituthene 4000 will be used on the double formed walls. The noise from subway lines under the building is mitigated by providing structural vibration isolators between subway tunnel and the mat foundation.

2. Superstructure: Building is constructed of reinforced concrete, flat plates, beams, columns, and walls. Wind and seismic forces are resisted by a combination of reinforced concrete shear-walls and a reinforced concrete perimeter moment frame. No asbestos containing material will be present. Spray on insulation is provided at the ceiling of the 2nd floor garage. Sound attenuated insulation is provided at all dropped ceilings and acoustical underlayment beneath the finished flooring on 3rd through 20th floors.

3. Wall Construction: At the base of the exterior wall will be storefront above a granite water table below hand set cast stone panels in between masonry piers with a perforated screen at the 2nd floor to accommodate garage ventilation. The middle portion of the building from the 3rd thru 15th floors will be masonry with a 6" CMU backup over insulation and 5/8" mold resistant gypsum wallboard. There also are insulated metal spandrel panels throughout the middle of the building. The top of the building from the 15th thru 20th floors will be predominantly a window wall system which is designed to prevent water penetration as well as masonry with 6" CMU backup over insulation and 5/8" mold resistant gypsum wallboard. The exterior walls have a minimum R-value for the insulation of 15.15 and a fire rating of 2 hours. Water intrusion is prevented by treating the exterior wall with an air and weather barrier by Henry Company or equal.
All systems are New York State energy code compliant. No drywall material containing "Sulfide" has been used within the building. Demising walls are all insulated and have a better STC rating than 45.

4. Windows: Exterior windows in Residential Units and Hotel Units will be custom aluminum thermal-break casement type windows with double-pane insulated glass, caulked where necessary, and will be painted with a bronze kynar finish at the exterior and white on the

interior or equal. The Manufacturer is to provide a 10 year warranty. Operable windows are provided that meet and or exceed NYC Code requirements for "Light and Air". Limit stops will be provided at all operable windows in all units to comply with state local law requirements for child safety window guards.

5. Lot Line Windows: Lot line windows as indicated on the unit plans are compliant with permitted area or opening and distance to lot line. Such openings are unprotected as per New York City Building Code. The lot line windows will not need to be closed because the distance of those windows to the lot line exceed the minimum required as per New York City Building Code.

6. Storefront: A custom aluminum storefront system will be installed on the ground floor of the building. It will be monolithic glass system with integral metal panels.

7. Landmark Status: None.

8. Parapets and Copings: Roof parapet construction is pre-cast concrete or reinforced concrete and masonry. Ornamental steel railing is side mounted on parapet. The top of railing is 3'-6" at all terraces. All exterior metal, including fasteners, is corrosion resistant.

9. Chimneys and Caps: The Building will have a trash compactor room for the Residential Units as well as a trash room for the Hotel Unit. The rubbish chute will lead directly to the trash compactor room located on the Cellar Level for the Residential Units and a linen chute will lead directly into the Laundry/Linen Room for the Hotel Unit (16ga. Type: AL/Steel) with explosion vents and metal flashing collars. Bathroom and kitchen vents will be provided with central fan systems exhausting to the exterior. There is one chimney serving the two main boilers which service all Units. The chimney is made with a 26.ga. aluminized steel jacket and a 1" thick metal lining.

10. Residential Fireplaces: N/A

11. Rooftop Terraces: A portion of the roofs at the 7th & 16th – 20th floors will be used for the exclusive use of the Residential Unit Owner as a terrace. Terraces will be provided to the following units:

Floor #	Unit #
7	701
16	1601, 1602, 1603, 1604, 1605
17	1701, 1705
18	1801, 1804
19	1901, 1904
20	2001, 2002, 2003, 2004

These terraces are constructed of poured-in-place concrete and will be finished with pre-cast concrete pavers over a fluid applied

membrane roofing system. Doors to terraces will be aluminum and glass doors with double-pane insulated glass, caulked where necessary, and will be painted with PPG Industries "Duranar XL" finish or equal. The Manufacturer is to provide a 10 year warranty. Cast iron roof drains located below the concrete pavers and a frost-proof water spigot will be provided for each unit's terrace as well as a GFI receptacle and exterior lighting. Gypsum board soffits will be provided below dropped terrace slabs. Architectural screens made of Ipe wood will be provided at all terraces that need to have a separation. All exterior metal, including fasteners, is corrosion resistant.

12. Exterior Entrance:

A Residential Unit Lobby entrance located on State Street and a Hotel Unit Lobby located on Schermerhorn Street will have Ellison balanced doors or equal with brass frames and 1/2" tempered glass with electric strikes. All marquees are brass trimmed frames with glass infill. The marquee roof is pitched to prefabricated stainless steel gutters and drained at each end with leaders. Heat trace will be provided at all gutters and drain pipes outside of the building and there is a roofing membrane below gutter. Exterior stairwell and roof access doors are painted flush panel hollow metal 1-3/4" thick 1½ HR fireproof doors with metal frames. All exterior entrances shall be built free of tripping hazard. All exterior entrances are ADA compliant. There will be lighting built into all of the marquees and exterior entrances around the building which will be in compliance with the NYC Housing Maintenance Code and Multiple Dwelling Law

13. Service Entrance:

The service entrance to the Residential Units is located on Schermerhorn Street. The doors will be glass and aluminum with electric strikes integrated with the aluminum storefront system. Fluorescent lighting shall be provided adequately in the service corridor.

14. Garage Entrances:

The overhead door to the parking garage is located at the bottom of the ramp on the ground floor. The motorized aluminum roll up will be manufactured by Atlas or equal with a 10 year warranty. The parking is one integral garage. The parking garage contains parking for at least 40 cars. The Residential Units elevator banks serve the garage as an accessible means of egress.

15. Roof and roof Structures:

The roofing system will be an Insulated Roof Membrane Assembly (IRMA) comprised of a torched-down, two-ply SBS modified bitumen membrane installed below drainage boardextruded polystyrene board with an R-20 rating , and filter fabric, with gravel ballast and/or concrete roof pavers as an overburden. The roofing system is New York State Energy Code compliant.

Stair, elevator and mechanical equipment bulkheads will be constructed of cast in place reinforced concrete structure with R-20 rated roof insulation as required at the Stairs, and a multi-ply SBS modified bitumen membrane roof system. The roofing system is New York State Energy Code compliant.

Roof flashing will be as follows: cold-applied, fluid applied base flashing, stainless steel counter-flashing, and cold-applied fluid applied drain flashing. The roof is pitched toward the drains at a slope of 1/8" per foot.

All roofs will also have a manufacturer's NDL (No Dollar Limit) 20 year warranty. The pavers will have a 10 year manufacturer's warranty.

The waterproofing of the interior courtyard will have a manufacturer's NDL (No Dollar Limit) warranty for a period of 20 years. All roofs and terraces to be drained with cast iron roof drains.

Rooftop mounted mechanical equipment to have vibration isolators. All exterior metal, including fasteners, dunnage, etc. is corrosion resistant.

Exposed bulkhead concrete will be painted with an elastomeric waterproof coating.

16. Fire Escapes: None.

17. Roof Deck: There will be constructed a landscaped Amenity Deck contained in the Amenity Space on the 15th Floor for the Residential Unit Owners. The floor finish will be a mixture of pavers centering artificial grass over a protected membrane roof with terrace drains adequately sized to accommodate drainage. The 15th floor Amenity Deck is to be landscaped within prefabricated planters. There are to be no yards but a court as defined by NYCBD. There will be adequately spaced ground recessed path lighting and planter mounted adjustable uplights provided on the roof deck. The roof is pitched at a slope of 1/8" per foot to the adequately sized roof and overflow drains below the pavers.

18. Interior Stairs: There are main fire egress stairs in the building with additional stairs in the Cellar. The stair enclosures will be constructed of reinforced concrete and/or concrete block and/or gypsum wall board providing a 2 hour rating and will be painted. Painted steel tube handrails will be provided. The stair doors open into a public corridor at all floors where they open directly into the corridor of the Hotel Unit or Residential Area. The stair doors for the hotel will be alarmed and locked from the stair side with access control or electronic door locks and will be equipped with an automatic fail-safe system that

would allow the door to open in the event of activation of any fire detection system or when any elevator recall is activated.The condo stairs will be basic passage doors with no alarm and not locked from the stair side.

19. Interior Doors/Frames: The entrance door to each Residential Unit will be 1-3/4" thick F.P.S.C. 1-1/2 hour rated, metal, STC 35, with hollow metal frames, with non-combustible granite saddles. Interior doors within the Residential Units will be wood panel 1-3/4" solid core wood doors with hollow metal frames, wood or marble saddles per the door schedule.

All public corridor doors and frames will be painted flush-panel wood doors. Stair hall doors and frames will be painted hollow metal, 1-3/4" thick, F.P.S.C. 1-1/2 hour rated, with non-combustible saddles.

All roof access and cellar doors and frames are painted flush-panel hollow metal, 1-3/4" thick, F.P.S.C. 1-1/2 hour rated with non-combustible saddles and wire-glass vision panels.

20. Elevators:

Elevators are configured as follows:

	Residential Passenger Elevators, PE #1 & #2,	**Hotel Passenger Elevators, PE #3 & #4,**	**Residential Service Elevator, SE #5**	**Hotel Service Elevator, SE #6**
Quantity	Two (2)	Two (2)	One (1)	One (1)
Type	Passenger	Passenger	Service	Service
Capacity in pounds	3,000 Max. 12 People	3,000 Max. 12 People	4,000 Max 16 People	4,000 Max 16 People
Speed (fpm)	500	350	500	100
Travel in Feet	200'-5 ½" appx.	65'-7" appx.	211'-1" appx.	10'-9 1/2" appx.
# of Landings	15	6	16	2
# of Openings	15	6	16	2
Floors Served	1, 2, 7 thru 20	C, 1, 3 thru 6	C, 1, 2, 7 thru 20	C, 1
Openings	Front/Rear	Front/Rear	Front/Rear	Front
Operation	Group Automatic	Group Automatic	Simplex Selective Collective	Simplex Selective Collective
Control	Variable Voltage Variable Frequency	Variable Voltage Variable Frequency	Variable Voltage Variable Frequency	AC for Hydraulic
No. of Push button risers	Two (2)	Two (2)	Two (2)	Two (2)
Clear Inside Dimensions	6'-8"x 4'-9"	6'-5"x 5'-0"	5'- 8"x7'-5"	5'-5"x7'-10"

Guide Rails	Steel Tees	Steel Tees	Steel Tees	Steel Tees
Buffers	Oil	Oil	Oil	Spring
Cab Enclosure	As further specified	As further specified	As further specified	As further specified
Car door size	3'-6"x8'-0"	3'-6"x8'-0"	4'-0"x8'-0"	4'-0"x8'-0"
Hoist way door size	3'-6"x8'-0"	3'-6"x8'-0"	4'-0"x8'-0"	4'-0"x8'-0"
Door Operation	Single speed, side opening	Single speed, side opening	Two speed, side opening	Two speed, side opening
Fixture and Signals	As Further Specified	As Further Specified	As Further Specified	As Further Specified
Machine Type	Permanent Magnet Synchronous AC Gearless	Permanent Magnet Synchronous AC Gearless	Permanent Magnet Synchronous AC Gearless	Hydraulic Pump
Machine Location	Overhead in hoistway	Overhead in hoistway	Overhead in hoistway	Adjacent
Power Supply	208-3-60	208-3-60	208-3-60	208-3-60
Power Drive	VVVF Drives	VVVF Drives	VVVF Drives	AC Hydraulic Drives

20. Passenger Elevator Cabs: Residential Passenger Elevator #1, #2 interiors are to be custom fabricated, finished with architectural bronze.

    Hotel Passenger Elevator #3, #4 interiors are to be custom fabricated, finished with architectural stainless steel.

21. Service Elevator Cabs: Service Elevator #5, #6 interiors shall be stainless steel finish package with diamond tread plate flooring.

22. The manufacturer of the elevators is Otis.

23. The governor access panel is required for inspection and maintenance of the over-speed governor; which engages a set of brakes on the elevator when it senses the speed has exceeded safe parameters outlined by the code. A 2'-0" x 2'-0" panel for maintenance access from outside the hoist-way is required, with permanent ladder where the elevation of the panel exceeds 5'-0" above finished floor. This device would be inspected once per year as part of the ongoing Mandated Periodic Testing required by the Cit. The only other time access may be required is in the case where the device engages as part of an elevator malfunction, which under proper maintenance and usage should be very infrequent. Regular maintenance of the elevator system will be performed from the landings of the elevators and from within the shaft.

24. Mailboxes provided in the mail room are 4C Front Load Horizontal Mailbox Suite D.

I. Auxiliary Facilities:

1. Refuse Disposal

The refuse chute will be located off the public corridor on each Residential Area floor. There is no refuse chute for the Hotel Unit.

Residential Area Occupants will discard their refuse in the chute which feeds into a hydraulically operated ram-type compactor located in the Residential Trash Compactor Room in the Cellar. The Hotel Unit refuse is to be left within hotel rooms and discarded by the staff and stored in the Hotel Unit refuse storage room located in the Cellar.

The Residential Area refuse will be processed by the compactor and will be stored in the compactor room. The Residential Unit staff will remove the refuse to the street where the NYC Department of Sanitation will remove it. The Hotel Unit refuse will be stored within the hotel refuse storage room on the Cellar Level. The hotel staff will remove the refuse to the street where a private hauler will remove it.

Recyclables are collected on each floor of the Residential Area. The Residential Area recyclables will be stored in the Residential Trash Compactor Room in the Cellar. The will be removed to the street by residential staff for NYC Department of Sanitation pick up. The hotel staff will remove the refuse to the street where a private hauler will remove it.

2. Gym:

There is a 2,000 Sq.Ft. Gym with a maximum occupancy of 40 people in the Residential Area Cellar for use by the Residential Units. The Gym is divided into a Main Gym (approximately 45'-0" x 25'-6") and a Quiet Gym (approximately 16'-0" x 27'-6"). The main gym includes 5 stationary bikes, 5 elliptical machines, 6 treadmills, punching bag with 3 weight machines, free weight area with benches, one pilates reformer, men's and women's restrooms and a water fountain. The quiet gym includes a yoga and stretching area with ballet bar and TRX wall accessories.

There are no lockers.

There is also a 750 Sq.Ft. Fitness Center with a maximum occupancy of 16 people located in the Hotel Unit Cellar for the Hotel Unit guests.

3. Hotel Linen: A 350 Sq. Ft. Laundry/Linen Room will be provided in the Hotel Unit Cellar for the hotel staff of the Hotel Unit. This will store 4 48x32 linen carts and 2 58x22 housekeeping carts.

4. Package Room: A 300 Sq. Ft. Residential Package Room will be located at the north side of the Residential Area Lobby. It will have a refrigerated storage area, janitor's closet, toilet and lockers.

5. Resident Lounge: A Resident's Lounge in the 1,850 Sq. Ft. Residential Amenity Space with a maximum occupancy of 74 people for the Residential Unit Residents use is located on the 15th Floor. This also provides access to an Amenity Kitchen, Media Room, Toilet and Amenity Deck with paved areas, gas grills, artificial turf and plantings and Children's Play Area.

J. Plumbing and Drainage:

1. Water Supply: A 6-inch domestic water service supplied by the public water main with DEP meter and backflow preventers will be located at the building's cellar level. This water service is for the whole building.

The building's Domestic Water Supply System will be served by Triplex House Pumps (Peerless Model 266TES95VFDGAF; each pump Peerless model C815G; one (1) year warranty).

2. Domestic Water and Hot Water Supply: The Residential Area will be supplied by two (2) zones of cold water, hot water and hot water re-circulation. The lower Residential Area zone located from 6th to 9th floor shall be provided with the PRVs located in the cellar. Hot water for both Residential Area zones will be provided via four (4) gas-fired condensing domestic water heaters, two (2) dedicated for high Residential Area zone and two (2) for low Residential Area zone, all of them located in the cellar. The domestic cold and hot water distribution lines for the low Residential Area zone shall be located at the ceiling of the 6th floor with hot water return lines at ceiling of the 2nd floor garage. The domestic cold and hot water distribution lines for the high Residential Area zone shall be located at the ceiling of the 9th floor with hot water recirculating lines at ceiling of the 19th floor.

The Hotel Unit of the project shall be supplied with water for domestic use by the same triplex constant pressure system with PRVs located in the cellar. Three (3) gas-fired condensing domestic water heaters located in the cellar will supply the Hotel Unit with hot water with domestic cold and hot water distribution lines for the low Hotel Unit zone at the ceiling of the 6th floor and insulated hot water return lines at ceiling of the 2nd floor garage.

Commercial cold water supply shall be metered separately and will not be connected to the water booster pumps (and will rely on the street pressure). The means to provide hot water for the Commercial Units shall be provided by the Commercial tenants.

All plumbing and piping systems will be installed in accordance with New York City Building Code.

All domestic water distribution piping will be copper type L with soldered or mechanical joints.

Domestic cold, hot and hot water circulation will be insulated throughout with 1" insulation.

The domestic hot waters for all zones will have the following:

1. Overall system range which is adjustable between 50 – 190 degrees F.
2. Water at ambient temperature from 0 – 130 degrees F at the hot water heater.
3. Storage tanks with hot water at 140 degrees F.
4. Thermostatic mixing valves to regulate water within the maximum code limit of 140 degrees F.

This hot water criteria is not impacted by weather conditions.

The equipment used in the hot water system is as follows:

Domestic Hot Water Heaters:

Tag	Model	Manufacturer	Service	Efficiency*
DHW-1	VT Plus 100LX300APVIF	PVI	Hotel	95%
DHW-2	Conquest 40L130AGCML	PVI	Apartments Lo Zone	96%
DHW-3	VT Plus 75 LX250APVIF	PVI	Apartments Hi Zone	98%

*Manufacturer Nameplate thermal efficiency

Domestic Water System Pumps:

Tag	Model	Manufacturer	Service
P-1	266TES95VFDGAF	Peerless	Triplex Booster Pump
P-4	Series 60 BG03T	Bell & Gosset	Hot water return

The sponsor will provide all domestic hot water system equipment with Operation and Maintenance (O&M) manuals and original balancing report.

3. Fire Protection System:

The fire standpipe system will consist of one 8-inch fire service from Smith Street entering the building at the cellar level and a 30,436 gallons fire protection tank located at the cellar serving as a back-up fire reserve tank. The fire standpipe will serve all floors and will be located in each exit stairway. A three-way roof manifold will be provided.

The fire standpipe will be served by a 1000GPM automatic fire pump, Peerless model 5AEF11G or equal located next to the fire reserve tank in the cellar.

Automatic wet sprinklers will be supplied from a combined FSP/Sprinkler riser for the entire Building.

Siamese connections: Two 6"x3"x3" Siamese combined fire sprinkler and standpipe connections will be provided, one at Schermerhorn Street and the other at State Street.

4. Water Storage Tanks and Enclosures:

Water tank for storm detention:

(a)	Number:	Cellar tank #1	
(b)	Size:	39'-8" x 22'-4" x 9'-6" H (4'-0" water depth)	
(c)	Material:	Concrete	
(d)	Access:	Sidewall via steel ladder	
(e)	Capacity:	Total =	26,244 gallons.

Water tank for fire-protection supply:

(a)	Number:	Cellar tank #2	
(b)	Size:	36'-2" x 15'-0" x 7'-6" High	
(c)	Material:	Concrete	
(d)	Access:	Via steel ladder	
(e)	Capacity:	Fire Reserve =	30,436 gallons.
		Total =	30,436 gallons.

5. Water Pressure:

Domestic water pressure will be maintained by the pressure booster system and PRVs to provide a minimum of 30 psi at all fixtures.

6. Sanitary Sewage System:

All sanitary drainage will be connected to public street sewer. Duplex sewage ejector system will be provided for sanitary fixtures below house sewer level.

Sewage Piping: Sanitary sewage will be conveyed by gravity via vented soil and waste branches, stacks and house drains to sanitary house sewer.

Drainage and vent piping will be no-hub cast iron piping with stainless steel couplings and rubber gaskets.

Sewage Disposal: (1) 8" (Schermerhorn Street) and (1) combined 8" (Smith Street) sanitary sewers connected to corresponding street municipal sewers.

7. Permits Required:

The sponsor will file with the NYC DEP for storm/sewer and domestic water and fire protection backflow preventer applications. All other permits will be obtained by the plumbing contractor.

8. Storm Drainage System:

Gravity roof drainage from roof drains and terrace drains to (1) 12" storm line discharging into a storm detention tank connected to street municipal storm sewers.

(a) Catch Basins: N/A

(b) Terrace; Amenity Deck and Roof Drains: Drains required at landscaped 15th floor Amenity Deck, all roofs and at terraces; drains are connected into leaders and storm drainage system.

All piping will be cast iron no-hub.

The system is designed to meet the requirements of the New York State Energy Code. The insulation in the building is designed to meet or exceed the requirements of the New York State Energy Code.

K. HVAC Hot Water System:

The HVAC hot water system will consist of:

- Five (5) gas fired condensing boilers located in the Cellar boiler/pump room.
- Three (3) hot water pumps with variable frequency drives located in the Cellar boiler/pump room (1 as standby).

The hot water pumps will distribute water between the condensing hot water boilers, secondary condenser water loop and the building Commercial, non-apartment loads. This system will provide higher temperature hot water for the Commercial Units perimeter heating and warm the secondary condenser water loop. A three way valve will divert water from the secondary condenser water loop to the boilers when heat is required. This system will also include automatic flow limiting valves to coordinate minimum flow through the boilers as required at low flow conditions.

The equipment used in the HVAC hot water system is as follows:

Boilers

Tag	Model	Manufacturer	Efficiency
B-C-1	BMK-2000	AERCO	87%
B-C-2	BMK-2000	AERCO	87%
B-C-3	BMK-2000	AERCO	87%
B-C-4	BMK-2000	AERCO	87%
B-C-5	BMK-2000	AERCO	87%

Pumps

Tag	Model	Manufacturer
HWP-1	Series 4030	Armstrong
HWP-2	Series 4030	Armstrong
HWP-3	Series 4030	Armstrong

The sponsor will provide all HVAC hot water system equipment with Operation and Maintenance (O&M) manuals and original balancing report.

L. Gas Supply

Natural gas will be provided to the building by National Grid entering the cellar gas meter room from Schermerhorn Street for heating, domestic hot water, and cooking. A Spencer model GL-0231-1/2-R gas booster shall be provided for the pressure boost to the gas-fired HVAC rooftop units. The gas will be metered through meters provided by the Utility Company.

The gas to rooftop heating and boiler equipment shall be metered at a firm heating gas rate.

Separate meters shall be provided for the Hotel Unit, Residential Area and Commercial Unit #2. Gas piping shall be black steel schedule 40. Sizes 4" and smaller will be threaded. Sizes 5" and larger will be welded. There are (5) gas meters which are as follows:

Meter #1: Residential Cooking & Domestic Hot Water
Meter #2: Hotel Domestic Hot Water
Meter #3: Mechanical Heating
Meter #4: Hotel Commercial Kitchen
Meter #5: Commercial Unit #2

M. Air-Conditioning:

The cooling system will consist of:

- Two induced draft cooling towers with variable frequency drives located on the main roof (1 as standby).
- Three primary condenser water pumps with variable frequency drives located in the Cellar boiler/pump room (1 as standby).

- Two secondary residential condenser water pumps with variable frequency drives located in the Cellar boiler/pump room (1 as standby).
- Two secondary Hotel Unit condenser water pumps with variable frequency drives located in the Cellar boiler/pump room (1 as standby).
- Two secondary Commercial Area condenser water pumps with variable frequency drives located in the Cellar boiler/pump room (1 as standby).
- Two condenser water system plate and frame heat exchanger located in the Cellar boiler/pump room.

The primary condenser water pumps will distribute condenser water for the open condenser water loop between the rooftop cooling tower and the heat exchanger separating the primary (open) and secondary (closed) condenser water loops. The secondary condenser water pumps, one pump set dedicated per zone, will distribute condenser water for the Residential Area, the Hotel Unit and the Commercial Units.

All piping in spaces which are not heated and subject to freezing will be provided with insulation and heat tracing. All rooftop equipment is to be provided with vibration isolation to reduce the transmission of noise and vibration to surrounding spaces. In addition, the supply ductwork of ERU-R-2 is to be provided with a duct sound trap located on the roof.

All outdoor equipment, ductwork, and piping are to be rated for outdoor use and/or provided with an outdoor rated enclosure. This includes the following:

- All exterior metals, including fasteners, shall be corrosion resistant.
- All outdoor ductwork is to be provided with a zero permeability vapor barrier with an additional 2" of rigid glass fiber board insulation.
- All outdoor piping is to be protected with aluminum or stainless steel moisture barrier metal jacketing.

Residential Air Conditioning

Each Residential Unit will be provided with vertical and/or horizontal water source heat pumps. The quantity and model numbers for each residential unit are as follows:

Floor (Apartment)	Designation—Manufacturer and Model Number (#)
7(701)	D—HTS HRP030(2), E—HTS HRP040(1), F—HTS HRP060(1)
7(702)	F—HTS HRP060(2), G—HTS HRP080(1)
7(703)	F—HTS HRP060(1)
7(704)	F—HTS HRP060(1)

7(706)	D—HTS HRP030(1), G—HTS HRP080(1)
7(707)	D—HTS HRP030(1), F—HTS HRP060(1), G—HTS HRP080(1)
7(708)	D—HTS HRP030(1), F—HTS HRP060(1)
7(710)	D—HTS HRP030(1), F—HTS HRP060(1)
7(712)	F— HTS HRP060(1)
7(714)	D— HTS HRP030(1), F— HTS HRP060(1)
7(713)	F— HTS HRP060(1), G—HTS HRP080(1)
7(711)	D— HTS HRP030(1), G— HTS HRP080(1)
7(709)	D— HTS HRP030(1), G— HTS HRP080(1)
7(705)	D— HTS HRP030(1), F— HTS HRP060(1)
8-12(801)	D—HTS HRP030(2), E—HTS HRP040(1), F—HTS HRP060(1)
8-12(802)	F—HTS HRP060(2), G—HTS HRP080(1)
8-12(803)	F—HTS HRP060(1)
8-12(804)	F—HTS HRP060(1)
8-12(806)	D—HTS HRP030(1), G—HTS HRP080(1)
8-12(807)	D—HTS HRP030(1), F—HTS HRP060(1), G—HTS HRP080(1)
8-12(808)	D—HTS HRP030(1), F—HTS HRP060(1)
8-12(810)	D—HTS HRP030(1), F—HTS HRP060(1)
8-12(812)	F— HTS HRP060(1)
8-12(814)	D— HTS HRP030(1), F— HTS HRP060(1)
8-12(813)	F— HTS HRP060(1), G—HTS HRP080(1)
8-12(811)	D— HTS HRP030(1), G— HTS HRP080(1)
8-12(809)	D— HTS HRP030(2), F— HTS HRP060(1)
8-12(805)	D— HTS HRP030(1), F— HTS HRP060(1)
14(1401)	D— HTS HRP030(2), E— HTS HRP040(1), G—HTS HRP080(1)
14(1402)	F— HTS HRP060(2), G— HTS HRP080(1)
14(1403)	F— HTS HRP060(1)
14(1404)	F— HTS HRP060(1)
14(1406)	D— HTS HRP030(1), G— HTS HRP080(1)
14(1407)	D— HTS HRP030(1), F— HTS HRP060(1), G— HTS HRP080(1)
14(1408)	D— HTS HRP030(1), F— HTS HRP060(1)
14(1410)	D— HTS HRP030(1), G— HTS HRP080(1)
14(1412)	G— HTS HRP080(1)
14(1414)	D— HTS HRP030(1), G— HTS HRP080(1)
14(1413)	F— HTS HRP060(1), G— HTS HRP080(1)
14(1411)	D— HTS HRP030(1), G— HTS HRP080(1)
14(1409)	D— HTS HRP030(2), F— HTS HRP060(1)
14(1405)	D— HTS HRP030(1), F— HTS HRP060(1)
15(1501)	D— HTS HRP030(2), F— HTS HRP060(1), G— HTS HRP080(1)
15(1502)	F— HTS HRP060(2), G— HTS HRP080(1)
15(1503)	G— HTS HRP080(1)
15(1504)	F— HTS HRP060(1)
15(1506)	D— HTS HRP030(1), G— HTS HRP080(1)
15(1507)	D— HTS HRP030(1), G— HTS HRP080(2)
15(1508)	D— HTS HRP030(1), G— HTS HRP080(1)
15(1505)	D— HTS HRP030(1), G— HTS HRP080(1)
16(1604)	D— HTS HRP030(1), F— HTS HRP060(2), J— HTS WGSH019(2)
16(1602)	D— HTS HRP030(1), G— HTS HRP080(1), K— HTS WGSH024(1)
16(1601)	G— HTS HRP080(2), I— HTS WGSH012(1)
16(1603)	D— HTS HRP030(1), G— HTS HRP080(2)
16(1605)	D— HTS HRP030(1), F— HTS HRP060(1), G— HTS HRP080(2)
17(1704)	D— HTS HRP030(1), F— HTS HRP060(2), J— HTS WGSH019(2)
17(1702)	D— HTS HRP030(1), G— HTS HRP080(1), K— HTS WGSH024(1)
17(1701)	D— HTS HRP030(2), F— HTS HRP060(3)
17(1703)	E— HTS HRP040(1), G— HTS HRP080(1)
17(1705)	D— HTS HRP030(1), G— HTS HRP080(3)
18(1803)	D— HTS HRP030(1), F— HTS HRP060(2), J— HTS WGSH019(2)

18(1802)	D— HTS HRP030(1), G— HTS HRP080(1), K— HTS WGSH024(1)
18(1801)	D— HTS HRP030(1), E— HTS HRP040(1), F— HTS HRP060(1), G— HTS HRP080(2)
18(1804)	D— HTS HRP030(1), F— HTS HRP060(1), G— HTS HRP080(3)
19(1903)	D— HTS HRP030(1), F— HTS HRP060(2), J— HTS WGSH019(2)
19(1902)	D— HTS HRP030(1), G— HTS HRP080(1), K— HTS WGSH024(1)
19(1901)	E— HTS HRP040(1), F— HTS HRP060(2), G— HTS HRP080(1)
19(1904)	D— HTS HRP030(1), E— HTS HRP040(1), F— HTS HRP060(1), G— HTS HRP080(2)
20(PH3)	D— HTS HRP030(1), F— HTS HRP060(2), J— HTS WGSH019(2)
20(PH2)	D— HTS HRP030(1), G— HTS HRP080(1), K— HTS WGSH024(1)
20(PH1)	E— HTS HRP040(1), F— HTS HRP060(2), G— HTS HRP080(1)
20(PH4)	D— HTS HRP030(1), E— HTS HRP040(1), F— HTS HRP060(1), G— HTS HRP080(2)

Each heat pump will be capable of providing cooling and heating. Temperature control will be provided by local heat pump thermostats. Each thermostat will be provided with a 30'-0" whip for installation coordination.

Each heat pump will be provided with condensate drain piping extended to condensate risers. These risers are routed to plumbing floor drains on the second and cellar floors.

All supply ductwork will be acoustically lined and/or thermally insulated. The adjoining seams of the ductwork sections will be sealed with an oil soluble elastomer sealant.

Residential heat pump ductwork will not require flashing as these systems do not penetrate any roof membranes.

Amenity Space Air Conditioning

The Amenity Space shall be provided with a dedicated water source heat pump system and outside air supply fans and exhaust/smoke fans. The untreated outside air will be distributed by a common ductwork riser to louvers located on the 2nd floor. The fan serving the Residential Gym in the Cellar will be an exhaust only system.

Mechanical, Electrical and Hydraulic Elevator Machine Rooms will be provided with supply and exhaust fans as zoned. The supply air ductwork from these systems will provided with hot water heating coils to temper the ventilation air.

N. Ventilation:

Make Up Air System

The Hotel Unit and Residential Area make up air system will consist of:

- One air cooled (for cooling), gas fired (for outside air heating) rooftop energy recovery air conditioning unit for the east Residential Units and Hotel Unit rooms. This unit will be located on the 15th floor roof.
- One air cooled (for cooling), gas fired (for outside air heating) rooftop energy recovery air conditioning unit for the west Residential Units (excluding the 16th thru 20th floors) and Hotel Unit rooms. This unit will be located on the main building roof.
- One air cooled (for cooling), gas fired (for outside air heating) rooftop energy recovery air conditioning unit for the 16th to 20th floors. This unit will be located on the main roof.

Low pressure vertical air risers will be provided to each Residential Unit. Within the Residential Unit, low pressure supply branch ductwork and air outlets will be provided to distribute the conditioned air.

These make up air units will also collect toilet exhaust from their respective zones, via separate low pressure toilet exhaust risers, branch ductwork and air inlets. This exhaust air will transfer heating/cooling energy to outside air supply via an energy recovery wheel before being exhausted out of the Residential Unit.

The 16th through 20th floors make up air system will include two position VAV boxes per Residential Unit. The two position VAV box will modulate the amount of ventilation air to such Residential Unit interlocked with the operation of the local kitchen exhaust hood.

The Commercial Area will have its own dedicated systems for exhaust and outside air intake.

Corridor Supply System

The Hotel Unit and Residential Area corridor supply system will consist of:

- One air cooled (for cooling), gas fired (for outside air heating) rooftop air conditioning unit for the east corridors. This unit will be located on the 15th floor roof.
- One air cooled (for cooling), gas fired (for outside air heating) rooftop air conditioning unit for the west corridors. This unit will be located on the main building roof.

Low pressure vertical air risers will be provided to each corridor zone. Supply branch ductwork and air outlets will be provided at each floor.

Residential Units Dryer Exhaust System

The residential dryer exhaust system will consist of:

- One exhaust fan located on the 15th floor roof, serving the residential units on the 7th through 14th floors on the east side of the building.
- One exhaust fan located on the main roof, serving the residential units on the 7th through 20th floors on the west side of the building.

Low pressure vertical air risers will be provided to each Residential Unit. Within the Residential Unit, low pressure exhaust branch ductwork will be connected to each dryer beyond the lint trap. Each central dryer exhaust fan will be sized for 30% of the dryers operating simultaneously.

Residential Kitchen Exhaust System

The residential kitchen exhaust system will consist of:

- One exhaust fan located on the main building roof.

Low pressure vertical air risers will be provided to select Residential Units and each unit on the 16th through 20th floors. Within these Units, low pressure exhaust branch ductwork and an Automatic Louver Damper (ALD) will be connected to each kitchen exhaust hood. This ALD will be interlocked to open when the kitchen exhaust hood starts. In Residential Units requiring kitchen exhaust, low pressure branch ductwork will be connected to an exhaust grille near the kitchen exhaust hood.

Amenity Space Kitchen Exhaust System

An Amenity Space Kitchen exhaust system will be provided. It consists of a kitchen exhaust fan and make up air unit. The sizes of this fan and unit are to be developed.

Low pressure, black iron, vertical air exhaust risers, will be provided for the kitchen. This vertical riser will travel express through the Hotel Unit and Residential Area floors with clean out openings on each floor.

Make up air to the kitchen exhaust hood will be provided by the kitchen make-up air conditioning unit and kitchen water source heat pump.

A second commercial kitchen exhaust riser for future use will be provided for Retail Space 3 as part of this design. This system will also include low pressure, black iron, vertical air exhaust risers and horizontal offsets. The vertical riser will travel express through the Hotel Unit and Residential Area floors with clean out openings on

each floor. The horizontal offset will require access to cleanouts in both the hotel space and Retail Space 2. Capped openings will be provided at the ground floor and at the main roof level.

Mechanical ventilation in the windowless area shall be provided at a ventilation rate of 6 air changes/hr.

O. Electrical System:

Two electric services will be provided by Con Edison at 120/208 volts, 3 phase, 4 wire to an Electric Service Switchboard Room located in the cellar and distributed through various size service switches for the common and building utility rooms, Commercial Area, garage and Residential and hotel units, the automatic fire pump and the balance of the building.

Electric service will be provided to the Residential Units and the Hotel Units from distribution closets with Con Ed meters located on every third floor of the building. Each Commercial Unit, the Hotel Unit and the Residential Units will be provided with a dedicated Con Edison meter.

The Commercial Units, Hotel Unit, common, and building utility rooms that are shared from the base building systems will be separately metered for electric service.

Circuits will be provided in each Residential Unit and the Hotel Unit with the capacity to handle all anticipated loads within such Unit.

All electrical equipment will be rated to comply with NEC-2008 with NYC 2011 amendments and take into account all appliance equipment provided in Residential Units such as washing machines, clothes dryers, dishwashers, microwaves, etc. AFCI and GFCI are to be provided as per NEC's requirements.

Capacity provided for each Residential Unit will be in accordance with Code requirements in various sizes from 100 to 200 Ampere @ 120/208V, 1 phase, 3 Wire.

Each Residential Unit service will be adequate to meet normal apartment appliance load and lighting.

A 650 kW diesel generator located on the roof will operate all emergency systems for the Building. All the elevators are connected to the emergency generator via automatic transfer switches. The generator has the capacity to run any 2 elevators at a time. The rooftop generator requires that it be tested monthly to assure performance. Testing causes noise which may be audible in the residences. Timing of such testing to be coordinated by the Board of Managers.

Switched lighting fixtures will be provided in all bathrooms, walk-in closets, foyers, and kitchens. Switched halogen, fluorescent, LED lighting fixtures will be provided in all bathrooms, walk-in closets, foyers, and kitchens. Switched outlets in Residential Units will be provided in living rooms and bedrooms to meet National Electric Code. Residential Units ground fault receptacles will be provided in powder rooms, bathrooms & kitchens. The heat pump units in each Residential Unit will be wired directly to the Unit's electric panel. Terraces to Residential Units will include an exterior light fixture(s) and a waterproof G.F.I. (ground fault interrupted) electrical receptacle. Convenience receptacles will be provided to meet requirements of the National Electric Code 2008 with NYC 2011 amendments.

P. Telephone, Intercom, Security Systems, and Data Transmission:

Telephone service will enter the building via an underground conduit and be fed to a main Telephone Room located in the Residential Area of the Cellar. It will then be distributed through conduits to all areas of the building, including the communications closets servicing the Residential Units of the building, which will generally be located on every third floor up to the 20th floor. Each Residential Unit will receive telephone service through wires and Fiber running between a NID panel in the Unit and the communications closet servicing such Unit.

The building will be provided with a video intercom system for Residential Units and an audio only intercom system for Hotel Units, permitting the occupants of the Residential Units to communicate using the dedicated video intercom station in the Unit with the Concierge's desk in the Residential Area. The Hotel Unit Guests will communicate with an intercom entry panel located in the vestibule. Special intercom cabling will be provided to a location in the kitchen or adjacent spaces for hotel support entrances. The manufacturer for the intercom system is BPT Model Perla Video Intercom and BPT Perla Audio Intercom. The manufacturer for the Analog System is Digital Watchdog Model VMAX-16-1TB.

Closed circuit security cameras will be provided in selected locations such as Hotel Unit Lobby and Residential Area Lobby, selected entrance corridors to the elevators, and service entrances, with viewing monitors at the Residential Unit Concierge. The cameras will be designed to cover the immediate area within the view of the cameras, and will not necessarily cover all of the areas involved.

The building will be provided with hard wired combination smoke and CO detector locally annunciated. This system will meet the requirements of the New York City Building Code.

Television Reception Facilities:

All Residential Units and The Hotel Unit have been pre-wired with co-axial cabling and Cat 5e or Cat6 cable. Receptacle jacks, receptacle connections, and miscellaneous equipment such as control boxes and station changers will be provided by Time Warner Cable and/or an alternate `service provider at the Unit Owner's expense, at receptacle locations in Residential Unit living rooms and bedrooms.

The building will not be equipped with a Master Television Antenna System for basic local broadcast station reception.

Unit Data Transmission:

All telephone/data receptacles in the Residential Units and Hotel Units are wired with Category 5e or 6 copper cabling which runs to NID box located within the Residential Unit and Hotel Unit Room. There are pathways and cabling from the Residential Unit and Hotel Unit Room to the communication closets located on every third floor within the building. These cables and pathways will allow the Residential Unit Owners and Hotel Unit Owner the ability to subscribe to service providers which have been granted access to the building. All charges with respect to providing this service will be paid separately by the Owners of such Units directly to the provider.

Q. Public Area Lighting:

Lighting will be furnished to the Common Areas of the Building, such as the public corridors and Residential Unit lobby. There will be lighting built into all of the marquees and exterior entrances around the building which will be in compliance with the NYC Housing Maintenance Code and Multiple Dwelling Law.

R. Garage:

There will be a garage attended by an employee of the Residential Area, located on 2nd Floor level. The garage will serve the Residential Unit Owners and will have the capacity for at least 40 cars including 2 ADA parking spaces. The typical parking space dimensions are 8ft x 18ft. The handicap spaces dimensions are 8.5ft x 20ft.The purchase of the parking space license will be offered to Residential Unit Owners. The garage will be constructed of concrete with vehicular traffic coating and not be mechanically ventilated. A dry sprinkler system and fire hose stations are provided throughout. Natural ventilation for the garage system is utilized as the garage level meets the free area minimum requirements. The striping provided at the ADA parking spaces and the path to the Residential Elevators will be epoxy, reflectorized, 6-mil thick, and 6-inches-wide. The signage provided will be Type-B, reflectorized Stop /

Yield signs at exit and entrance to garage. No other parking will be available on the property.

S. Storage Bins:

It is anticipated that there will be storage bins located on the Cellar level. Typically, these storage bins will made out of wire mesh with a wire mesh door with a mortise type lock operated by a key. There are 51 total storage bins. The number of units and approximate sizes are listed below:
(39) typical 4'-0" wide by 4'-6" deep by 7'-6" high
(5) 4'-6" wide by 5'-0" deep by 7'-6" high
(2) 4'-6" wide by 3'-7" deep by 7'-6" high
(1) 4'-6" wide by 3'-10" deep by 7'-6" high
(1) 4'-6" wide by 4'-5" deep by 7'-6" high
(1) 4'-2" wide by 3'-10" deep by 7'-6" high
(1) 3'-6" wide by 5'-8" deep by 7'-6" high
(1) 3'-6" wide by 7'-3" deep by 7'-6" high

S1. Tennis Courts, Playgrounds and Recreation Facilities:

None.

T. Non-Residential Areas and Other:

The Ground Floor includes space for three Commercial Units with entrances on State, Smith and Schermerhorn Streets including a loading berth that services the Cellar. The Hotel Lobby will include a bar/lounge, pantry, library lounge, executive lounge, dining area luggage storage and offices. The Cellar includes space for mechanical rooms, superintendent's office and workshop, boiler room, fuel oil tank room, telephone/data room, storm retention tank, fire protection tank, fire pump room, water meter room, gas meter room and electrical switchgear room. The Hotel Unit contains a kitchen, meeting rooms, offices, fitness center, locker rooms, employee break room, refuse storage room, laundry/linen storage and mechanical rooms.

U. Permits and Certificates:

All required permits were issued for NB#320517927. Construction Manager to obtain additional permits and certificates as required.

U1. Violations:

None

V. Construction Schedule:

Construction started March 01, 2014 and is scheduled to be substantially complete on or about Fall of 2016.

W. Unit Information: The types of Residential Units, together with the type and number of rooms in each of the same, are as follows:

RESIDENTIAL UNIT INFORMATION:

There will be 128 Residential Units ranging from 763 square feet to 2,821 square feet.

One Bedroom	Unit	Floor(s)
	703,803,903,1003,1103,1203,1403,1503	7-15
	704,804,904,1004,1104,1204,1404,1504	7-15
	712,812,912,1012,1112,1212,1412	7-14
Two Bedroom	**Unit**	**Floor(s)**
	1703	17
	706,806,906,1006,1106,1206,1406,1506	7-15
	708,808,908,1008,1108,1208,1408,1508	7-15
	710,810,910,1010,1110,1210,1410,1510	7-15
	714,814,914,1014,1114,1214,1414	7-14
	711,811,911,1011, 1111, 1211,1411	7-14
	709	7
	705,805,905,1005,1105,1205,1405	7-14
Three Bedroom	**Unit**	**Floor(s)**
	701,801,901,1001,1101,1201,1401,1501	7-15
	702,802,902,1002,1102,1202,1402,1502	7-15
	1603	16
	707,807,907,1007,1107,1207,1407,1507	7-15
	713,813,913,1013,1113,1213,1413	7-14
	809,909,1009,1109,1209,1409	8-14
Four Bedroom	**Unit**	**Floor(s)**
	1604,1704,1803,1903,2003	16-20
	1602,1702,1802,1902,2002	16-20
	1601,1701,1901,2001	16, 17, 19, 20
	1605,1705	16-17
Five Bedroom	**Unit**	**Floor(s)**
	1801	18
	1804	18

Fixtures and Appliances: Sponsor reserves the right to substitute makes and models of fixtures and appliances with fixtures and appliances of similar or equal quality:

There is a stackable washer and dryer in each Residential Unit manufactured by LG, or approved equal as well as side by side washer and dryers in selected units by LG, or approved equal. No washer and dryers are provided for the Hotel Units.

	Description	Fin.	Model #	Size
ALL Apartment Bathrooms	Toilet Bowl/Tank	#01Cotton	TOTO-ECO Promenade CST424EFG	28 1/4" x 19 1/8 x 34" (Bowl)
	Toilet Seat/Hinges	#01Cotton	TOTO-SOFT SS114	
	Shut-Off Valve	Gunmetal	Watermark Pret-a-Vive Series MSSWTR6-26	
	Waste Trap	Gunmetal	Watermark Urbane Series MPT1	
Master Bathroom	Under-Counter Lavatory	White	Kohler-Kathryn K-2330-G-0	20" x 16" x 7"D
	Deck-Mounted Lavatory Faucet (3-Hole)	Gunmetal	Watermark Pret-a-Vive Series 26-2.1-V2	
Master Bathroom (Shower)	Hand Shower	Gunmetal	Watermark Pret-a-Vive Series SHLFT-30 & DS-4079	
	Shower Head & Controls	Gunmetal	Watermark Pret-a-Vive Series 26-2.9TO-V1-V2 & H-THVD2	
Master Bathroom (Tub)	Bath Tub	White	Kohler Under Score K-1821-0	
	Bath Tub Faucet (Wall-Mounted)	Gunmetal	Watermark Pret-a-Vive Series 26-3.310-V2	
Master Bathroom (15th Flr. & UP)	Bath Tub (Freestanding)	White	Americh LX6230T	62" x 30" x 23"D
	Bath Tub Faucet, Controls, & Hand Shower	Gunmetal	Watermark Pret-a-Vive Series 22-8.3-V2 / SS-PB50	Freestanding
Powder Room	Under-Counter Lavatory in Custom Stone Vanity	White	Kohler – Kathryn K-2230-G-0	20" x 16" x 7"
	Deck-Mounted Lavatory Faucet (3-Hole)	Gunmetal	Watermark Pret-a-Vive Series 26-2.1-V2	
2ND & 3RD Bathrooms	Under-Counter Lavatory	White	Kohler-Kathryn K-2330-G-0	20" x 16" x 7"
	Deck-Mounted (3-Hole)	Gunmetal	Watermark Pret-a-Vive Series 26-2-V2	
2ND Bathroom (Tub)	Bath Tub	White	Kohler Under Score K-1821-0	
	Bath Tub Faucet (Wall-Mounted)	Gunmetal	Watermark Pret-a-Vive Series 26-3.3T0-V2	
	Controls (Diverter)	Gunmetal	Watermark Pret-a-Vive Series SH= PB85	
3rd Bathroom (Shower)	Shower Head	Gunmetal	Watermark Pret-a-Vive Series 26-6.4TO-V1-V2	
	Shower Controls	Gunmetal	Watermark Pret-a-Vive Series SH-TH2000	

Kitchen 1&2 BR Apartments	Kitchen Sink	White Cast-Iron	Kohler Riverby 25" K-5872-1A1-0	
	Kitchen Faucet	Polished Chrome	Kohler Purist K-7505 CP	
	Garbage Disposal	Stainless	Insinkerator Evolution Excell	
Kitchen 3&4 BR Apartments	Kitchen Sink	White Cast-Iron	Kohler Riverby 33" K-5872-1A2-0	
	Kitchen Faucet	Polished Chrome	Kohler Purist K-7505 CP	
	Garbage Disposal	Stainless	Insinkerator Evolution Excell	
Lobby ADA Toilet Room	Sink (Wall-Hung) Concealed Arms	White	American Standard-Roxalyn_0194.043 For Concealed Arm Support	20" x 18"
	Faucet Single Control	Chrome	American Standard-Seva_1480.110	
	Toilet	020 White	American Standard-Madera_3451.712, 607.121, 3451.001	
	Shut-Off Valve	Polished Chrome	American Standard_ TBD	
Amenity Space 15th Floor	Kitchen Sink	Stainless	Kohler-Vault K-389	
	Kitchen Faucet	Anthracite Chrome	Blanco- Alta Compact 441484	
	Amenity Library Kitchen	1	Wolf SO30PE	Stainless Wall Oven
	Amenity Library Kitchen	1	Sub-Zero_UC-24RSummit BIM441FADA	24" Stainless Under-counter
	Amenity Library Kitchen	1	Sub Zero 424G/O	Overlay Custom Panel Left Pull 24"x24"x34"
	Amenity Library Kitchen	1	Sub-Zero_UC-24BG/O 120V Sub Zero UC-24R	Stainless _Overlay Under-counter
	Waste Trap	TBD	TBD	
	Sink	White	Kohler-Greenwich K-2031.0	
	Faucet	Polished Chrome	Kohler-Bancroft_K-10579-4-CP	
	Waste Trap	Polished Chrome	Kallista-Modern_P21636-CP	
	Shut-Off Valve	Polished Chrome	Kallista-Modern_P21638-CP	
	Toilet Bowl	White	Kohler-Adair_K-3946-0	
	Toilet Tank	White	Kohler	
	Toilet Seat/ Hinges	White	Kohler	
	Shut-Off Valve	Polished Chrome	Kallista-Modern_P21637-CP	
	Drinking Fountain	Stainless	Oasis-Radii Modular_M140R	
	Outdoor Sink	Stainless	Kohler-Vault_K-3894	
	Outdoor Faucet	Anthracite	Blanco-Linus_441199	
	Waste Trap	TBD	TBD	
Amenity Terrace Gas Grill:	2	DCS_BGB36BQAR 120V/60HRZ	36" x 26.5" x 10.5" Stainless_ Built in stainless cab. 120V/60HRZ	

Amenity Library Kitchen Microwave Drawer:	1	Wolf MD30PE/5	30" Stainless	
Amenity Library Kitchen Warming Drawer:	1	Wolf WWD30	Stainless	
Amenity Terrace Ice Maker:	1	U-Line_2175R 115V/15ASummit BIM 24OSBASE32	145" x 212" x 324" Stainless_ Built in stainless cab.	
Amenity Library Kitchen Ice Maker:	1	Summit ALB751	24" x 24" x 32" Stainless_ Built in stainless cab.	
Amenity Terrace Gas Grill:	2	DCS_BGB36BQAR 120V/60HRZ	36" x 26.5" x 10.5" Stainless_ Built in stainless cab. 120V/60HRZ	
Amenity Outdoor Terrace	2	U-Line 2175R 115V/15A Summit SP6DS2 DoOSADA	24x24x34 Stainless Built in a Stanless Cab, Under-Counter refrigerators	Amenity
Janitor's Room	Janitor's Sink	White	Kohler K-6650	
	Faucet	Polished Chrome	Kohler K-8906	

Appliance + Location	Approx. Qty.	Model #	Description
Refrigerators:			
Typical	-	Liberherr - HC 1560	30" Finish to match cabinets.
15th Floor & Up (3BR Apts. +)	-	Liberherr - HB 2061	36" Finish to match cabinets.
15th Floor & UP (3BR Apts. +)	- -	Sub-Zero_BI-42S 115V/15A	42" Wide to match cabinets.
Wine Cooler:			
15th Floor & Up	-	Sub Zero/Wolf 424G/O	Overlay to match cabinets.
Oven Range:			
Typical	-	SMEG USA_C30GGXU	30" Gas Range_Stainless
Typical	-	Wolf	30" Gas Range_Stainless
15th Floor & UP	-	Wolf_GR366	36" Gas Range_Stainless
Typical		Broan_PM 250	Recirculating Hood_Silver/Stainless
15th Floor & UP	-	Wolf_PL341912 & 808331	35" x 16" x 15" Stainless_Vented
Dishwasher:			
Typical	-	SMEG USA_STA873USTA8646U 120V/15A	24" Finish to match cabinets. 120V/15A
Typical	-	Meile_Dim Plus G5775SCVI	24" to match cabinets.
Microwaves:			
Countertop	-	GE ZE2160SF	Stainless
Over Range		GE ZSA1201RSS	Stainless
Built-In Vented	-	GE ZSC1001KSS	Stainless
Coffee System:			
15th Floor & Up	-	MIELE CVA 6800	Built-in Espresso Maker
Washer/Dryer:			
See Plan	-	LG Electric Dryer DLEX3070R	Color: Dryer_ Stainless_ VentedWhite Vented
See Plan	-	LG Turbowash Washer WM3070HRA	Color: Washer_StainlessWhite
See Plan	-	LG Stacking kKit KSTK1	Color: Chrome Stackable_Stainless_Vented DryerUse Dryer and Washer above with Stacking Kit
Marquee Heater:	-	Burda_Philips Helen 2000 IP65 x 2 RCJ330SGJ-3.300W-240V	Black Electric Heater

Finish Schedule:

The following is a finish schedule or equal for the common spaces.

Location	Floor	Base	Walls	Ceiling	Remarks
Lobby 1st Flr.	Accent: Stone Slab-Marble-Wallace Creek, Honed ¾" Thick Custom Pattern 8"x8" & 8"x24" Floor: Porcelain Tile Atlas-Crema Marfil 12"x24"x3/8" Floor Border:	1 ¼" Thick 6" & 8" Trim BOH Lobby: Millwork Reveal 8"-Graphite	Venetian Plaster-Venus Marble-Color TBD Walls & Stone Trim: Stone tile and slab-Crema Marfil-Honed Finish-3/8" Thick 12x24 Field &4"x1" Thick Trim Benjamin Moore-Oak 1516 Midnight		Millwork: Matte Rift Finish-Walnut Wood Veneer Desk Counter: High Gloss-Walnut Wood Veneer Cabinet Interiors: Laminate-8827 Sarun Twill_Grey_Matte Fin.

	Chromtec-Cool 3.0 8"x48"x3/8"		Flat, Satin, & Semi-gloss Accent Wall and Panel: Onyx-Nordic White-3/4" Thick		
Elevators	Crema Marfil Polished ¾" thick, 12" wide strips to fit width of Elev.		Oil-Rubbed Bronze Metal	Oil-Rubbed Bronze Metal	Doors: Oil-Rubbed Bronze Metal Handrails: Acrylic-Molded Rod-Clear Fin. 2" Diameter
Cellar Corridor	Stone Tile-Burlington- Kirby Grit Blasted 1/2" Thick 12x24		Rivets 5707 Bronze on Jute 36"		
Apt. Corridor 7-14 Flrs	Carpet Tile- Dye Lab 41517-Gold 24" Sq.	PTD WD Benjami n Moore OC-69 White Opulence (High Gloss) 6"	Free Spirit Black -25" Wide Rolls		PTD WD Benjamin Moore OC-69 White Opulence (High Gloss) 4"
Apt. Corridor 15-19 Floors	Carpet Tile- Dye Lab 41585-Black 24" Sq.	PTD WD Benjami n Moore 2131-20 Midnight (High Gloss) 6"	Aphro Chic- JuJu Black and Gold 17" Wide Rolls		PTD WD Benjamin Moore 2131-20 Midnight (High Gloss) 4"
Amenity Bath	Concrete Tile Harlequin II S101 Black, S109 Gold, S918 Oxford Gray 4 x 4		Wood Paneling-TBD-Oak Benjamin Moore 2133-20_Black Jack High-gloss		Mirror: Glass TBD
Amenity Living Room	Wood Floor: Montaigne-Chatelet Finish-7" Wide Carpet: Broadloom- Ebbe &Flow Taupe H74		Covering-Trapezoid Helix 27" Wide Roll		
Amenity Kid's Area	Carpet Tile- Hexagon Tile- Linear Hex 55530 & 55105		Big Robots-Tin 25.75 Wide Roll		
Amenity Kid's Outdoor Area	Artificial Grass Easy Turf -Black -White				
Amenity Media Room	Carpet Tile Flor-Lacebreak Jade-9.7 Sq.		Wood plank boards – Benjamin Moore 1516 Moonshadow – Matte Spray Finish		
Amenity Terrace	Stone Pavers: Brandy Crag Sanded 2" Thick Artificial Grass:				Planters and Trellis: Metal-Anodized Steel Sheet and Tube-Dark Grey Kitchen Cabinets:

	Synlawn-Premium 200SR200 Lounge: Concrete Pads_ Polished Undyed White				Metal Cabinet Stainless Steel_Brushed TBD
Amenity Library	Concrete Tile: Lindsey Adelman Refraction Tiles Gray and Misc. 40CM x 40CM				

The following is a finish schedule or equal for a typical Residential Unit:

Location	Floor	Base	Walls	Ceiling	Remarks
3rd Bath	Ceramic Tile:6th Ave-White Matte_6x6 Floor Accent: Basketweave Mosaic-Bianco Carrara & Bardiglio_12"x12" Tile Grout: 88 Silver Shadow		Ceramic Tile: Dover_ White Gloss 3x6 Field, 5 ¾" Base and 2 7/8" Cornice Trim: Ceramic Tile Metrix Stick Liner – Icicle Gloss- ½" x 6" x 3/8" Tile Grout: 88 Silver Shadow		Cabinet: PTD Wood Poplar-Matte Lacquer on Exterior-Ben Moore AF-545 Solitude Interior_ Maple Clear Veneer Countertop/Thresholds/ Saddles: Marble Diamond White ¾"
2nd Bath	Ceramic Tile: -6th Ave-White Matte_6x6 Wall Accent: Ceramic Mosaic Savoy-Cornflower Blue 1" x 4" Herringbone Tile Grout: 93 Warm Grey	Stone base and cornice-Calcutta Gold Opus 5-polished 5" x 1/8" x 12"	Ceramic Tile: Dover_ White Gloss 3x6 Field, Wall Accent: Ceramic Mosaic-Savoy-Cornflower Blue 1" x 4" Stacked Trim: Ceramic Tile- Metrix Stick Liner- Icicle Gloss – ½" x 6" x 3/8"		Cabinet: PTD Wood Poplar-Matte Lacquer on – Ben Moore-AF-826 Stunning Interior_ Maple Clear Veneer Countertop/Thresholds/ Saddles/Tub Deck: Marble Diamond White ¾"
Powder Bath	Pre-finished Engineered wood floor- 4" White Oak- custom stain	Painted wood fieldstone SM_17 1-1/16" x 7"	Ceramic Tile: SOHO 2-White Crackle 3" x 6" Tile Grout: 19 Pearl Grey		Mirror Cabinet: Custom Wood Solid Walnut-Plain Sawn Clear Coat Sink: Pewter Limestone ¾" Thick
Master Bath	Stone Tile: Calacutta Gold-Honed 12"x24"3/8" Floor Accent: Boerum Mosaic- 10 ¾"x10 ¾" Floor Trim: Stone Pencil Trim- China Black-Polished ½"x12"x ¾"	Stone Base: Calacutta Gold Opus 5 Polished 6"x 12" x 3/4"	Stone Tile: Calacutta Gold-Polished 3" x 6" x 3/8" Trim: Stone Pencil Trim-China Black- Polished ½" x 12" x ¾" Tile Grout: 38 Avalanche		Cabinet: PTD Wood-Interior Maple Clear Veneer Ben Moore 973 Apparition Countertop: Stone Slab- Ferrara Vein Cut Polished ¾" Thick Thresholds/Saddles/Tub Deck: Stone Slab-Calacutta Gold Honed ¾" Thick
Typical	Pre-finished Engineered	PTD WD			Casing: PTD WD Casing-



Leo Stephen Hill, A.I.A
Partner

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall, subtract cutouts. Sponsor reserves the right to make changes due to unforeseen conditions in accordance with the Offering Plan.

2. FLOOR PLANS

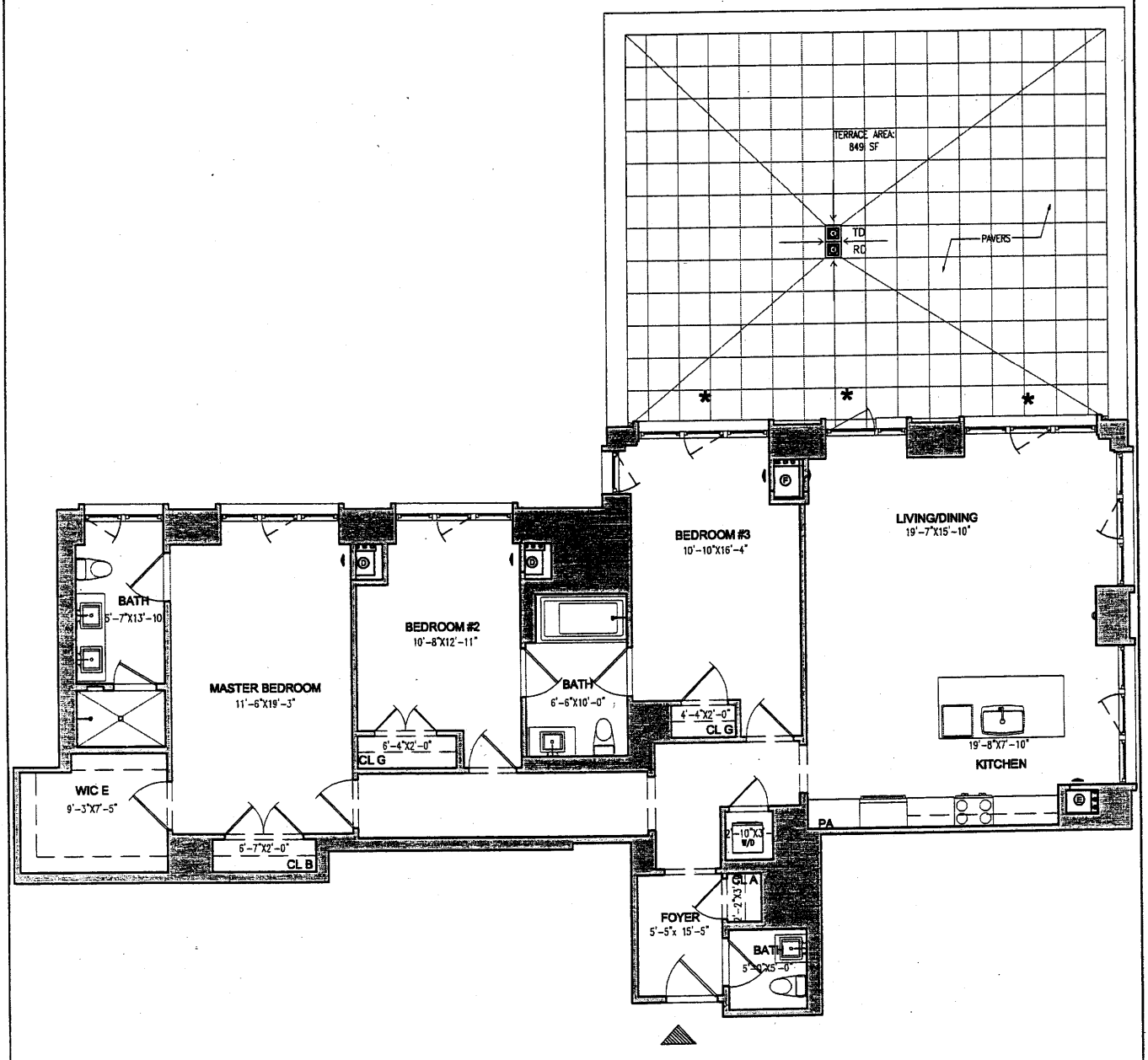
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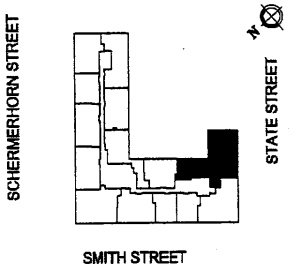
THE BOERUM CONDOMINIUM

01 RESIDENCE

7TH FLOOR

3 BEDROOM
2.5 BATHROOM
1,745 SQ. FT. + 849 SQ.FT. TERRACE





* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

0 1 2 3 4 5 10

101

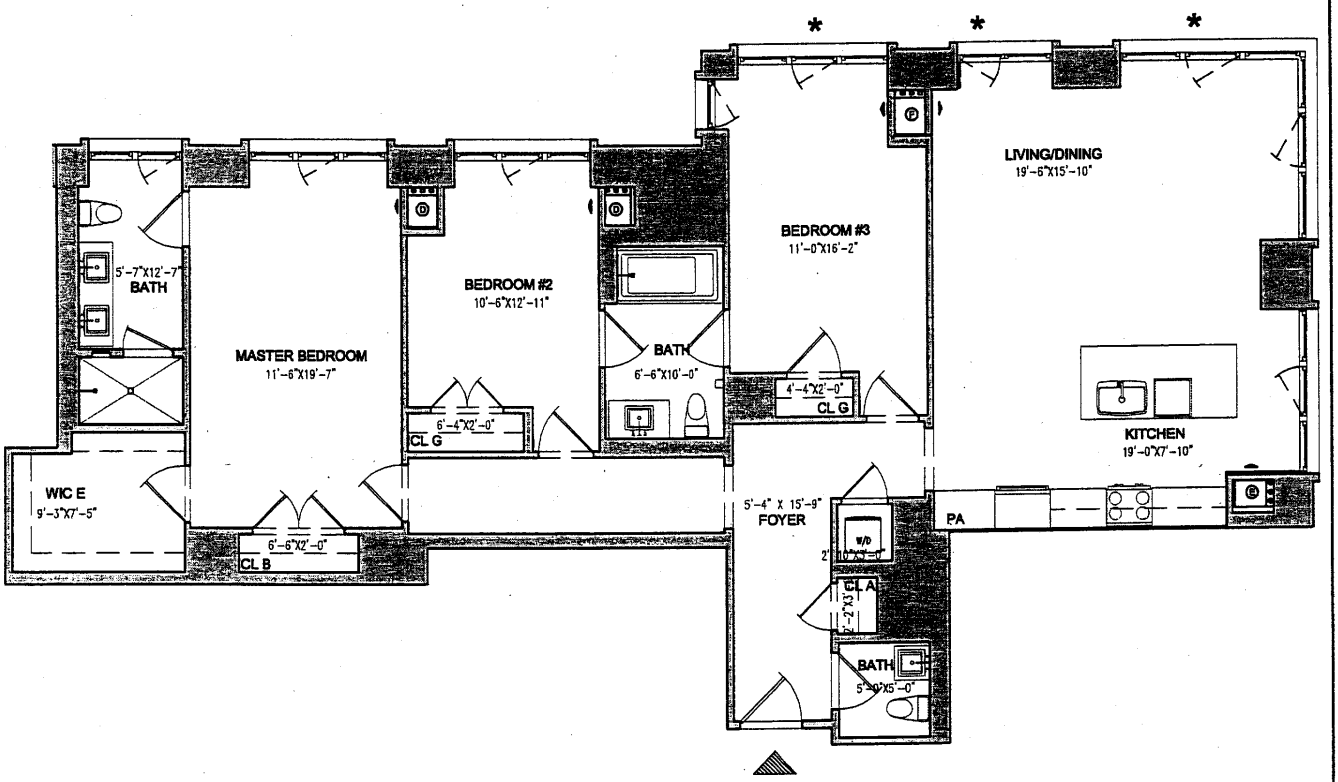
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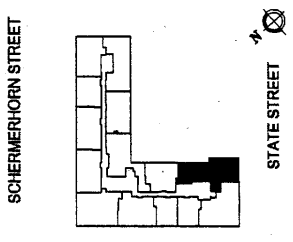
01 RESIDENCE

FLOORS 08, 10, 12, AND 15

3 BEDROOM
2.5 BATHROOM
1,744 SQ. FT.

THE BOERUM CONDOMINIUM





* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

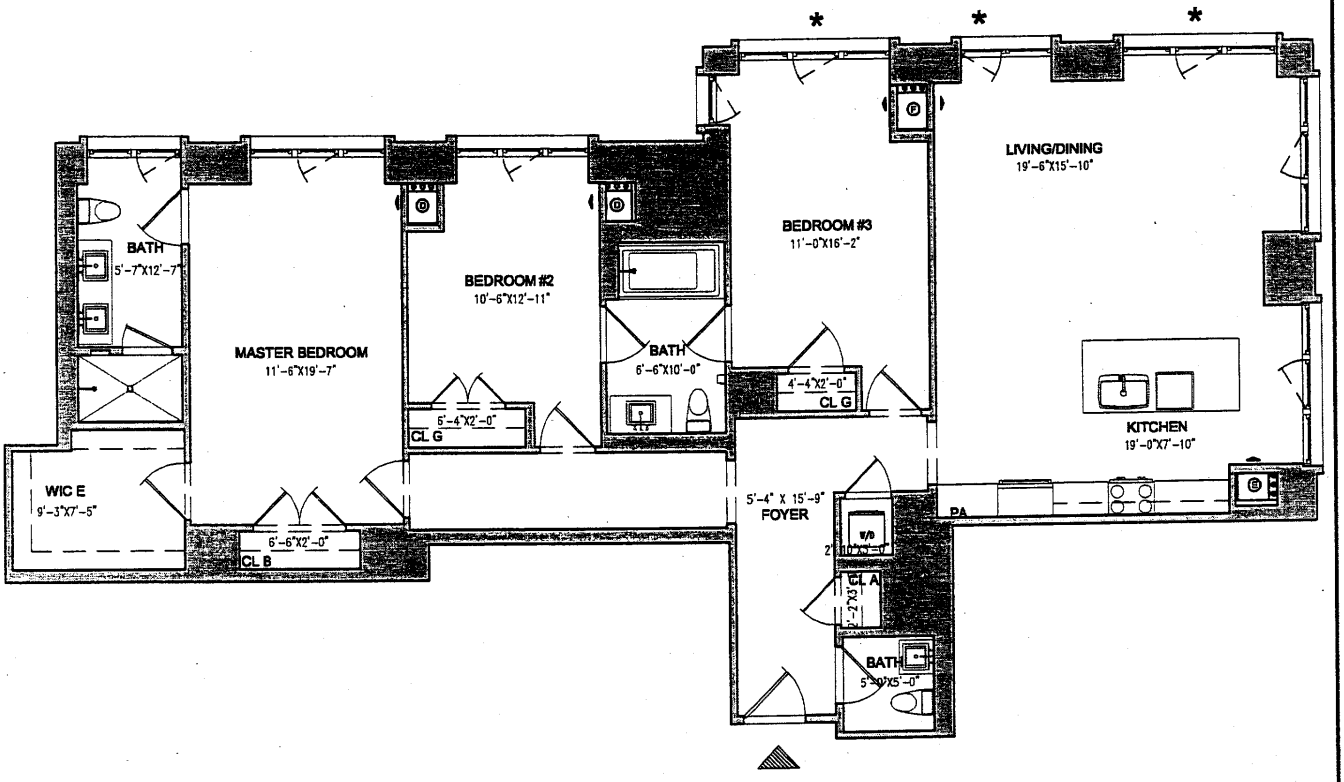
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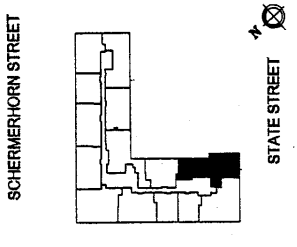
01 RESIDENCE

FLOORS 09, 11, AND 14

3 BEDROOM
2.5 BATHROOM
1,744 SQ. FT.

THE BOERUM CONDOMINIUM





* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

115

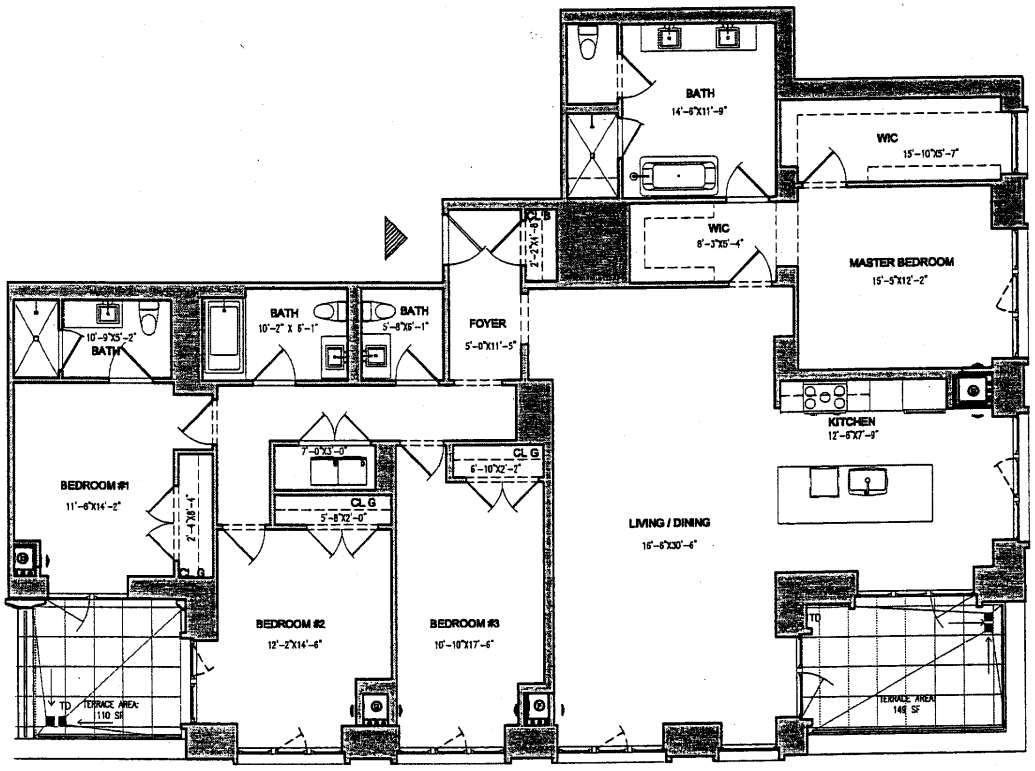
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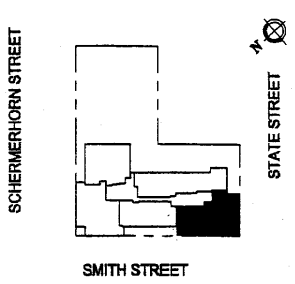
01 RESIDENCE

16TH FLOOR

4 BEDROOM
3.5 BATHROOM
2,500 SQ. FT. + 259 SQ. FT. TERRACE

THE BOERUM CONDOMINIUM





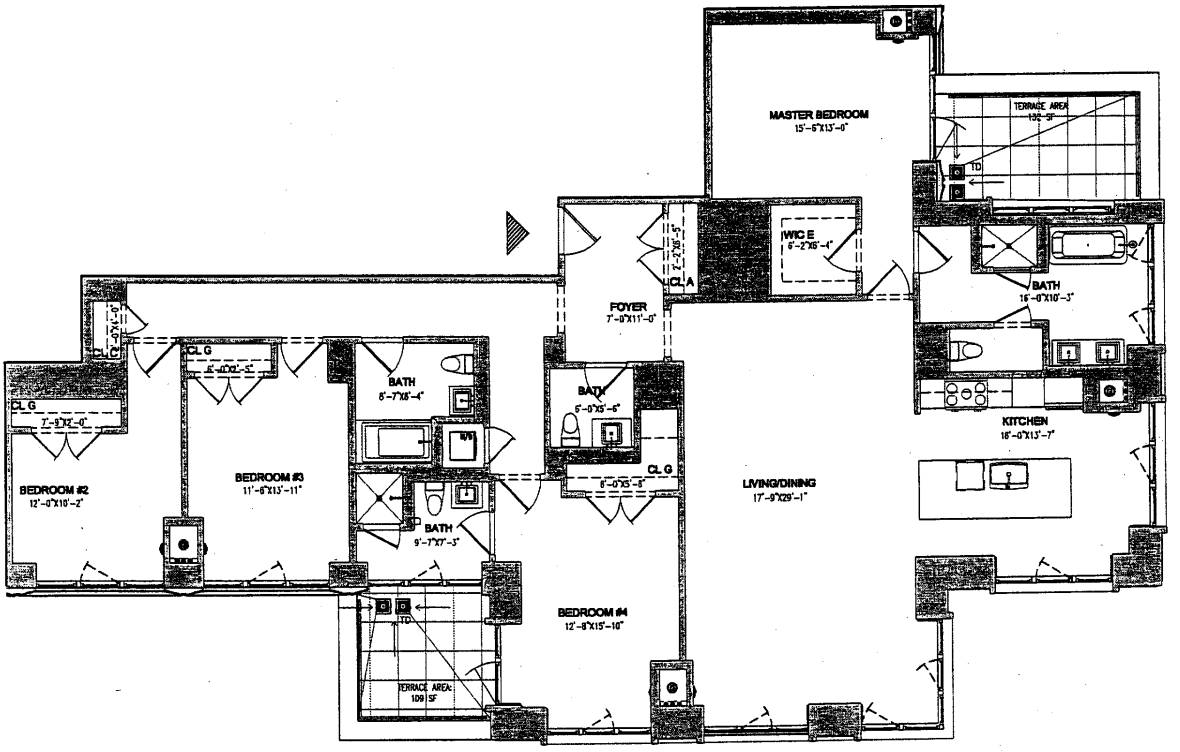
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01 RESIDENCE

17TH FLOOR

4 BEDROOM
3.5 BATHROOM
2,489 SQ. FT. + 241 SQ. FT TERRACE

THE BOERUM CONDOMINIUM





124

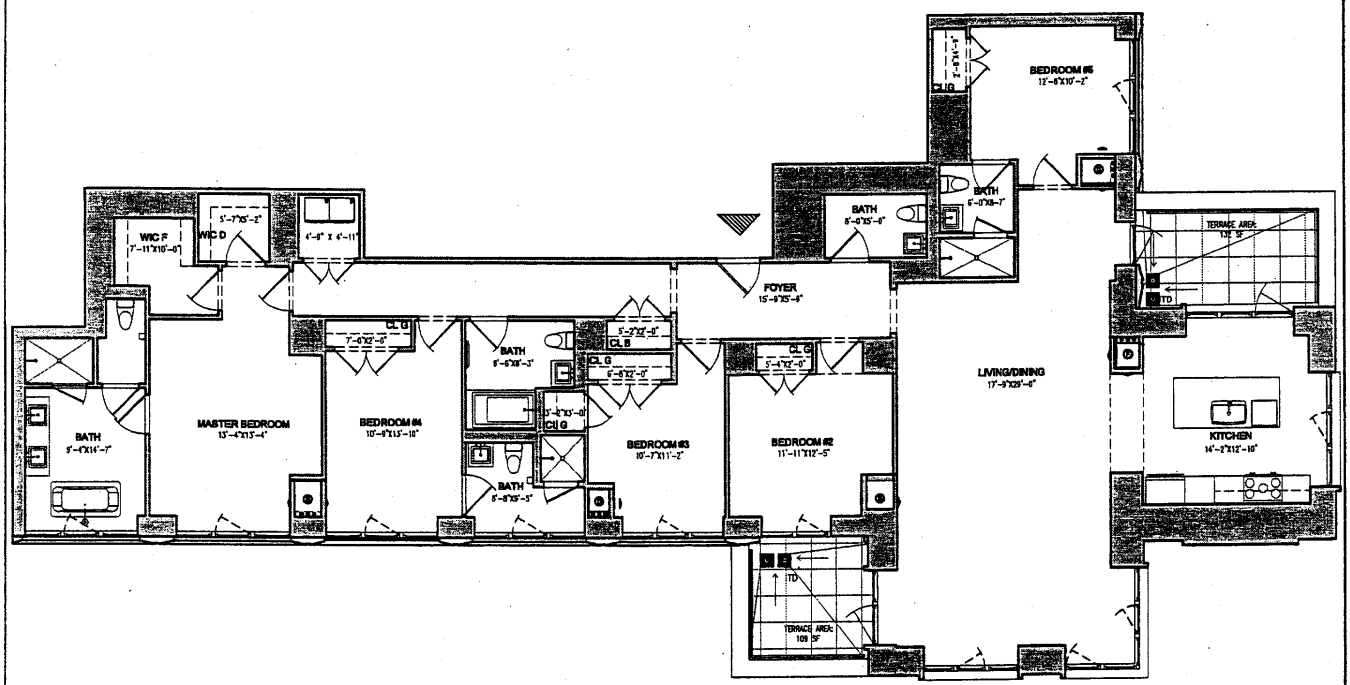
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01
RESIDENCE

18TH FLOOR

5 BEDROOM
4.5 BATHROOM
2,821 SQ. FT. + 241 SQ. FT. TERRACE

THE BOERUM CONDOMINIUM





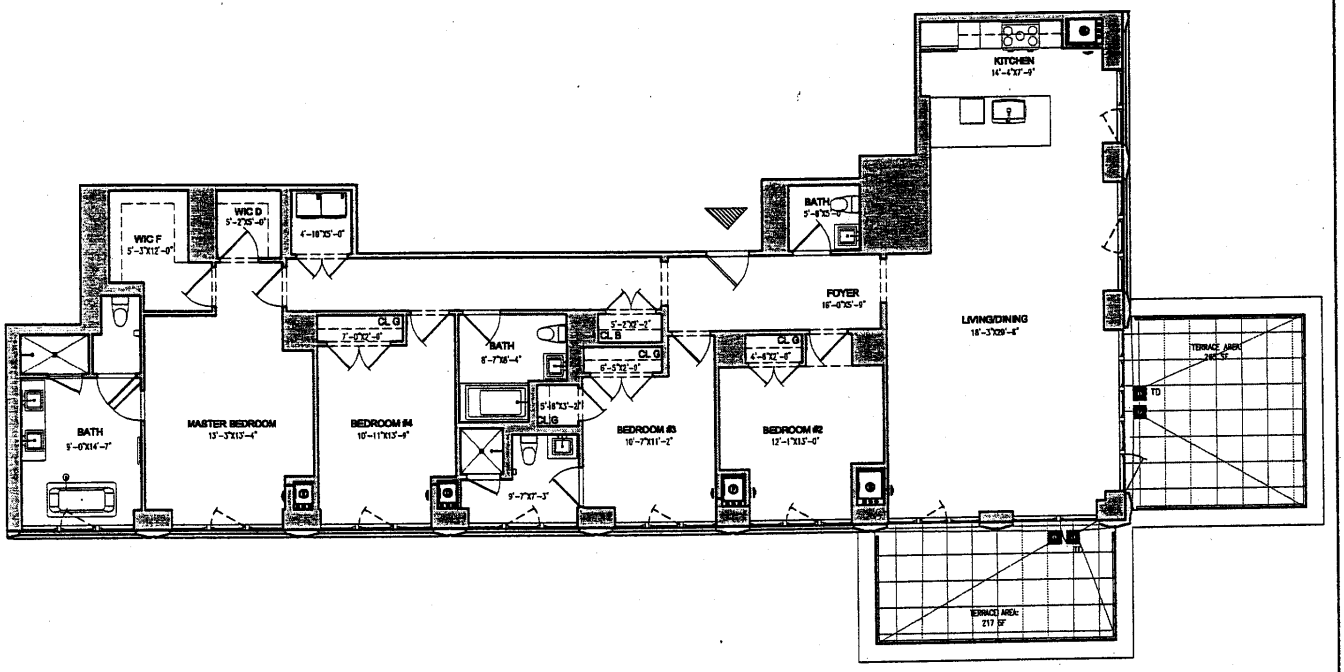
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01
RESIDENCE

19TH FLOOR

4 BEDROOM
3.5 BATHROOM
2,349 SQ. FT. 482 SQ. FT. TERRACE

THE BOERUM CONDOMINIUM





131

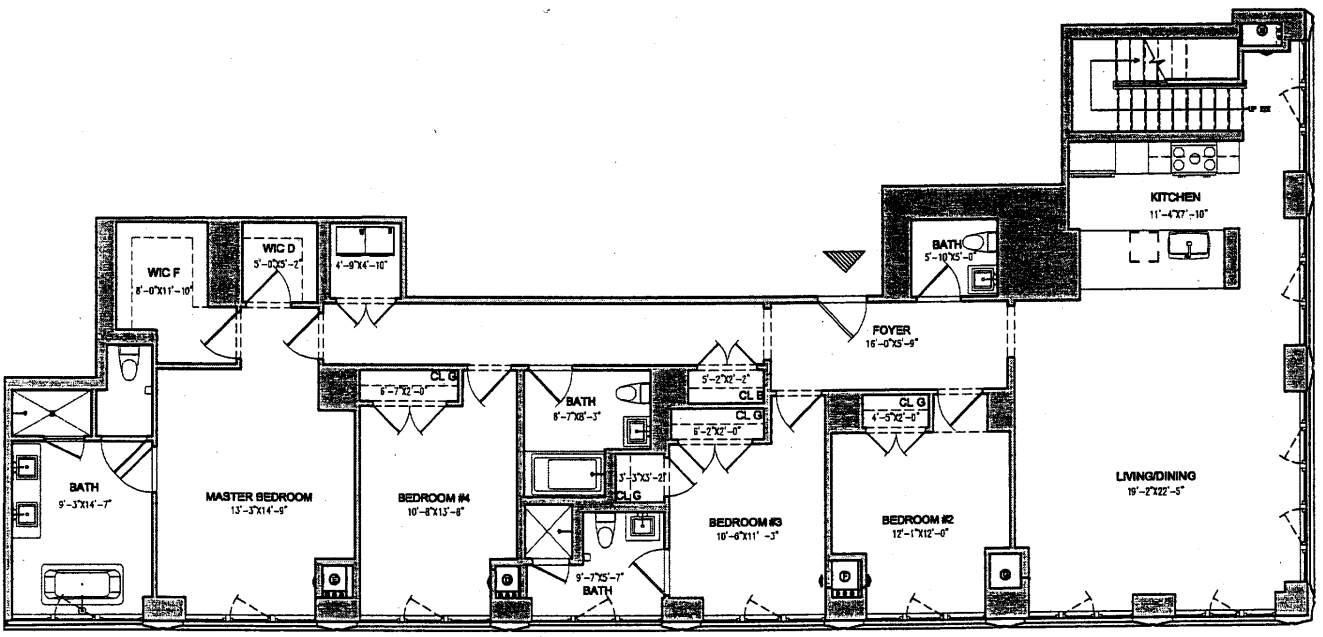
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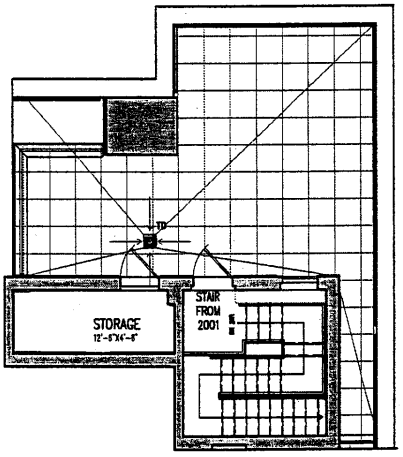
01
RESIDENCE

20TH FLOOR

4 BEDROOM
3.5 BATHROOM
2,349 SQ. FT. + 513 SQ. FT. TERRACE

THE BOERUM CONDOMINIUM







0 1 2 3 4 5 10

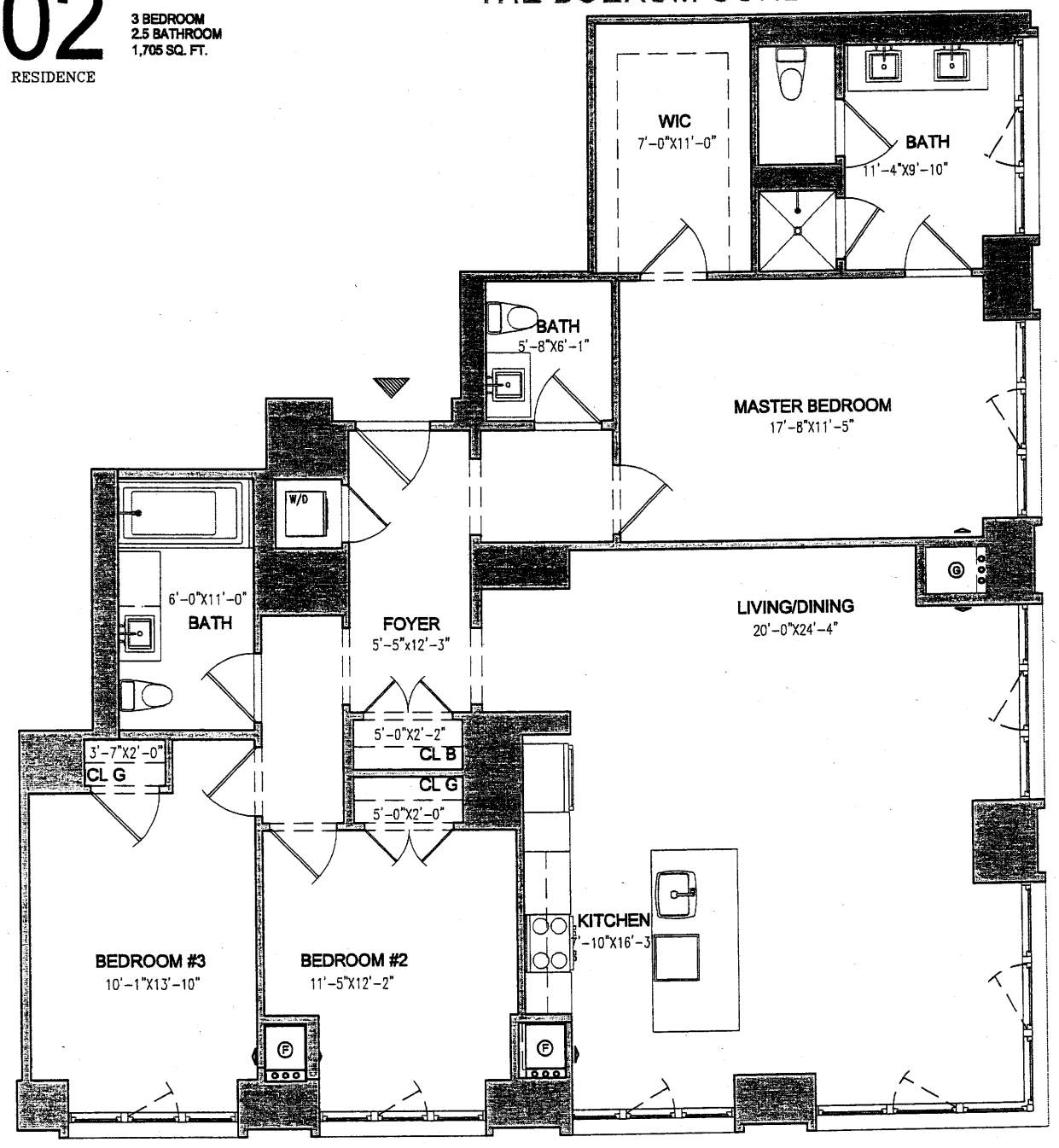
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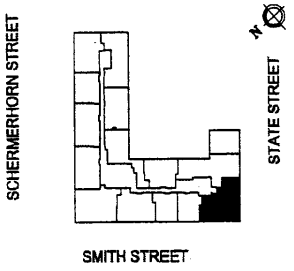
02 RESIDENCE

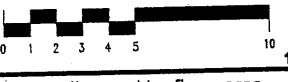
7TH - 15TH FLOORS

3 BEDROOM
2.5 BATHROOM
1,705 SQ. FT.

THE BOERUM CONDOMINIUM







102

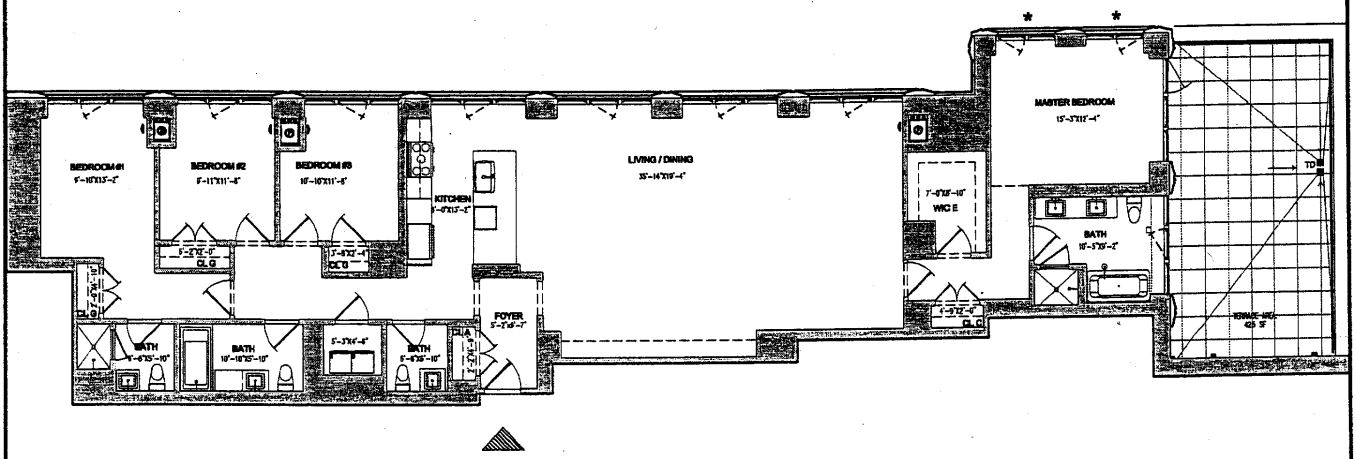
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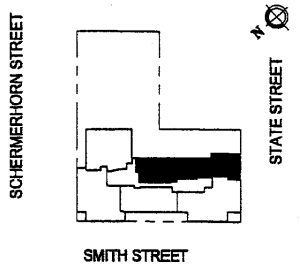
02 RESIDENCE

16TH FLOOR

4 BEDROOM
3.5 BATHROOM
2,424 SQ. FT. + 425 SQ. FT. TERRACE

THE BOERUM CONDOMINIUM





* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

120

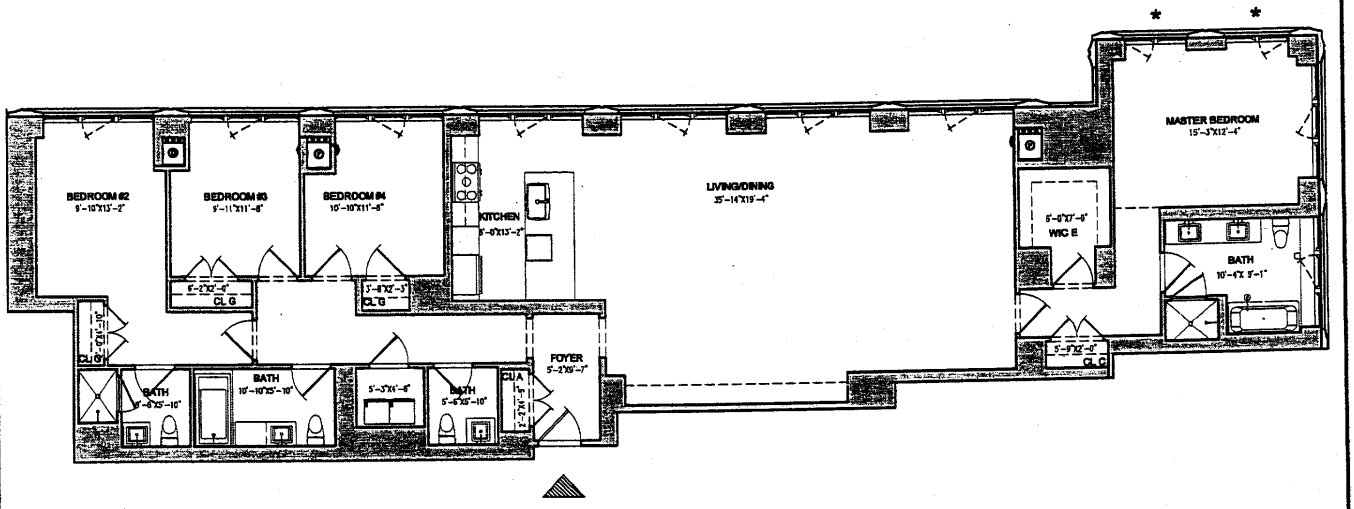
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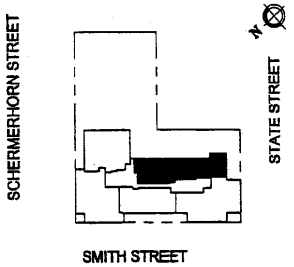
02 RESIDENCE

17TH FLOOR

4 BEDROOM
3.5 BATHROOM
2,424 SQ. FT.

THE BOERUM CONDOMINIUM





* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

125

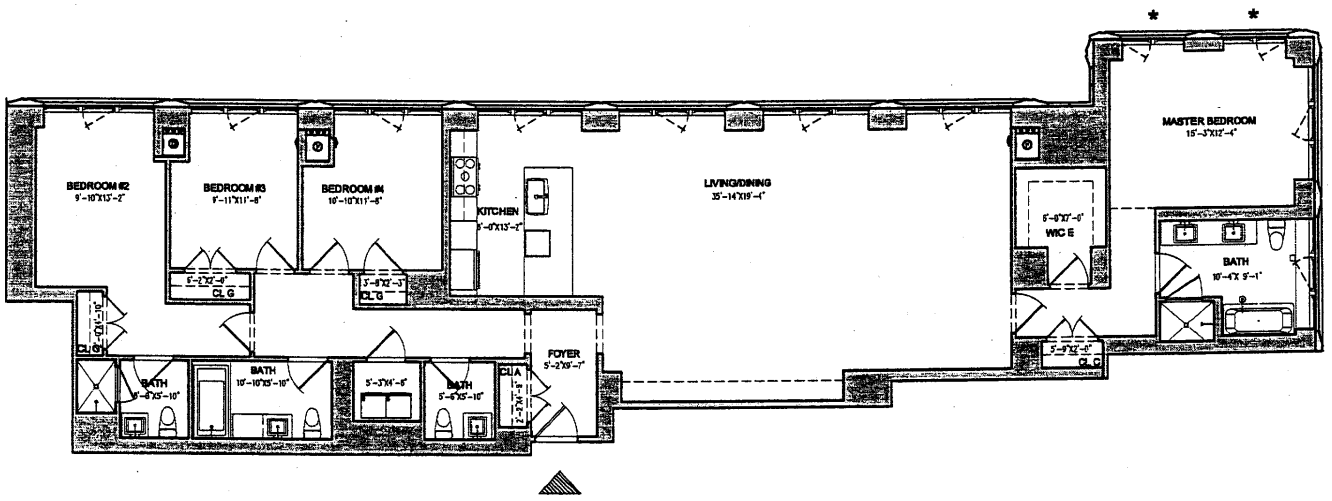
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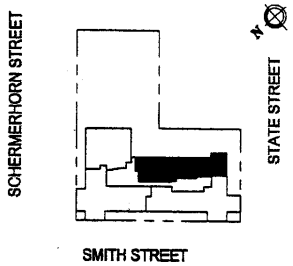
02
RESIDENCE

18TH - 19TH FLOORS

4 BEDROOM
3.5 BATHROOM
2,424 SQ. FT.

THE BOERUM CONDOMINIUM





* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

125a

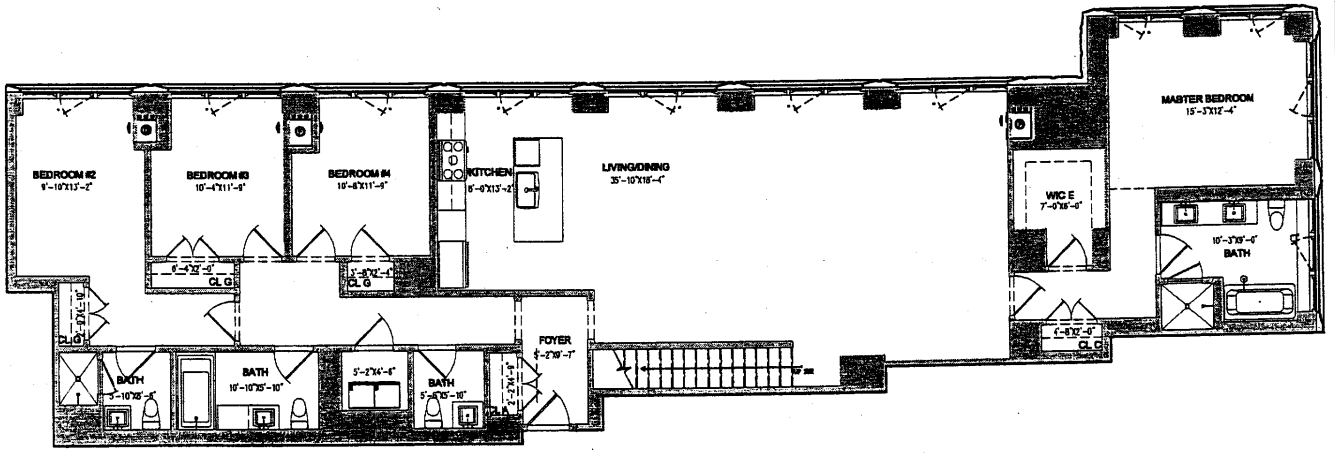
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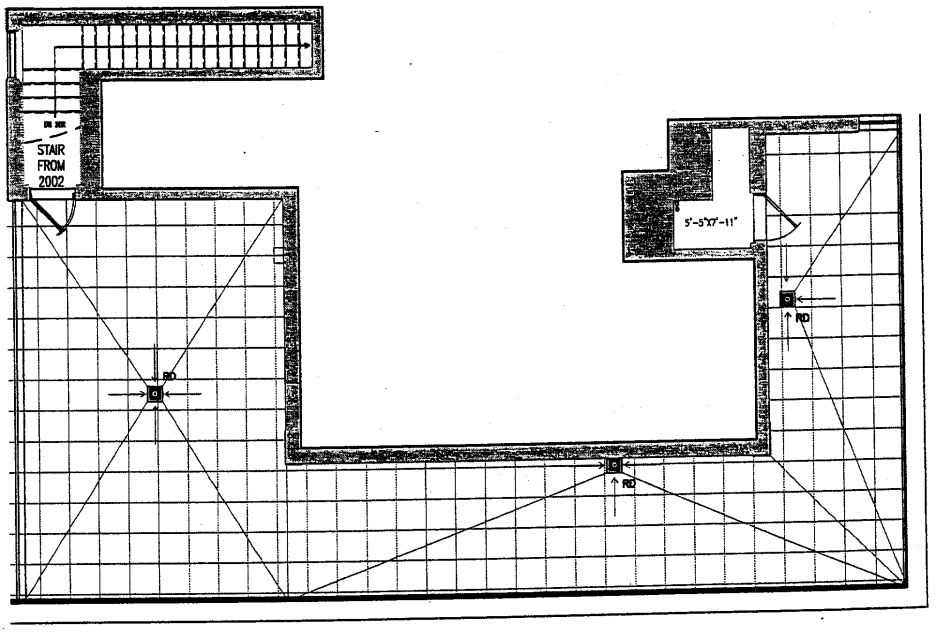
02 RESIDENCE

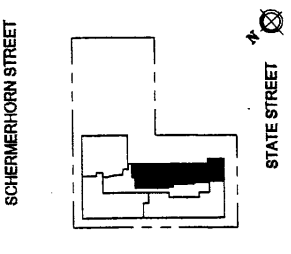
20TH FLOOR

4 BEDROOM
3.5 BATHROOM
2,424 SQ. FT. +1,162 SQ. FT. TERRACE

THE BOERUM CONDOMINIUM







0 1 2 3 4 5 10

134

* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

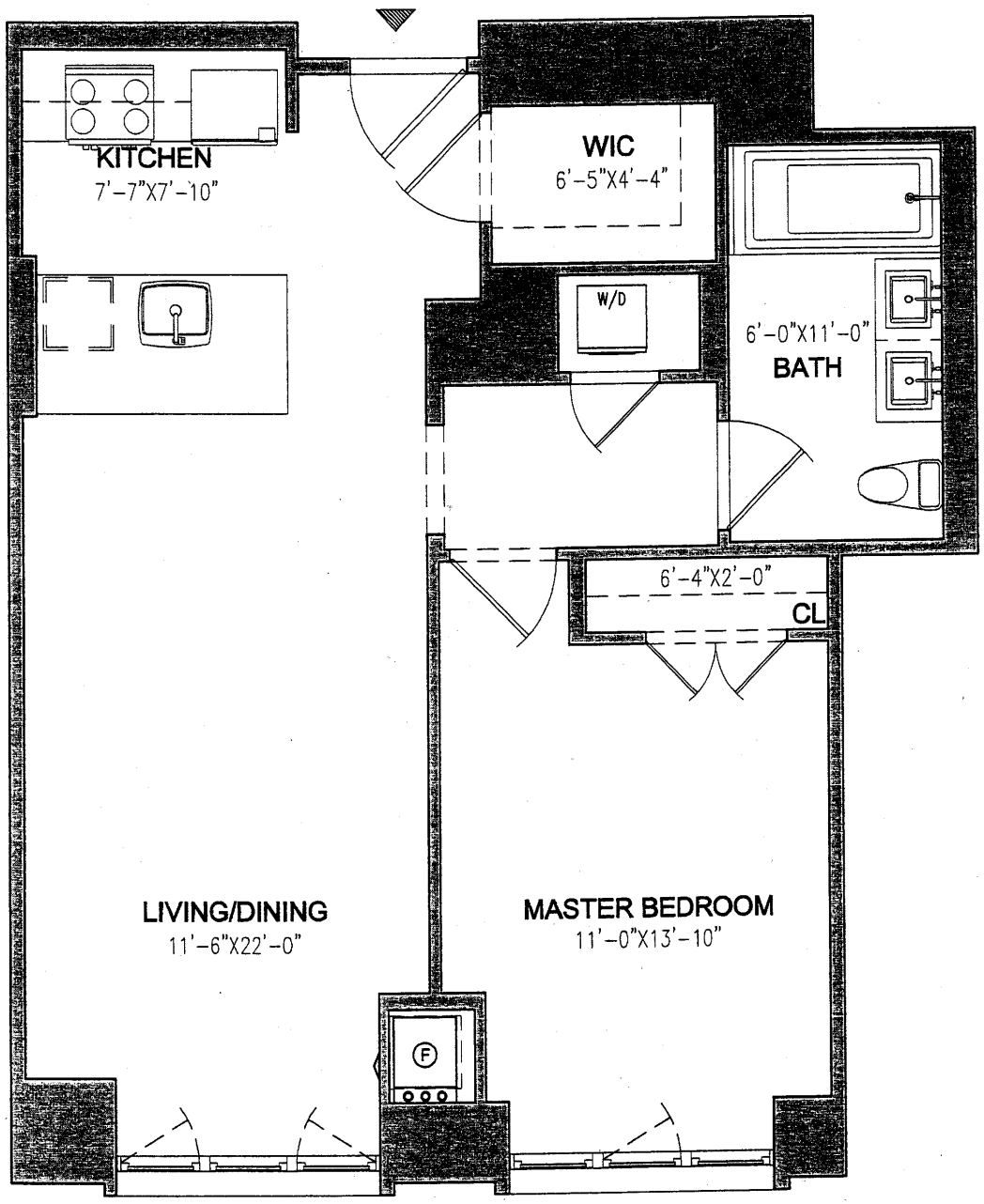
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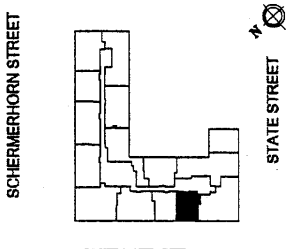
03 RESIDENCE

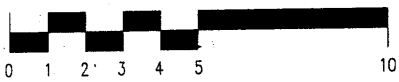
7TH - 15TH FLOORS

1 BEDROOM
1 BATHROOM
763 SQ. FT.

THE BOERUM CONDOMINIUM







103

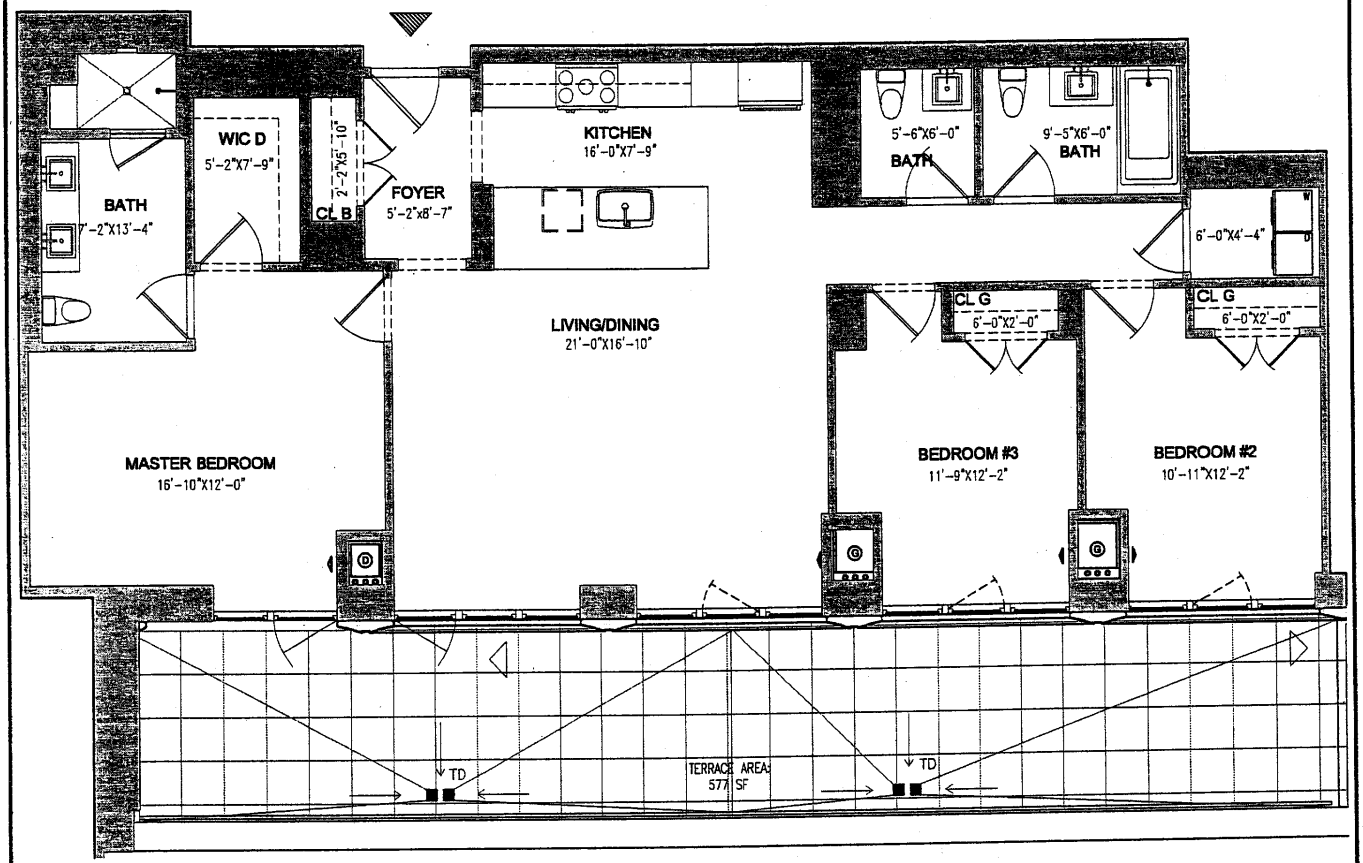
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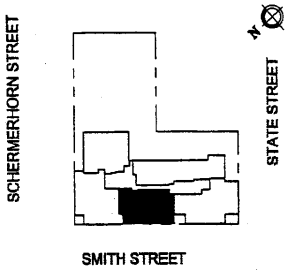
03 RESIDENCE

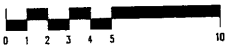
16TH FLOOR

3 BEDROOM
2.5 BATHROOM
1,829 SQ. FT. + 577 SQ. FT. TERRACE

THE BOERUM CONDOMINIUM







121

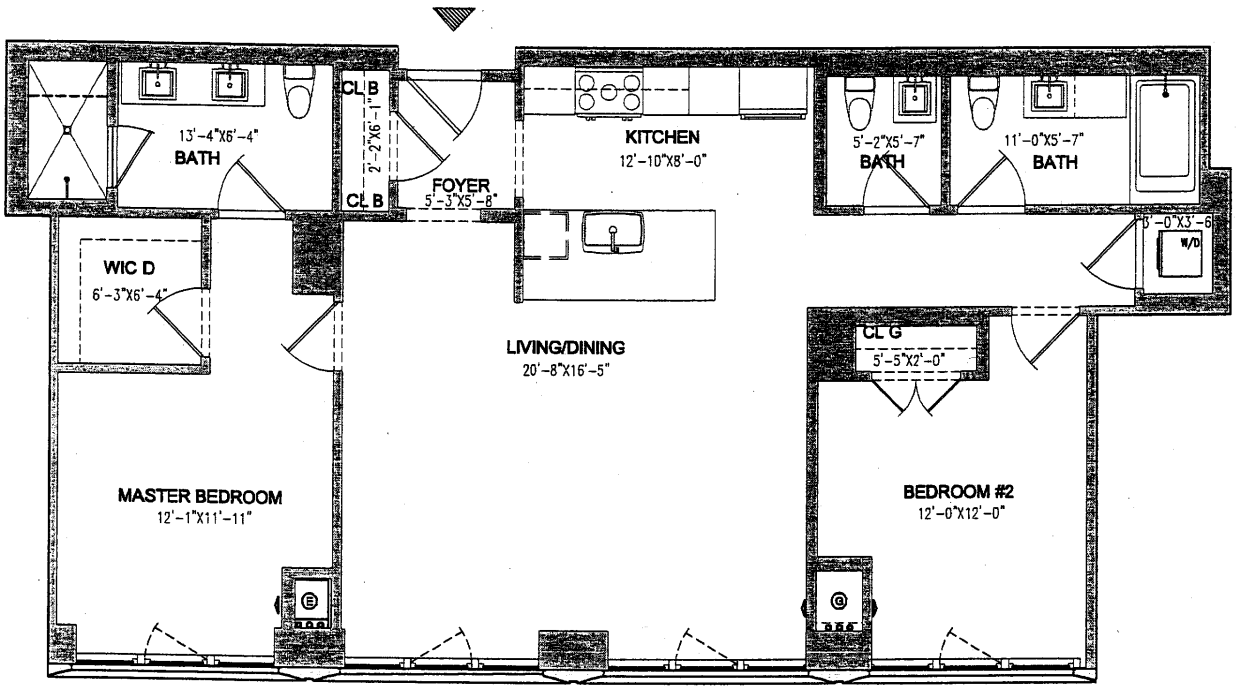
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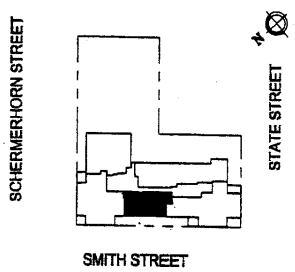
03 RESIDENCE

17TH FLOOR

2 BEDROOM
2.5 BATHROOM
1,298 SQ. FT.

THE BOERUM CONDOMINIUM







126

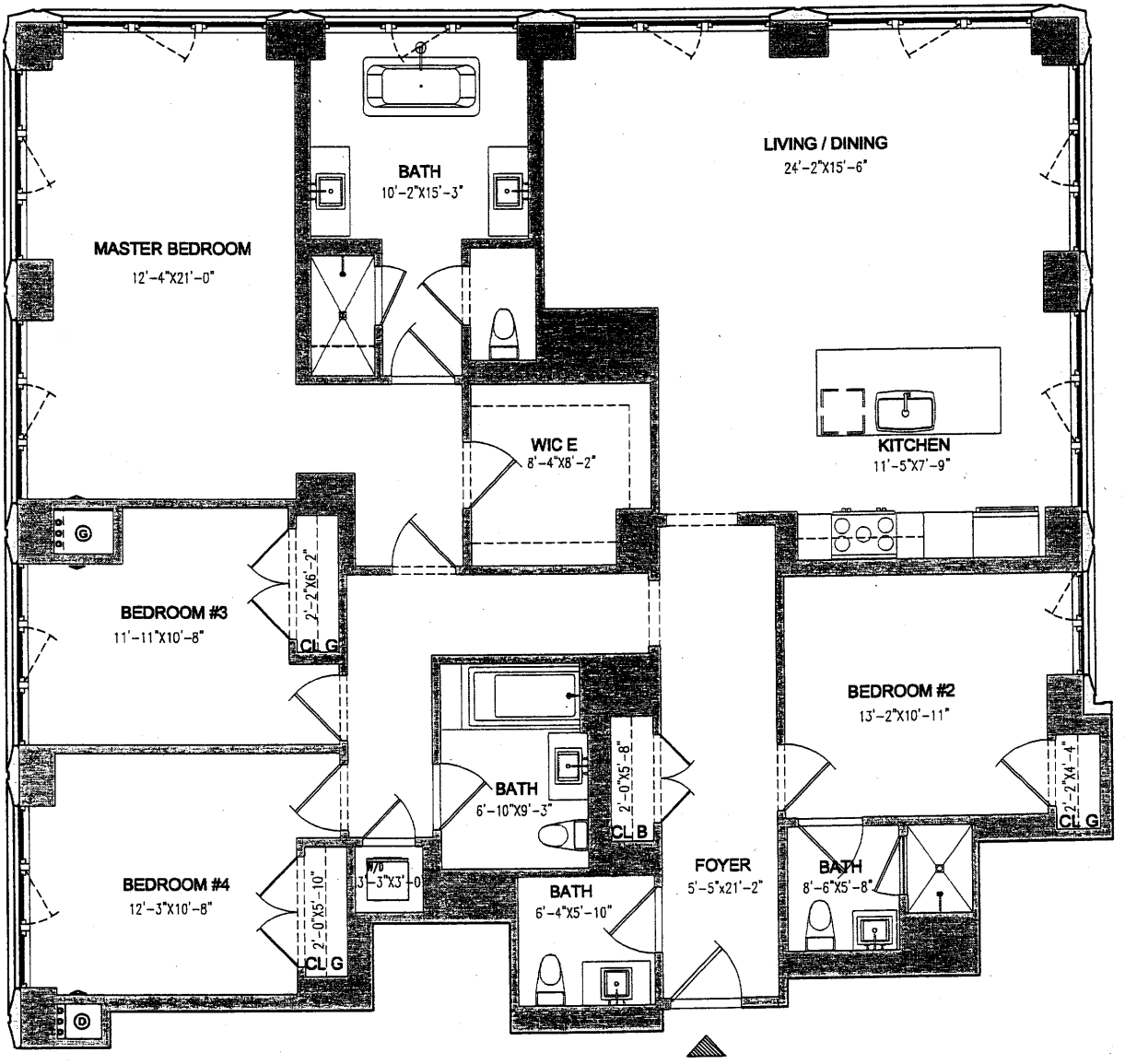
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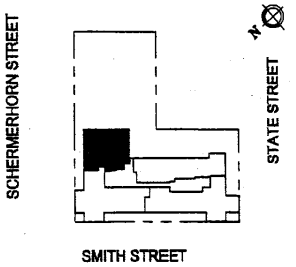
03 RESIDENCE

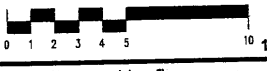
18TH - 19TH FLOORS

4 BEDROOM
3.5 BATHROOM
2,163 SQ. FT.

THE BOERUM CONDOMINIUM







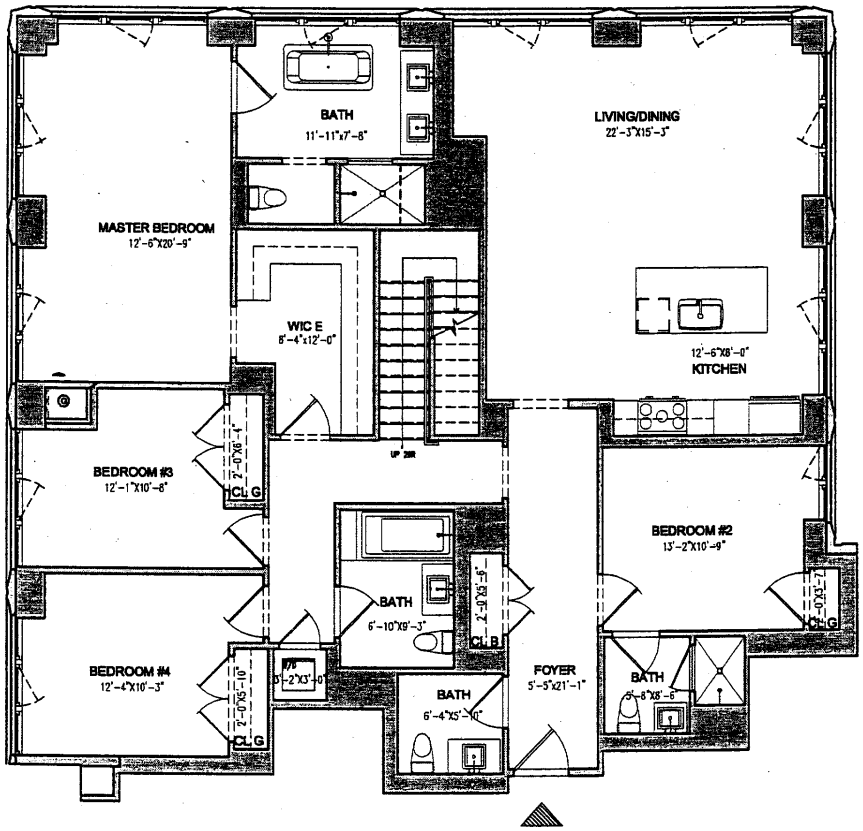
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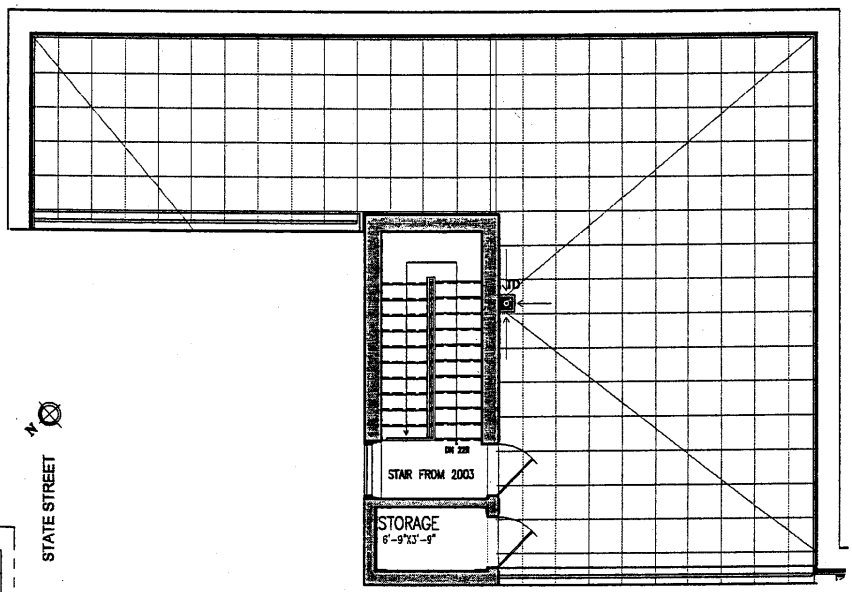
03 RESIDENCE

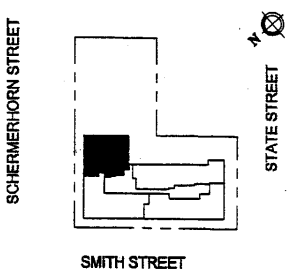
20TH FLOOR

4 BEDROOM
3.5 BATHROOM
2, 163 SQ. FT. + 1,083 SQ. FT. TERRACE

THE BOERUM CONDOMINIUM







0 1 2 3 4 5 10

135

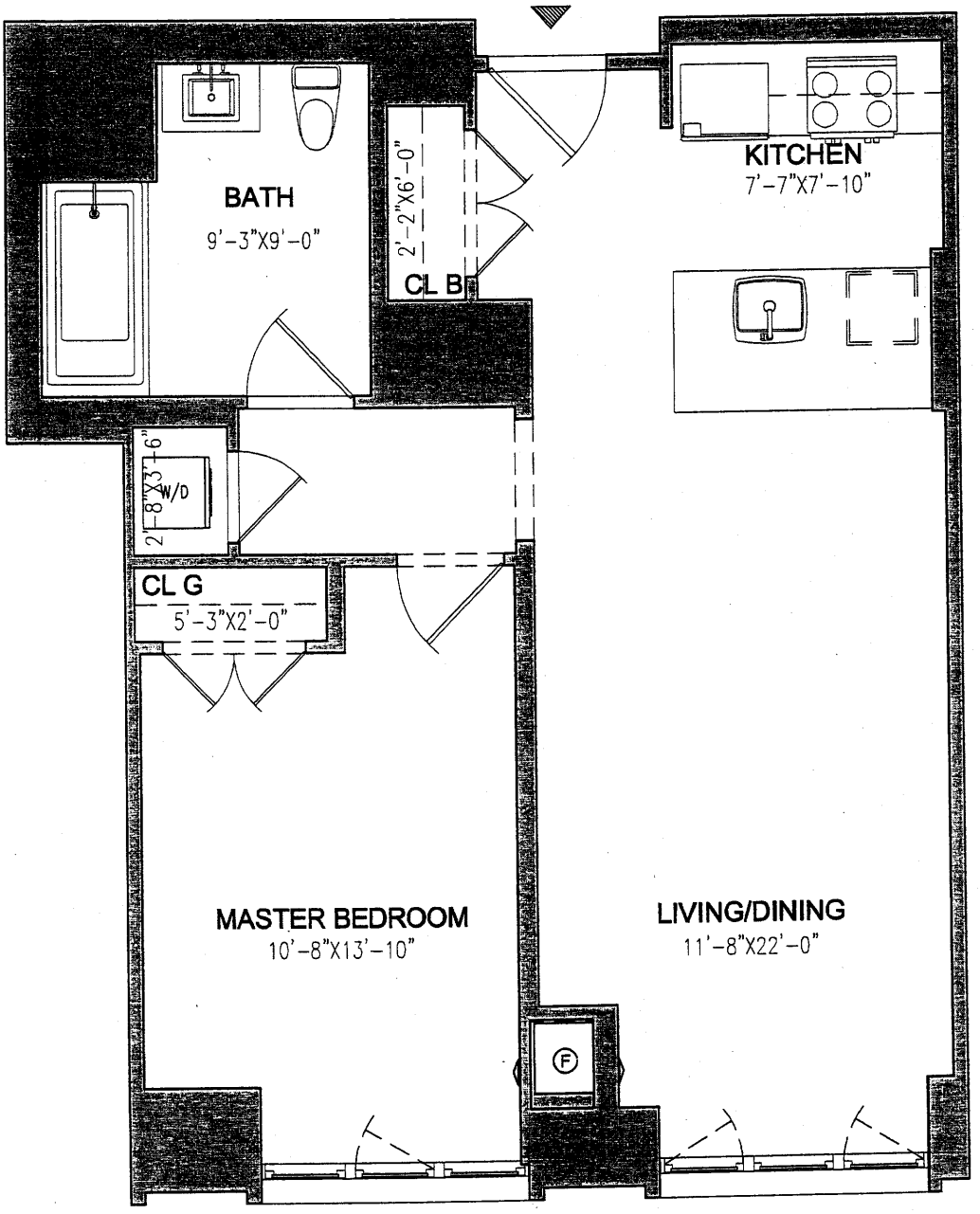
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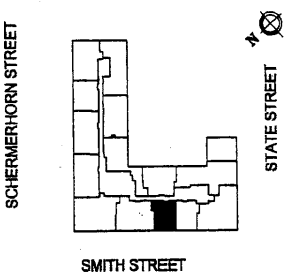
04 RESIDENCE

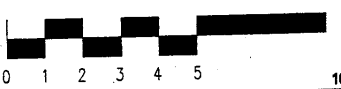
7TH - 15TH FLOORS

1 BEDROOM
1 BATHROOM
768 SQ. FT.

THE BOERUM CONDOMINIUM







104

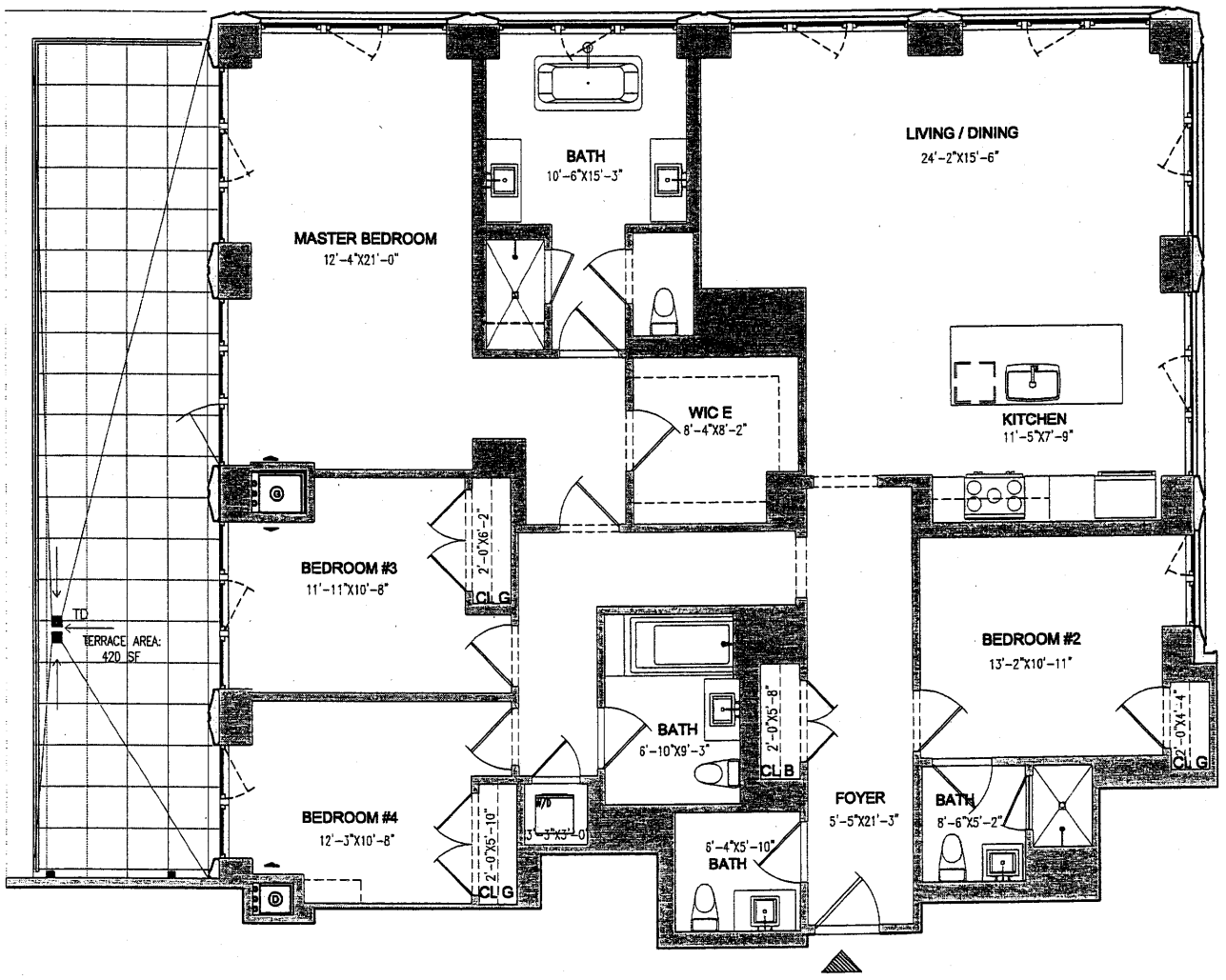
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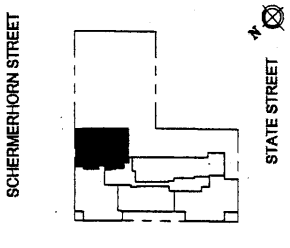
04 RESIDENCE

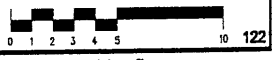
16TH FLOOR

4 BEDROOM
3.5 BATHROOM
2,163 SQ. FT. + 420 SQ. FT. TERRACE

THE BOERUM CONDOMINIUM







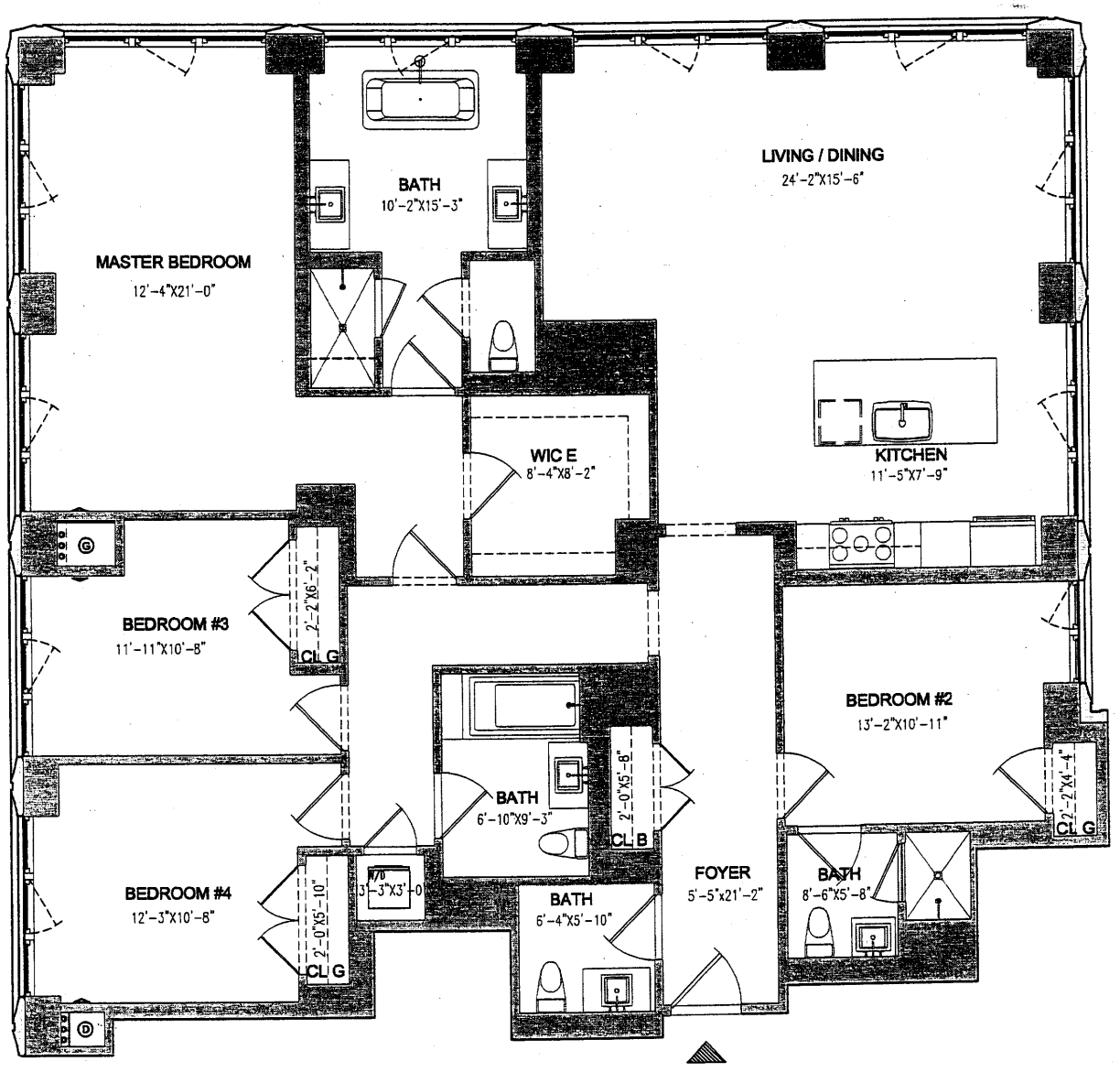
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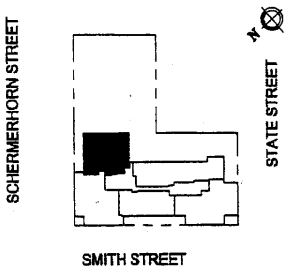
04 RESIDENCE

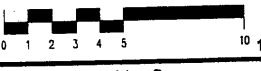
17TH FLOOR

4 BEDROOM
3.5 BATHROOM
2,163 SQ. FT.

THE BOERUM CONDOMINIUM







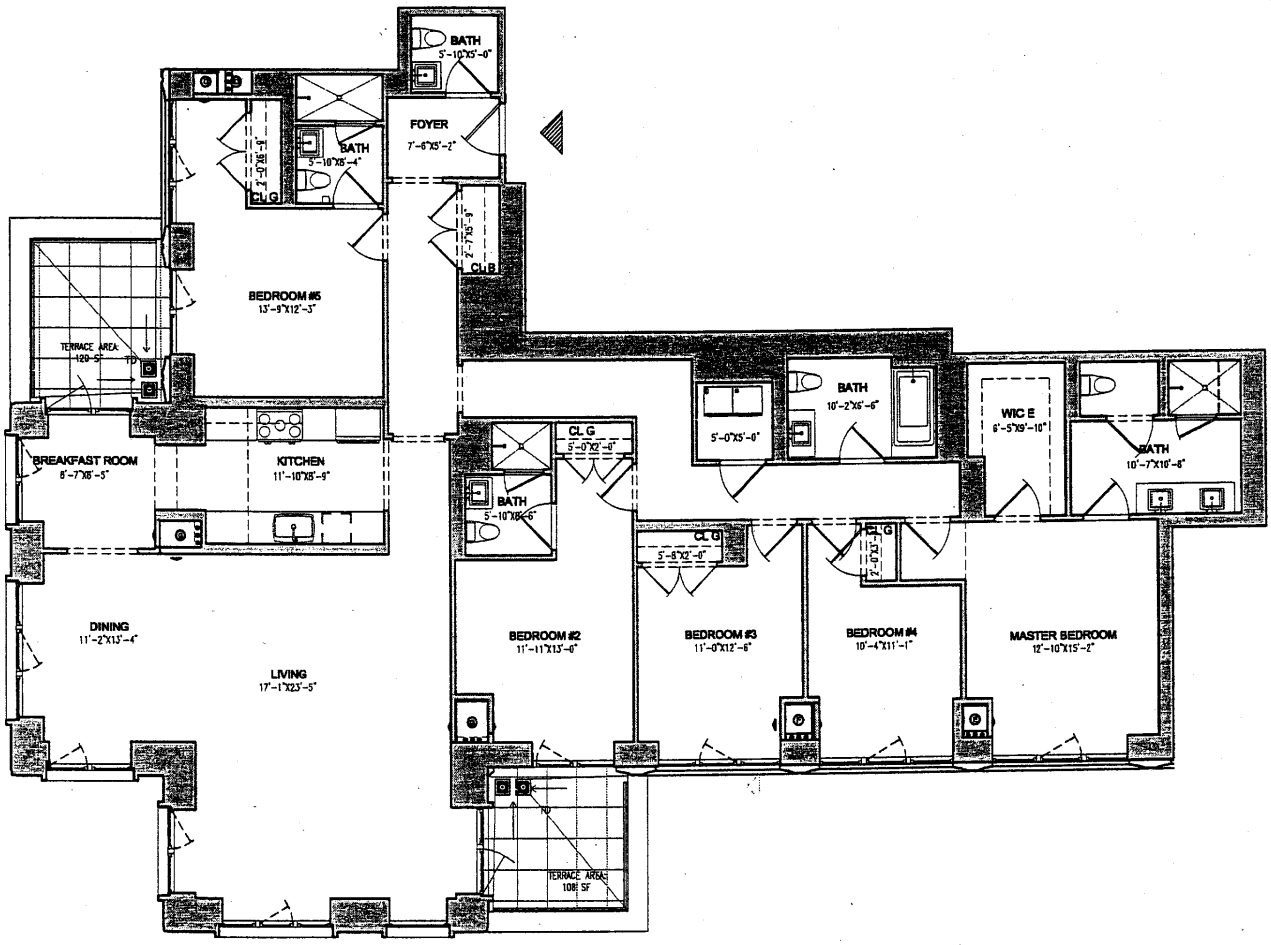
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04 RESIDENCE

18TH FLOOR

5 BEDROOM
4.5 BATHROOM
2,768 SQ. FT. + 228 SQ. FT. TERRACE

THE BOERUM CONDOMINIUM





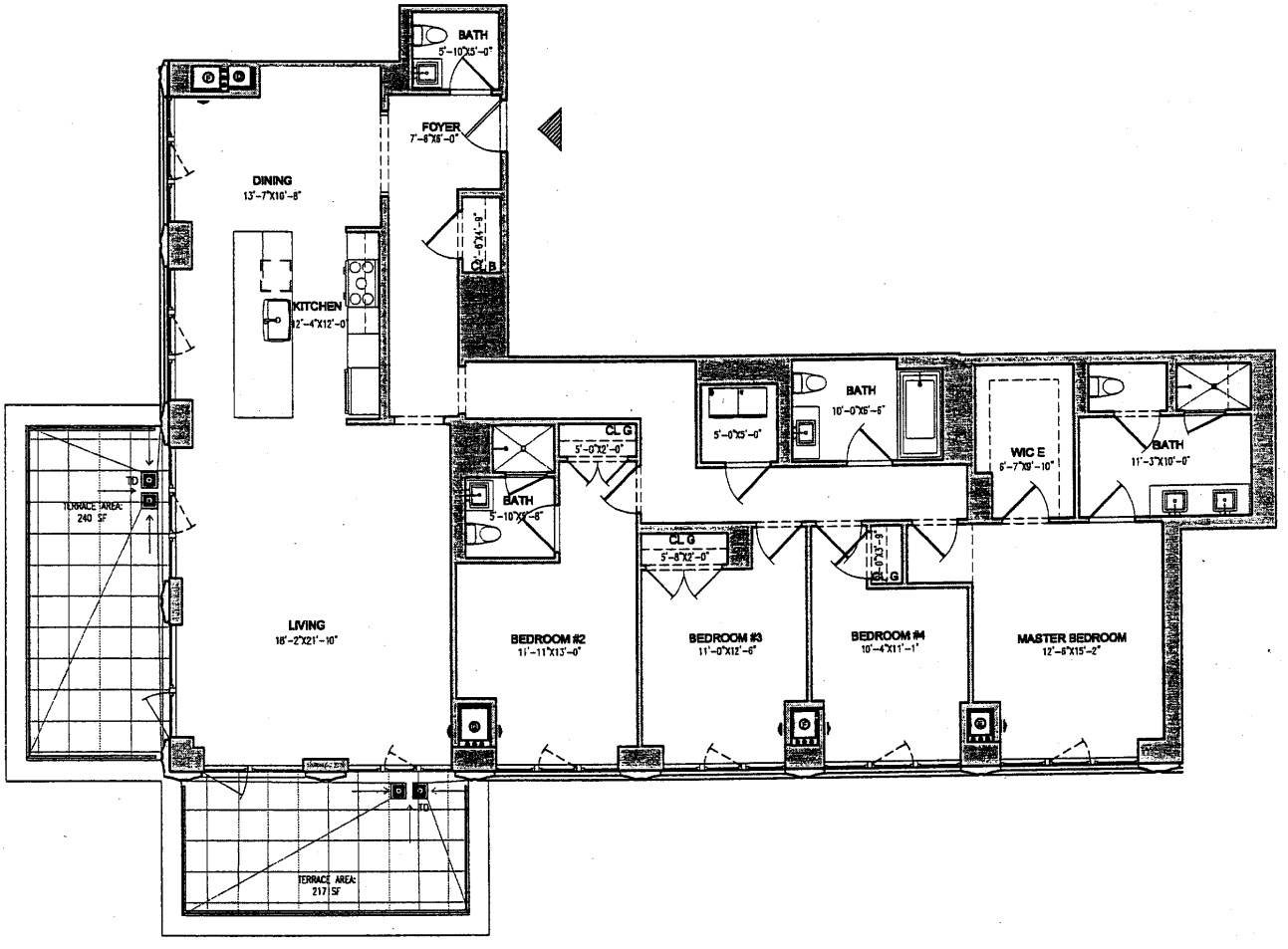
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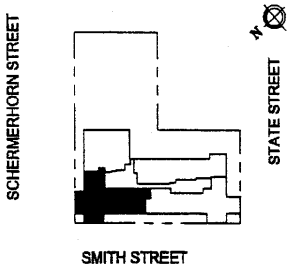
04 RESIDENCE

19TH FLOOR

4 BEDROOM
3.5 BATHROOM
2,311 SQ. FT. + 457 SQ. FT. TERRACE

THE BOERUM CONDOMINIUM





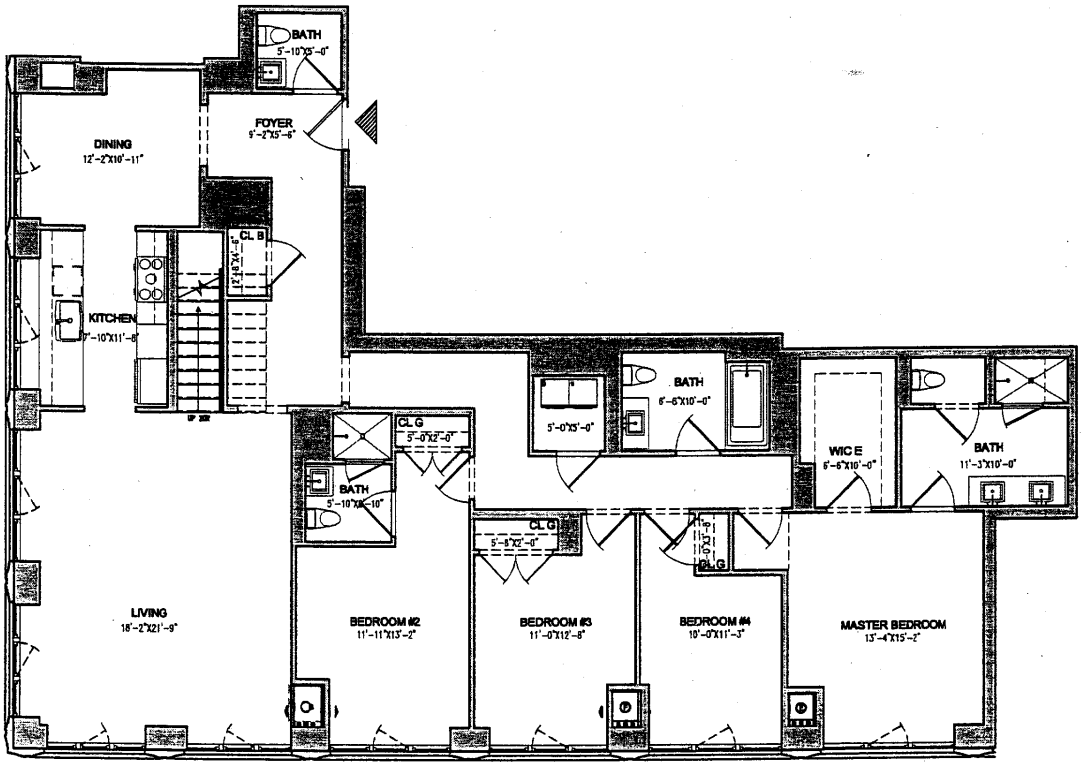
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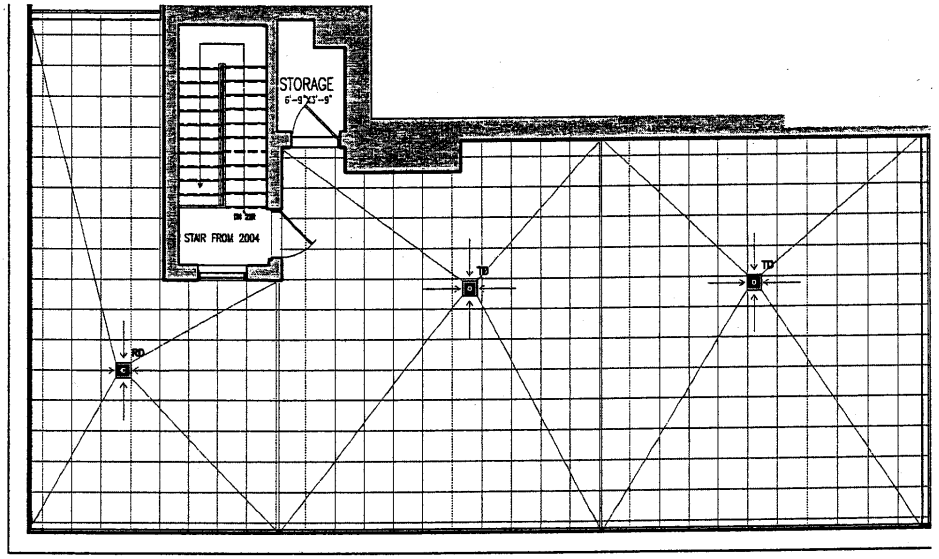
04 RESIDENCE

20TH FLOOR

THE BOERUM CONDOMINIUM

4 BEDROOM
3.5 BATHROOM
2,311 SQ. FT. + 1,689 SQ. FT. TERRACE







0 1 2 3 4 5 10

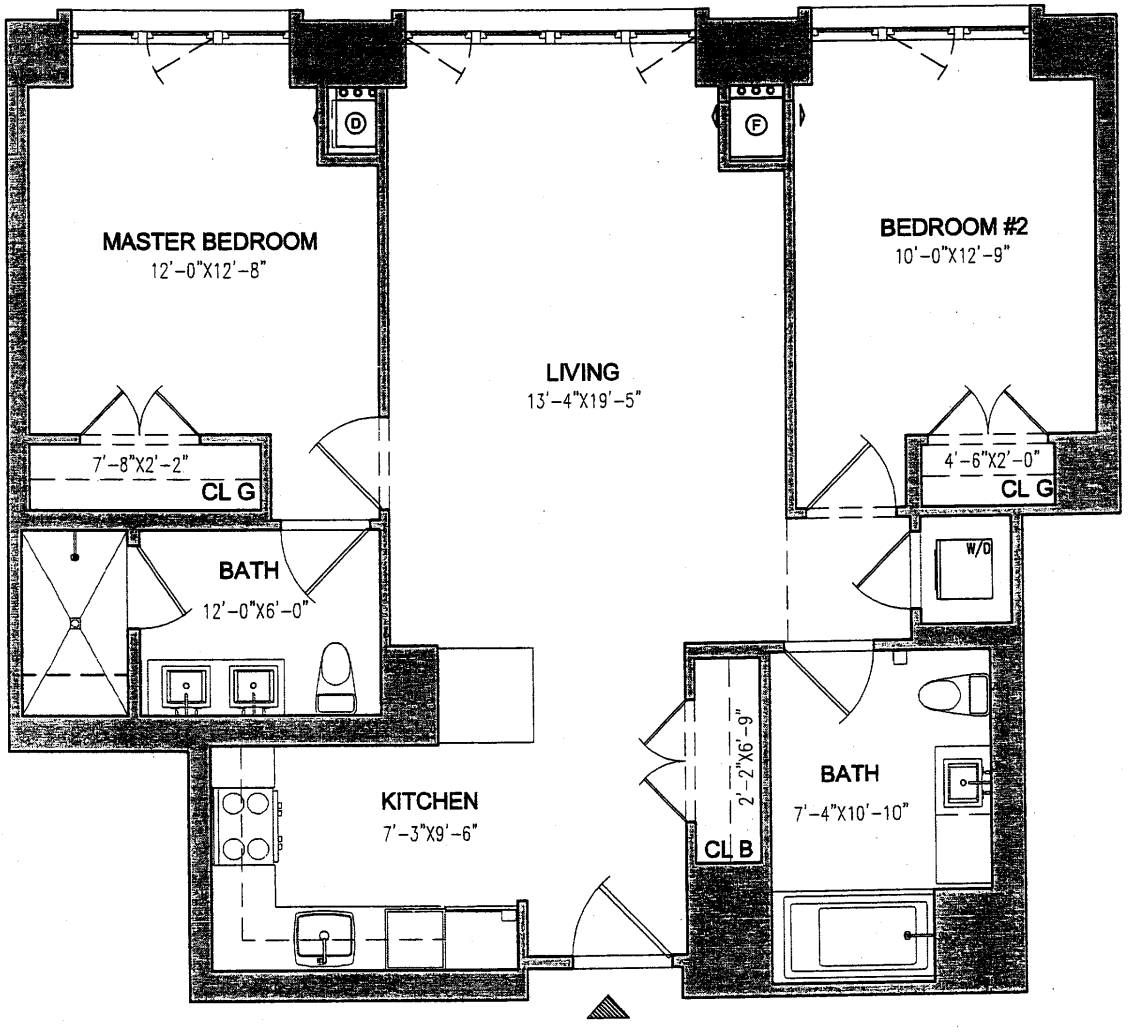
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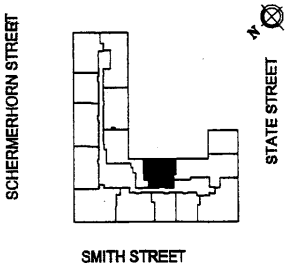
05 RESIDENCE

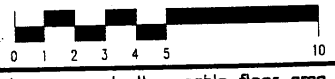
7TH - 14TH FLOORS

2 BEDROOM
2 BATHROOM
1,063 SQ. FT.

THE BOERUM CONDOMINIUM







105

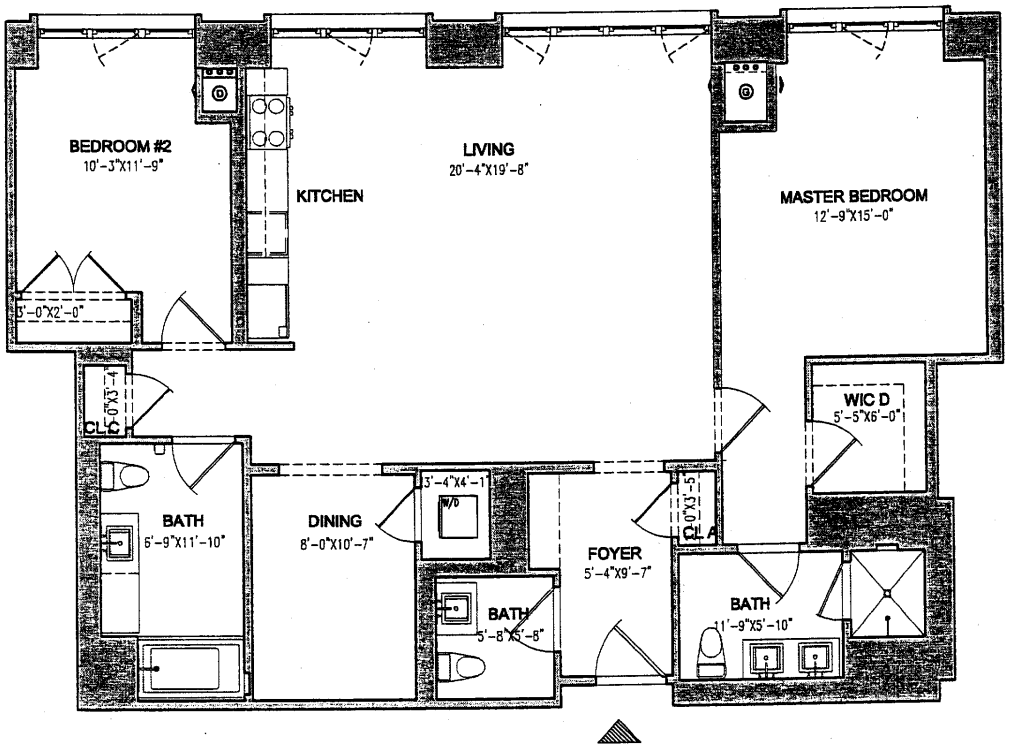
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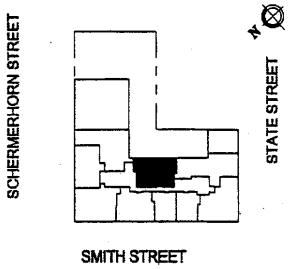
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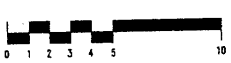
15TH FLOOR

2 BEDROOM
2.5 BATHROOM
1,405 SQ. FT.

THE BOERUM CONDOMINIUM







117

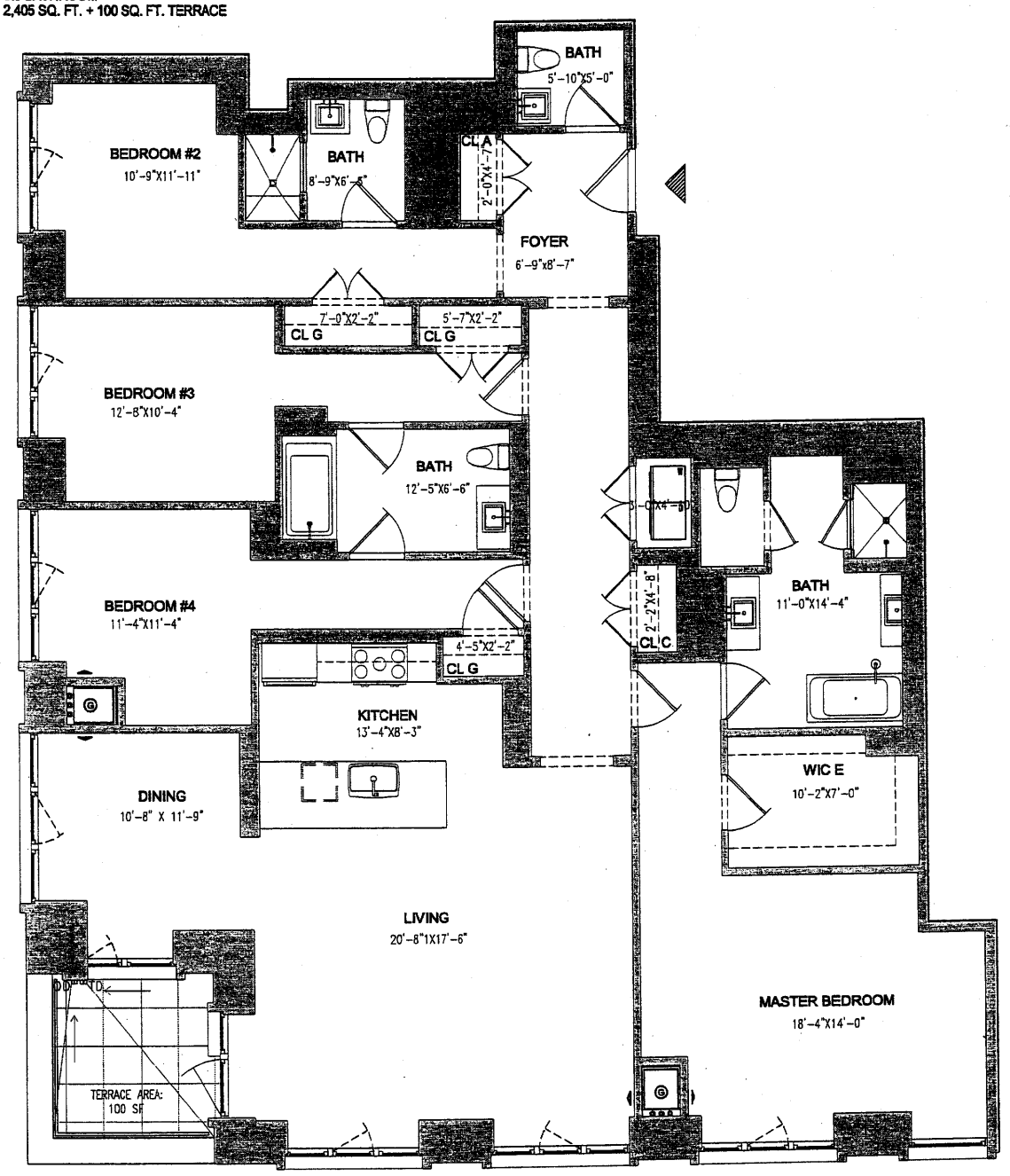
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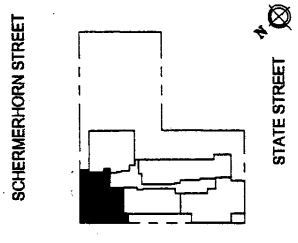
05 RESIDENCE

16TH FLOOR

THE BOERUM CONDOMINIUM

4 BEDROOM
3.5 BATHROOM
2,405 SQ. FT. + 100 SQ. FT. TERRACE







123

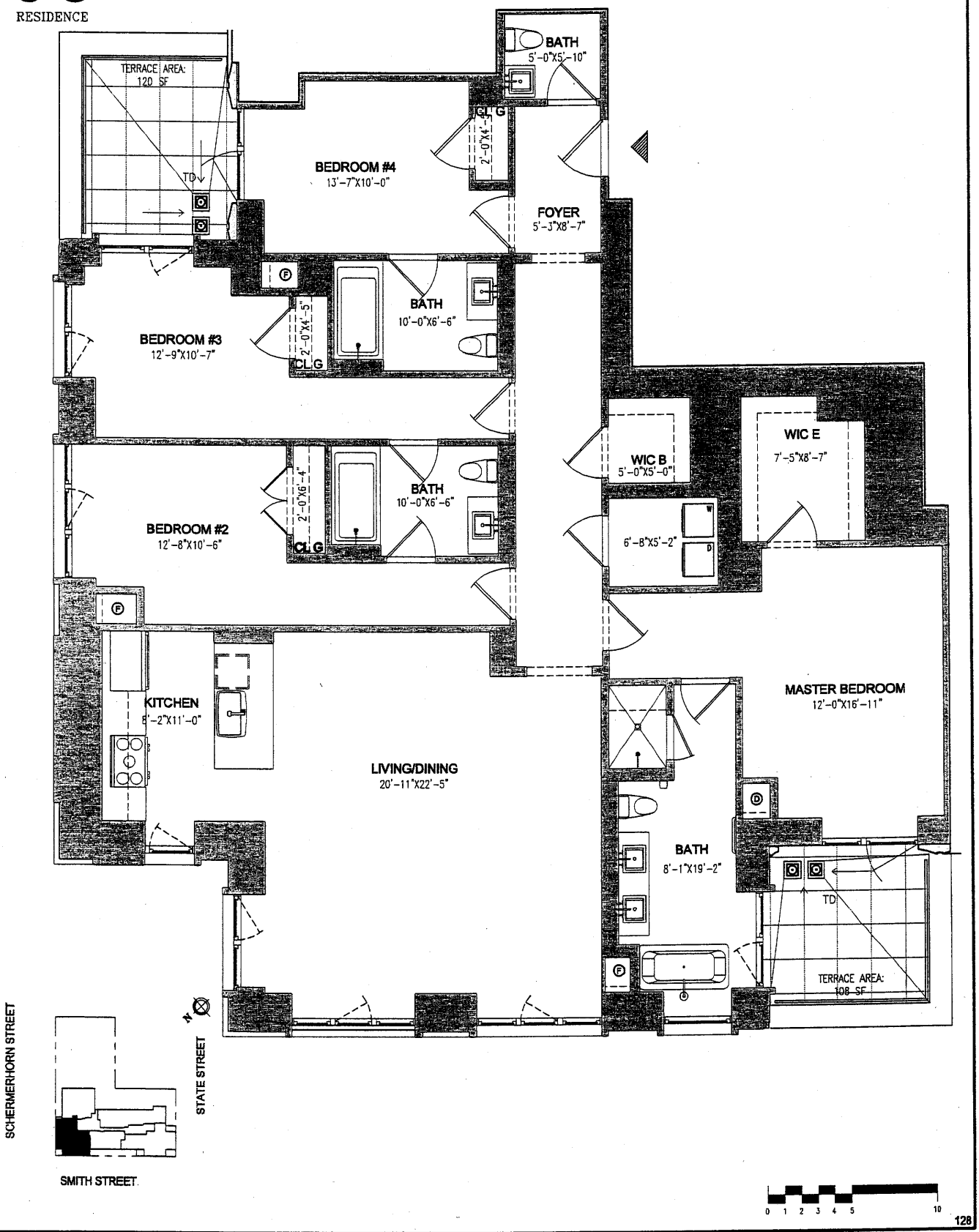
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05 RESIDENCE

17TH FLOOR

4 BEDROOM
3.5 BATHROOM
2,292 SQ. FT. + 228 SQ. FT. TERRACE

THE BOERUM CONDOMINIUM



128

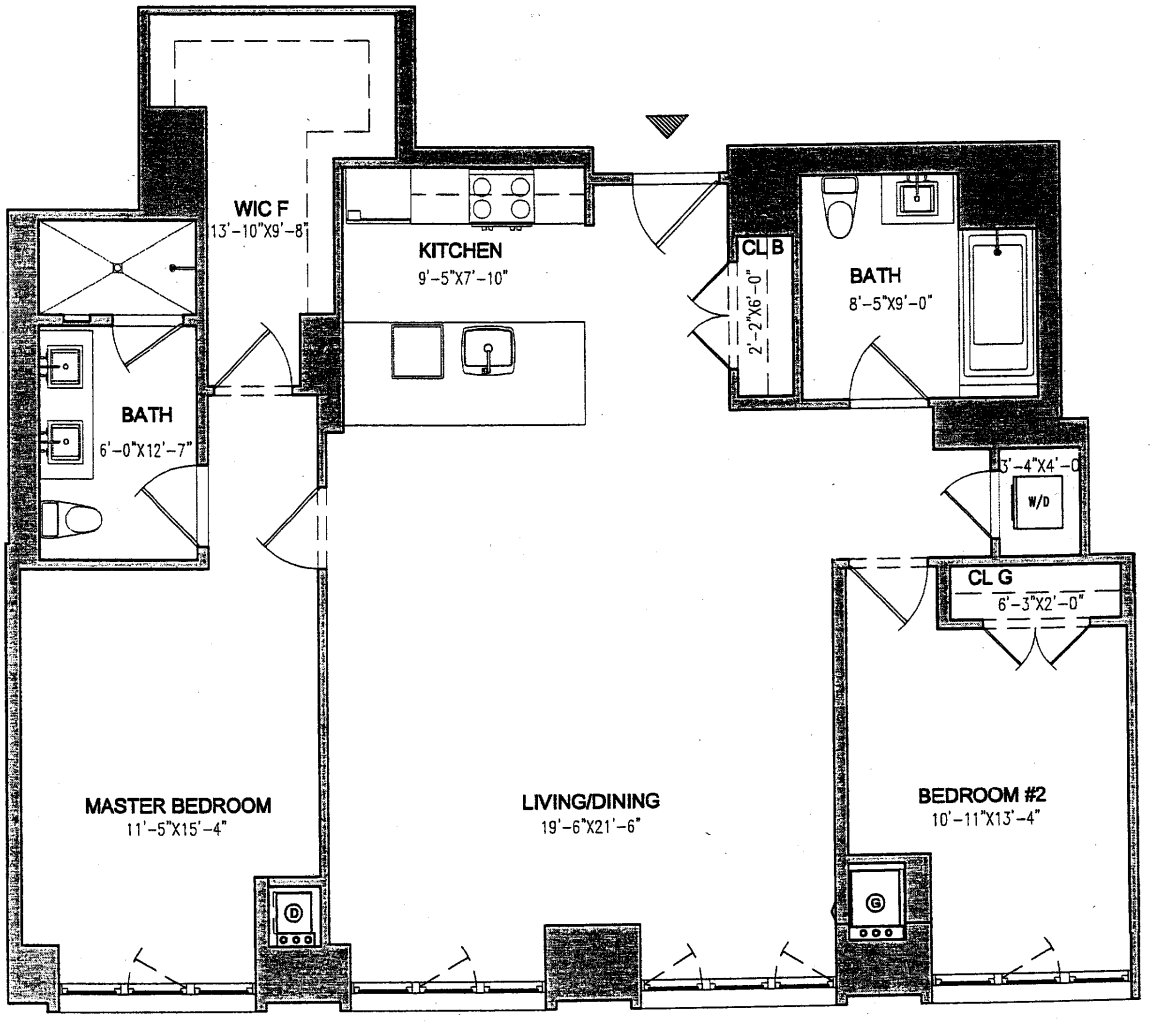
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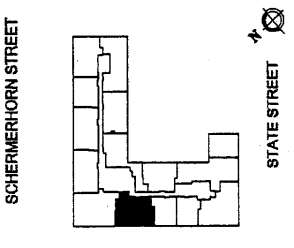
06 RESIDENCE

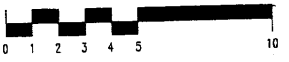
7TH - 15TH FLOORS

2 BEDROOM
2 BATHROOM
1,356 SQ. FT.

THE BOERUM CONDOMINIUM







106

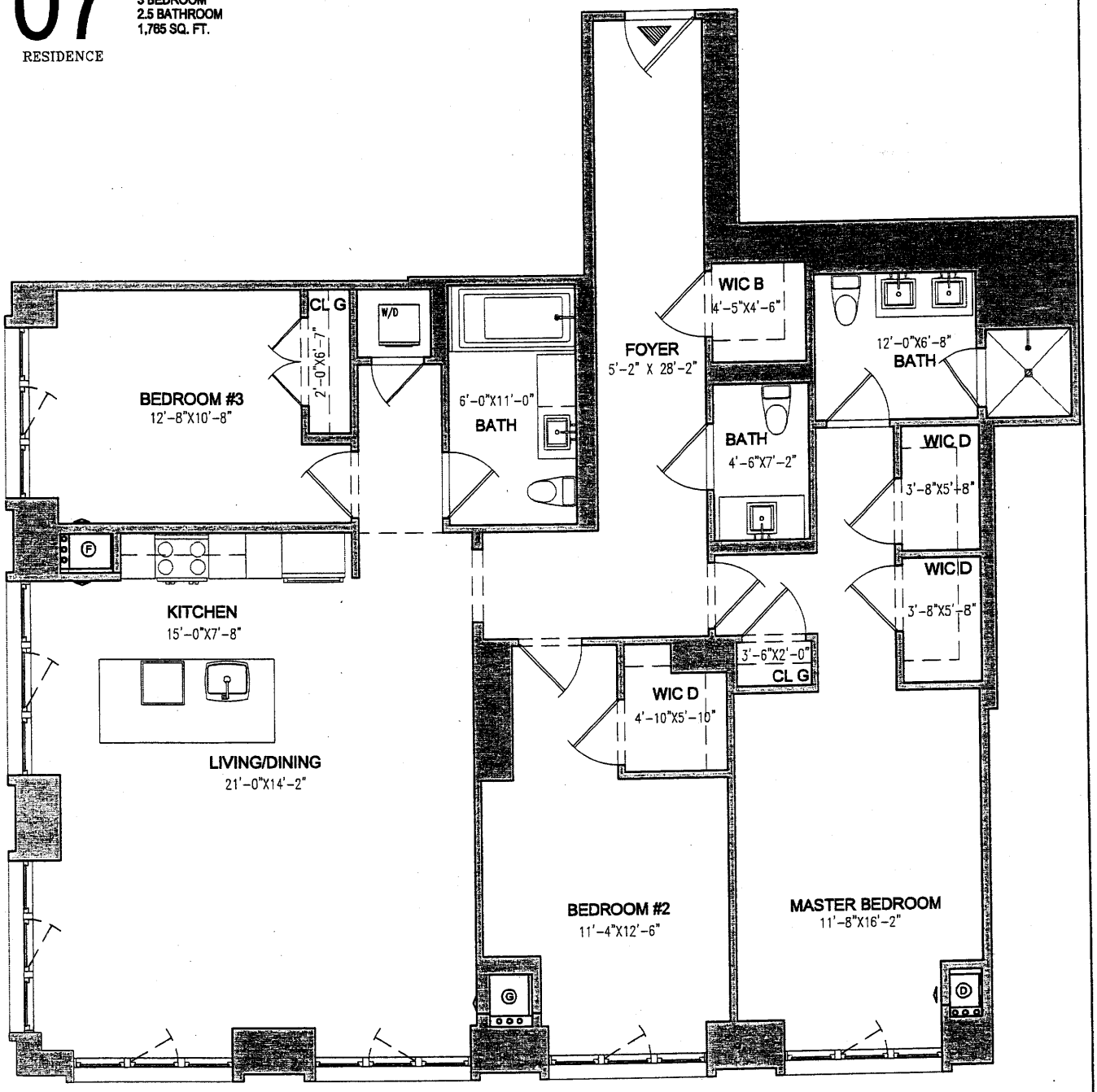
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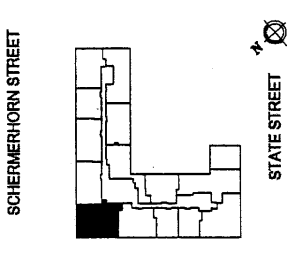
07 RESIDENCE

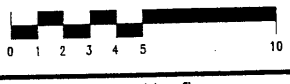
FLOORS 07, 09, 11, AND 14

THE BOERUM CONDOMINIUM

3 BEDROOM
2.5 BATHROOM
1,765 SQ. FT.







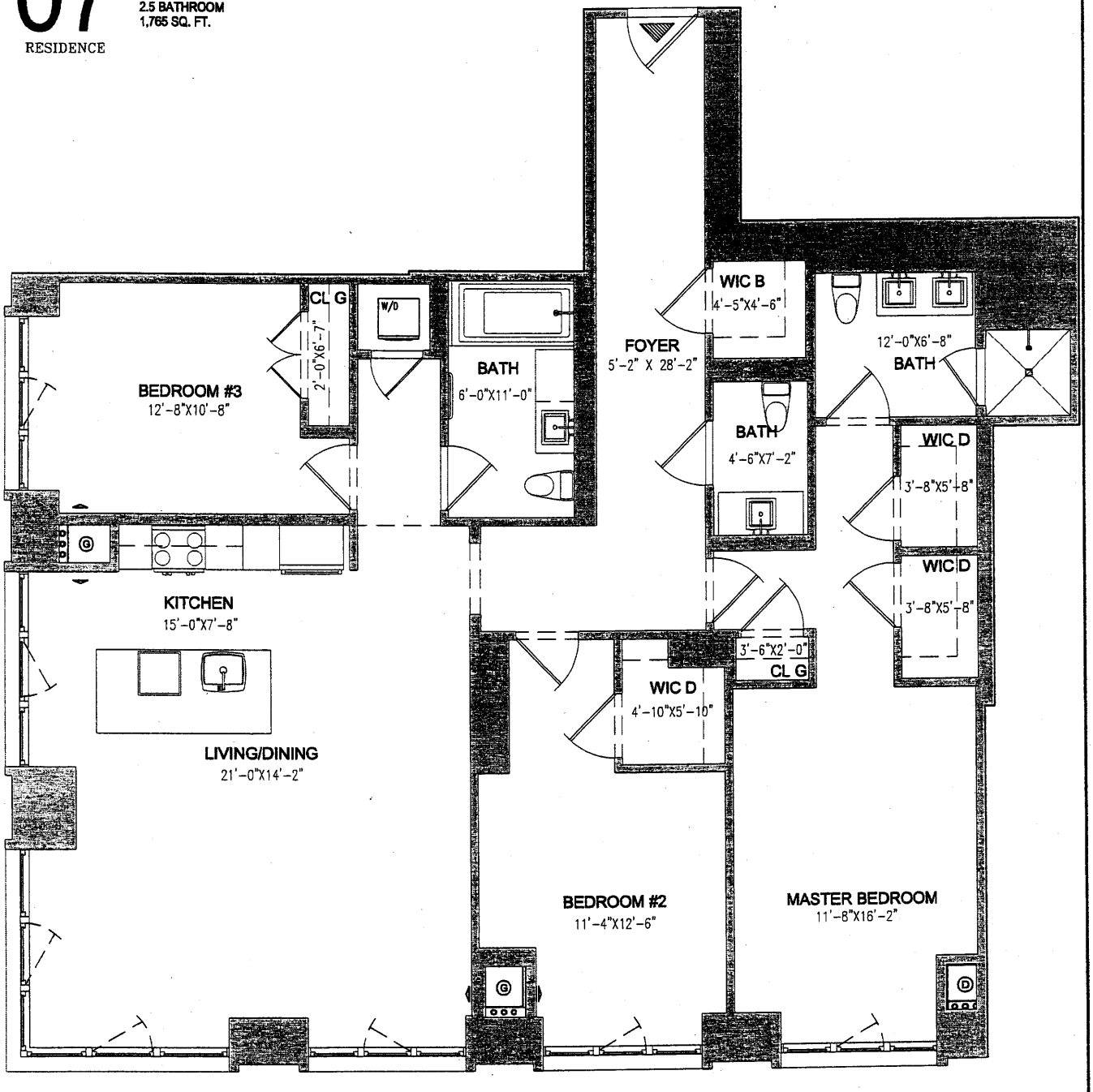
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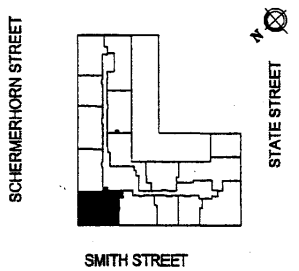
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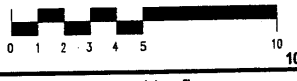
07 RESIDENCE

FLOORS 08, 10, 12, AND 15 THE BOERUM CONDOMINIUM

3 BEDROOM
2.5 BATHROOM
1,765 SQ. FT.







107a

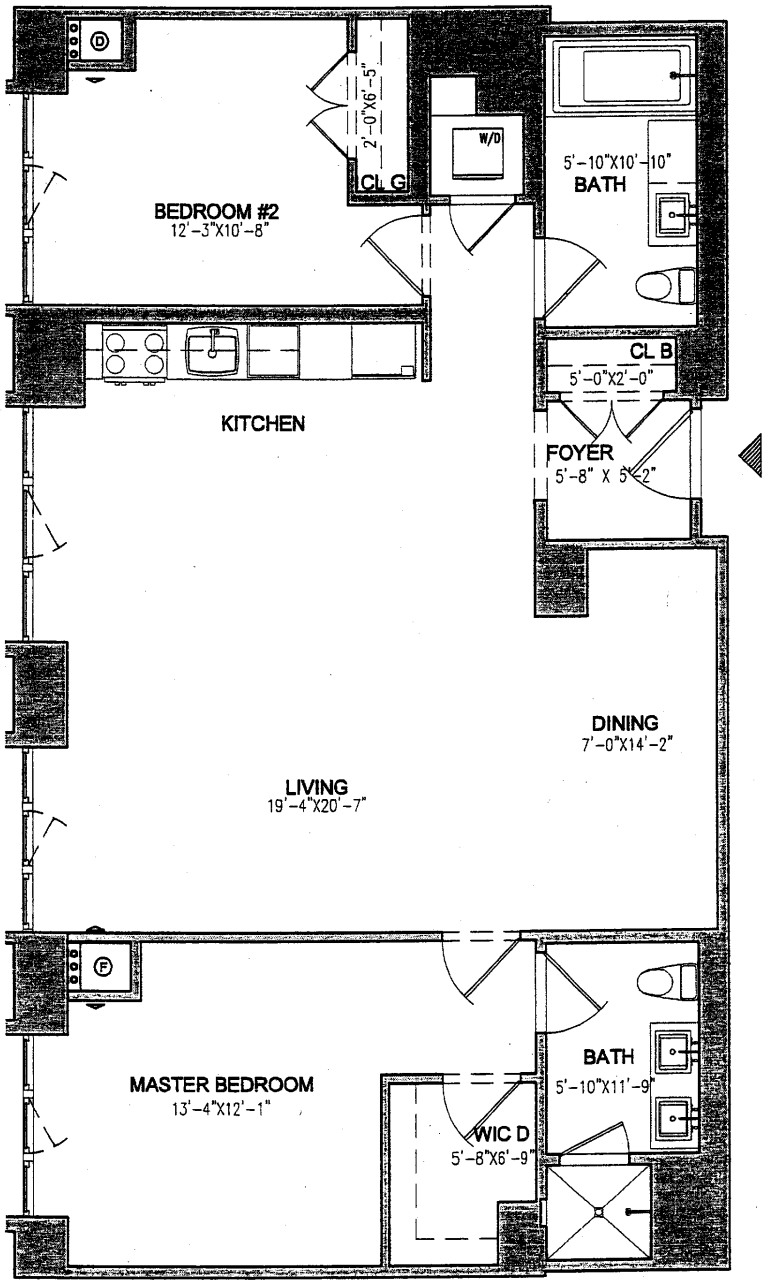
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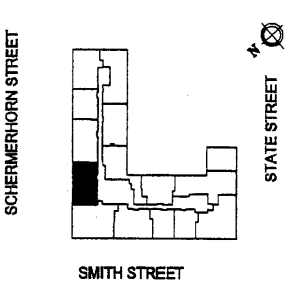
08 RESIDENCE

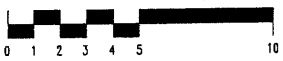
7TH - 14TH FLOORS

2 BEDROOM
2 BATHROOM
1,276 SQ. FT.

THE BOERUM CONDOMINIUM







108

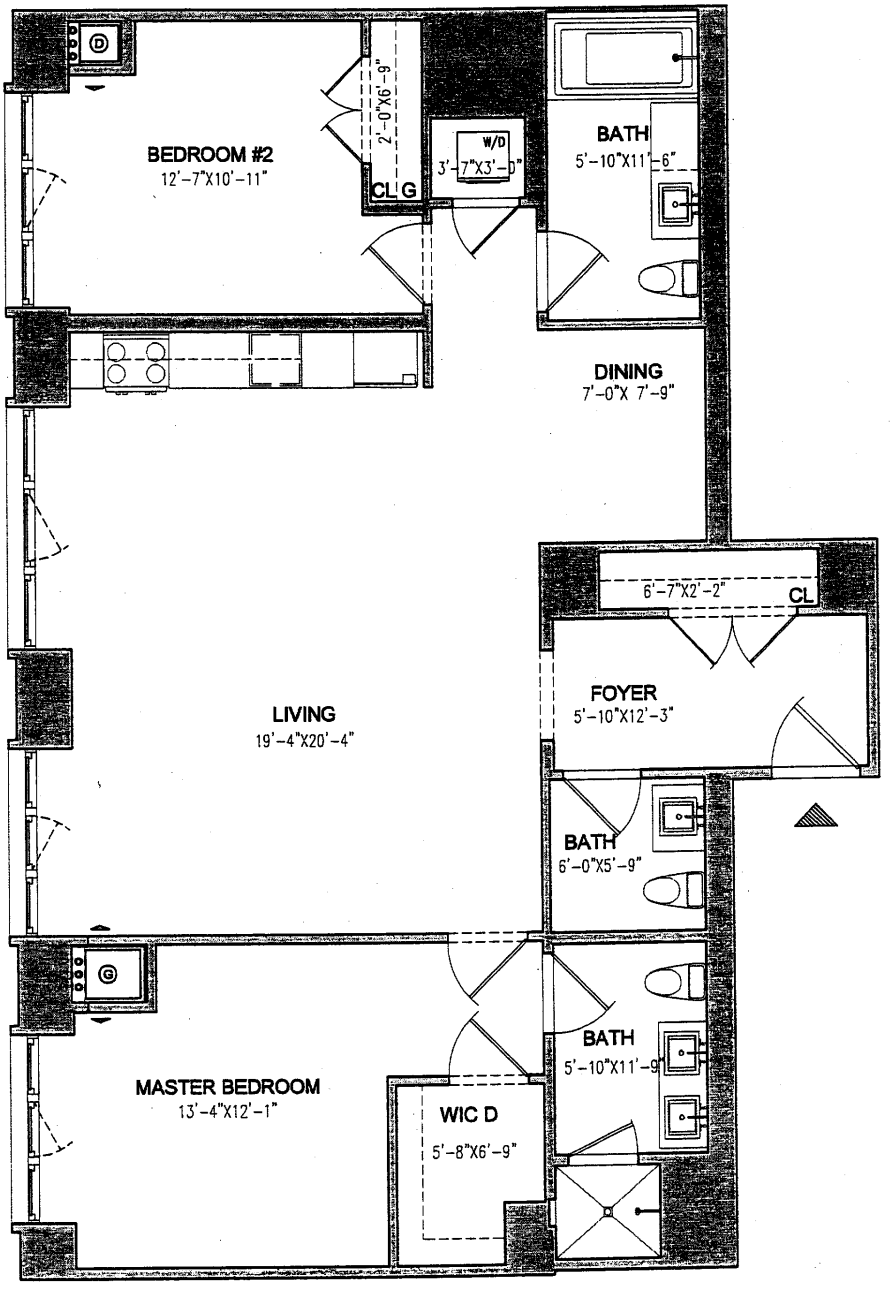
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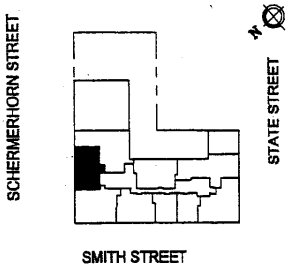
08 RESIDENCE

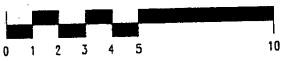
15TH FLOOR

2 BEDROOM
2.5 BATHROOM
1,332 SQ. FT.

THE BOERUM CONDOMINIUM







118

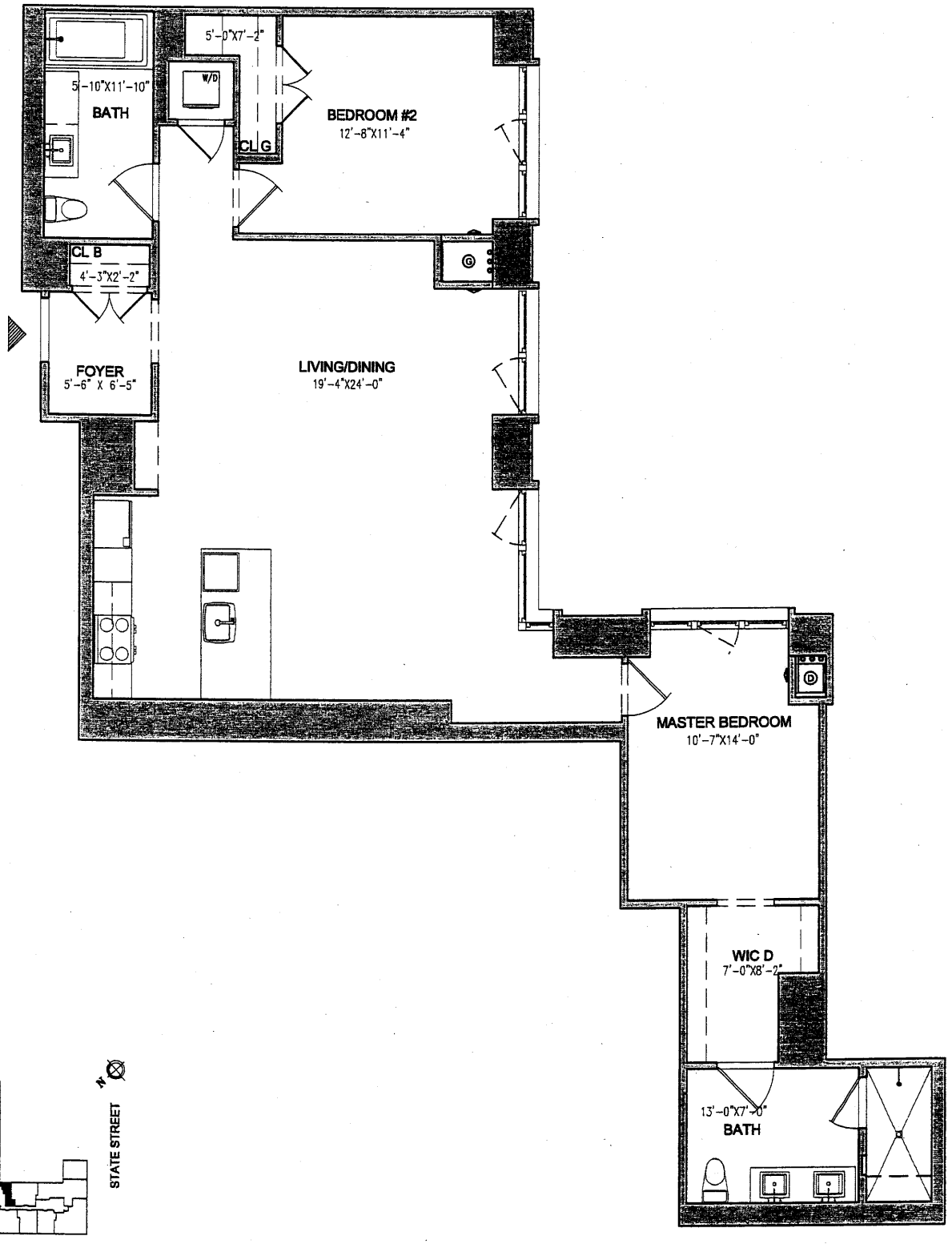
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09 RESIDENCE

7TH FLOOR

2 BEDROOM
2 BATHROOM
1,329 SQ. FT.

THE BOERUM CONDOMINIUM



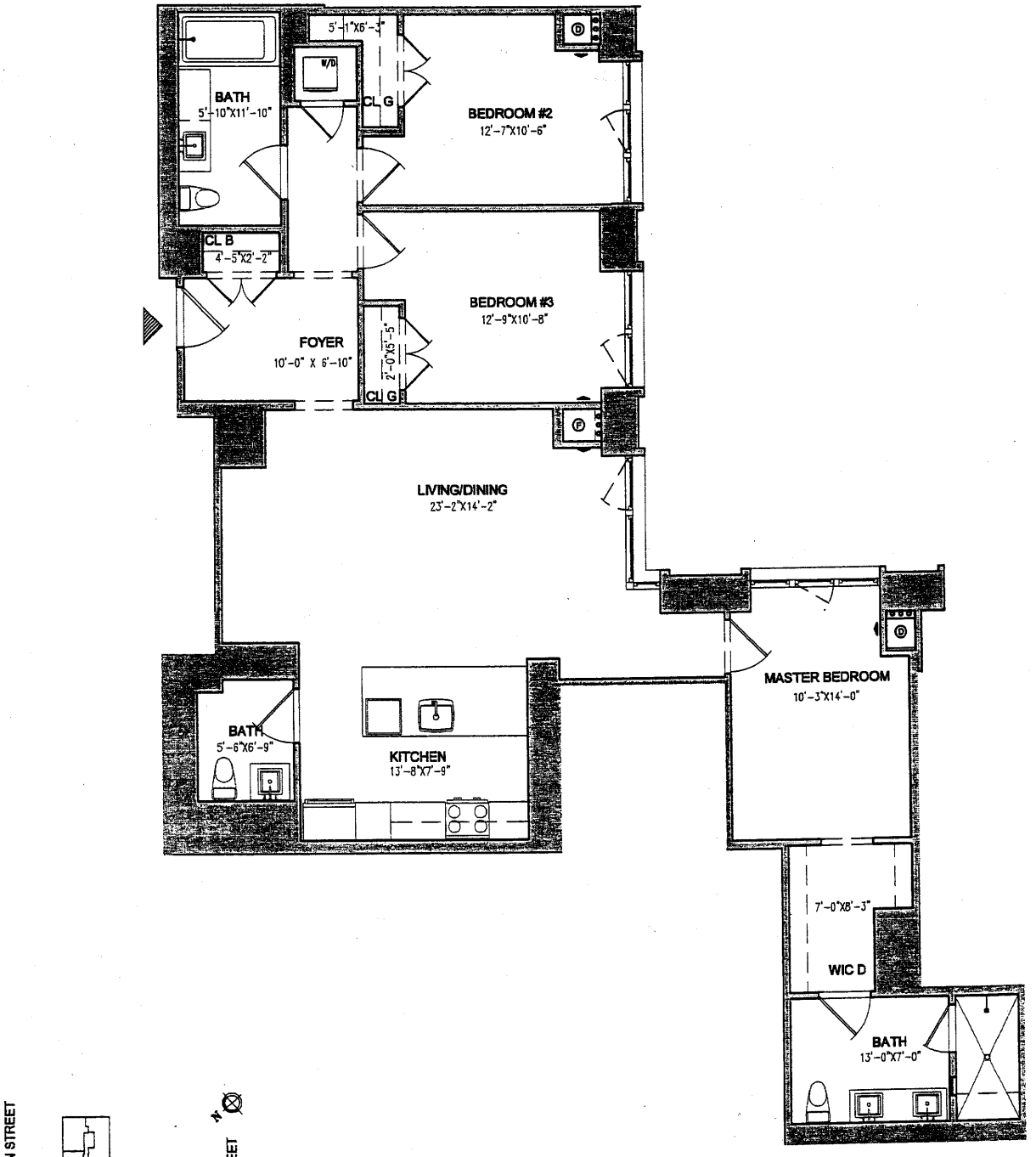
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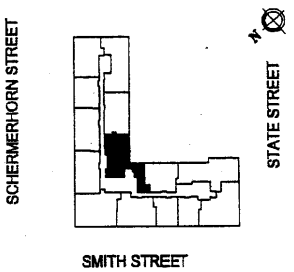
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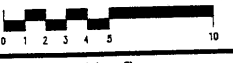
09
RESIDENCE

8TH THRU 14TH FLOORS THE BOERUM CONDOMINIUM

3 BEDROOM
2.5 BATHROOM
1,539 SQ. FT.







116

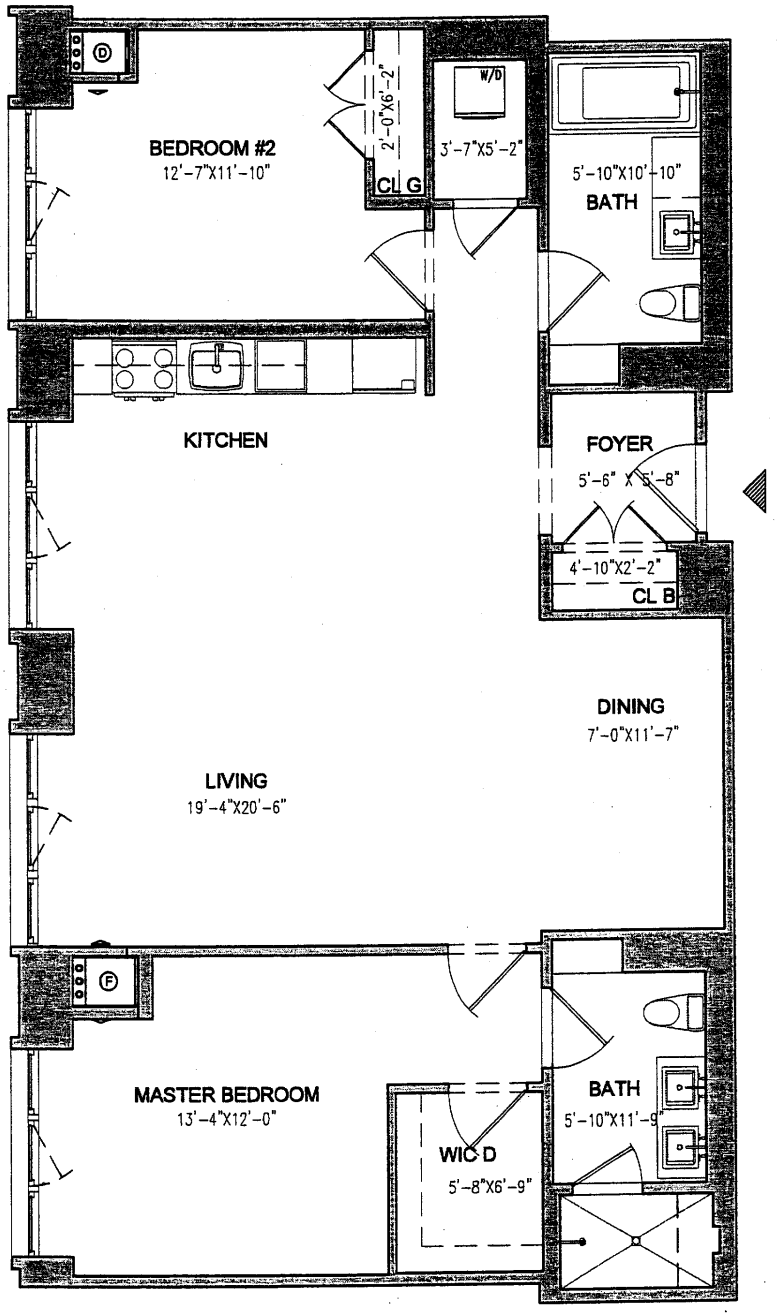
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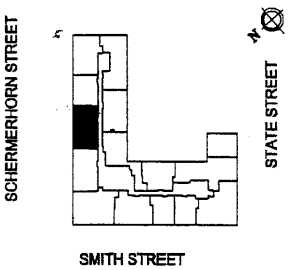
10 RESIDENCE

7TH - 14TH FLOORS

2 BEDROOM
2 BATHROOM
1,283 SQ. FT.

THE BOERUM CONDOMINIUM





0 1 2 3 4 5 10

110

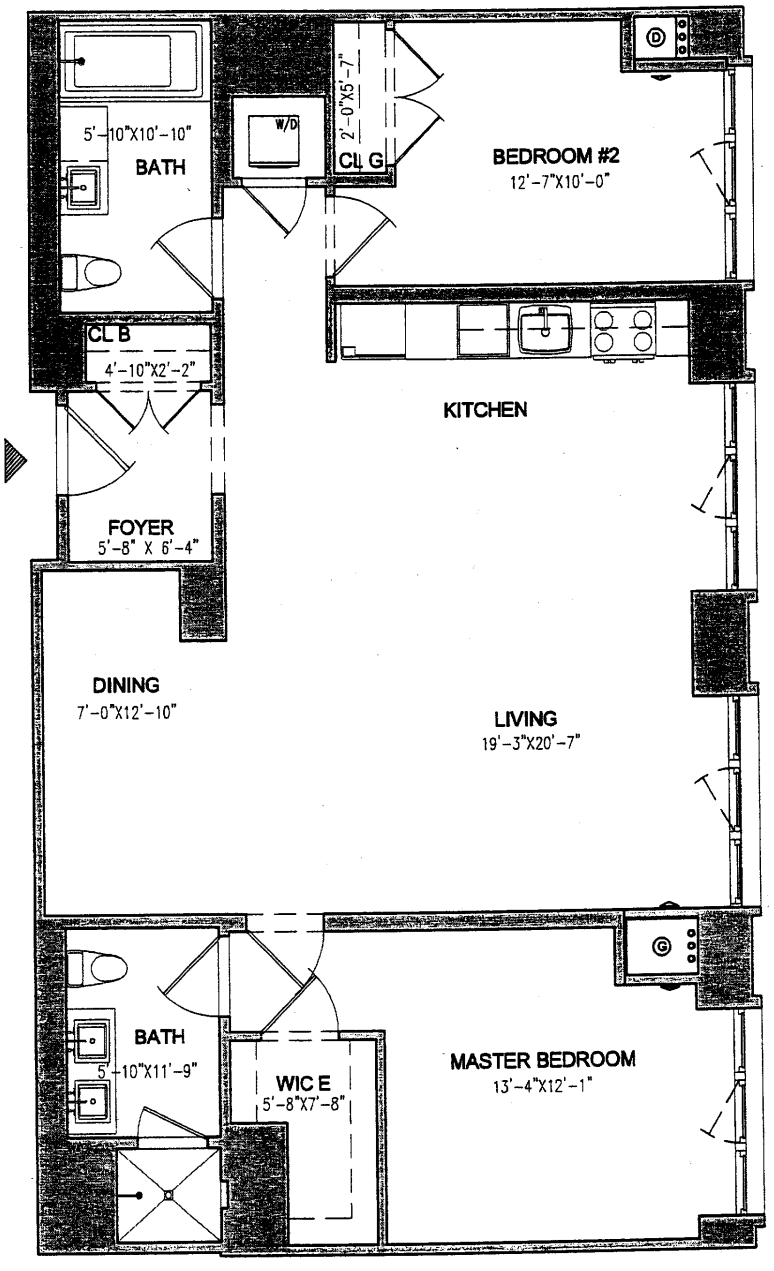
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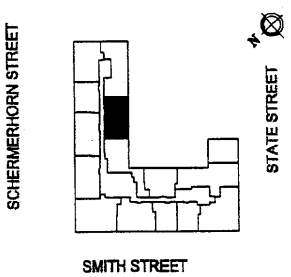
11
RESIDENCE

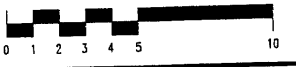
7TH - 14TH FLOORS

2 BEDROOM
2 BATHROOM
1,257 SQ. FT.

THE BOERUM CONDOMINIUM







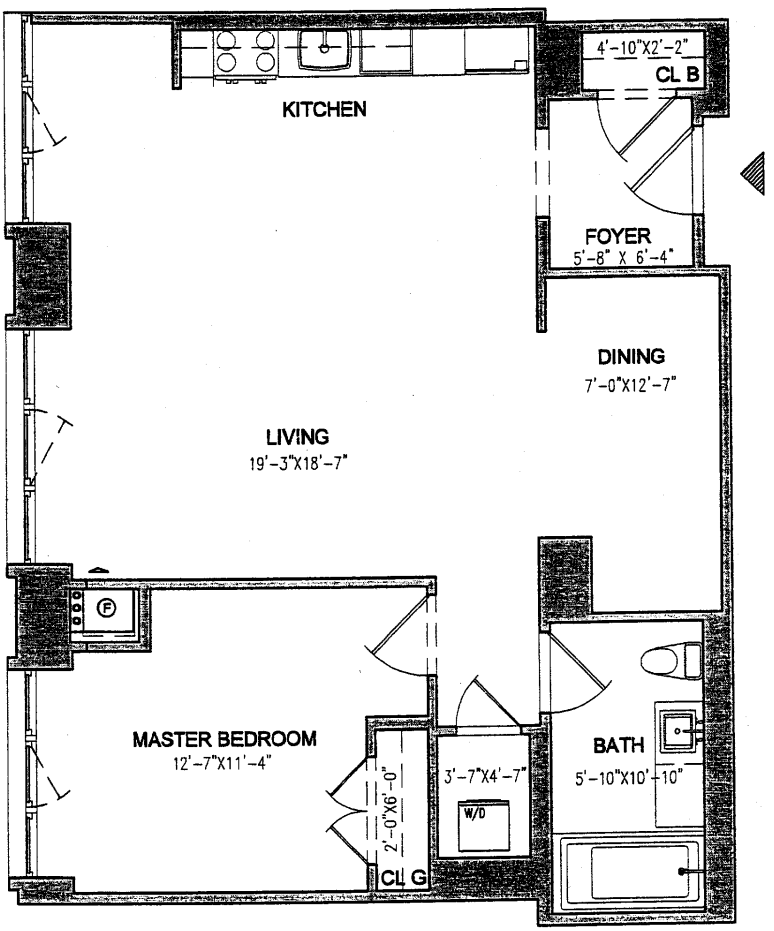
All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Plans and dimensions may contain minor variations from floor to floor. The complete offering terms are in an offering plan available from sponsor. Sponsor reserves the right to make changes in accordance with the Offering Plan.

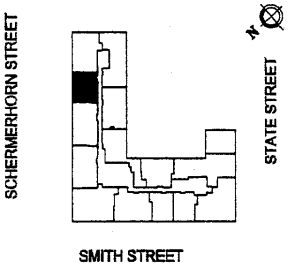
12 RESIDENCE

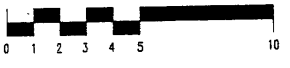
7TH - 14TH FLOORS

1 BEDROOM
1 BATHROOM
902 SQ. FT.

THE BOERUM CONDOMINIUM







112

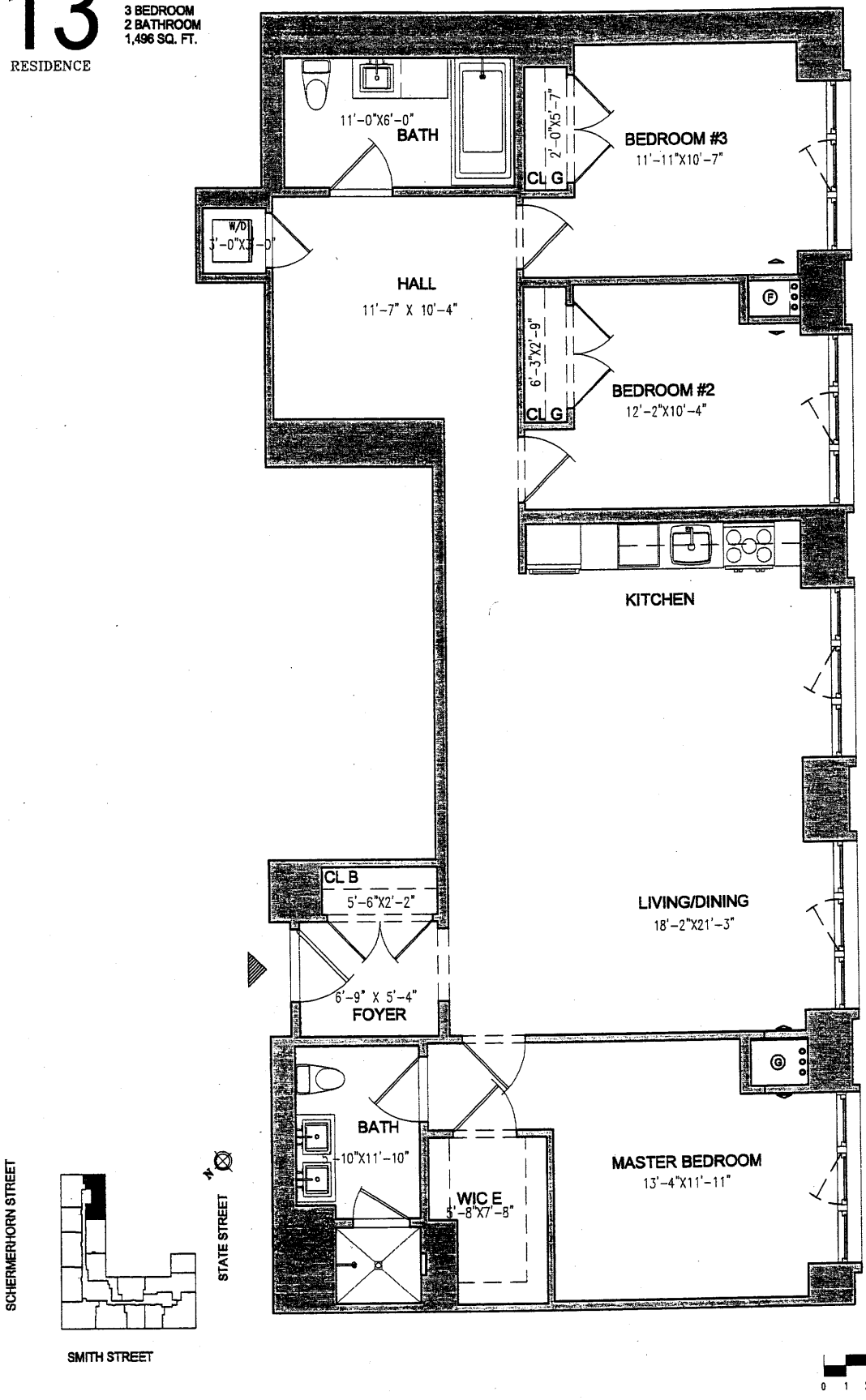
All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Plans and dimensions may contain minor variations from floor to floor. The complete offering terms are in an offering plan available from sponsor. Sponsor reserves the right to make changes in accordance with the Offering Plan.

13 RESIDENCE

7TH - 14TH FLOORS

3 BEDROOM
2 BATHROOM
1,496 SQ. FT.

THE BOERUM CONDOMINIUM



113

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Plans and dimensions may contain minor variations from floor to floor. The complete offering terms are in an offering plan available from sponsor. Sponsor reserves the right to make changes in accordance with the Offering Plan.

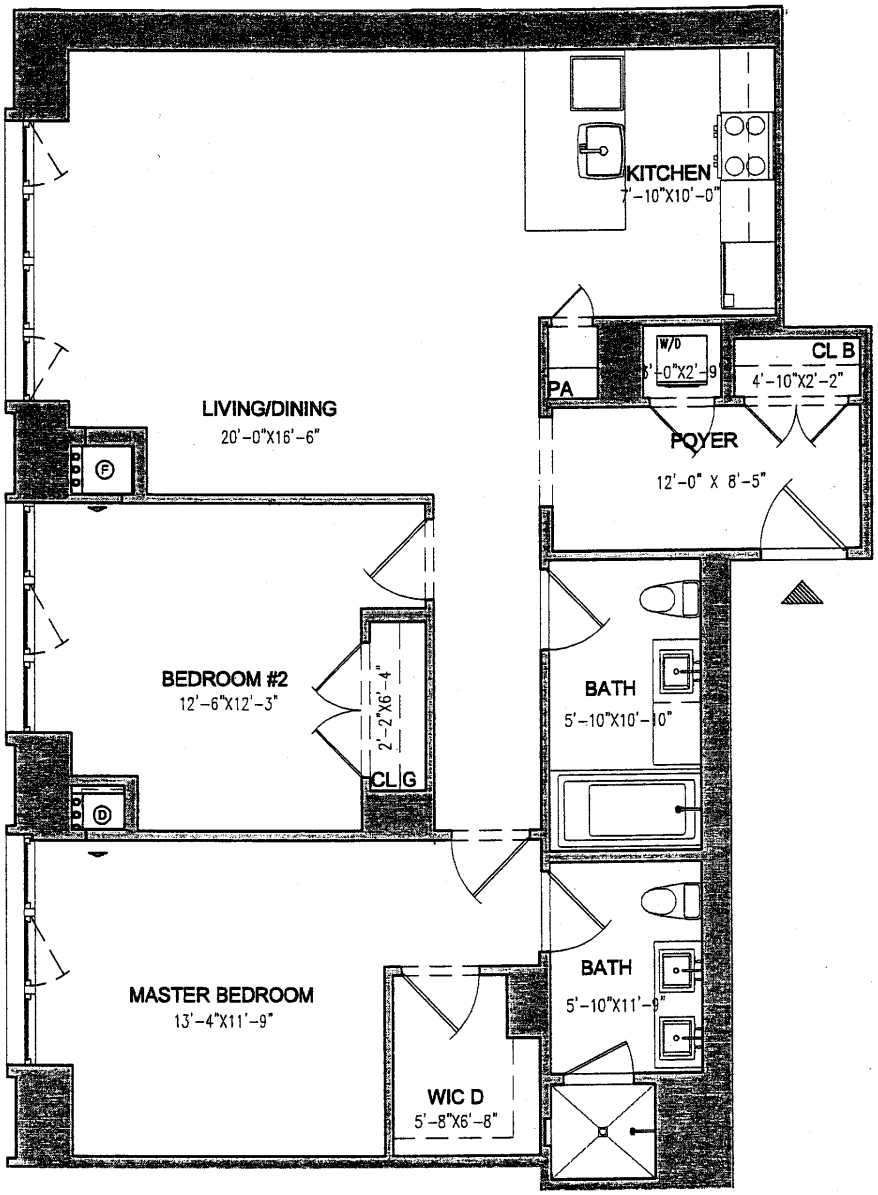
14

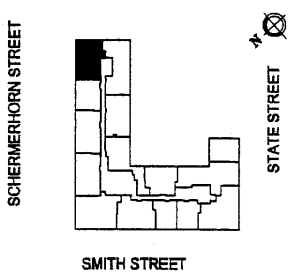
RESIDENCE

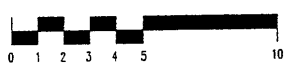
7TH - 14TH FLOORS

2 BEDROOM
2 BATHROOM
1,266 SQ. FT.

THE BOERUM CONDOMINIUM

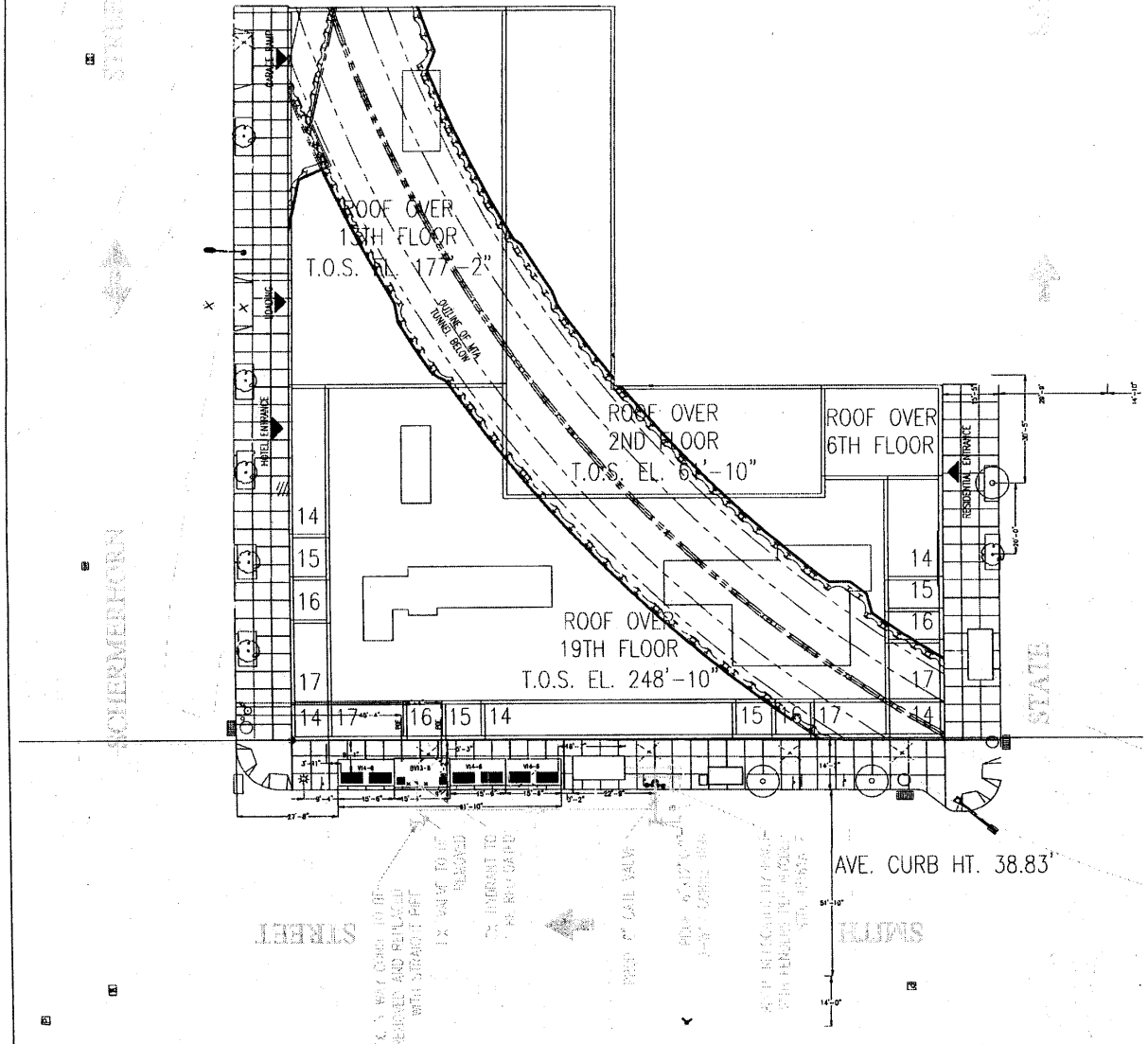


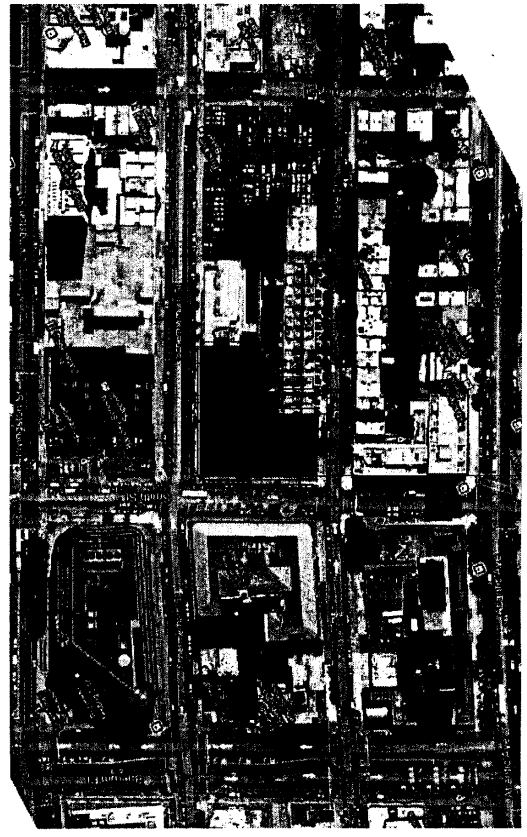




114

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Plans and dimensions may contain minor variations from floor to floor. The complete offering terms are in an offering plan available from sponsor. Sponsor reserves the right to make changes in accordance with the Offering Plan.





KEY PLAN

OG PLANK
71 SMITH STREET
PROPERTY OWNER LLC
680 WEST 57TH STREET SUITE 406
NEW YORK, NY 10001
TEL. (212) 582-8284

71 SMITH STREET

140 SCHERMERHORN STREET
268 STATE STREET
BROOKLYN, NEW YORK 11201

11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-5027 Fax (212) 668-1764

WSP
Building Structures
Tel (212) 697-3555 Fax (646) 697-3555

WSP
Building Systems
Tel (212) 697-3555 Fax (212) 668-7468

SITE PLAN

NB#320517927

AG-00

10/14/14

01 CELLAR FLOOR THE STORAGE AREA

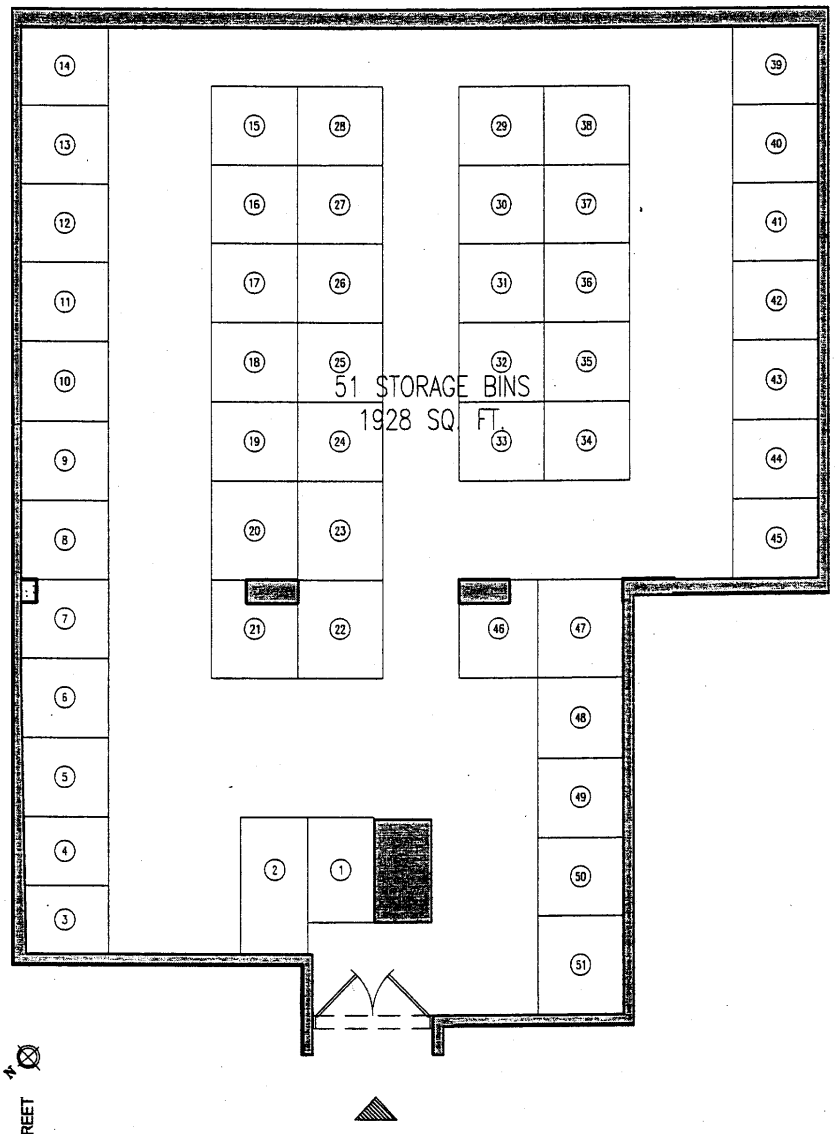
THE BOERUM CONDOMINIUM

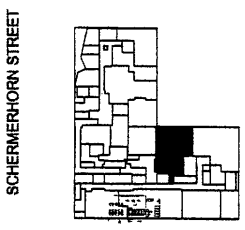
STORAGE BINS

51 STORAGE BINS TOTAL:
39 STANDARD SIZE AS FOLLOWS:
4'-6"x4'-0"x7'-6" HIGH (18 S.F. EACH)

12 CUSTOM UNITS AS FOLLOWS:

(1)	(20 S.F.)	3'-6" x 5'-8"
(2)	(25 S.F.)	3'-6" x 7'-3"
(3)	(16 S.F.)	4'-6" x 3'-7"
(4)	(16 S.F.)	4'-6" x 3'-7"
(20)	(22 S.F.)	4'-6" x 5'-0"
(21)	(17 S.F.)	4'-6" x 3'-10"
(22)	(22 S.F.)	4'-6" x 5'-0"
(23)	(22 S.F.)	4'-6" x 5'-0"
(45)	(20 S.F.)	4'-6" x 4'-5"
(46)	(16 S.F.)	4'-2" x 3'-10"
(47)	(22 S.F.)	4'-6" x 5'-0"
(51)	(22 S.F.)	4'-6" x 5'-0"

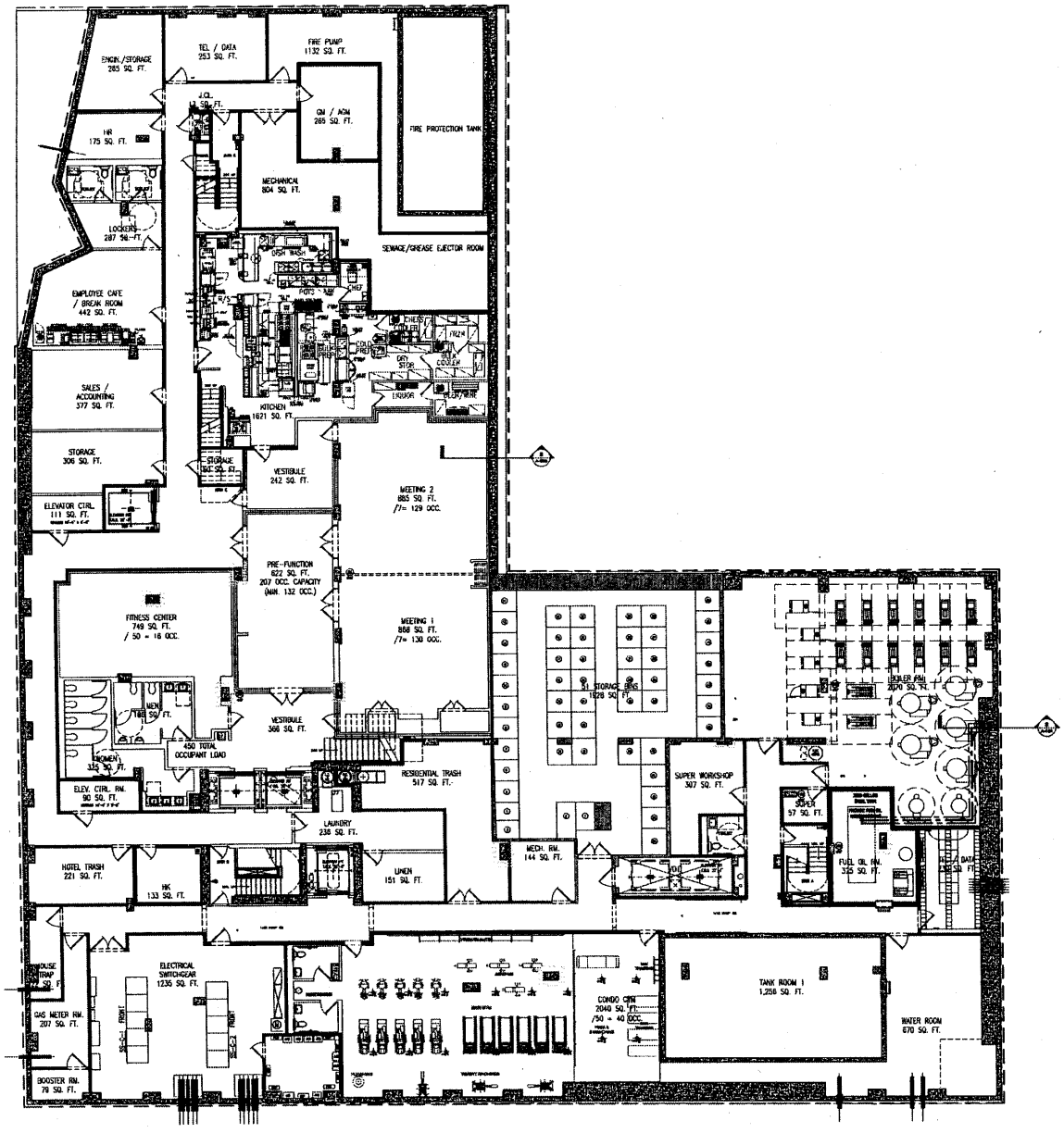




0 1 2 3 4 5 10

100

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. Plans and dimensions may contain minor variations from floor to floor. The complete offering terms are in an offering plan available from sponsor. Sponsor reserves the right to make changes in accordance with the Offering Plan.



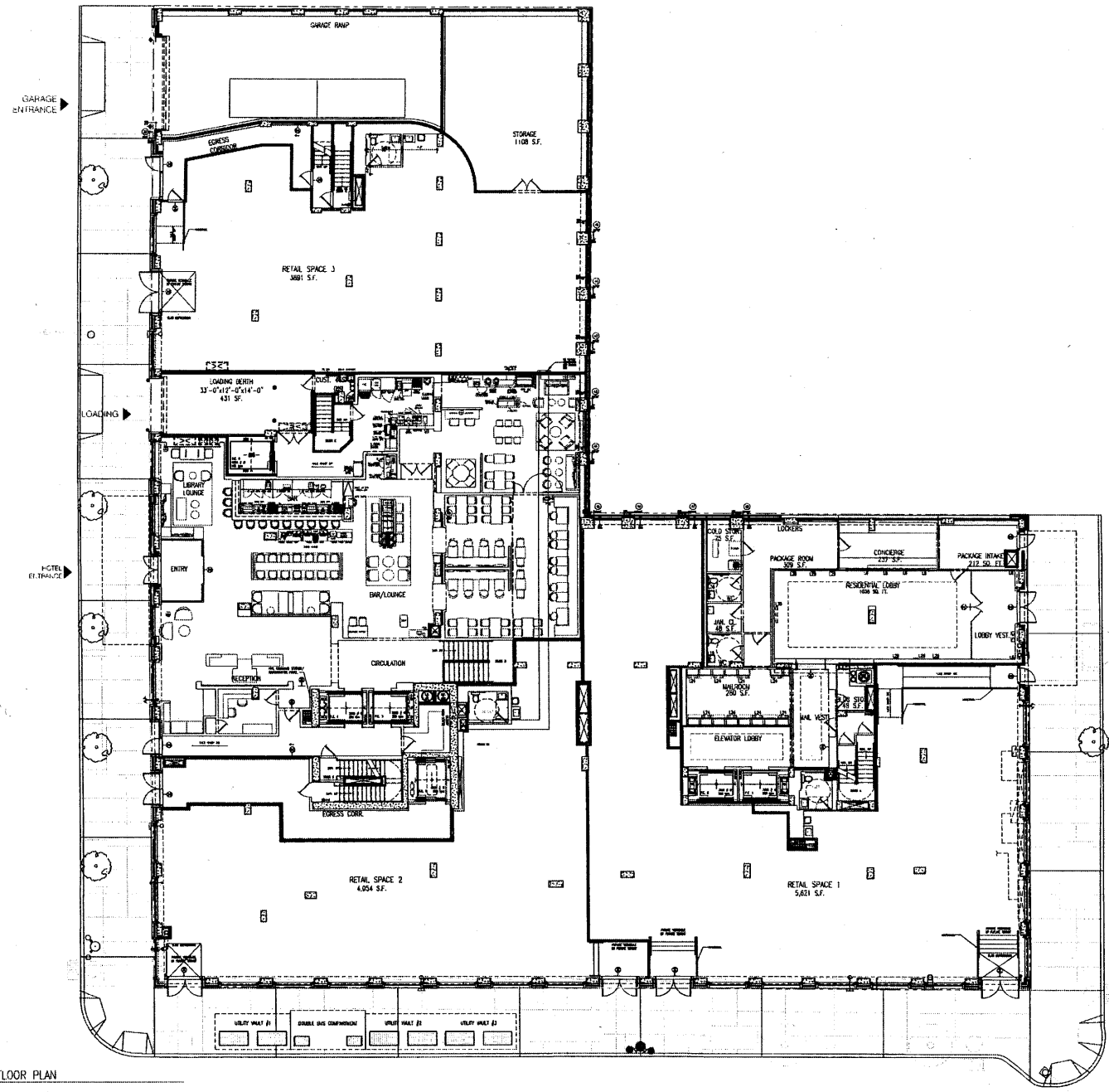
1 CELLAR FLOOR PLAN

KEY PLAN

225

CELLAR FLOOR
(CELLAR FLOOR MARKETING)

AG-01



1 1ST FLOOR PLAN

KEY PLAN

C/O FLANK
71 SMITH STREET
PROPERTY OWNER LLC
260 WEST 37TH STREET SUITE 405
NEW YORK, NY 10001
TEL. (212) 366-9524

PROJECT: 71 SMITH STREET

140 SCHERMERHORN STREET
263 STATE STREET
BROOKLYN, NEW YORK 11201

11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-6007 Fax (212) 886-1754

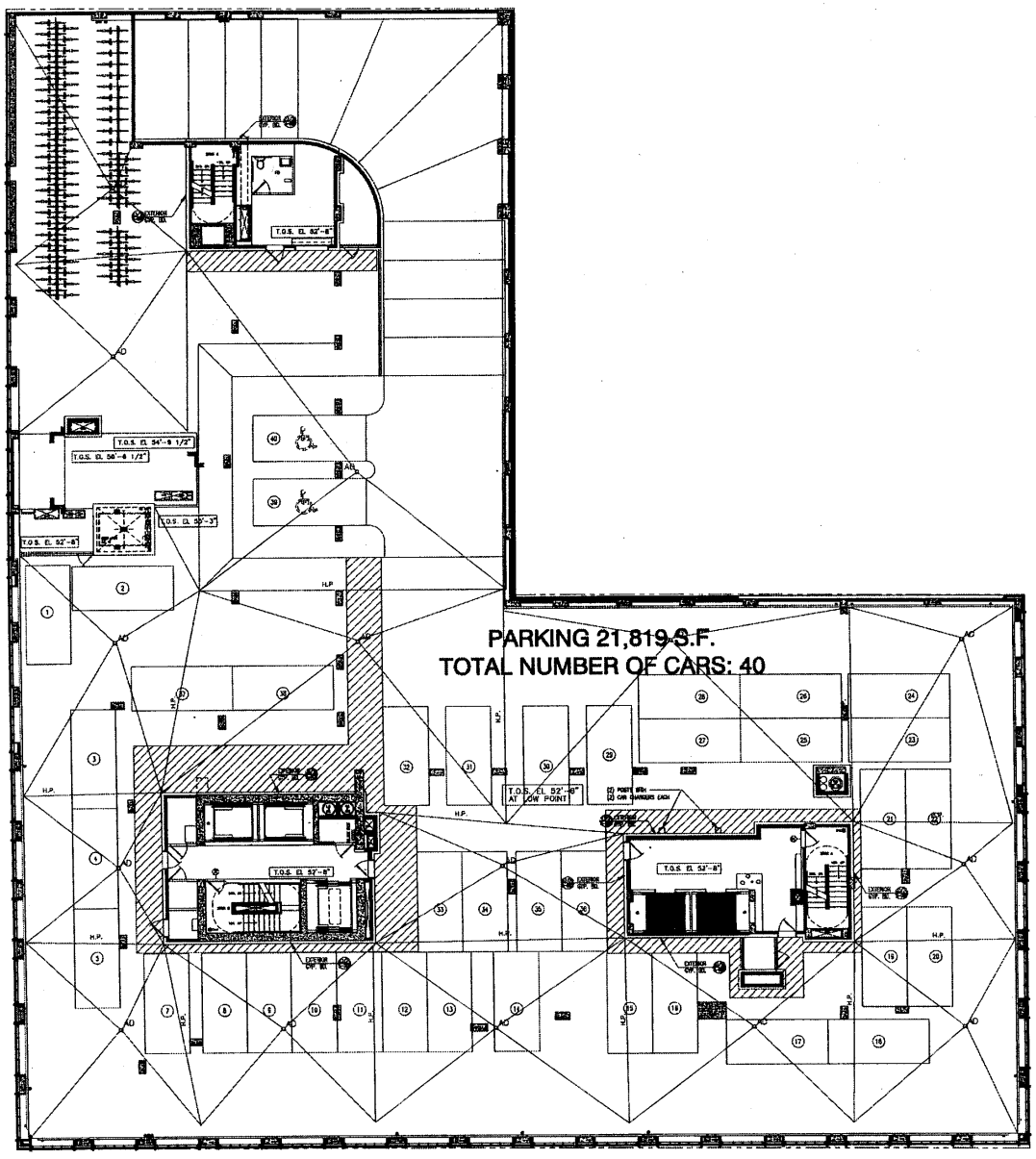
WSP
Building Structures

WSP
Building Systems

1ST FLOOR PLAN
(1ST FLOOR MARKETING)

NB#320517927

AG-02



1 2ND FLOOR PLAN

KEY PLAN

C/O PLANK
71 SMITH STREET
PROPERTY OWNER LLC
683 WEST 57TH STREET SUITE 405
NEW YORK, NY 10020
TEL. (212) 695-3024

71 SMITH STREET

140 SCHERMERHORN STREET
395 STATE STREET
BROOKLYN, NEW YORK 11201

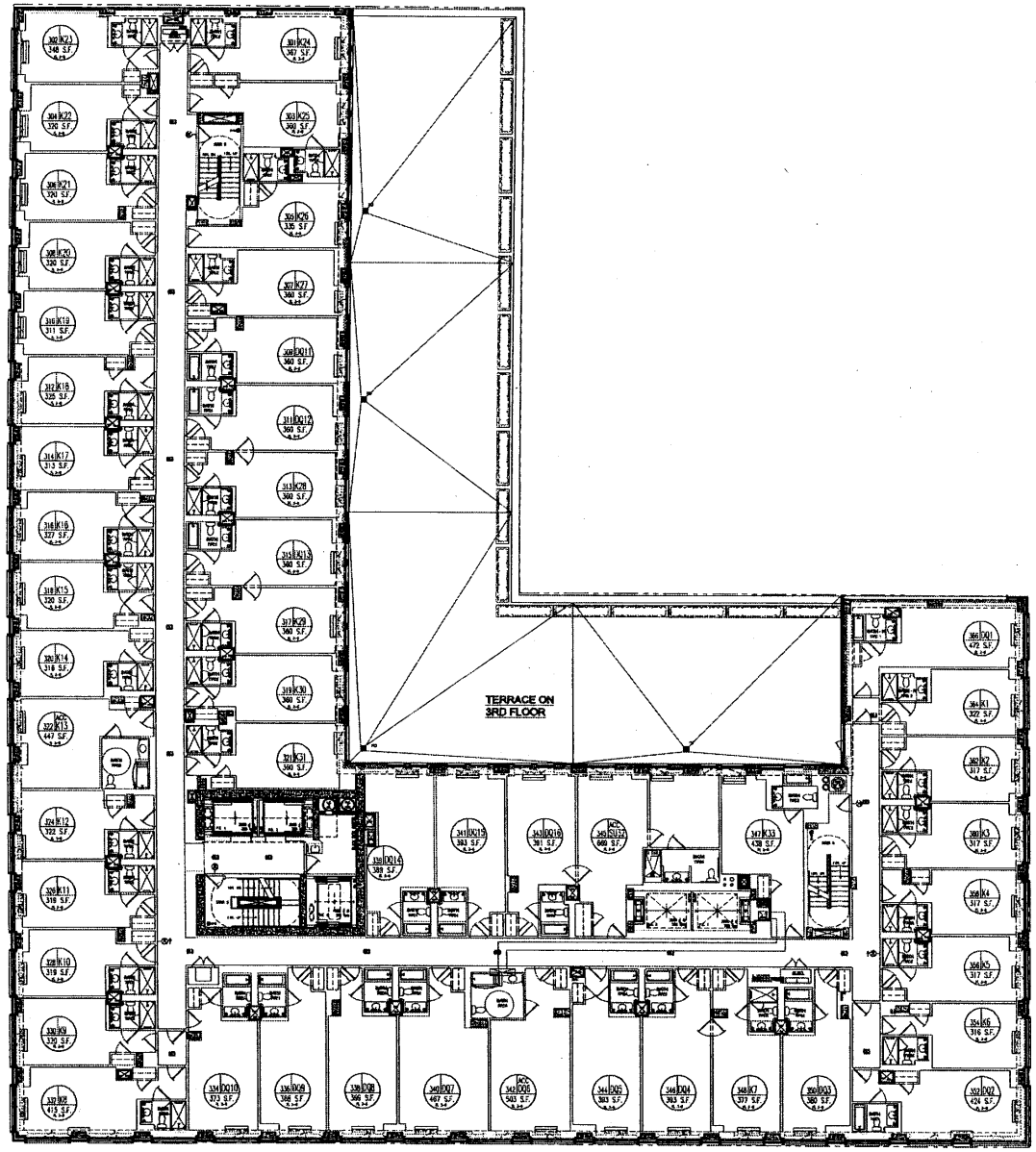
11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-9027 Fax (212) 668-1754

WSP
Building Structures
Tel (212) 697-3555 Fax (646) 587-2656

WSP
Building Systems
Tel (212) 695-9500 Fax (212) 668-7489

2ND FLOOR
(2ND FLOOR MARKETING)

AG-03



1 3RD THRU 6TH FLOOR PLANS

KEY PLAN

C/O FLANK
71 SMITH STREET
PROPERTY OWNER LLC
260 WEST 37TH STREET SUITE 405
NEW YORK, NY 10001
TEL. (212) 695-3004

140 SCHERMERHORN STREET
388 STATE STREET
BROOKLYN, NEW YORK 11201

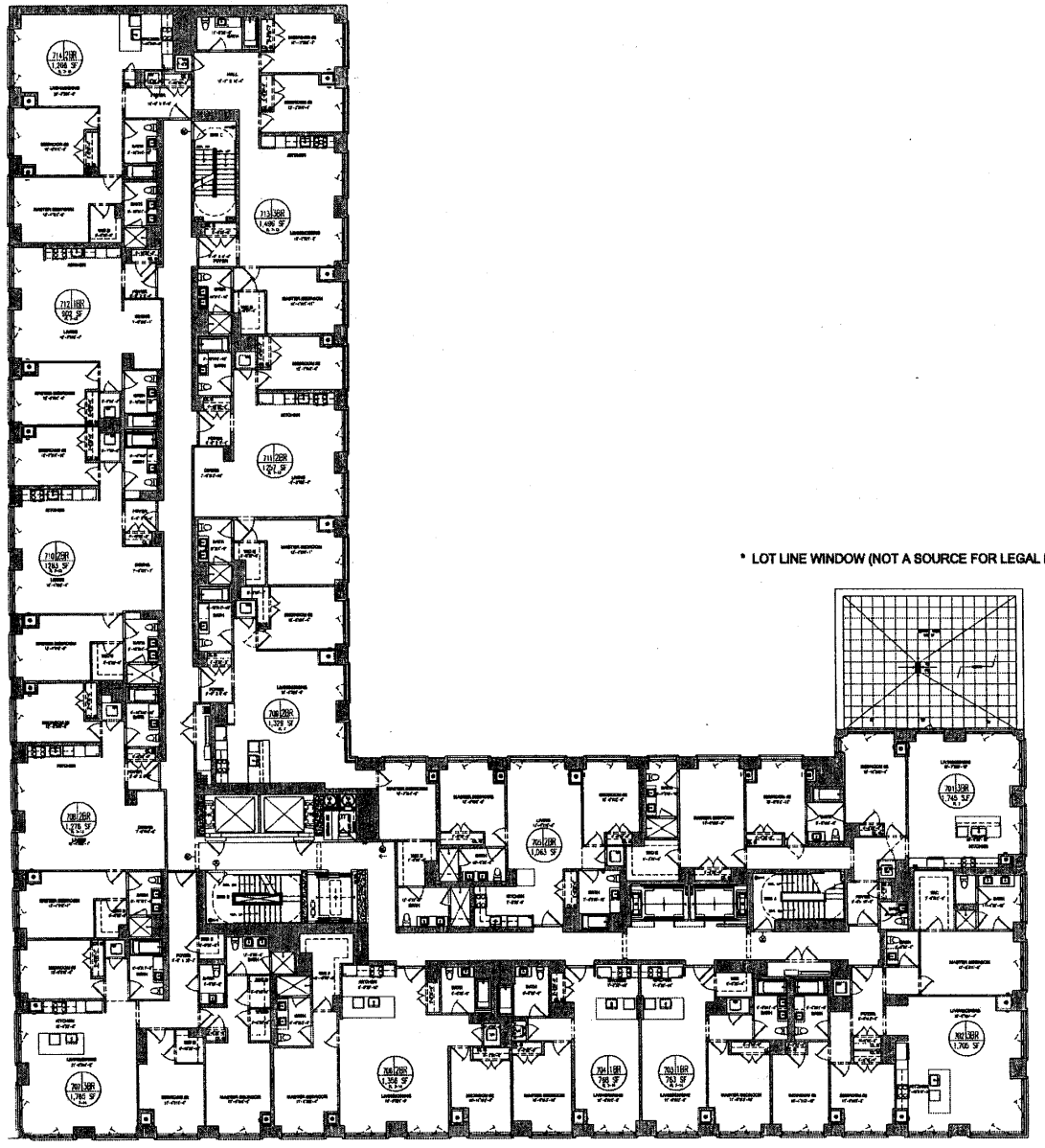
11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-6007 Fax (212) 696-1784

WSP
Building Structures

WSP
Building Systems
512 Seventh Avenue
New York, NY 10018

3RD - 6TH FLOORS
(3RD - 6TH FLOORS MARKETING)

AG-04



* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

1 7TH FLOOR PLAN

KEY PLAN

OD PLANK
71 SMITH STREET
PROPERTY OWNER LLC
260 WEST 37TH STREET SUITE 402
NEW YORK, NY 10001
TEL. (212) 695-8284

71 SMITH STREET

140 BOERUM PLACE/ 209 STATE STREET
BROOKLYN, NEW YORK 11201

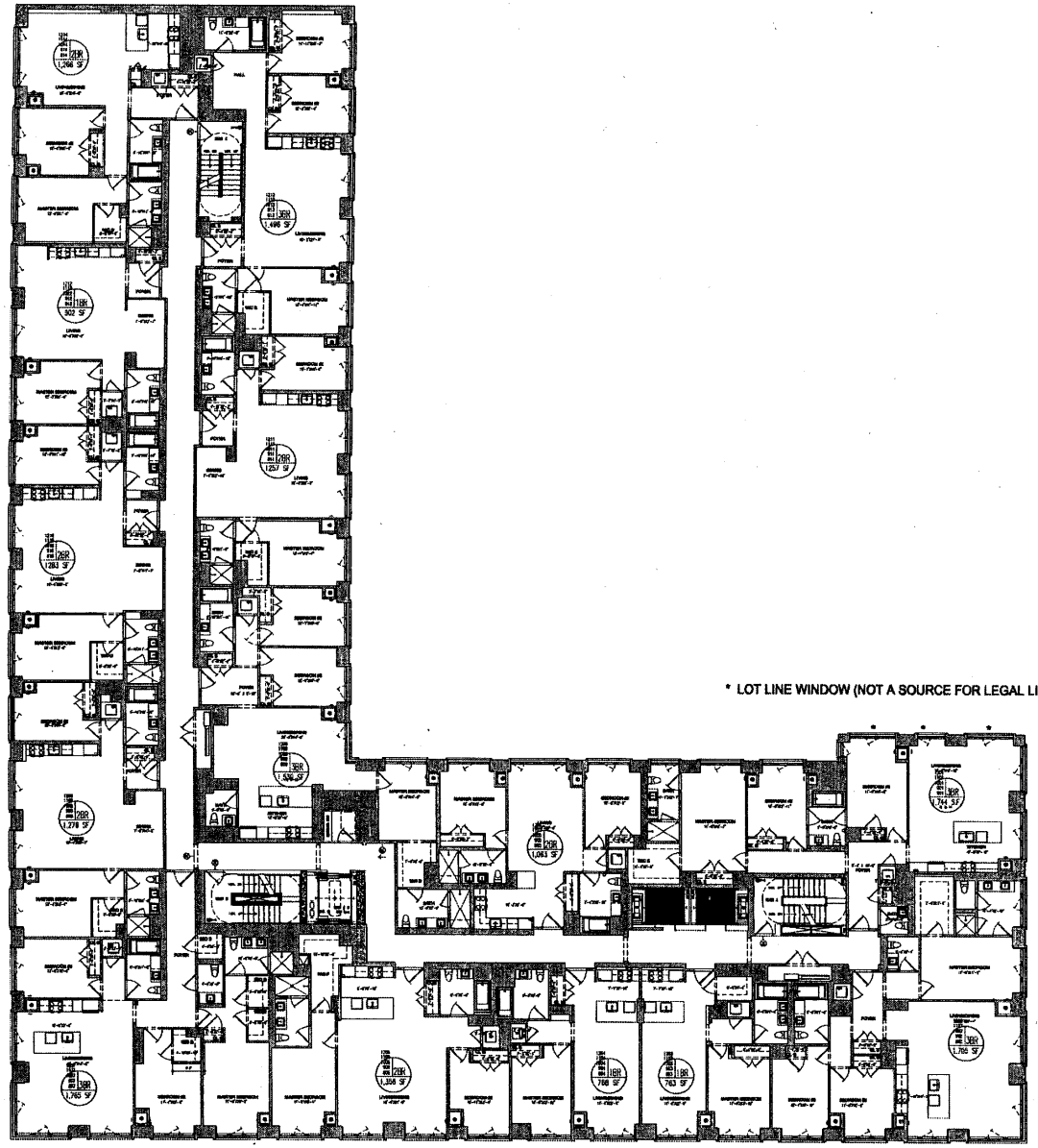
11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-8007 Fax (212) 696-1764

WSP
Building Structures

WSP
Building Systems

7TH FLOOR PLAN
(7TH FLOOR MARKETING)

AG-05



* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

1 8TH THRU 14TH FLOOR PLANS

KEY PLAN

GID PLANK
71 SMITH STREET
PROPERTY OWNER LLC
555 WEST 23TH STREET SUITE 405
NEW YORK, NY 10001
TEL. (212) 980-5454

71 SMITH STREET

140 SCHERMERHORN STREET
888 STATE STREET
BROOKLYN, NEW YORK 11201

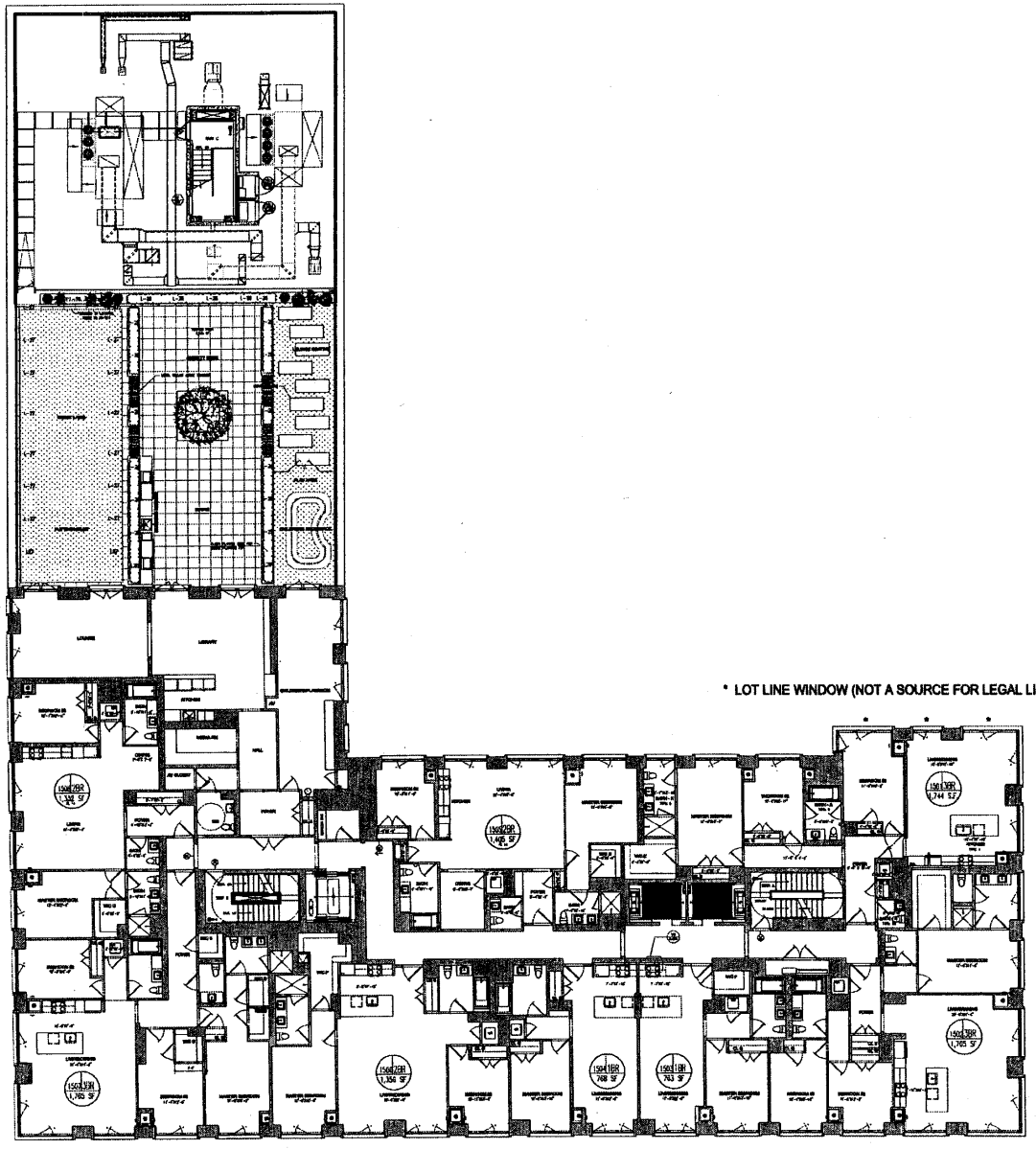
11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-6007 Fax (212) 668-1764

WSP
Building Structures

WSP
Building Systems

8TH THRU 13TH FLOORS
(8TH THRU 14TH FLOORS MARKETING)

AG-06



* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

1 15TH FLOOR PLAN

KEY PLAN

C/O PLANK
71 SMITH STREET
PROPERTY OWNER LLC
[illegible]

71 SMITH STREET

140 BOERUM PLACE
AND
360 STATE STREET
BROOKLYN, NEW YORK 11201

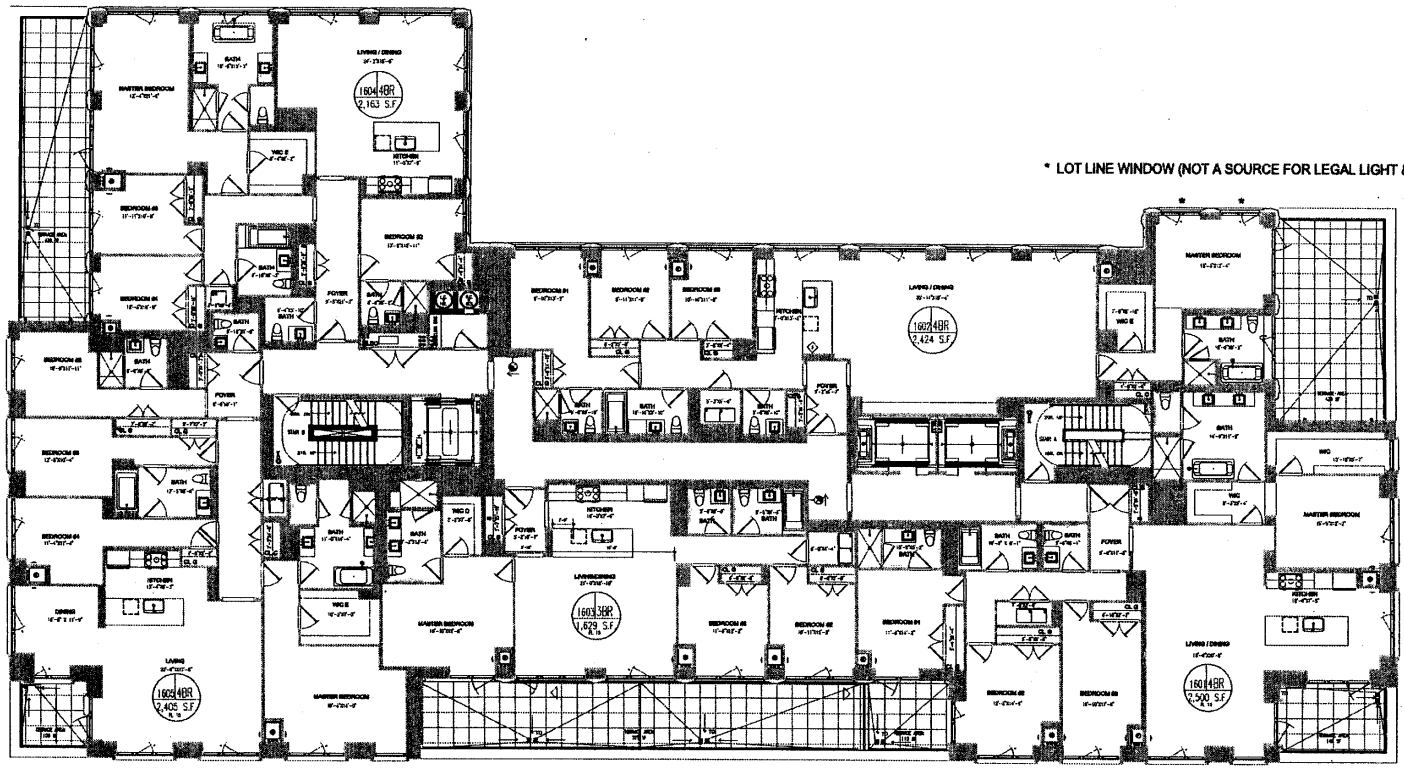
[illegible]
11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-8077 Fax (212) 686-1784

WSP
Building Structures
[illegible]

WSP
Building Systems
[illegible]

14TH FLOOR
(15TH FLOOR MARKETING)

AG-07



* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

1 16TH FLOOR PLAN

KEY PLAN

C/O FLANK
71 SMITH STREET
PROPERTY OWNER LLC
580 WEST 27TH STREET SUITE 403
NEW YORK, NY 10001
TEL. (212) 366-5384

71 SMITH STREET
140 SCHERMERHORN STREET
388 STATE STREET
BROOKLYN, NEW YORK 11201

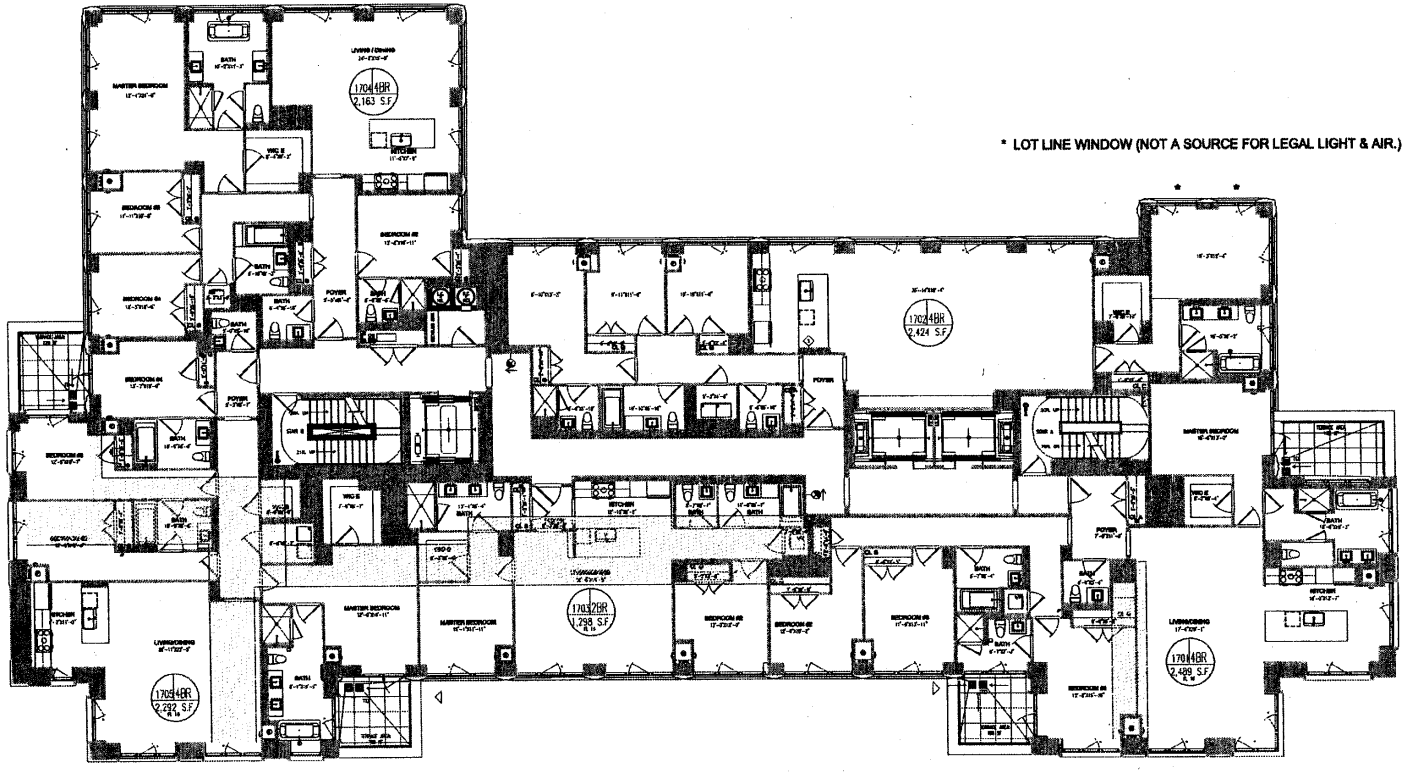
11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-9007 Fax (212) 686-1754

WSP
Building Structures

WSP
Building Systems
512 Seventh Avenue
New York, NY 10018
Tel (212) 992-9500 Fax (212) 992-7498

15TH FLOOR
(16TH FLOOR MARKETING)

AG-08



* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

1 17TH FLOOR PLAN

KEY PLAN

CVC PLANK
71 SMITH STREET
PROPERTY OWNER LLC
353 WEST 27TH STREET SUITE 4B
NEW YORK, NY 10001
TEL. (212) 695-8004

71 SMITH STREET

143 SCHERMERHORN STREET
399 STATE STREET
BROOKLYN, NEW YORK 11201

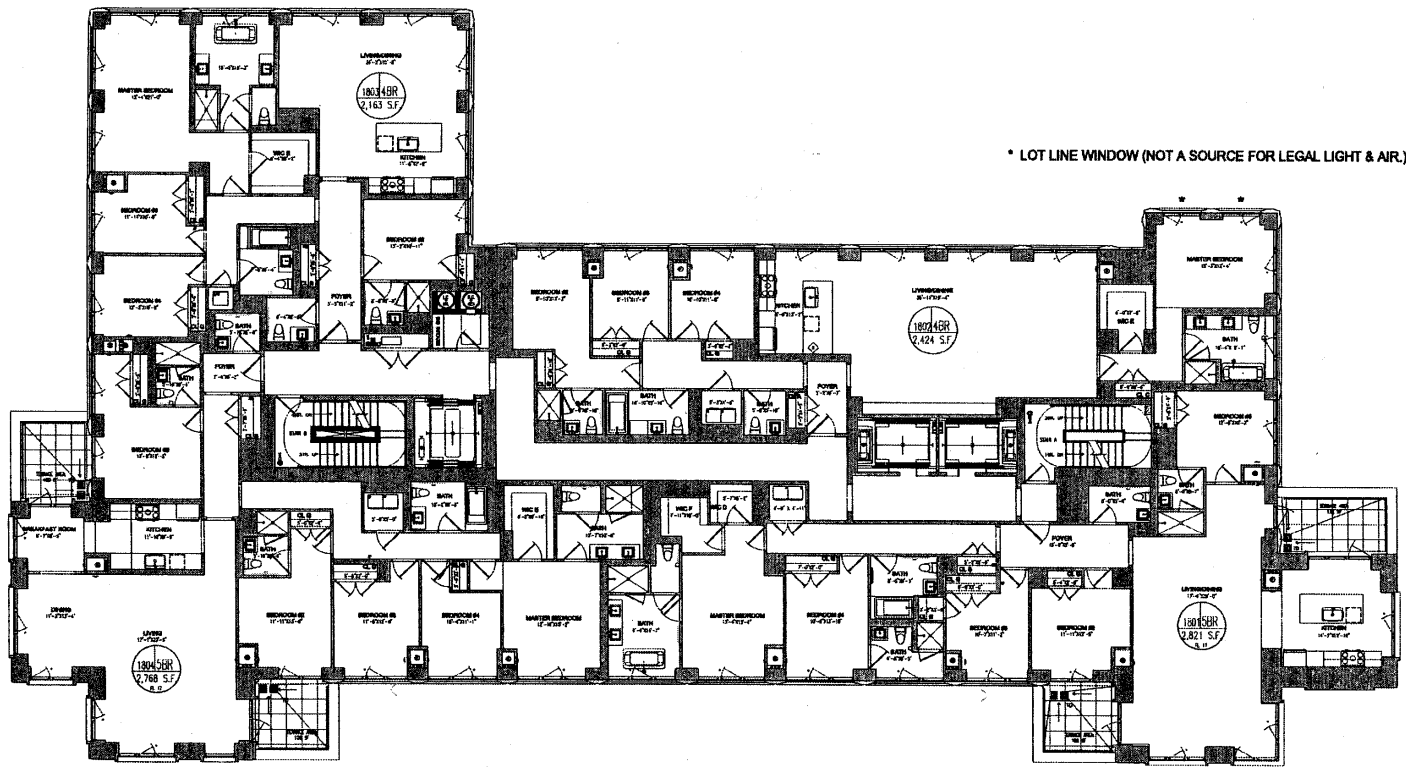
11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-9007 Fax (212) 686-1784

WSP
Building Structures
One Penn Plaza, 48th Floor
New York, NY 10001
Tel (212) 697-3555 Fax (646) 547-3536

WSP
Building Systems
512 Seventh Avenue
New York, NY 10018
Tel (212) 695-3600 Fax (212) 695-7499

16TH FLOOR
(17TH FLOOR MARKETING)

AG-09



* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

1 18TH FLOOR PLAN

KEY PLAN

C/O PLANK
71 SMITH STREET
PROPERTY OWNER LLC
260 WEST 27TH STREET SUITE 403
NEW YORK, NY 10001
TEL. (212) 966-2224

71 SMITH STREET

140 SCHERMERHORN STREET
868 STATE STREET
BROOKLYN, NEW YORK 11201

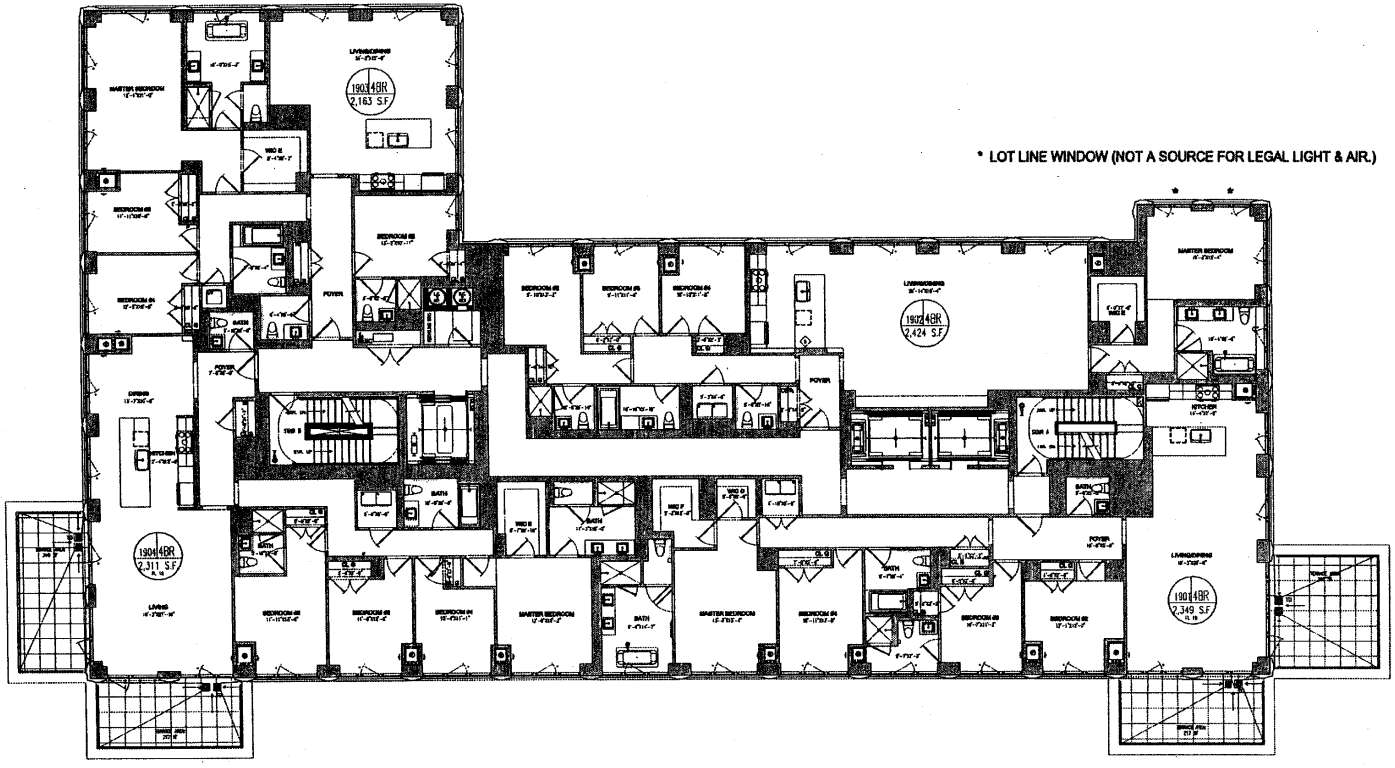
11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-6087 Fax (212) 986-1784

WSP
Building Structures

WSP
Building Systems
512 Seventh Avenue
New York, NY 10018
Tel (212) 592-2600 Fax (212) 986-7486

17TH FLOOR
(18TH FLOOR MARKETING)

AG-10



* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

1 19TH FLOOR PLAN

KEY PLAN

CO PLANK
71 SMITH STREET
PROPERTY OWNER LLC
580 WEST 27TH STREET SUITE 403
NEW YORK, NY 10001
TEL. (212) 695-4664

71 SMITH STREET

140 SCHERMERHORN STREET
268 STATE STREET
BROOKLYN, NEW YORK 11201

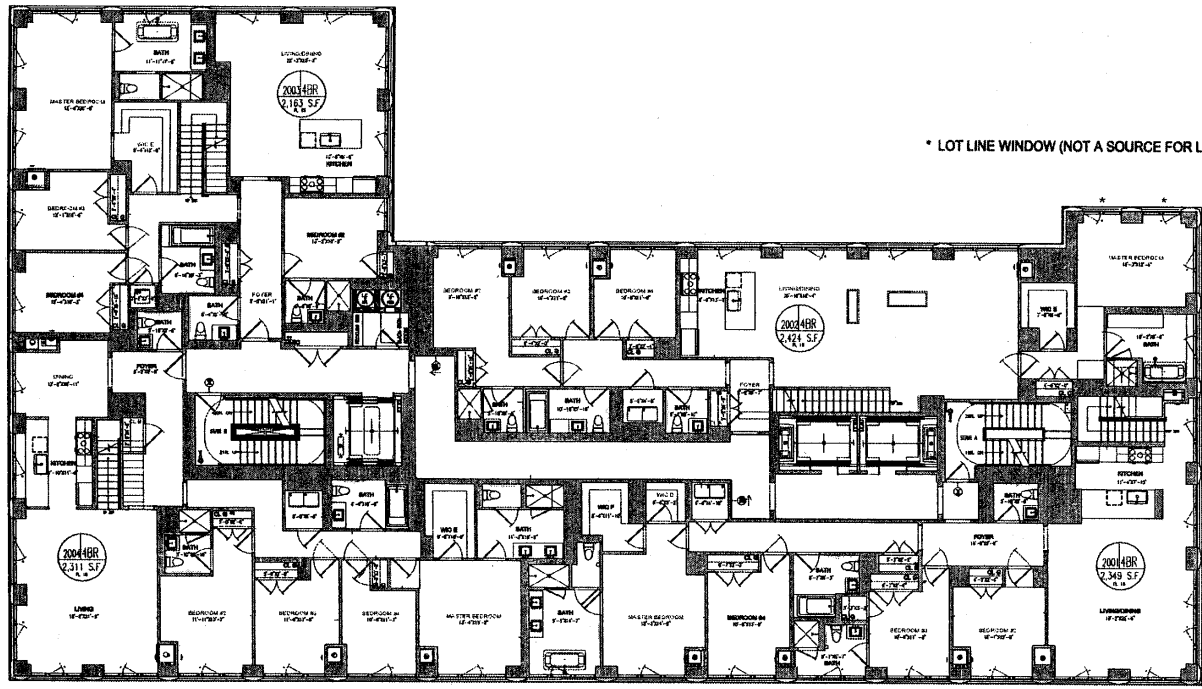
11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-8007 Fax (212) 686-1754

WSP
Building Structures

WSP
Building Systems

19TH FLOOR
(19TH FLOOR MARKETING)

AG-11



* LOT LINE WINDOW (NOT A SOURCE FOR LEGAL LIGHT & AIR.)

1 20TH FLOOR PLAN

KEY PLAN

C/O PLANK
71 SMITH STREET
PROPERTY OWNER LLC
260 WEST 27TH STREET SUITE 405
NEW YORK, NY 10001
TEL. (212) 502.2624

PROJECT NAME: 71 SMITH STREET
ADDRESS: 140 SCHERMERHORN STREET
363 STATE STREET
BROOKLYN, NEW YORK 11201

11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-6007 Fax (212) 986-1754

WSP
Building Structures
[illegible]
Tel (212) 967-[illegible] Fax (646) 967-[illegible]

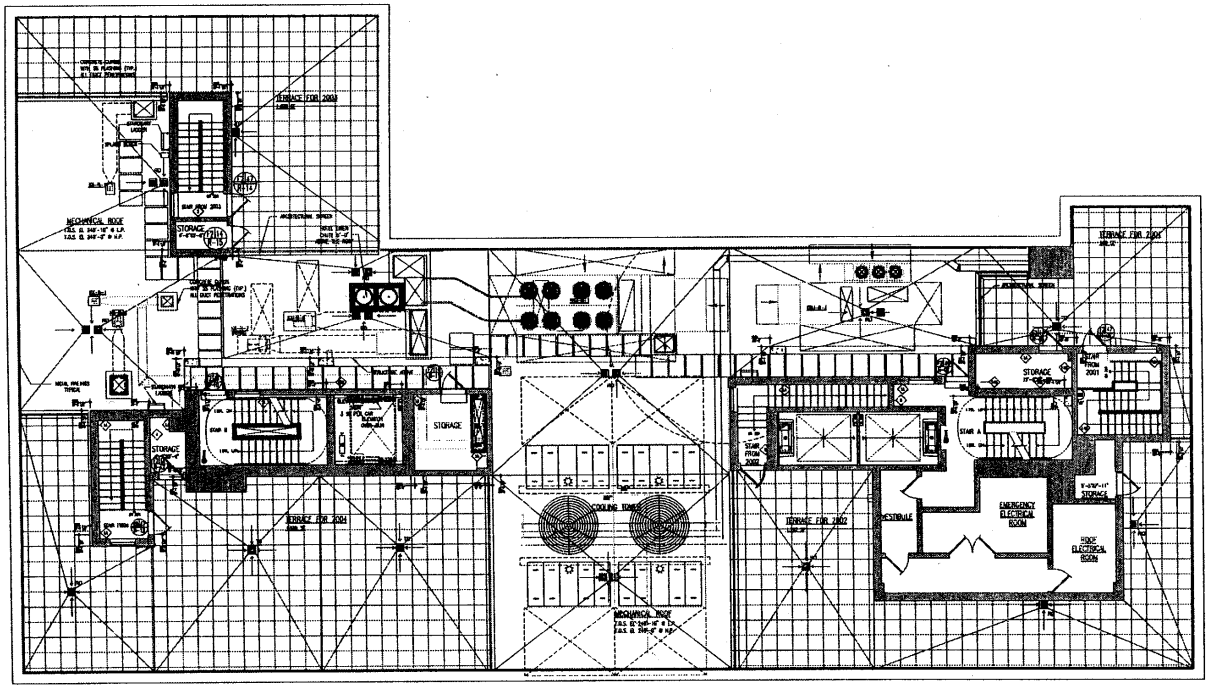
WSP
Building Systems
[illegible]
New York, NY 10016
Tel (212) 685-[illegible] Fax (212) 685-7499

19TH FLOOR
(20TH FLOOR MARKETING)

NB#320517927

SCALE: 1/16"=1'0"

AG-12



1 MAIN ROOF PLAN

KEY PLAN

CO PLANK
71 SMITH STREET
PROPERTY OWNER LLC
260 WEST 27TH STREET SUITE 405
NEW YORK, NY 10001
TEL. (212) 352.2834

71 SMITH STREET

140 SCHERMERHORN STREET
263 STATE STREET
BROOKLYN, NEW YORK 11201

11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-6007 Fax (212) 668-1754

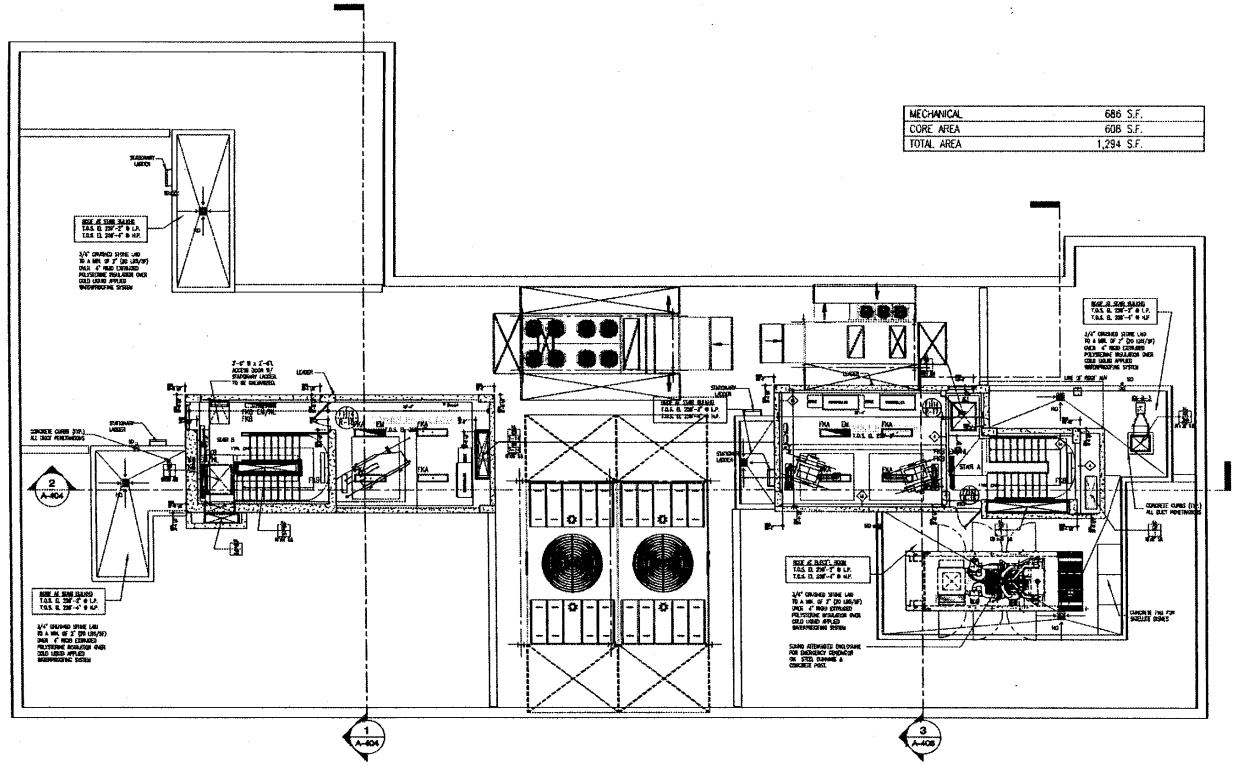
WSP
Building Structures

WSP
Building Systems

MAIN ROOF PLAN

NB# 320517927

AG-13



MECHANICAL	686 S.F.
CORE AREA	608 S.F.
TOTAL AREA	1,294 S.F.

1 EMR PLAN

KEY PLAN

C/O PLANK
71 SMITH STREET
PROPERTY OWNER LLC
260 WEST 27TH STREET SUITE 403
NEW YORK, NY 10001
TEL. (212) 695.2624

PROJECT: 71 SMITH STREET

ADDRESS: 140 SCHERMERHORN STREET
243 STATE STREET
BROOKLYN, NEW YORK 11201

11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-6007 Fax (212) 686-1754

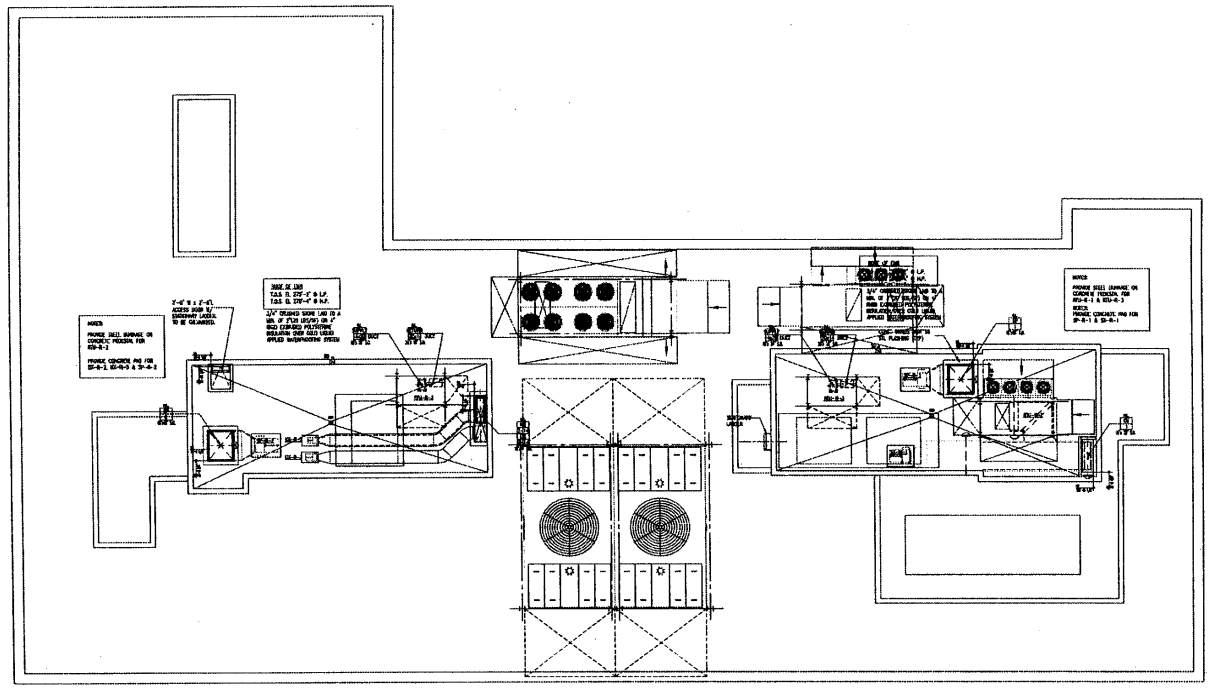
WSP
Building Structures

WSP
Building Systems

EMR FLOOR PLAN

NB#320517927

AG-14



1 EMR ROOF PLAN

KEY PLAN

GO PLANK
71 SMITH STREET
PROPERTY OWNER LLC
350 WEST 37TH STREET SUITE 408
NEW YORK, NY 10001
TEL. (212) 268.5054

PROJECT NAME 71 SMITH STREET

ADDRESS 140 SCHERMERHORN STREET
263 STATE STREET
BROOKLYN, NEW YORK 11201

11 Broadway, Suite 1700
New York, NY 10004
Tel (212) 213-8007 Fax (212) 686-1754

WSP
Building Structures
[illegible]
Tel (212) [illegible] Fax (646) [illegible]

WSP
Building Systems
[illegible]
Tel (212) [illegible] Fax (212) [illegible]

EMR ROOF PLAN

NB#320517927

AG-15

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3. FORM OF OPTION AGREEMENT

THE BOERUM CONDOMINIUM
265 STATE STREET
BROOKLYN, NEW YORK 11201

RESIDENTIAL UNIT #: _____ Storage Bin Rider: __ yes __ no Parking License Rider: ___yes__ no

---

AGREEMENT, dated _____, 201____, between **71 SMITH STREET PROPERTY OWNER, L.L.C.**, having an office c/o Flank, at 520 West 27th Street, New York, New York 10001(hereinafter "**Sponsor**"), and_____ having an address at_____ (hereinafter [, collectively,] "**Purchaser**").

Name(s) and manner in which title to the Unit will be taken (i.e., tenants-in-common, joint tenants with rights of survivorship, tenants by the entirety): _____.

Purchaser Information

Name: _____
Daytime Tel.: _____
Evening Tel.: _____
Address: _____
_____
Fax No.: _____
E-mail: _____
Soc. Sec. No.: _____

Additional Purchaser Information

Name: _____
Daytime Tel.: _____
Evening Tel.: _____
Address *(if different)*: _____
_____
Fax No.: _____
E-mail: _____
Soc. Sec. No.: _____

PURCHASE PRICE FOR UNIT $_____

PREMIUM PAYMENT $_____, PAYABLE AS FOLLOWS:

INITIAL PREMIUM PAYMENT
(10% of Purchase Price if executed prior to Effectiveness Amendment) ***PLUS*** $_____

ADDITIONAL PREMIUM PAYMENT
(5% of Purchase Price on earlier of (i) thirty (30) days after Effectiveness Amendment or (ii) 6 months after the date of this Agreement) ***OR*** $_____

FULL PREMIUM PAYMENT
(15% of Purchase Price if executed after Effectiveness Amendment) $_____

EXERCISE PRICE (DUE AT CLOSING) $_____

Purchaser's Attorney Information:

Name: _____ Tel: _____
Address:_____ Fax:_____
_____ E-mail:_____

1. RECEIPT OF DOCUMENTS; DEFINITIONS.

1.1. Purchaser represents that Purchaser or Purchaser's Attorney received a copy of the Offering Plan for The Boerum Condominium, located at 265 State Street, Brooklyn, New York 11201 (the "**Condominium**") and _____[1] amendments thereto (collectively, the "**Plan**" or "**Offering Plan**") and has read said Offering Plan. Purchaser understands that Purchaser and Sponsor are treating the entire content of the Plan and any filed amendments thereto as if they were included in this Option Agreement (the "**Option Agreement**" or the "**Agreement**").

1.2. If Purchaser executed this Option Agreement without having the opportunity to review the Offering Plan for three (3) business days before signing, Purchaser shall have the right to rescind this Agreement and receive back the Premium Payment (or portion thereof, if applicable) delivered upon execution of this Agreement, provided written notice of rescission is personally delivered to Sponsor or to Selling Agent by the end of the seventh calendar day after the execution of this Agreement (the "**Rescission Period**") by Purchaser, or is mailed to Sponsor and postmarked within said seven (7) day period. If Purchaser is entitled to a Rescission Period pursuant to this Section 1.2, the last day of any such rescission period is _____, 201_[2], and notice of rescission must be delivered to Sponsor or Selling Agent by that date, or mailed to Selling Agent at the Sales Office and postmarked on or before that date.

1.3. For purposes of this Agreement, the address of the Sales Office is c/o Corcoran Sunshine Marketing Group, 312 Atlantic Avenue, Brooklyn, New York 11201.

1.4. Purchaser understands that Purchaser and Sponsor are treating the entire content of the Plan and any filed amendments thereto as if it were included in this Agreement.

1.5. Capitalized terms used in this Agreement and not defined herein shall have the meanings given in the Offering Plan.

1.6. The capitalized terms below used in this Agreement shall have the following meanings:

(a) "**Premium Payment**" shall mean the Premium Payment, listed on page 1 of this Agreement (or such portion of same as has been paid at the time in question) and any additional payments made by Purchaser on account of the Purchase Price pursuant to this Agreement.

(b) "**Purchaser**" shall mean the party(ies) listed on page 1 of this Agreement as comprising Purchaser.

(c) "**Purchaser's Attorney**" shall mean the attorney listed on page 1 of this Agreement unless and until changed by Purchaser by written notice to Sponsor.

(d) "**Selling Agent**" means Corcoran Sunshine Marketing Group, with a Sales Office for the Condominium or such other selling agent as Sponsor shall designate in an amendment to the Offering Plan.

(e) "**Sponsor's Closing Counsel**" shall mean Bryan Cave LLP, having an address at 1290 Avenue of the Americas, NY, NY 10104, or such other counsel as Sponsor shall designate in an amendment to the Offering Plan.

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1 If there are amendments to the Plan, insert number of amendments; in none, write "None."

2 If applicable, insert last day of rescission period in the space provided. Otherwise, cross out ¶1.2.

(f) **"Exercise Price"** means the Purchase Price stated in this Option Agreement payable upon exercise of the option, less all Premium Payments made on account of the Purchase Price prior to the exercise of the option and closing under this Option Agreement.

2. AGREEMENT TO PURCHASE.

2.1. Purchaser agrees to purchase from Sponsor, the Residential Unit listed above together with its appurtenant undivided Common Interest (collectively, the "**Residential Unit**") for the Purchase Price shown above. The Residential Unit is referred to in this Agreement from time to time as the "**Unit.**" Purchaser is delivering to Selling Agent simultaneously with execution of this Agreement, Purchaser's check drawn on a New York bank in the amount of the full Premium Payment (or the Initial Premium Payment as applicable) shown above made payable to "Bryan Cave LLP, as Escrow Agent," and when Sponsor signs this Agreement Sponsor will be acknowledging receipt of Purchaser's check, subject to collection. The option granted hereunder is exercisable by Purchaser in accordance with § 5 of this Agreement.

2.2. If Purchaser is one individual or one entity, then simultaneously with this Option Agreement and the check for the Premium Payment, Purchaser shall deliver Form W-9 (or applicable Form W-8, if appropriate) executed by Purchaser. If Purchaser comprises two or more parties, then simultaneously with this Option Agreement and the check for the Premium Payment, Purchaser shall deliver a statement signed by all parties comprising Purchaser designating one of the parties comprising Purchaser to receive the interest earned on the Premium Payment ("**Interest-Recipient Designation Form**") and Form W-9 (or applicable Form W-8 if appropriate), for the designated interest-recipient. Until an original Form W-9 or applicable Form W-8 for Purchaser or party listed on Interest-Recipient Designation Form is provided, the Premium Payment will be deposited in Sponsor's Closing Counsel's IOLA account, rather than the Escrow Account, as described in the Offering Plan.

2.3. If Purchaser is paying only the Initial Premium Payment at the time of signing this Agreement, the Additional Premium Payment will be due and payable no later than 30 days after the Effectiveness Amendment is deemed given to Purchaser or six (6) months after the date of this Agreement.

2.4. All sums, if any, paid by Purchaser hereunder on account of extras, upgrades or special work, if any, are referred to herein collectively, as the "Extras Payment."

3. AGREEMENT TO BE BOUND BY THE CONDOMINIUM DOCUMENTS.

3.1. Purchaser agrees to be bound by the Offering Plan, as same may be amended from time to time, and the Declaration together with the By-laws and other schedules attached thereto as same may be amended from time to time (the Declaration and schedules collectively, the "**Condominium Documents**"), all of which are incorporated by reference and made a part of this Agreement with the same force and effect as if set forth in full herein.

3.2. Purchaser understands that one of the provisions of the Condominium Documents to which Purchaser will be bound is that Purchaser may not sell or lease the Unit without prior notice to the Condominium Board and the Board's waiver of the Board's right of first refusal.

3.3. Purchaser understands and agrees that Purchaser may not retain Purchaser's own contractor to do work in or on the Unit until Purchaser owns the Unit, Purchaser may not enter the Unit until notified by Sponsor to inspect the Unit as set forth in ¶ 13 of this Agreement, and Purchaser may not permit Purchaser's architect or interior decorator to enter the Unit to do work therein before Purchaser owns the Unit. Purchaser also understands that once Purchaser owns the Unit, Purchaser may not make any alterations in the Unit unless and until Purchaser's proposed alteration plans have been reviewed and approved by the Board of Managers, in accordance with the procedures set out in the By-laws of the Condominium.

4. REPRESENTATIONS, OBLIGATIONS AND RIGHTS OF SPONSOR AND PURCHASER.

4.1. Sponsor represents that prior to the First Unit Closing, the Plan will be declared effective, the Effectiveness Amendment will be given to Purchaser, and Sponsor will record or cause to be recorded, the Declaration, substantially in the form and substance contained in the Plan, as amended, in the City Register's Office.

4.2. If the Plan has been declared effective, the Declaration has been recorded, and the Unit is covered by a temporary or permanent certificate of occupancy, Purchaser understands and agrees that the option granted hereunder shall be exercisable by Purchaser paying the Exercise Price at Purchaser's closing, upon receipt of a written notice from Sponsor in accordance with Paragraph 5 of this Agreement.

4.3. Purchaser understands that Sponsor reserves the right to make changes or substitutions of materials or construction for items in the Unit or in the Common Elements, of substantially equal or better quality from those set forth in the Plans and Specifications, as described in the Offering Plan.

4.4. Purchaser represents that Purchaser has full right and authority to execute this Option Agreement and perform Purchaser's obligations hereunder.

4.5. Purchaser acknowledges Sponsor may wish to obtain certain information about Purchaser (or Purchaser's principals) through references supplied by Purchaser or otherwise, and/or to obtain one or more credit reports on Purchaser (or its principals), prior to executing this Option Agreement. Purchaser consents to Sponsor's applying for, obtaining and relying on such information, in Sponsor's sole discretion.

4.6. If Purchaser is an entity (e.g., a corporation, partnership, limited liability company, trust, estate, unincorporated association, organization, syndicate, joint venture, government or any mission, department or agency thereof, etc.), Purchaser agrees to deliver upon execution of this Agreement, and if Purchaser exercises the option granted hereby, to be confirmed at the Unit Closing, a resolution, consent or other indication of authority acceptable to Sponsor, Sponsor's Closing Counsel and if applicable, Purchaser's title company and lender, authorizing Purchaser to (i) enter into the Option Agreement and consummate the within transaction, (ii) execute all documents required in connection with the within transaction, and (iii) use Purchaser's funds to pay the Exercise Price and closing costs for the transaction. Purchaser shall also provide Sponsor's Closing Counsel with documentation evidencing Purchaser's formation and confirming Purchaser's continued good standing and subsistence. If Purchaser is an entity formed under the laws of a jurisdiction other than New York State, Purchaser shall also provide a certified copy of an application for authority filed by Purchaser with the New York State Department of State which, among other things, designates the Secretary of State of the State of New York ("**Secretary**") as agent of Purchaser upon whom process may be served and provides an address to which the Secretary shall mail a copy of any such service. If Purchaser is a government or any mission, department or agency thereof, Purchaser shall, at the request of Sponsor, enter into an agreement at Unit Closing with the Board of Managers in which Purchaser, as Unit Owner (i) agrees to a specified arrangement for service of process, (ii) waives, with respect to itself and any occupants of the Unit, any claim of sovereign immunity (and diplomatic and consular immunity, if applicable), with regard to any proceedings brought by the Board of Managers, and (iii) permits execution and enforcement of any judgment obtained by the Board of Managers or any of its committees, as more fully described in the By-laws.

4.7. Purchaser is free to apply for financing to purchase a Unit, but this Option Agreement is not contingent upon Purchaser's receipt of a financing commitment. If Purchaser fails to close hereunder the Option Agreement will be subject to termination and upon such termination, Purchaser may forfeit the Premium Payment plus all interest earned thereon.

5. EXERCISE OF OPTION; CLOSING DATE AND PLACE; ADJOURNMENT FEES; LATE FEES.

5.1. The option granted pursuant to this Agreement shall be exercised by Purchaser's payment of the Exercise Price at Unit Closing. The terms "Unit Closing", "Closing Date" and 'closing" refer to the time at which Purchaser (i) pays the Exercise Price for the Unit and all associated closing costs pursuant to this

Agreement and the Plan, (ii) executes all necessary documents under the Plan to acquire title to the Unit, and (iii) thereby becomes a Unit Owner. If Purchaser is also intending to acquire a Storage Bin License or Parking License, as evidenced by a Rider attached hereto, Purchaser shall pay the Storage Bin Payment and/or Parking License Payment due thereunder on the Closing Date as well, and simultaneously shall enter into the Storage License Agreement and/or Parking License Agreement, as and if applicable.

5.2. The Unit Closing shall be held at the offices of Sponsor's Closing Counsel, Bryan Cave LLP, 1290 Avenue of the Americas, New York, New York 10104 (or such other place in the City and State of New York as Sponsor shall designate to Purchaser), at such time and upon such date as Sponsor or Sponsor's Closing Counsel shall designate to Purchaser in writing at least thirty (30) days in advance of the scheduled closing (the **"Initial Closing Notice"**). The closing date set forth in the Initial Closing Notice is referred to in this Agreement the **"Original Scheduled Closing Date."** If Purchaser desires to close prior to that date, Sponsor may reasonably accommodate Purchaser's request if Purchaser specifically waives the thirty (30) day notice requirement. The Exercise Price specified on the front page of this Agreement shall be paid at the Unit Closing. If the Unit comprises two or more Units, Purchaser shall not be permitted to close one Unit without simultaneously closing on all Units, unless, in Sponsor, in Sponsor's sole discretion, consents to separate closings. The Original Scheduled Closing Date will be at least ten (10) days after the Effectiveness Amendment has been accepted for filing by the Attorney General. Purchaser may close earlier than the Original Scheduled Closing Date at a date and time mutually agreeable to Sponsor and Purchaser, provided the Residential Unit is covered at least by a temporary certificate of occupancy.

5.3. Sponsor will be entitled, with no liability to Sponsor under this Agreement or the Offering Plan, to reasonable adjournments of the date scheduled for Unit Closing in the event of delay caused by any Event Beyond Sponsor's Reasonable Control. As used in this Agreement, the term **"Event Beyond Sponsor's Reasonable Control"** means weather conditions, strikes or materials shortages, delays in inspections or reports thereon, delays in processing of required documents by applicable governmental agencies, an act of God, casualty loss, or other grounds cognizable in New York law as a defense to contract actions such as (without limitation) impossibility or frustration.

5.4. If Purchaser is not ready to exercise the option granted hereunder on the Original Scheduled Closing Date, but ultimately exercises the option and closes thereafter, then, at Sponsor's option, (i) all adjustments shall be made as of the Original Scheduled Closing Date, and (ii) Purchaser shall pay to Sponsor (or anyone Sponsor designates) at the closing, by unendorsed personal certified check or by bank check, in either event drawn on a bank that is a member of the New York Clearing House Association, an amount equal to 0.03% of the Purchase Price for each day the Closing is delayed, beginning with the Original Scheduled Closing Date and ending with and including the actual Closing Date (**"Sponsor's Adjournment Fee"**). The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the Closing Date. However, the provisions shall apply to any postponements by Purchaser of its exercise of the option, and the closing, beyond the Original Scheduled Closing Date. Sponsor reserves the right to waive any or all provisions of this paragraph.

5.5. Purchaser understands that if Purchaser requests an adjournment of the Original Scheduled Closing Date in excess of thirty (30) days, Sponsor shall have the right, in Sponsor's sole discretion, to require that as a condition of the adjournment Purchaser must deposit an additional payment into escrow with the escrow agent, which additional payment, if made, shall be held in the Escrow Account as part of the Premium Payment already paid by Purchaser.

5.6. Time shall be of the essence with respect to Purchaser's obligation to close on any rescheduled closing date to which Sponsor consents. A time of the essence obligation means that if Purchaser fails to close on the rescheduled closing date for any reason whatsoever, Sponsor has the right to terminate this Option Agreement and Purchaser risks forfeiting the Premium Payment together with any interest earned thereon. Nothing herein shall be construed to require Sponsor to grant any adjournment.

5.7. Purchaser shall be required to make adjournment payments to Sponsor's Closing Counsel for adjournments requested by Purchaser or which are necessitated by Purchaser's actions or inactions. In addition to adjournment payments for each such adjournment, late fees will also be payable by Purchaser with respect to Unit Closings that do not commence at the scheduled time due to actions or inactions of Purchaser, Purchaser's attorney or Purchaser's mortgage lender or mortgage lender's attorney, as described in the Offering Plan. *All of these payments and late fees shall be in addition to the base document preparation fee payable to Sponsor's Closing Counsel, as discussed in the Offering Plan.*

5.8. If Purchaser fails to pay the Exercise Price under the Option Agreement on the Original Scheduled Closing Date or any adjournment thereof permitted by Sponsor in its discretion, or fails to honor any other obligation under the Option Agreement, Sponsor shall have the right to terminate the Option Agreement. Sponsor or Sponsor's Closing Counsel on behalf of Sponsor, shall notify Purchaser in writing that Sponsor intends to terminate the Option Agreement, shall specify the reason therefor and shall grant Purchaser a period of at least thirty (30) days within which Purchaser may reinstate the Option Agreement. Time shall be of the essence with respect to Purchaser's opportunity to reinstate the Option Agreement within the specified period, which specified period shall be at least thirty (30) days. After the specified period expires, if the Option Agreement has not been reinstated, Sponsor may terminate the Option Agreement, retain Purchaser's Premium Payment together with interest earned thereon, if any, and sell the Unit to another purchaser as if the Option Agreement had never been made.

5.9. At the Unit Closing, Sponsor will deliver any certificates and warranties delivered to Sponsor and transferable to Purchaser for appliances in the Unit, and other warranties Sponsor has undertaken to deliver under the Plan, if any, or Sponsor will make them available at the Property on the day of the Closing.

5.10. The existence of unpaid taxes of any kind at the time of title closing shall not constitute an objection to title, provided Sponsor shall deposit a sufficient amount with the Title Company so that the Title Company is willing to insure against collection of unpaid taxes from the Unit. Sponsor and Purchaser agree that Sponsor will discharge any liens upon the Unit (or will deposit sufficient security with the Title Company so that the Title Company is willing to omit the lien as an exception to Purchaser's title insurance coverage) prior to or simultaneously with the Unit Closing, and that Sponsor may pay and discharge any such liens upon the Unit (or secure the Title Company as described above), out of the monies to be paid by Purchaser at the time of closing.

5.11. Notwithstanding anything to the contrary contained in this Option Agreement, Purchaser shall have the right, to be exercised one time only, to adjourn the Unit Closing to a date not later than fifteen (15) calendar days after the Original Scheduled Closing Date that is mutually convenient to Sponsor and Sponsor's Closing Counsel. If Purchaser requests an adjournment in accordance with the foregoing, and if the Unit Closing occurs no later than fifteen (15) calendar days after the Original Scheduled Closing Date, Purchaser shall not be obligated to pay (i) adjustments as of the Original Scheduled Closing Date or (ii) Sponsor's Adjournment Fee set forth in Paragraph 5.4 of this Agreement. If, however, Purchaser requests the adjournment less than three (3) business days prior to the Original Scheduled Closing Date, and/or if the Unit Closing occurs more than fifteen (15) calendar days after the Original Scheduled Closing Date, Sponsor will have the right to impose adjustments as of the Original Scheduled Closing Date and/or Sponsor's Adjournment Fee set forth in Paragraph 5.4 of this Agreement. Purchaser shall remain obligated to pay any additional fees due Sponsor's Closing Counsel as set forth in the Plan, by reason of any adjournment of the Original Scheduled Closing Date pursuant to this paragraph or otherwise.

6. DELIVERY OF DEED; PAYMENT OF COSTS, TAXES AND FEES.

6.1. On the Unit Closing Date Sponsor will deliver or cause to be delivered a deed in proper statutory form for recording known as a bargain and sale deed with covenant against grantor's acts which shall be duly executed and acknowledged by Sponsor as grantor and which Purchaser must sign as grantee. The deed shall contain a description of the Unit and shall be acceptable and/or approved so as to validly convey title to the Unit under the Condominium Act.

6.2. When Purchaser is given a deed for the Unit, Purchaser will give Sponsor, or anyone Sponsor designates, Purchaser's unendorsed personal certified check or official bank check, for the Exercise Price, as shown above, and all closing costs payable by Purchaser under the Plan, drawn on a New York Clearinghouse bank to the order of Sponsor, or to any other person(s) or entity(ies) Sponsor directs.

6.3. Purchaser's closing costs include, without limitation, an amount equal to two (2) months of Common Charges for the Unit payable as working capital and Purchaser's Allocable Share of the RM Purchase Costs, as described in the Plan.

6.4. Purchaser shall pay the (i) New York State Real Estate Transfer Tax (i.e., the deed documentary stamps), (ii) the New York City Real Property Transfer Tax, (iii) any and all administrative filing fees imposed by New York City or New York State in connection with filing the tax returns for such Transfer Taxes due upon conveyance of each deed, and (iv) any filing fees required to file the New York State Real Property Transfer Tax Report (RP-5217NYC), all as fully described in the Plan. In addition, Purchaser shall pay the "Mansion Tax" if applicable, also as fully described in the Plan. Purchaser shall also pay any other transfer taxes imposed by statute on purchasers of real property and all recording fees in connection with this transaction, including but not limited to any fees necessary to record releases or satisfactions of liens affecting the Unit which Sponsor is obligated to discharge at or prior to closing.

6.5. Purchaser agrees to accept a good and insurable title free and clear of all liens and encumbrances, except the Permitted Encumbrances described in the Offering Plan. Fee title insurance, if ordered by Purchaser, shall be purchased at Purchaser's own cost and expense. Purchaser may purchase title insurance from any title insurance company licensed to do business in New York as Purchaser may select, or Purchaser may elect not to obtain any title insurance at all. If Purchaser wishes to purchase title insurance from the Title Company (that is, Fidelity National Title Insurance Company), Purchaser may do so by contacting Isabelle Pullis at 212.471.3708 or by email at ipullis@fnf.com.

6.6. When Sponsor gives Purchaser the deed to the Unit, Purchaser will deliver the deed to Purchaser's title company or to Purchaser's attorney (if Purchaser does not obtain title insurance), so that the deed can be recorded (or delivered for recording) in the Office of the City Register. Simultaneously with delivery of the deed, Purchaser must execute the power of attorney to the Board of Managers substantially in the form contained in the Plan, allowing the Board and Sponsor to take certain actions on Purchaser's behalf. The power of attorney must be recorded in the Office of the City Register as well. If Purchaser is not represented by counsel at Unit Closing, Sponsor's Counsel shall, for an additional accommodation fee of $3,500 to, arrange for all Purchaser's acquisition closing documents required to be recorded, to be delivered to the Title Company for recording. Purchaser shall be responsible for all recording costs which cost shall be in addition to the accommodation fee payable to Sponsor's Counsel.

6.7. As discussed in the Offering Plan, if Purchaser obtains a mortgage loan to finance purchase of the Unit, to the extent Purchaser receives a credit against the mortgage tax pursuant to the provisions of Section 339-ee(2) of the Condominium Act or RPTL Section 255 that would otherwise be due and payable in connection with such mortgage, Purchaser shall be obligated at Unit Closing to reimburse Sponsor in the amount of the credit so received.

6.8. Purchaser shall pay all fees due at Unit Closing in connection with purchase of the Unit, as more fully described in the Offering Plan.

7. LIABILITY TO CONVEY TITLE.

7.1. Purchaser agrees that Sponsor may cancel this Agreement by forwarding Sponsor's check in the full amount of the Premium Payment paid by Purchaser together with interest earned thereon, if any, plus any unapplied portion of the Extras Payment (if any has been made hereunder), together with a written termination notice, in the event that (i) any governmental bureau, department or subdivision thereof imposes restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restrictions prevent Sponsor from obtaining such materials from Sponsor's

regular suppliers or from using them in the construction and/or completion of the Units, or (ii) Sponsor is unable to obtain materials from Sponsor's usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, or the installation of public utilities is restricted or curtailed.

7.2. If Sponsor is unable to convey title to the Unit within forty-eight (48) months after the date Purchaser signs this Agreement (which date shall be extended to sixty (60) months in the event of force majeure delays and any other Event Beyond Sponsor's Reasonable Control), then provided Purchaser is in full compliance with Purchaser's obligations hereunder, Purchaser shall be entitled to cancel this Agreement. Such right shall be exercised, if at all, by Purchaser in writing, within ten (10) business days after the end of the 48-month or 60-month period, as applicable.

7.3. In the event of cancellation by Purchaser pursuant to the foregoing, and provided Purchaser is in full compliance with Purchaser's obligations hereunder, Sponsor shall direct Escrow Agent to remit a check in the full amount of the Premium Payment paid by Purchaser, together with interest earned thereon, if any, and a written termination notice, to Purchaser. In the event of such termination, neither party hereto shall have any further liability to the other hereunder.

7.4. In addition to the foregoing, Sponsor shall have a right to abandon the Plan, as described therein. If Sponsor exercises its right to abandon the Plan, and provided Purchaser shall then be in full compliance with Purchaser's obligations hereunder, Sponsor shall terminate this Agreement and thereupon shall return to Purchaser the Premium Payment made by Purchaser hereunder with interest, if any is earned thereon and payable to Purchaser hereunder or under the Plan, plus the Extras Payment if any has been made hereunder. Upon such termination of this Agreement and return of Purchaser's Premium Payment plus interest if same shall be payable to Purchaser hereunder, plus the Extras Payment, Sponsor and Purchaser shall have no further rights or obligations with respect to each other generally or under this Agreement, specifically.

7.5. Sponsor's liability under this Agreement for failure to complete and/or deliver title for any reason, other than Sponsor's willful failure to do so, shall be limited to the return of Purchaser's Premium Payment paid hereunder, together with interest earned thereon, if any. Upon the return of Purchaser's Premium Payment, together with interest earned thereon, if any, plus any unapplied portion of the Extras Payment, this Agreement shall be null and void and Purchaser and Sponsor will be released from any and all liability to each other. In any event, Sponsor shall not be required to bring any action or proceeding or otherwise incur any expense to render title to the Unit marketable or to cure any objection to title, except as may be set forth in the Plan.

7.6. If Sponsor or Purchaser delays or adjourns the closing for the purpose of curing defects or otherwise, Sponsor shall not be liable for the costs, if any, that Purchaser incurs as a result of the delay or adjournment.

8. CLOSING APPORTIONMENTS.

8.1. When Sponsor gives Purchaser the deed to the Unit, Sponsor and Purchaser will apportion between themselves the real estate taxes and Common Charges for the Unit so that Sponsor pays those real estate taxes and Common Charges attributable to any time period prior to the midnight before Sponsor gives Purchaser the deed and Purchaser will pay the rest. The foregoing is subject to the Board's right to delay imposition of Common Charges for a period of time, as set forth in the By-laws.

8.2. If a Unit has not been separately assessed for real estate taxes as of the Unit Closing Date, adjustments for current real estate taxes and collection of escrows for future tax payments, shall be as described in the Section of the Plan entitled "Closing Costs and Adjustments."

8.3. Any errors or omissions in computing apportionments at a Unit Closing shall be corrected and communicated by the parties to each other promptly upon discovery. If monies are owed by one party to another party as a result of such error or omission, such payment shall be made promptly after discovery, or

receipt of information from the other party that same is due. The provisions of this Section 8 shall survive the closing.

9. PREMIUM PAYMENT TO BE HELD IN TRUST.

9.1. This Option Agreement, upon execution by Purchaser and Sponsor, together with all Premium Payment monies received from Purchaser by Sponsor, Selling Agent or through Sponsor's agents or employees on account of the Purchase Price, will be delivered by Sponsor or its Selling Agent to Sponsor's Closing Counsel, who shall also serve as escrow agent hereunder ("**Escrow Agent**"). Provided Escrow Agent is provided with the requisite documentation necessary to deposit the funds, Escrow Agent will deposit all such funds received from Purchaser in Purchaser's name in a sub-account of a master attorney trust account entitled "Bryan Cave LLP Attorney Trust –The Boerum Condominium" or similar name (the "**Escrow Account**"), at M&T Bank ("**Escrow Bank**") at its branch located at 350 Park Avenue, New York, New York 10022 (or at any other lending institution in which said law firm elects to maintain its escrow funds). Escrow Agent will hold such funds in escrow in accordance with the terms and provisions of the escrow rider attached to this Option Agreement (the "**Escrow Rider**"), which Escrow Agent shall sign to confirm its agreement to the escrow responsibilities set forth in the Escrow Rider. *Before Escrow Agent can deposit the funds in the Escrow Account, however, Escrow Agent must receive an original completed Form W-9 (or applicable Form W-8, if appropriate) executed by Purchaser (or, as described in Paragraph 2.2 above, if Purchaser comprises more than one party, Form W-9 or applicable Form W-8 executed by the party designated in the Interest- Recipient Designation Form)* Until the applicable documents are received, the Premium Payment will be deposited and held in a New York State Interest on Lawyers Account (IOLA) maintained by Escrow Agent, which is an account in which interest earned is payable to the New York State IOLA fund and will not be paid to Purchaser.

9.2. Any interest earned on the Premium Payment while on deposit in the Escrow Account will be paid as follows: (i) to Purchaser at Unit Closing, or (ii) upon Purchaser's permitted rescission of the Option Agreement, to Purchaser with return of the Premium Payment, (iii) upon an agreed-termination of this Option Agreement, as Sponsor and/or Sponsor and Purchaser, as applicable, direct, (iv) upon Sponsor's abandonment of the Plan, to Purchaser with return of the Premium Payment, and (v) if the Premium Payment funds are released to Sponsor upon termination of this Agreement due to Purchaser's election not to exercise the option granted hereunder or Purchaser's non-compliance with this Agreement interest will be remitted to Sponsor as well.

9.3. Any Extras Payment associated with this transaction is not refundable to Purchaser and is payable upon execution of this Agreement directly to Sponsor, unless the parties agree that said funds shall be deposited in the Escrow Account. If deposited in the Escrow Account, said funds may be released by Escrow Agent to Sponsor in whole or in part prior to closing hereunder, upon confirmation by Sponsor to Escrow Agent that Sponsor has incurred the cost for which the funds were deposited, and specifying the cost for which disbursement is requested. Upon receipt of such confirmation, Escrow Agent shall be authorized to release the specified amount from escrow to Sponsor or any one Sponsor designates or directs. Accordingly, if Purchaser has made an Extras Payment and thereafter Purchaser elects not to exercise the option granted hereunder or is entitled to rescission of this Option Agreement through amendment to the Offering Plan or otherwise, Purchaser will not be entitled to a refund of any portion of the Extras Payment unless the Parties theretofore agreed to deposit the Extras Payment into the Escrow Account (or non-interest bearing escrow account maintained by Escrow Agent at Escrow Bank, if applicable), and unapplied funds in respect of the Extras Payment remain in the Escrow Account (or such non-interest bearing escrow account) at the time Purchaser elects not to exercise the option granted hereunder or at the time of rescission.

10. SPONSOR'S RIGHTS IF PURCHASER FAILS TO KEEP PROMISES AND AGREEMENTS.

10.1. If Purchaser does not elect to exercise the option granted hereunder on the Original Scheduled Closing Date, or if when Sponsor tenders the deed to the Unit to Purchaser, Purchaser does not then sign any of the documents referred to in the Plan, or if Purchaser does not remain in compliance with any of the other terms

of this Agreement, then Sponsor, subject to ¶ 10.2 below, shall be entitled to terminate this Agreement and retain the Premium Payment made hereunder with interest earned thereon, if any.

10.2. Before Sponsor may fully and finally terminate this Option Agreement and keep Purchaser's Premium Payment, Sponsor must first send Purchaser a notice by registered or certified mail, return receipt requested, stating that Sponsor intends to terminate this Option Agreement, specifying the reason(s) therefor, and granting Purchaser a period of at least thirty (30) days within which Purchaser may reinstate the Option Agreement. TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S OPPORTUNITY TO REINSTATE THE OPTION AGREEMENT WITHIN THE SPECIFIED PERIOD, WHICH SPECIFIED PERIOD SHALL BE AT LEAST THIRTY (30) DAYS. AFTER THE SPECIFIED PERIOD EXPIRES, IF THE OPTION AGREEMENT HAS NOT BEEN REINSTATED, SPONSOR MAY TERMINATE THE OPTION AGREEMENT, RETAIN PURCHASER'S PREMIUM PAYMENT (AND THE UNAPPLIED PORTION OF ANY EXTRAS PAYMENT HELD IN ESCROW BY ESCROW AGENT, IF APPLICABLE,) TOGETHER WITH INTEREST EARNED THEREON (IF ANY) AND SELL THE UNIT TO ANOTHER PURCHASER AS IF THE OPTION AGREEMENT HAD NEVER BEEN MADE. However, if there is a dispute over the Premium Payment preceding disbursement of the Premium Payment upon termination of the Option Agreement, no statutory interest will accrue on the Premium Payment or other monies deposited by Purchaser while disbursement of the Premium Payment remains in dispute.

11. AGREEMENT SUBJECT TO SPONSOR DECLARING THE PLAN EFFECTIVE.

11.1. This Agreement is contingent upon Sponsor declaring the Plan Effective. Sponsor has the right to abandon the Plan at any time before Sponsor declares the Plan effective or before Sponsor has received and accepted Option Agreements for 80% of the Residential Units offered under the Plan. If the Plan is abandoned for any reason, Sponsor will remit to Purchaser a full refund of the Premium Payment and the interest earned thereon, if Purchaser is entitled to the interest hereunder or under the Plan, plus the Extras Payment, if any is made hereunder. After Purchaser receives such refund, neither Sponsor nor Purchaser will have any claim against the other and neither party will have any further obligation under this Agreement.

12. NOTICES.

12.1. Any notice (including a letter, request, consent or other communication) which either party wants to give to the other concerning items relating to the purchase and closing of title to the Unit, must be in writing and must be sent by registered or certified mail, return receipt requested, to the respective addresses shown on page one of this Agreement. Purchaser will send a copy of any notice Purchaser gives Sponsor to Sponsor's Closing Counsel, Bryan Cave LLP 1290 Avenue of the Americas, New York, New York 10104, Attn.: Erica R. Forman, Esq. and Sponsor or its Closing Counsel will send copies of any notice it gives Purchaser to Purchaser's Attorney at the address listed on the front page of this Agreement unless and until Sponsor is advised by Purchaser that counsel has changed, provided, however, Sponsor's failure to give a copy of a notice to Purchaser's Attorney shall not invalidate the notice sent Purchaser. Sponsor and Purchaser can specify a different address for themselves by giving notice of it to the other. A notice shall be considered given five (5) days after the date it is mailed, postage prepaid, except that a notice of an address change shall be considered given when it is received. Any notice sent by Sponsor's Closing Counsel on Sponsor's behalf to Purchaser or to Purchaser's Attorney shall be deemed notice by Sponsor to Purchaser under this Agreement. Likewise, any notice sent by Purchaser's Attorney to Sponsor's Closing Counsel shall be deemed notice by Purchaser to Sponsor under this Agreement. If Purchaser's name, address or phone number changes, or if Purchaser's Attorney's name, address or phone number changes from that set forth on the first page of this Agreement, Purchaser shall provide Sponsor with the pertinent new name, address and/or phone number immediately.

13. INSPECTION AND ACCEPTANCE OF THE UNIT.

13.1. Purchaser's signing of this Agreement and subsequent exercise of the option granted hereunder shall constitute Purchaser's agreement to accept (i) the Unit in the condition it is in on the Unit Closing Date,

including the then existing kitchen, bathroom(s) and other appliances, fixtures, equipment and installations in the Unit, and subject to the conditions set forth herein and on the Punchlist (defined below) attached to the Inspection Statement (the form of which is found in Part II of the Plan), which Purchaser will have the right to complete with Sponsor's representative's approval prior to closing pursuant to this Agreement (the "**Inspection Statement**"), as discussed below.

13.2. Purchaser agrees to accept the deed to the Unit without any abatement of the Purchase Price or provision for escrow notwithstanding incomplete construction of (i) minor details in the Unit, the Storage Bin, the Parking Area or elsewhere in the Project, or (ii) other Units, or (iii) the Common Elements or Limited Common Elements or other elements of the Building customarily left incomplete until after occupancy of the Unit or full occupancy of the Building, as applicable, provided the Unit is covered by at least a temporary certificate of occupancy.

13.3. Purchaser understands that certain items including, but not limited to, shower heads, toilet seats, kitchen cabinet knobs and vanity knobs, mechanical chimes, plumbing fittings, light fixtures, electrical receptacles, toilet accessories, door hardware and minor parts of kitchen cabinets, may not be installed at the time of the walk-through. Some of these items are of the type left off until the Purchaser is about to take occupancy, to prevent pilferage. Other items will be installed subject to availability. Still other items may have been installed but damaged during the course of construction. To the extent any such Punchlist Items are noted on the Inspection Statement Punchlist and agreed to by Sponsor in writing, Sponsor will make reasonable efforts to have these items installed at Sponsor's discretion prior to the Unit Closing or within a reasonable period of time following the Unit Closing hereunder, provided Purchaser permits Sponsor access to do so, as set forth in the Inspection Statement.

13.4. Prior to the Unit Closing, Sponsor will advise Purchaser of a date and time prior to closing when Purchaser may inspect the Unit ("**Sponsor's Inspection Notice**") to be purchased upon Purchaser's exercise of the option to be granted hereunder. Purchaser shall attend such inspection with one of Sponsor's representatives, and shall, together with Sponsor's representative, complete, date and sign the Inspection Statement at the conclusion of the inspection. If, however, during the inspection Purchaser notes certain Punchlist Items that Sponsor, through its inspection representative, agrees to complete, repair or replace, these items shall be itemized on a list attached to the Inspection Statement which list must be initialed by Sponsor's representative and signed and dated by both Sponsor's representative and Purchaser to be binding on Sponsor (the "**Punchlist**"). The only Punchlist Items Sponsor shall be obligated to complete shall be those contained in such initialed and dated Punchlist. If Purchaser wishes to conduct the pre-closing inspection of the Unit in the company of a licensed professional engineer or architect engaged by Purchaser for that purpose ("**Purchaser's Professional**"), Purchaser may do so. However, Purchaser's Professional may not inspect the Unit any sooner than the date and time set forth in Sponsor's Inspection Notice, and Purchaser must attend the inspection with Purchaser's Professional. Sponsor will not make separate inspection appointments for Purchaser and Purchaser's Professional, nor will Sponsor permit Purchaser's Professional to execute an Inspection Statement or Punchlist on Purchaser's behalf, unless Purchaser has provided to Sponsor, in advance of the inspection, written authorization, in form and content satisfactory to Sponsor permitting such action by Purchaser's Professional.

13.5. PURCHASER AGREES THAT NO DISCUSSION OF PUNCHLIST ITEMS IS TO TAKE PLACE AT THE CLOSING ITSELF, AS NEITHER SPONSOR NOR ITS INSPECTION REPRESENTATIVE WILL BE PRESENT AT CLOSING. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NEITHER PURCHASER NOR PURCHASER'S PROFESSIONAL, IF APPLICABLE, MAY INSPECT THE UNIT SOONER THAN THE DATE AND TIME SET FORTH IN SPONSOR'S INSPECTION NOTICE.

13.6. Purchaser's failure to attend the inspection appointment within the inspection period set forth above, or to sign and deliver the completed Inspection Statement and/or Punchlist, shall not excuse Purchaser from paying, in connection with Purchaser's exercise of the option granted hereunder, the Exercise Price at Closing and shall constitute Purchaser's full and unconditional acceptance of the Unit in its "as-is" condition.

13.7. Sponsor's agreement to complete items on the Inspection Statement Punchlist shall obligate Sponsor to perform Sponsor's work in accordance with the standards for Sponsor's work set forth therefor in the Plan. Purchaser's execution of the Inspection Statement shall obligate Purchaser to provide access to Sponsor and/or its contractors and agents, to perform the work specified therein. To the extent Sponsor agrees to attend to items on the Punchlist and Sponsor is unable to complete one or more of such items prior to Closing, Sponsor will complete Punchlist work within a reasonable amount of time following Closing, provided Purchaser permits Sponsor access to do so. Purchaser's failure to permit Sponsor (or Sponsor's contractors, agents or employees) access to the Unit to complete Punchlist items, shall constitute Purchaser's waiver of completion of those Punchlist items.

14. BROKER.

14.1. Purchaser represents that Purchaser did not rely upon, use or negotiate with any broker other than Selling Agent [and _____("**Co-Broker**")][3] in connection with this transaction. Purchaser agrees to indemnify Sponsor and hold Sponsor harmless from and against any costs, claims or expenses Sponsor may incur, including but not limited to attorneys' fees and expenses, arising out of or in any way connected with, Purchaser's breach of the foregoing representation. Subject to the foregoing, Sponsor agrees to pay Selling Agent (and Co-Broker, if one shall be specified above), any commission due hereunder, pursuant to separate agreement. The provisions of this ¶ 14 shall survive the closing hereunder or any earlier termination of this Agreement.

15. JURY WAIVER.

15.1. Except as prohibited by law, the parties shall, and they hereby expressly do, waive trial by jury in any action, proceeding or counterclaim in any way connected with this Agreement or the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived .The provisions of this paragraph shall survive the closing or earlier termination of this Agreement.

16. SURVIVAL OF SPONSOR'S OBLIGATIONS; RIGHTS OF SPONSOR.

16.1. Sponsor will have no obligations under this Agreement or the Plan after Sponsor gives Purchaser the deed to the Unit, unless this Agreement or the Plan specifically gives Sponsor an obligation after that time. However, all representations required by Article 23-A of the General Business Law to survive delivery of the deed shall survive delivery of the deed.

17. CAPTIONS.

17.1. The captions in this Agreement are for convenience only and are not part of the meaning of this Agreement.

18. NO REPRESENTATIONS.

18.1. Purchaser has not relied on any statements made by Sponsor, or any other person, except those which are contained in this Agreement or in the Plan. Purchaser agrees that Sponsor will have no liability to Purchaser if there is a minor error or inaccuracy in the layout or dimensions of the Unit, or of the Common Elements of the Condominium as shown on the floor plans available for review at the office of the Sponsor or at the Condominium, so long as the layout and dimensions conform substantially to the floor plans which Purchaser has been given the opportunity to examine.

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[3] Delete bracketed provision if Selling Agent is the sole broker involved. Otherwise, if there is a Co-Broker, insert name of Co-Broker in the blank.

19. ENTIRE AGREEMENT; ENFORCEABILITY OF OPTION AGREEMENT.

19.1. Purchaser understands that this Agreement and the Plan constitute the entire agreement between the parties and contain the only representations made to Purchaser. Purchaser has not relied on any other marketing materials, representations, statements or warranties, and acknowledges that no one has authority to make any representation or warranty not set forth in the Plan. Purchaser had full opportunity to examine all documents and investigate all facts referred to in the Plan and will not bind Sponsor to any oral representations and/or agreements. Further, Purchaser understands that the rights of Purchaser hereunder shall inure to, and the covenants and liabilities of Purchaser hereunder shall bind Purchaser's heirs, executors, administrators and/or assigns. In no event will this Agreement be amended to abrogate Sponsor's responsibilities or Purchaser's rights under Article 23-A of the General Business Law.

20. NO RECORDING, ASSIGNMENT OR ADVERTISEMENT; NO LIS PENDENS.

20.1. Purchaser agrees not to record this Option Agreement. Purchaser also agrees not to advertise, list with a broker or on-line service or otherwise offer, promote or publicize the availability of the Unit for sale or lease prior to closing hereunder. Purchaser may not assign this Agreement or Purchaser's rights hereunder, without Sponsor's prior written consent, which consent may be withheld for any reason or no reason. Consent, if given, shall be conditioned on, among other things, payment of a non-refundable fee to Sponsor or Sponsor's counsel in connection with the assignment. Any advertising or purported assignment in violation of the foregoing provisions shall be void and of no force and effect, and shall be deemed Purchaser's non-compliance with the terms of this Agreement which shall entitle Sponsor to terminate this Agreement and retain the Premium Payment made hereunder with interest earned thereon in accordance with Paragraph 10 hereof. In addition, for the period ending on the sooner of (i) eighteen (18) months after the Unit Closing Date hereunder, (ii) expiration of the Initial Control Period, or (iii) sale and closing of all Residential Units offered under this Offering Plan, Purchaser, as Unit Owner, may not advertise or list via broker, Internet, or otherwise, the Unit for resale in New York State, unless the Unit purchased by Purchaser hereunder is a single Residential Unit purchased for use and occupancy by Purchaser or Purchaser's immediate family and used during said period for that purpose. Any conveyance in violation of this provision shall be voidable by Sponsor and shall subject the Unit Owner to liability for damages to Sponsor. The provisions of this paragraph 20.1 shall survive the Closing hereunder.

20.2. If Purchaser is a corporation, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the stock of Purchaser, or if Purchaser is a partnership, limited liability company or other entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any interest in such partnership, limited liability company or other entity shall, for purposes of this Agreement, be considered an assignment and shall be subject to the provisions, prohibitions and terms of this Paragraph 20 concerning assignment of this Agreement, except that a sale of less than fifty percent (50%) of the stock, or in the case of a partnership, limited liability company or other entity, less than fifty percent (50%) of the ownership interests, of Purchaser which does not result in a change in control of Purchaser shall not be considered an assignment. For purposes of the preceding sentence only, "control" shall mean the ownership of fifty-one percent (51%) or more of the interests in such entity or possession of the power to direct the management and policies of such entity and the distribution of its profits.

20.3. Notwithstanding any consent by Sponsor (in its sole discretion) to any assignment of this Agreement, in no event shall (i) Purchaser or its assignee have any right to adjourn or postpone the closing as a result of any such change or assignment or (ii) Purchaser, as assignor, be released or relieved from any obligations, promises, covenants and liabilities under or in respect of this Agreement.

20.4. In the event of Sponsor's default hereunder Purchaser hereby waives Purchaser's right to file a lis pendens against the Unit. Purchaser's non-compliance with the provisions of this Paragraph 20 shall be deemed Purchaser's non-compliance with the terms of this Agreement, which shall entitle Sponsor to terminate this Agreement and retain the Premium Payment made hereunder with interest earned thereon in accordance with Paragraph 10 hereof.

21. CONFLICTS WITH PLAN.

21.1. Conflicts between any provisions of this Option Agreement and the Plan shall be resolved in favor of the Plan.

22. JOINT PURCHASERS.

22.1. If Purchaser comprises more than one party, the obligations of all parties comprising Purchaser shall be joint and several.

23. COSTS OF ENFORCEMENT AND DEFENDING OPTION AGREEMENT; OFAC REPRESENTATION.

23.1. Purchaser shall be liable for all legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Option Agreement and/or in terminating this Option Agreement in the event of Purchaser's non-compliance with the terms hereof. Purchaser accordingly shall reimburse Sponsor for all such fees and disbursements on demand. The provisions of this paragraph shall survive the closing or earlier termination of this Agreement.

23.2. Purchaser is not now, nor shall be at any time prior to or at the Unit Closing, a Person with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC or otherwise. Neither Purchaser nor any Person who owns an interest in Purchaser is now nor shall be at any time prior to or at the Unit Closing a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312 (a) (z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by OFAC or otherwise.

23.3. Purchaser has taken, and shall continue to take until the Unit Closing, such measures as are required by applicable law to assure that the funds used to pay to Sponsor for the Purchase Price and any Extras Payment are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and will at Closing be, in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act of 1970, as amended, 31 U.S. C. Section 5311 et. Seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. Seq. the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

24. COUNTERPARTS, PDFS, AND FACSIMILES.

24.1. This Agreement and any riders and exhibits attached hereto, or modifications hereof, may be executed in any number of counterparts (including by facsimile and electronically via PDF), all of which, when taken together, shall constitute an original document that shall be binding and effective as to all parties with the same force and effect as an original executed counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a PDF format data file, such signature shall create a valid and binding obligation of the party executing same with the same force and effect as if such facsimile or PDF signature page were an original thereof. Upon request of the other party, a party delivering a facsimile or PDF counterpart shall promptly deliver an ink-signed counterpart to the other party by overnight courier

provided, however, that the failure of a party to deliver an ink-signed counterpart shall not in any way affect the validity, enforceability or binding effect of a counterpart executed and delivered by facsimile or PDF.

25. **INTERSTATE LAND SALES ACT.** [THIS PROVISION TO BE DELETED FROM OPTION AGREEMENTS EXECUTED ON AND AFTER MARCH 25, 2015]

25.1. The Interstate Land Sales Full Disclosure Act 15 USC §§ 1701 et seq. (**"ILSA"** or the **"Act"**) is a federal statute administered, as of July 21, 2011, by the Consumer Financial Protection Bureau (**"CFPB"**) pursuant to the Dodd-Frank Act. Pursuant to the requirements of ILSA, Sponsor filed a statement of record (**"Statement"**) and property report (**"Property Report"**) with the CFPB with respect to the Project, and provided a copy of the Property Report to you prior to your execution of this Agreement.

25.2. THE FOLLOWING PROVISIONS ARE INCLUDED IN THIS AGREEMENT AS THE OFFERING ON THE DATE OF YOUR SIGNING OF THIS AGREEMENT IS NOT EXEMPT FROM THE PROVISIONS OF ILSA. THE TERM "YOU" USED IN THIS PARAGRAPH 25 HAS THE SAME MEANING AS "PURCHASER" DEFINED ABOVE, AND THE TERM "SELLER" HAS THE SAME MEANING AS "SPONSOR" DEFINED ABOVE.

25.3. YOU HAVE THE OPTION TO CANCEL THIS AGREEMENT BY WRITTEN NOTICE TO SELLER GIVEN NO LATER THAN MIDNIGHT OF THE SEVENTH DAY FOLLOWING YOUR SIGNING OF THIS AGREEMENT.

25.4. IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE CONSUMER FINANCIAL PROTECTION BUREAU (CFPB), IN ADVANCE OF SIGNING THIS AGREEMENT, THIS AGREEMENT MAY BE CANCELLED AT YOUR OPTION FOR TWO YEARS FROM THE DATE OF SIGNING.

26. **CERTIFICATION OF INTENT**

26.1. Sponsor intends to apply to Fannie Mae, a federally chartered secondary market mortgage lender, for Project approval, which approval Sponsor expects will facilitate purchase money financing for Unit purchasers at the Condominium. In connection with Sponsor's application, Sponsor will be required to provide information as to the number of buyers purchasing for personal occupancy. Purchaser accordingly agrees to execute and deliver the Certification of Intent (**"Certification of Intent"**) with respect to Purchaser's intended use of the Unit, in the form attached to this Agreement as ***Exhibit 1***, simultaneously with execution of this Agreement.

There is no further text on this page.

27. **AGREEMENT COMPONENTS**

This Agreement includes Purchaser's Certification of Intent, the Escrow Rider, the Parking Rider and/or Storage Rider if checked on the front page of this Agreement, and _____ additional Rider(s), all of which are attached hereto and made part hereof.

Dated:_____

_____
Purchaser:

_____
Purchaser:

ACCEPTED:
71 SMITH STREET PROPERTY OWNER, L.L.C.

By: _____
Name: _____
Title: Authorized Signatory
Date:_____, 201____

Initials

PURCHASER ACKNOWLEDGES RECEIPT OF THE OFFERING PLAN AND AMENDMENTS, IF APPLICABLE AT _____ (A.M.)(P.M.) ON _____, 201__ _____ Purchaser

_____ Purchaser

SPONSOR AND PURCHASER ACKNOWLEDGE PURCHASER'S DELIVERY OF OPTION AGREEMENT AND CHECK FOR PREMIUM PAYMENT AT _____ (A.M.)(P.M.) ON _____, 201__ _____ Purchaser

_____ Sponsor

EXHIBIT 1

PURCHASER'S CERTIFICATION OF INTENT
OPTION AGREEMENT FOR RESIDENTIAL UNIT _____ (the "UNIT")
AT
THE BOERUM CONDOMINIUM
265 STATE STREET, BROOKLYN, NY

_____ [and _____, collectively,] ("**Purchaser**") has [have] on the date set forth below, executed an Option Agreement for the Unit with Sponsor (the "**Option Agreement**"). Capitalized terms used in this Certification, if not defined in this Certification, have the same meaning given in the Option Agreement.

Purchaser hereby certifies to Sponsor that Purchaser intends to use the Unit as follows (please check one box):

☐ Purchaser intends to use and occupy the Unit as Purchaser's principal residence (that is, to use same as Purchaser's residence for a majority of each calendar year).

☐ Purchaser intends to use and reside in the Unit as Purchaser's secondary residence (that is, to occupy same as Purchaser's residence for less than a majority of the year)

☐ Purchaser is purchasing the Unit as an investment property and does not intend to occupy the Unit as a principal or secondary residence.

Purchaser has executed this certification understanding it may be relied upon by Sponsor in Sponsor's application to Fannie Mae for Fannie Mae approval of the Condominium, Purchaser consents to such reliance, and Purchaser confirms that the certification stated above is true and correct on the date it is made.

_____
Purchaser

_____
Purchaser

Date:_____, 201___

ESCROW RIDER
TO OPTION AGREEMENT DATED _____, 201____
BETWEEN 71 SMITH STREET PROPERTY OWNER, L.L.C., SPONSOR AND
_____, ([collectively,] PURCHASER
FOR RESIDENTIAL UNIT NUMBER _____
AT THE BOERUM CONDOMINIUM
265 STATE STREET, BROOKLYN, NEW YORK 11201

This Escrow Rider ("**Rider**") supplements the Option Agreement to which it is attached. Capitalized terms used in this Rider and not defined in this Rider, shall have the meaning given in the Option Agreement, and if not defined therein, then as given in the Offering Plan. Any inconsistencies between the terms and conditions of the Option Agreement to which this Rider is attached and the terms and conditions of this Rider shall be resolved in favor of this Rider. The provisions contained in this Rider are incorporated into the Option Agreement and made a part thereof with the same force and effect as if therein originally contained.

1. **ESTABLISHMENT OF THE ESCROW ACCOUNT.**

1.1 Bryan Cave LLP is designated by Sponsor to serve as Escrow Agent under the Offering Plan in accordance with GBL Sections 352-e(2-b), 352-h and the Attorney General's regulations promulgated thereunder ("**Escrow Agent**"). As such, Escrow Agent has established an escrow account for the purpose of holding Premium Payments made by Purchasers under the Offering Plan (the "**Escrow Account**") at M&T Bank (the "**Escrow Bank**") in Escrow Bank's branch located at 350 Park Avenue, New York, New York 10022. The name of the Escrow Account is "Attorney Trust Account – The Boerum Condominium."

1.2 Escrow Agent has designated certain members of the firm comprising Escrow Agent as the sole signatories on the Escrow Account. Designated signatories as of the date of the Offering Plan are as follows: Michael Rosen, Alan Pearce, Dennis Fleischmann, Kenneth Henderson, Gary Wolff, Sandor Green, Erica Forman, Vincent Alfieri, Christine Cesare, Steve Stimell, Ronald Emanuel, Andrew Auerbach. Each designated signatory is, and any signatories designated in the future will at time added as signatory, be admitted to practice law in the State of New York. All signatories have an address at Bryan Cave LLP, 1290 Avenue of the Americas, NY, NY 10104 and have the phone number 212-541-2000. Escrow Agent and all designated signatories submit to the jurisdiction of the State of New York and its Courts with respect to any cause of action arising out of the Option Agreement or otherwise concerning release of the Premium Payment from escrow.

1.3 Neither Escrow Agent, nor any authorized signatory on the Escrow Account, is the Sponsor, Selling Agent or Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

1.4 The Escrow Account is an interest-bearing account. The Escrow Account is not an IOLA account established pursuant to Judiciary Law § 497. In accordance with the regulations of the Federal Deposit Insurance Corporation ("**FDIC**") and pursuant to the terms of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended (the "**Dodd-Frank Act**"), as of the date of the Option Agreement the Premium Payment, upon deposit into the Escrow Account, is anticipated to be covered by FDIC insurance to a maximum of $250,000. Sponsor is advised that the FDIC takes the position that for purpose of computing insurance coverage, all deposits in a party's name in a banking institution are added together and insured to a maximum of $250,000, in the aggregate. Accrued interest through the date of a financial institution's failure also is included when calculating insurance coverage. Thus, if Purchaser already has or opens an account at Escrow Bank in the same name in which the Premium Payment is deposited, and should FDIC insurance be called upon, the funds in that account will be aggregated with the Premium Payment and insured to a maximum of $250,000. The FDIC further advises consumers that a depositor cannot increase FDIC insurance coverage by dividing funds owned in the same ownership category among different accounts in the same name. No representation is made by Escrow Agent or Sponsor regarding any further

amendment of the Dodd-Frank Act after the date of the Agreement or that the FDIC will insure any Purchaser's funds, if and when called upon to do so. Neither Escrow Agent nor Sponsor will incur any liability whatsoever under the Option Agreement (including this Rider), the Plan or otherwise if the FDIC, when and if called upon, fails or refuses to insure the Premium Payment (or any other funds maintained by Purchaser in Escrow Bank) or if the FDIC insures only a portion thereof.

2. **DEPOSITS INTO THE ESCROW ACCOUNT.**

2.1 All Premium Payment funds received from Purchaser prior to closing under the Option Agreement, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be delivered by Sponsor to Escrow Agent to be deposited in the Escrow Account, and Escrow Agent shall deposit same provided, however, the instruments are payable to Escrow Agent as Escrow Agent, and Escrow Agent has received the documentation from Purchaser required for deposit, as described in the Offering Plan. If such documentation is not received, the funds will be deposited into Escrow Agent's IOLA account. All instruments for payment of the Premium Payment shall be made payable to the order of "Bryan Cave LLP, as Escrow Agent." Any instrument payable other than as required hereby, and which cannot be deposited into the Escrow Account or IOLA account, shall be returned to the prospective Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by Escrow Agent (or if applicable, within five (5) business days after said instrument has been returned to Escrow Agent by the depository as unpayable). Delivery shall be deemed made if the instrument is delivered to Purchaser personally or mailed to Purchaser at the address set forth in the Option Agreement, whether or not it is actually received by Purchaser. Delivery shall be deemed made on the date mailed. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Rider.

2.2 Within five (5) business days after an Option Agreement signed by Sponsor and Purchaser has been tendered to Escrow Agent with the requisite Premium Payment payable to Escrow Agent, Escrow Agent will execute the Escrow Rider and deposit the Premium Payment in to the Escrow Account, provided Escrow Agent has received the Interest-Recipient Designation Form (if applicable), ***original*** executed Form W-9 or applicable Form W-8, as applicable, executed by Purchaser or by Purchaser's designated interest-recipient identified in the Interest-Recipient Designation Form, and any other ancillary documents required to deposit the Premium Payment into the Escrow Account. If, however, Escrow Agent does not receive Form W-9 or W-8 and is thus unable to deposit the Premium Payment in the Escrow Account, Escrow Agent will deposit the Premium Payment funds in its IOLA account within said 5-day period, to be transferred to the Escrow Account when and if said requisite documents are received by Escrow Agent. Within ten (10) business days after tender of the Premium Payment, Escrow Agent shall send written notice to Purchaser of the deposit, the account number and the initial interest rate. If the Premium Payment was deposited into the IOLA account because Purchaser has failed to provide form W-9 or W-8, Purchaser will be notified of the deposit but no interest rate information will be provided as an IOLA is an account in which interest is paid to the New York State IOLA fund and not paid to Purchaser. If Purchaser does not receive notification of deposit of the Premium Payment postmarked within fifteen (15) business days after tender to Escrow Agent of the Premium Payment (payable as required herein) and the Option Agreement (fully executed by Purchaser), Purchaser may rescind the Option Agreement, provided, however, any such rescission must be exercised no later than ninety (90) days after Purchaser's tender to Escrow Agent of the Premium Payment and executed Option Agreement as set forth above. Complaints concerning the failure to honor rescission requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, NY 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Premium Payment was timely deposited in accordance with the foregoing and requisite notice was timely mailed to Purchaser. Any Extras Payment(s) deposited into the escrow account by agreement of the parties shall be released in accordance with the terms of the Option Agreement.

3. **RELEASE OF FUNDS.**

3.1 Sponsor shall not seek or accept release of the Premium Payment on account of Purchaser's election not to exercise the option granted under the Option Agreement or Purchaser's non-compliance with the

Option Agreement, until after consummation of the Plan, as evidenced by acceptance of a post-closing amendment by the New York State Department of Law. The foregoing shall in no event preclude Sponsor from authorizing release of the Premium Payment to Purchaser prior to consummation of the Plan if the Option Agreement is contingent on Purchaser's receipt of a satisfactory loan commitment, and Purchaser is entitled to and seeks to rescind this Option Agreement prior to that date due an inability to obtain a satisfactory loan commitment. Consummation of the Offering Plan shall not relieve Sponsor or Escrow Agent of any fiduciary obligations to Purchaser pursuant to GBL Sections 352-e(2-b) and 352-h.

3.2 Escrow Agent shall continue to hold the Premium Payment funds in escrow until the earlier of: (a) closing under the Option Agreement, in which event the funds may be paid to Sponsor (or anyone Sponsor designates or directs) without further authorization of Purchaser required, (b) Purchaser's permitted rescission of the Option Agreement, in which case the funds will be paid to Purchaser, (c) Sponsor's termination of the Option Agreement following Purchaser's non-exercise of the Option or failure to reinstate the Option Agreement within the time specified in Sponsor's notice given in accordance with the Plan in which event the funds may be paid to Sponsor (or to anyone else Sponsor may designatae),, (d) otherwise directed in writing signed by both Sponsor and Purchaser directing disposition of such funds, (e) otherwise directed by a final, non-appealable judgment or order of a court of competent jurisdiction directing disposition of such funds, (f) the Escrow Agent is changed in connection with a transfer of funds to a new escrow agent in accordance with ¶ 9 of this Rider, (g) released pursuant to Regulations of the New York State Department of Law pertaining to release of escrowed funds, as incorporated into ¶ 3.4 below, or (h) Sponsor's abandonment of the Plan. Interest earned on funds held in the Escrow Account shall be paid as described in Paragraph 9.2 of the Option Agreement.

3.3 Sponsor shall not object to the release of the escrowed funds to Purchaser (a) if Purchaser timely rescinds in accordance with an offer of rescission contained in an amendment to the Plan or (b) after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

3.4 If there is no closing under the Option Agreement and there is no written agreement between the parties to release the escrowed funds, or if release is not otherwise authorized pursuant to the provisions of ¶ 3.2 or ¶ 3.3 of this Rider, and if Escrow Agent receives a request from either Purchaser or Sponsor to release the funds, Escrow Agent shall not release the funds to either party until Escrow Agent has provided Sponsor and Purchaser at least thirty (30) days written notice of intent to release. For purposes of this provision, notice shall be deemed given on the date delivered if delivered by hand to the party or to counsel to the party at the address set forth in the Option Agreement, whether or not it is actually received, and shall be deemed given five (5) business days after the day mailed, if it is mailed.

3.5 If Escrow Agent has not received notice of objection to release of the escrow funds within the 30-day period described in ¶ 3.4 above, Escrow Agent may release the funds as indicated in its notice of intent to release, and in connection therewith, shall notify Sponsor and Purchaser of the release. If Escrow Agent receives written notice from either Sponsor or Purchaser within the 30-day period objecting to release of the escrowed funds, Escrow Agent shall continue to hold the funds until otherwise directed pursuant to this Rider. However, Escrow Agent shall also have the right at any time to deposit the escrow funds with the clerk of a court in the county in which the Unit is located, and if Escrow Agent exercises this right, Escrow Agent shall notify Sponsor and Purchaser to that effect in writing.

4. **RECORD-KEEPING**.

4.1 Escrow Agent shall maintain all records concerning the Escrow Account for seven years after release of the Premium Payment.

4.2 Upon dissolution of Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such arrangement.

4.3 Sponsor shall pay all expenses and costs incurred by Escrow Agent arising out of the provisions of this Section 4.

5. **GENERAL OBLIGATIONS OF ESCROW AGENT.**

5.1 Escrow Agent shall maintain the Escrow Account under the direct supervision and control of Escrow Agent.

5.2 A fiduciary relationship shall exist between Escrow Agent and Purchaser with respect to the Premium Payment and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL Sections 352-e(2-b) and 352-h. Notwithstanding this relationship, Escrow Agent shall be permitted to act as counsel for Sponsor in any dispute as to the disbursement of any deposits or payments or any other dispute between Sponsor and Purchaser, whether or not Escrow Agent is in possession of such deposits or payments and whether or not Escrow Agent continues to act as Escrow Agent.

5.3 Escrow Agent may rely on any paper or document submitted to it in connection with its duties under this Escrow Rider and 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 Sponsor and its agents, including any selling agents, shall deliver the Premium Payment and any other payments intended for deposit in the Escrow Account to Escrow Agent within two (2) business days of tender of such funds by Purchaser. If such payments are delivered to Escrow Agent more than two (2) business days after Sponsor receives same, the time periods for Escrow Agent to exercise its obligations hereunder shall be extended for an amount of days equal to the number of days after two (2) business days the delivery was made.

6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with statutory obligations under GBL 352-e(2-b) and 352(h), and Regulations of the New York State Department of Law pertaining thereto.

6.3 Sponsor shall obtain or cause Selling Agent to obtain from Purchaser, and deliver to Escrow Agent simultaneously with the Option Agreement, an original executed Form W-9 or W-8 as applicable for the Purchaser or designated interest-recipient and deliver same to Escrow Agent with the Premium Payment and fully executed Option Agreement.

7. **INDEMNITY AND DISPUTES.**

7.1 If Escrow Agent, before release of the escrow funds in accordance with this Rider, receives or becomes aware of conflicting demands or claims with respect to said escrow funds or the rights of any party with respect thereto, or any funds, securities, property or documents deposited herein or affected hereby, or if Sponsor becomes indebted to Escrow Agent, or for any other reason in its sole discretion, Escrow Agent shall have the right to discontinue any and all further acts on its part until such conflict is resolved to its satisfaction. For the avoidance of doubt, no statutory interest will accrue during any period of time during which there is a dispute over the Premium Payment and all other sums deposited and/or paid by Purchaser under the Option Agreement being held in escrow.

7.2 Escrow Agent shall have the further right but not the obligation to commence or defend any action or proceeding for the determination of such conflict.

7.3 Sponsor agrees to indemnify Escrow Agent and hold Escrow Agent harmless from and against all costs, claims, damages, judgments and expenses, including without limitation, attorneys' fees and disbursements,

suffered or incurred by Escrow Agent in connection with or arising out of Escrow Agent's responsibilities as Escrow Agent and/or this Rider. Such indemnity shall include, without limiting the generality of the foregoing, a suit in interpleader brought by Escrow Agent, or proceedings or actions brought by Purchaser or the New York State Department of Law, or the expenses of maintaining or administering the Escrow Account in accordance with this Rider (including, without limitation, the aliquot portion of Escrow Agent's expenses for overhead, staff and equipment in connection with such activities), and such other expenses as may be determined by Escrow Agent. In the event Escrow Agent files a suit in interpleader, Escrow Agent shall thereupon be fully released and discharged from all further obligations to perform any and all duties or obligations imposed upon Escrow Agent by this Rider.

7.4 Escrow Agent is hereby given a lien on all right, title and interest of Sponsor in the escrowed funds in the Escrow Account and monies arising therefrom, to protect, indemnify and reimburse Escrow Agent for all costs, expenses and liabilities arising out of this Rider.

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

8. **LIABILITY OF ESCROW AGENT.**

8.1 Escrow Agent shall not be liable for any error of judgment or for any act done or omitted by it in good faith, or for anything which it may in good faith do or refrain from doing in connection with its obligations under this Rider, nor for any negligence other than its gross negligence, nor shall Escrow Agent be answerable for the default or misconduct of its agents, attorneys or employees if they are selected with reasonable care, or the banking institution in which the escrow funds are deposited. No liability will be incurred by Escrow Agent if, in the event of any dispute or question as to its duties or obligations hereunder, it acts in accordance with written advice of legal counsel. Escrow Agent is authorized to act upon any document believed by it to be genuine and to be signed by the proper party or parties, and will incur no liability in so acting.

8.2 Escrow Agent shall not be liable to Sponsor for any loss occasioned by any right of rescission accruing to Purchaser and arising out of Escrow Agent's performance or failure of performance hereunder. .

8.3 This Section 8 shall survive, as applicable, the closing of title under the Option Agreement or the cancellation or termination of the Option Agreement.

9. **TERMINATION OF ESCROW ARRANGEMENT.**

9.1 This provisions of this Rider shall remain in effect unless and until cancelled:

(a) By written notice given by Sponsor to Escrow Agent and Purchaser of cancellation of designation of Escrow Agent to act in said capacity; or

(b) By resignation or withdrawal of Escrow Agent upon written notice to Sponsor and Purchaser.

(c) The cancellation in ¶9.1(a) and the resignation or withdrawal in ¶9.1(b) shall not take effect until a successor escrow agent is designated by Sponsor. Sponsor shall provide notice to Purchaser of the name of new escrow agent and name and address of new escrow bank as well. Purchaser shall be deemed to consent to the foregoing changes. Sponsor agrees to submit an amendment to the Offering Plan to describe the occurrences described in ¶ 9.1(a) or 9.1(b) of this Rider promptly upon their occurrence, but failure to

submit such amendment and/or delayed acceptance of such amendment for filing shall not prevent the effectiveness of such cancellation, resignation or withdrawal.

9.2 Upon termination of the duties of Escrow Agent as described in Paragraph 9.1 above, Escrow Agent shall deliver any and all funds held by it in escrow, the Option Agreement and associated documents maintained by Escrow Agent to the new escrow agent, if there be one, or to a court of competent jurisdiction, as applicable.

10. **SUCCESSORS AND ASSIGNS.**

10.1 This Rider shall be binding upon Sponsor, Purchaser and Escrow Agent and their heirs, executors, administrators, successors and/or assigns.

11. **GOVERNING LAW.**

11.1 The Agreement and this Rider shall be construed in accordance with and governed by the laws of the State of New York.

12. **ESCROW AGENT'S COMPENSATION.**

12.1 Prior to release of the Premium Payment in accordance with the Option Agreement, Escrow Agent's fees and disbursements shall not be paid from the Premium Payment and shall not be deducted from the Premium Payment by any financial institution under any circumstance. However, at such time as Sponsor becomes entitled to the Premium Payment pursuant to the Option Agreement, Sponsor shall have the right to determine how such funds shall be disbursed, which may include, without limitation, payment of Escrow Agent's fees and disbursements.

13. **SEVERABILITY.**

13.1 If any provision of this Rider or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Rider 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.

14. **NOTICES.**

14.1 Wherever delivery is required under this Rider of a notice or check to Purchaser, it shall be deemed delivered or given to Purchaser if actually delivered to Purchaser's attorney or if mailed to Purchaser's attorney at the address in the Option Agreement, whether or not it is actually received by Purchaser's attorney, with the date of delivery being deemed the date delivered, if delivered, or five (5) business days after the date mailed, postage prepaid, if mailed. Conflicts between this provision and other provisions in the Option Agreement shall be resolved in favor of this provision. A notice to Escrow Agent shall be deemed given only upon actual receipt by Escrow Agent.

15. **ENTIRE AGREEMENT; ESCROW AGENT'S AGREEMENT.**

15.1 The Option Agreement, as modified by this Rider, read together with GBL Section 352-e(2-b) and the applicable Regulations of the New York State Department of Law, constitutes the entire agreement between Sponsor and Purchaser respect to the subject matter hereof. Escrow Agent has executed this Rider solely to confirm its agreement with the provisions of this Rider that pertain to its obligations and responsibilities hereunder as Escrow Agent.

THERE IS NO FURTHER TEXT ON THIS PAGE.

16. **COUNTERPARTS.**

This Rider may be executed in any number of counterparts and each counterpart, when taken together with all other counterparts, shall constitute one and the same document.

IN WITNESS WHEREOF, the undersigned have executed this Rider as of the day and year first written above.

SPONSOR

71 SMITH STREET PROPERTY OWNER, L.L.C.

By: _____
Name:
Title: Authorized Signatory

_____
Purchaser:

_____
Purchaser:

Escrow Agent Obligations Agreed to:

BRYAN CAVE LLP

By:_____
Name:
Title: Partner

PARKING LICENSE RIDER TO OPTION AGREEMENT

THE BOERUM CONDOMINIUM
265 STATE STREET, BROOKLYN, NEW YORK 11201

RESIDENTIAL UNIT _____ ("UNIT")

DATED:_____, 201___

71 SMITH STREET PROPERTY OWNER, L.L.C. ("SPONSOR")
TO
_____ ("PURCHASER")

PARKING LICENSE PAYMENT:$_____

1. Purchaser and Sponsor entered into an Option Agreement for the Unit dated the date hereof (the "**Option Agreement**"). This Rider (the "**Rider**") supplements and is hereby made part of the Option Agreement. Capitalized terms used in this Rider and not defined herein, shall have the meanings given in the Option Agreement, and if not defined therein, then in the Offering Plan. All of the provisions contained in this Rider are incorporated into the Option Agreement and made a part thereof with the same force and effect as if therein originally contained.

2. Upon Purchaser's exercise of the option set forth in the Option Agreement by payment of the Exercise Price therein, Purchaser shall simultaneously, upon payment of the Parking License Payment specified above, be entitled to enter into a Parking License Agreement (the "**Parking License Agreement**"), substantially in the form set forth in the Offering Plan. The Parking License Payment shall be paid at the closing of title to the Unit by certified or official bank check, payable to Sponsor or such other party as Sponsor may designate. Sponsor shall provide and Purchaser shall enter into a Parking License Agreement upon Purchaser's payment of the Parking License Payment. Purchaser shall be responsible for payment of Transfer Taxes and other taxes, if any, associated with acquisition of the Parking License.

3. Purchaser acknowledges the Parking Area may not be ready for use and/or occupancy at the time of closing of title to the Unit and notwithstanding such event, Purchaser shall be obligated to pay the Parking License Payment and enter into the Parking License Agreement simultaneously with the Closing of title to the Unit.

4. This Rider may be executed in any number of counterparts and all original counterparts when taken together shall constitute one and the same document.

71 SMITH STREET PROPERTY OWNER, L.L.C.

By: _____
Name:
Title: Authorized Signatory

_____
Purchaser

_____
Purchaser

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STORAGE BIN RIDER TO OPTION AGREEMENT

THE BOERUM CONDOMINIUM
265 STATE STREET, BROOKLYN, NEW YORK 11201

RESIDENTIAL UNIT _____ ("UNIT")

DATED:_____, 201___

71 SMITH STREET PROPERTY OWNER, L.L.C. ("SPONSOR")
TO
_____ ("PURCHASER")

STORAGE BIN NO:_____ STORAGE BIN PAYMENT:$_____

1. Purchaser and Sponsor entered into an Option Agreement for the Unit dated the date hereof (the "**Option Agreement**"). This Rider (the "**Rider**") supplements and is hereby made part of the Option Agreement. Capitalized terms used in this Rider and not defined herein, shall have the meanings given in the Option Agreement, and if not defined therein, then in the Offering Plan. All of the provisions contained in this Rider are incorporated into the Option Agreement and made a part thereof with the same force and effect as if therein originally contained.

2. Upon Purchaser's exercise of the option set forth in the Option Agreement by payment of the Exercise Price therein, Purchaser shall simultaneously, upon payment of the Storage Bin Payment specified above, be entitled to enter into a Storage Bin License Agreement for the Storage Bin noted above (the "**Storage License Agreement**"), substantially in the form set forth in the Offering Plan. The Storage Bin Payment shall be paid at the closing of title to the Unit by certified or official bank check, payable to Sponsor or such other party as Sponsor may designate. Sponsor shall provide and Purchaser shall enter into a Storage License Agreement upon Purchaser's payment of the Storage Bin Payment. Purchaser shall be responsible for payment of Transfer Taxes and other taxes, if any, associated with acquisition of the Storage Bin License.

3. Purchaser acknowledges the Storage Bin may not be ready for use and/or occupancy at the time of closing of title to the Unit and notwithstanding such event, Purchaser shall be obligated to pay the Storage Bin Payment and enter into the Storage License Agreement simultaneously with the Closing of title to the Unit.

4. This Rider may be executed in any number of counterparts and all original counterparts when taken together shall constitute one and the same document.

71 SMITH STREET PROPERTY OWNER, L.L.C.

By: _____
Name:
Title: Authorized Signatory

_____
Purchaser

_____
Purchaser

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4. FORM OF INSPECTION STATEMENT
THE BOERUM CONDOMINIUM
265 STATE STREET, BROOKLYN, NEW YORK

Date: _____

71 Smith Street Property Owner, L.L.C.
520 West 27th Street
New York, New York 10001

Re: The Boerum Condominium, 265 State Street, Brooklyn, New York
Residential Unit No____(the "**Unit**")
and if applicable, Storage Bin No____ (the "**SB**")

Dear Sponsor:

This Inspection Statement shall confirm the following understandings between you ("**Sponsor**") and the undersigned ([collectively,] the "**Purchaser**") pursuant to the Offering Plan and Option Agreement for the Unit.

Purchaser has the right to inspect the Unit, and if applicable, the SB, together with Sponsor's authorized representative, prior to the earlier of Purchaser's possession or closing of the Unit. If during the inspection, Sponsor agrees to perform any items of work in the Unit or the SB, the work must be itemized on an Inspection Checklist (the "**Inspection Checklist**"), the form of which is attached hereto, and each item must be initialed by Sponsor or Sponsor's representative. In addition, the Inspection Checklist must be signed by Sponsor or Sponsor's representative and Purchaser, at the time of the initial inspection, to be binding on Sponsor.

Sponsor agrees to complete initialed items on the Inspection Checklist signed by Sponsor and Purchaser (collectively, "**Punchlist Items**"), either prior to closing or within a reasonable period of time following closing of the Unit, weather permitting, and subject to delays for work or materials beyond Sponsor's control (i.e., force majeure delays, etc), and subject to the further provisions of this Inspection Statement.

If Sponsor is unable to complete one or more Punchlist Items prior to closing, then within a reasonable period of time following closing, Sponsor (or Sponsor's agents or contractors) will contact Purchaser to arrange a mutually convenient time to complete such Punchlist Items, if any, remaining on the Inspection Checklist.

Purchaser understands that Sponsor's obligation to repair or correct Punchlist Items post-closing is conditioned upon Sponsor's ability to gain access to the Unit or the SB, as applicable. Purchaser agrees that if Purchaser fails to provide such access within ten (10) days after Sponsor or its agent or contractor has notified Purchaser of Sponsor's intention to complete one or more Punchlist Items, then Purchaser shall be deemed to have waived Purchaser's right to completion of the Punchlist Item(s) and Sponsor shall have no further obligation to complete that/those Punchlist Item(s).

With respect to Punchlist Items to be completed post-closing, Purchaser agrees to be present in the Unit or SB or to have an authorized representative present at the time the work is being performed. Purchaser further agrees that Purchaser will promptly initial each Punchlist Item as it is completed, whether it is completed before or after closing, to acknowledge completion. Purchaser's failure to respond to Sponsor within five (5) business days of request for acknowledgment of a completed Punchlist Item, shall be deemed to mean that Purchaser accepts and acknowledges the Punchlist Item(s) as complete.

Purchaser understands that the Punchlist Items shall be completed in accordance with the standards for such work set forth in the Offering Plan. In the event of a dispute, Purchaser agrees that Sponsor's contractor, architect or engineer shall determine whether or not such work was completed according to such standards, and such contractor's, architect's or engineer's decision, as applicable, shall be binding on the parties hereto.

Sponsor's representation that Sponsor will use reasonable efforts to complete Punchlist Items within a reasonable period of time following closing shall survive closing of title to the Unit, provided this letter agreement and the Inspection Checklist are executed by Purchaser and Sponsor or its representatives at the time of inspection.

71 SMITH PROPERTY OWNER, L.L.C.

By:_____
Name:
Title:

_____
PURCHASER'S SIGNATURE

[If Purchaser comprises more than one party and only one party signs this agreement, such signature shall be binding on all parties comprising Purchaser.]

_____
PURCHASER'S SIGNATURE

THE BOERUM CONDOMINIUM
265 STATE STREET, BROOKLYN, NEW YORK
INSPECTION CHECKLIST
and
PUNCHLIST

UNIT NO:_____; SB NO._____ PURCHASER(S):_____

PHONE (CELL):_____ PHONE (WORK) : _____

The undersigned Purchaser(s) has (have) inspected the Unit and Storage Bin, if applicable, on the date specified below, and found the entire Unit and Storage Bin in good condition and working order, with the exception of the items noted below under the heading "Exceptions (if any)." Such "Exceptions" shall be considered "Punchlist Items" as described in the Inspection Statement to which this list is attached, ***only if same have been initialed by Sponsor*** (or its authorized representative), and Purchaser.

Exceptions (if any)	**Purchaser's Initials**	**Sponsor's Initials**	**OK (Purchaser's Initials)**

Purchaser understands that to prevent pilferage, some items, such as toilet seats, shower heads, faucet aerators and doorknobs, may be installed just prior to Purchaser's date of occupancy. Items listed in the "Exceptions, if any" column and initialed by Sponsor or its representative, will be completed in accordance with the Inspection Statement to which this list is attached. Purchaser shall confirm completion by initialing the last column above when the work is done.

_____ _____
Inspection Date and Time Sponsor's Representative

_____ _____
Purchaser Purchaser

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5. FORM OF POWER OF ATTORNEY

THE BOERUM CONDOMINIUM
265 STATE STREET
BROOKLYN, NEW YORK 11201

UNIT NO.: _____

BLOCK: _____

LOT: _____

COUNTY: KINGS

RETURN BY MAIL TO:
BOARD OF MANAGERS
OF
THE BOERUM CONDOMINIUM

_____

_____

Attn: _____

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POWER OF ATTORNEY

The undersigned, _____, is/are the Owner(s) of Residential Unit No. _____ in the building known as and by the street address 265 State Street, Brooklyn, New York 11201 (the "**Unit**") in the Condominium known as The Boerum Condominium (the "**Condominium**"), as designated and described in the Declaration of Condominium establishing the Condominium dated _____ recorded in the office of the New York City Register, Kings County, on _____ as CRFN # _____ as same may be amended from time to time (the "**Declaration**"), and as also described on the Tax Lot Drawings filed in the Real Property Assessment Department in the City of New York, Kings County, as Condominium Plan No. _____ as same may be amended from time to time.

Capitalized terms used in this power of attorney, if not defined herein, shall have the definition given in the Declaration.

The undersigned hereby nominates, constitutes and appoints the Board of Managers of the Condominium and its successors, jointly, and with respect to clauses (iv)(b) and (c) below, the undersigned also appoints Sponsor severally, for such time as Sponsor owns at least one Unit, as true and lawful attorneys-in-fact for the undersigned, with a power coupled with an interest, with power of substitution, subject to any prohibitions or limitations on the exercise of such power or the acts for which it is given as are set forth in the Declaration or the By-laws of the Condominium:

(i) to acquire, in the name of the Board of Managers, or in the name of its designee, corporate or otherwise, by deed, on behalf of all Unit Owners (a) any Unit whose Owner desires to sell, transfer or otherwise convey same, the Common Interest appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, or the proceeds of sale or lease thereof, if any, and the interest of such Unit Owner in all other assets of the Condominium (hereinafter collectively called the "**Appurtenant Interests**") or (b) any Unit and its Appurtenant Interests which shall be the subject of a foreclosure or other judicial sale or whose Owner desires to surrender or abandon same, at such price and upon such other terms and conditions as said applicable attorneys-in-fact shall in their sole discretion deem proper;

(ii) to lease any Unit whose Owner desires to rent the same, at such rental, and on such other terms and conditions as said applicable attorneys-in-fact shall in their sole discretion deem proper;

(iii) to convey, sell, lease, sublease, mortgage, vote, or otherwise deal with any such Unit so acquired by them, on such terms and conditions as said attorneys-in-fact in their sole discretion 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; and

(iv) to execute, acknowledge and deliver (a) any instrument affecting the Unit in connection with any petition seeking administrative and judicial review of an assessment made in accordance with Real Property Law § 339-y(1), which the undersigned, by separate written agreement, may have authorized the Board of Managers to undertake, pursuant to Real Property Law § 339-y(4), or (b) any declaration or other instrument affecting the Condominium which the Board of Managers or Sponsor, as applicable, deems reasonably 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 or any other agreement of record, applicable to the operation, maintenance, demolition, construction, alteration, repair or restoration of the Condominium (and/or with respect to Sponsor, applicable to consummation of its obligations under the Offering Plan), or (c) any consent, covenant, restriction, easement or declaration, or any amendment thereto affecting the Condominium which the Board of Managers or Sponsor deems necessary or appropriate and with respect to Sponsor, is consistent with Sponsor's obligations and rights under or in connection with the Offering Plan.

Notwithstanding the foregoing, Sponsor shall have the power pursuant to this power of attorney, so long as Sponsor shall own at least one Unit at the Condominium, and without limitation as to time, to execute, acknowledge and deliver any of the items referred to in clauses (b) and (c) of subparagraph (iv) of this power of attorney.

Notwithstanding any other provisions of this power of attorney, the Board of Managers acting under this power of attorney may not act so as to adversely affect the rights or interests of Sponsor or any Commercial Unit Owner or the Hotel Unit Owner without the prior written consent of the affected party. This power of attorney shall be exercised in accordance with the By-laws of the Condominium.

The act of a majority of such persons shall constitute the act of said attorneys-in-fact.

This power of attorney is irrevocable and shall not be affected by the subsequent disability or incompetence of the undersigned.

IN WITNESS WHEREOF, the undersigned has/have executed this power of attorney this __ day of _____, 201_.

_____

_____

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

On the _____ day of _____ in the year 201_ 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.

_____
Signature and office of individual
taking acknowledgment.

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

On the _____ day of _____ in the year 201_ 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.

_____
Signature and office of individual
taking acknowledgment.

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6. FORM OF UNIT DEED

71 SMITH STREET PROPERTY OWNER, L.L.C.

TO

_____

RESIDENTIAL UNIT NO. ____

THE BOERUM CONDOMINIUM
265 STATE STREET
BROOKLYN, NEW YORK 11201

Block:	-------
Lot:	____
County:	Kings
STATE:	New York

RETURN BY MAIL TO:

Insert Purchaser attorney address

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THIS INDENTURE, made the ___ day of _____, 2010 between **71 SMITH STREET PROPERTY OWNER, L.L.C.**, having an address at 520 West 27th Street, New York, New York 10001 ("**Grantor**") and _____ having an address at _____ ("**Grantee**").

WITNESSETH:

Grantor, in consideration of Ten ($10) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release onto the Grantee, the heirs or successors and assigns of the Grantee, forever:

Residential Unit No. ___, (the "**Unit**") in the building known as The Boerum Condominium and by the street address 265 State Street, Brooklyn, New York 11201 (the "**Building**), as designated and described in a Declaration of Condominium dated _____, 201_ made by Grantor as Declarant pursuant to the Condominium Act (Article 9-B of the Real Property Law of the State of New York), and recorded in the Kings County Office of the Register of the City of New York (the "**City Register's Office**") on _____, 201_ as CRFN 201_____ and Condominium Plan No. ____ (said Declaration together with the By-laws and all other exhibits and schedules attached thereto, as same may be amended from time to time, collectively, the "**Declaration**"), which Declaration established a plan for condominium ownership of the Property, including the Land described on **Schedule A** annexed hereto and the Improvements erected thereon.

Capitalized terms used in this deed and not defined in this deed shall have the meanings given in the Declaration.

The Unit is designated as Tax Lot No ____ in Block ____ of the City of New York Tax Map for the Borough of Brooklyn, in the Declaration and in the Tax Lot Drawings for the Property certified by Goldstein, Hill and West Architects LLP on _____, 201_, which Tax Lot Drawings were filed simultaneously with the Declaration in the City Register's Office as CRFN 201___ and with the Real Property Assessment Department of the City of New York as Condominium Plan No. ____.

TOGETHER with an appurtenant undivided _____% interest in the Common Elements of the Condominium;

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions and easements all as set forth in the Declaration;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with an easement for support and for the continuance of all encroachments by the Unit on any other Units and the Common Elements, now or hereafter existing as a result of construction of the Building, or the settling or shifting of the Building, or the repair or restoration of the Building (or any portion thereof) or of the Unit after damage or destruction by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common Elements made by or with the consent of the Board of Managers of the Condominium (hereinafter called the "**Condominium Board**") in accordance with the Declaration, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the Owners of other Units to use install, operate, maintain, alter, repair, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits, flues, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property and serving the Unit;

TOGETHER with and SUBJECT to a right of way through the Common Elements to the public streets;

TOGETHER with and SUBJECT to the easements created by the Declaration, which are incorporated herein by reference as though fully set forth herein;

TOGETHER with and SUBJECT to all easements of necessity in favor of the Unit or in favor of the other Units or the Common Elements;

TOGETHER with the right to use the Limited Common Elements appurtenant to the Unit, if any, in addition to the Storage Bin, as set forth in the Declaration; and

SUBJECT to the rights of other Unit Owners to use the Limited Common Elements appurtenant to their Units, if any, as set forth in the Declaration;

SUBJECT to an easement in common with all other Unit Owners to use, install, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements, and any pipes, wires, ducts, vents, cables, conduits, or other lines, equipment or facilities forming a part of or related to such Common Elements, located in, over, through, under or upon the Unit, other Units, the Common Elements, or other parts of the Property, provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use thereof for its intended or other applicable lawful purposes;

SUBJECT to the rights, obligations, easements, restrictions and all other terms, covenants, conditions and provisions of the Declaration and Tax Lot Drawings filed therewith, as the same may be amended from time to time by instruments recorded or filed in the City Register's Office, all of which, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

SUBJECT also to any declaration or instrument affecting the Property which Grantor files to comply with any law, ordinance, regulation, zoning resolution or requirement of any public agency or authority, applicable to construction, alteration, repair or restoration of the Building;

SUBJECT also to easements in favor of other Units and in favor of the Common Elements or Limited Common Elements for the continuance of all encroachments of such other Units or Common Elements or Limited Common Elements on the Unit, now or hereafter existing as a result of construction of the Building, or the setting or shifting of the Building, or the repair or restoration of the Building (or any portion thereof) or of any other Unit or the Common Elements or Limited Common Elements, after damage or destruction by fire or casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements or Limited Common Elements made by or with the consent of the Condominium Board or by the Grantor, or its designee and its respective successors, and assigns, or any Unit Owner in accordance with the Declaration so that any such encroachments may remain so long as the Building shall stand;

SUBJECT also to an easement in favor of other Units to use, install, operate, maintain, repair, alter, rebuild, restore and replace such other Units and any pipes, wires, ducts, vents, cables, conduits, flues, or other lines, equipment or facilities forming a part of or related to such other Units located in, over, through, under or upon the Unit, other Units, the Common Elements or other parts of the Property, provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use thereof for its intended or other applicable lawful purposes;

SUBJECT also to a right of access to the Common Elements, the Unit and other Units by the Grantor or its designee, and its respective successors and assigns, their contractors, subcontractors, agents and employees, for the purposes of completing construction of the Building in accordance with the Plans and Specifications therefor and to fulfill Grantor's obligations as set forth in the Offering Plan covering the Condominium;

SUBJECT also to existing easements and the right reserved in the Declaration to establish, grant and create additional utility easements, in favor of any utility company for construction, use, maintenance, repair and replacements of all utility lines, wires, terminal boxes, mains, pipes, cables, conduits and other equipment and facilities in, under, over and across the Property;

SUBJECT also to such other liens, agreements, covenants, easements, restrictions and other matters of record against the Property;

SUBJECT to any state of facts an accurate survey and inspection of the Unit and Property would show;

TO HAVE AND TO HOLD the same unto the Grantee, the heirs or successors and assigns of the Grantee, forever;

The use for which the Unit is intended is for residential purposes subject to such other uses as may be permitted by the Declaration, the By-laws and applicable law.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in anyway whatever, except as aforesaid.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the 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 of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the City Register's Office and with the Rules and Regulations of the Condominium.

This conveyance is made in the ordinary course of business actually conducted by the Grantor herein.

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of this deed so requires.

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IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this deed the day and year first above written.

GRANTOR

71 SMITH STREET PROPERTY OWNER, L.L.C.

By: _____
Name:
Title: Authorized Signatory

GRANTEE

_____

_____

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

On the _____ day of _____ in the year 201_ before me, the undersigned, personally appeared _____ _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Signature and office of individual
taking acknowledgment.

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

On the _____ day of _____ in the year 201_ 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.

_____
Signature and office of individual
taking acknowledgment.

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

On the _____ day of _____ in the year 201_ 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.

_____
Signature and office of individual
taking acknowledgment.

SCHEDULE A

ALL that certain lot. piece or parcel of land, situate lying and being in the Borough of Brooklyn, Kings County and State of New York, more particularly described as follows:

BEGINNING at a point formed by the intersection of the easterly line of Smith Street and the southerly line of Schermerhorn Street;

RUNNING THENCE along the southerly line of Schermerhorn Street South 65 degrees 46 minutes 07.6 seconds East a distance of 206 feet 2-1/4 inches;

RUNNING THENCE South 24 degrees 26 minutes 07.4 seconds West 90 feet 1 inch to the center line of the block;

THENCE along same, North 65 degrees 46 minutes 7.6 seconds West, 106 feet, 2-1/4 inches;

THENCE South 24 degrees 26 minutes 07.4 seconds West, 90 feet, 1 inch to the northerly side of State Street;

THENCE along the northerly line of State Street North 65 degrees 46 minutes 07.6 seconds West, 100 feet to a point formed by the intersection of the northerly line of State Street and the easterly line of Smith Street;

RUNNING THENCE along the easterly line of Smith Street North 24 degrees 26 minutes 07.4 seconds East, 180 feet, 1-7/8 inches to the point or place of BEGINNING.

CONDOMINIUM NO. _____

7. DECLARATION OF CONDOMINIUM

THE BOERUM CONDOMINIUM
265 STATE STREET
BROOKLYN, NEW YORK 11201

DECLARANT: **71 SMITH STREET PROPERTY OWNER, L.L.C.**
520 West 27th Street, Suite 403
New York, New York 10001

DATE: _____, 201_

RECORDING INFORMATION:

Block: 170
Lot: Formerly Known as Lot 1
Now Known as Lots _____ - _____*
County: Kings
State: New York

*Lots: ____- _____ Residential Units
____ and ____ Commercial Units
_____ Hotel Unit

RECORD AND RETURN TO:

BRYAN CAVE LLP
1290 Avenue of the Americas
New York, New York 10104
Attn: Erica Forman, Esq.

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DECLARATION OF CONDOMINIUM

THE BOERUM CONDOMINIUM
265 STATE STREET
BROOKLYN, NEW YORK 11201

ARTICLE 1
INTRODUCTORY PROVISIONS

Section 1.1 Creation of the Condominium. 71 Smith Property Owner, L.L.C. (hereinafter "**Declarant**"), hereby submits the land described on ***Schedule A*** hereto (the "**Land**"), together with all improvements and all rights, privileges and appurtenances thereunto appertaining (the Land, together with all improvements now and hereafter constructed thereon, and all rights, privileges and appurtenances thereto appertaining, are hereinafter referred to collectively as the "**Property**"), to the provisions of the Condominium Act (Article 9-B of the NYS Real Property Law).

Section 1.2 Definitions. All capitalized terms used in this Declaration or in the By-laws attached hereto as ***Schedule D*** (collectively, the "**Condominium Documents**"), that are not otherwise defined in this Declaration or in the By-laws, shall have the meanings specified for said terms in ***Schedule C*** attached hereto, and if not defined in Schedule C or in the Condominium Documents, then they shall have the meanings given in the Condominium Act.

Section 1.3 Name of Condominium. The name of the Condominium is "The Boerum Condominium."

Section 1.4 Area and Location of Land; Address. The Property is located on Smith Street between Schermerhorn Street and State Street, in the County of Kings, the City of New York and the State of New York. The Property is known by the street address 265 State Street, Brooklyn, New York 11201.

Section 1.5 Description of Building.

1.5.1 The Building erected on the Land comprises 20 floors consisting of one below-grade (cellar) level, a ground floor, 18 floors above the ground floor (identified as floors 2-20) plus the Main Roof level. The Building contains one hundred twenty eight (128) Residential Units, one (1) Hotel and three (3) Commercial Units. The Condominium thus contains a total of one hundred thirty two (132) Units. The Hotel Unit is located on portions of the cellar and first floor with guest rooms on floors 3 through 6. The Commercial Units are located on the first floor. Residential Units are located on floors 7 through 20. The Condominium also contains, on the cellar level of the Building, a mechanical room and equipment, a Residents' Gym with exercise equipment and a Storage Bin Area with fifty-one (51) Storage Bins. The cellar level of the Hotel Unit consists of meeting rooms, mechanical equipment, back of house hotel space and a fitness center. A Parking Area with space for approximately forty (40) vehicles accessible from a ramp from Schermerhorn Street and a bicycle storage area is located on the 2nd Floor, both part of the Residential Area. In addition, the Condominium contains an Amenity Center for the Residential Units on the 15th Floor with a Resident's Lounge, Library Kitchen, Library, Media Room, Children's Playroom and an Amenity Terrace. The Amenity Terrace includes artificial grass lawn, a children's play area, a lounge area with seating, a gas grill station, refrigerator, ice maker and sink.

1.5.2 The Building structural system comprises reinforced concrete foundation walls, columns and shear walls supported by a combination of piles and mat slab over an existing subway tunnel. The Building is constructed of reinforced concrete, flat plates, beams, columns and walls. The base of the exterior wall is storefront above a granite water table below hand set cast stone panels in between masonry screen at the 2nd floor. From the 2nd floor to the 7th floor is a cast stone cladding system. The 7th through the 15th floor is masonry with metal spandrel panels. From the 15th floor to the 20th floor is predominantly a window wall system.

Section 1.6 Declarant Ownership of Units. As of the date of recording this Declaration in the City Register's Office, fee simple absolute title in the Units will automatically vest in Declarant, without the obligation to execute confirmatory deeds or indentures for each Unit.

Section 1.7 Schedules. All Schedules referred to in this Declaration are incorporated into this Declaration as integral parts hereof.

ARTICLE 2
UNITS

Section 2.1 Schedule of Information. Annexed hereto and made a part hereof as ***Schedule B*** is a list of all Units in the Building, which list also contains Unit designations, location, Common Interest, approximate area and Common Elements and Limited Common Elements to which each Unit has access.

Section 2.2 Tax Lot Drawings. The approximate dimensions, classifications, area and location of each Unit in the Condominium, as well as the Common Elements of the Condominium, are shown on the Tax Lot Drawings.

Section 2.3 Unit Information.

2.3.1 Unit Area. For purposes of the Tax Lot Drawings, for ***Schedule B*** attached to this Declaration and for purposes of calculating Common Interest, the approximate indoor square foot area of each Unit has been measured (and the Unit comprises the space so measured, subject to certain exclusions and additions specified in this Declaration), as follows:

(a) horizontally, from the exterior face of the exterior walls (perimeter mechanical pipes are not deducted) to the midpoint of the interior walls and the midpoint of partitions separating one Unit from another Unit, public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements; and

(b) vertically, from the top of the concrete floor slab below (located under the finished flooring and sub-floor materials) comprising the lowest floor of the Unit to the underside of the concrete slab forming the ceiling of the highest floor of the Unit.

(c) Any concrete slabs separating floors of a Unit located on more than one floor and any other Common Elements located in a Unit, shall not be considered part of the Unit, unless specifically provided otherwise in this Declaration.

(d) Notwithstanding anything to the contrary contained in the foregoing or elsewhere in the Condominium Documents, Units contain certain additional elements, as more fully described in Section 2.3.2 below, entitled "Components of Units."

2.3.2 Components of Units.

(a) **Components of All Units Generally.**

(i) All lighting and electrical fixtures and appurtenant wiring and conduit containing same exclusively serving the Unit (and with respect to Residential Units, Unit Terraces, if any) are part of the Unit.

(ii) All Signs, awnings, marquees and canopies or the like, attached to the façade above or the exterior wall and façade enclosing a Unit and erected and/or installed by Declarant, if pertaining solely to a Unit are part of the Unit pertaining to which they were installed and/or erected.

(iii) Any Unit Owner Installations are part of the Unit owned by the Unit Owner making such installations.

(iv) Interior non-load-bearing walls and partitions, floor coverings on top of the structural floor slab, and plaster or sheetrock ceilings affixed, attached or appurtenant to a Unit, are part of that Unit.

(v) In general, any Facility or Facility Area located within a Unit and serving only that Unit, is part of that Unit and is not a Common Element, and any Facility or Facility Area located outside of a Unit and serving only that Unit, is part of that Unit and not a Common Element. Access, however, to Facilities and Facility Areas that are part of a Unit and located outside of the Unit, is not absolute, and must be exercised by the affected Unit Owner in a manner that will not unreasonably interfere with the use and operation of the Unit or Common Element in which the Facility or Facility Area is located, as more fully described elsewhere in this Declaration and in the By-laws.

(b) **Components of Residential Units.**

(i) Any entrance door that opens into a Residential Unit, together with the locks on that door, are part of the Residential Unit they serve. Likewise any doors accessing a Residential Unit from an appurtenant Unit Terrace, together with the locks on those doors, are also part of the Unit they serve.

(ii) Any pavers, decking, tile or other flooring installed on a Unit Terrace appurtenant to a Residential Unit, if any, any faucets, hose bibs, electrical outlets and lighting installed in or on the Unit Terrace, are part of such Residential Unit.

(iii) Any heat pumps installed in a Residential Unit are part of the Unit they serve and the Unit Owner shall be responsible for the cost to repair, maintain and service same, and replace when and if necessary. The Board of Managers may determine to implement an HVAC maintenance program, however, that includes the indoor heat pumps as well as the refrigerant piping and condensers serving the Residential Units. If the Board does so, the Unit Owner will be obligated to cooperate by providing access to the Unit to the Board and paying such Common Charges or Special Assessments associated with this inspection, maintenance and repair program.

(c) **Components of Commercial Units.**

(i) All doors and (locks therein) accessing a Commercial Unit from a Common Element or the outdoors are part of the Unit unless otherwise specified in this Declaration.

(ii) Exterior windows (including, without limitation, louvers, plate glass, panes, casements, frames, sills and all other elements thereof), serving a Commercial Unit, are part of such Unit.

(iii) Any rooftop condenser, refrigerant piping or other equipment serving a Commercial Unit for its HVAC needs, shall be part of the Unit and belong to the Unit Owner. The Owner of the Unit shall be responsible for maintaining, repairing and replacing same and for all costs in connection therewith.

(d) **Components of Hotel Unit**

(i) All doors and (locks therein) accessing the Hotel Unit from a Common Element or the outdoors are part of the Unit unless otherwise specified in this Declaration.

(ii) Exterior windows (including, without limitation, louvers, plate glass, panes, casements, frames, sills and all other elements thereof), serving the Hotel Unit, are part of such Unit.

(iii) Any rooftop condenser, refrigerant piping or other equipment serving the Hotel Unit for its HVAC needs, shall be part of the Unit and belong to the Unit Owner. The Owner of the Unit shall be responsible for maintaining, repairing and replacing same and for all costs in connection therewith.

Section 2.4 Unit Owner Installation Rights. (a) Notwithstanding anything in this Article 2 to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time without the prior consent of the Board of Managers, to install, at such Owner's sole cost and expense, in such Owner's Unit, improvements, decorations, fixtures and coverings (including, without limitation, painting, wall papering, carpeting, shelving and lighting fixtures), on the surfaces of walls, ceilings and floors that face the interior of the Unit, to a depth of one inch behind such surfaces, and into ceiling and floor slabs separating one floor from another floor and/or serving as the floor or ceiling of the Unit, as applicable, if there is no floor above or below, for the purposes of installing nails, screws, bolts and the like, provided that any such installation shall not impair (i) the structural integrity of the Unit or the Building, (ii) existing installation made by other Unit Owners, tenants or the Board of Managers, (iii) any waterproofing affixed to a floor or ceiling slab into which such installation is made, (iv) the proper functioning of the Building's systems, and shall not enclose sprinklers designed to fire-protect lot line windows. Unit Owners of duplex Units shall have the right to penetrate floor slabs between the floors of their Units, provided the prior consent of the Board of Managers to such alteration is given.

(b) In addition, notwithstanding anything to the contrary in the Condominium Documents, Declarant, with respect to any Unit owned by it, shall have the right (1) to build upon, into and/or otherwise use any Common Elements (including without limitation, outdoor space) appurtenant to or part of the Unit, and (2) to install ventilation equipment and ducts on the Main Roof and on any Roof Setback(s), in all of the foregoing cases, without the consent of the Board of Managers or any Unit Owner or other party, but in accordance with applicable zoning, laws and other laws and codes of Governmental Authorities having jurisdiction and otherwise in compliance with the Condominium Documents.

(c) Each Commercial Unit Owner shall have the right at its sole cost and expense, to install in its Unit only, Unit Owner Installations and any new Facilities which exclusively service its Unit and to reconfigure existing Facilities which exclusively service its Unit, provided such Facilities do not unreasonably interfere with Facilities used by any other Unit Owner or impair the structural integrity of the Building. The installation, maintenance and repair of all Unit Owner Installations and new Facilities installed by a Unit Owner shall be the sole responsibility of such Unit Owner, and shall be effected in accordance with applicable zoning, law and code of Governmental Authorities having jurisdiction and otherwise in compliance with the Condominium Documents, including, without limitation Section 7.7 of the By-laws, which requires, among other things, that a Unit Owner submit to the Board plans and specifications for any proposed structural alteration prepared by an architect licensed in New York State, and pay all costs of the Board to review such plans and specifications and the proposed alteration.

(d) The Hotel Unit Owner shall have the right at its sole cost and expense, to install in its Unit only, Unit Owner Installations and any new Facilities which exclusively service its Unit and to reconfigure existing Facilities which exclusively service its Unit, provided such Facilities do not unreasonably interfere with Facilities used by any other Unit Owner or impair the structural integrity of the Building. The installation, maintenance and repair of all Unit Owner Installations and new Facilities installed by a Unit Owner shall be the sole responsibility of such Unit Owner, and shall be effected in accordance with applicable zoning, law and code of Governmental Authorities having jurisdiction and otherwise in compliance with the Condominium Documents, including, without limitation Section 7.7 of the By-laws, which requires, among other things, that a Unit Owner submit to the Board plans and specifications for any proposed structural alteration prepared by an architect licensed in New York State, and pay all costs of the Board to review such plans and specifications and the proposed alteration.

2.4.2 Excluded from Units. Except as otherwise provided in this Declaration, a Unit shall not be deemed to include foundations, columns, girders, beams, joists, supports, exterior walls, interior load bearing walls, pillars, structural floor slabs or ceiling slabs, ceilings, central installations and equipment for power, sprinklers, lights, air conditioning, heating, ventilation, and utility lines which are utilized for or serve more than one Unit.

Section 2.5 No Partition. No Unit (including the Common Interest appurtenant thereto), shall be subject to partition from the Condominium or otherwise by the Unit Owner. The foregoing shall not be deemed to prohibit division or combination of Units, provided such action is taken in accordance with procedures outlined in this Declaration and the By-laws.

Section 2.6 Restrictions on Uses of Units, Storage Bins, Bicycle Storage Area and Parking Area.

(a) **Residential Units.** Each Residential Unit may be used only as a residence or for any legal home occupation or other lawful purpose (except as otherwise prohibited by the Board of Managers or the Condominium Documents) provided such use is permitted under the certificate of occupancy and zoning classification for the Building, and other applicable documents, laws, regulations and ordinances. As used in the Condominium Documents, the term "home occupation" shall have the meaning given in the Zoning Resolution. Home occupation use shall be accessory to the residential use of a Residential Unit. No Signs shall be permitted in or on the Property in connection with the home occupation use of any resident. Notwithstanding the foregoing, while Declarant owns any Residential Unit, it may be used for leasing, sales and other office purposes and/or for marketing purposes in connection with the Property or otherwise. Residential Units may not be used as dormitory space, as "bed and breakfast" type of facilities, as a hotel, or for any other hotel-type use, and no transient tenant (or other occupant) or short-term paying guest (i.e., a tenant (or other occupant) or paying guest in occupancy for a period of less than twelve (12) consecutive months), may be accommodated therein; which prohibition includes, without limitation, any short term tenant, guest or other occupant solicited through an on-line booking, rental or listing service, or a reservation or distribution service owned or maintained by a company in the hotel, lodging or other hospitality business.

(b) **Storage Bins.** Storage Bins may be licensed by a Residential Unit Owner. Storage Bin License Owners must pay a monthly Storage Bin License Fee imposed by the Board of Managers. Storage Bins are a Residential Common Element, and may be used only for storage of the personal effects of residents of the Building. In no event may (i) any food or other perishable item, (ii) any animal, (iii) any combustible, flammable or explosive item, (iv) any hazardous or toxic materials, substances or waste, (v) any materials creating offensive odors, or (vi) any illegal items, be stored in Storage Bins. Notwithstanding the foregoing, while Declarant has the right to use any Storage Bin, the Storage Bin may be used by Declarant for its own storage or other purposes, or for storage or other purposes by any other party Declarant permits to use a Storage Bin for that purpose, including, without limitation, for storage of construction supplies while construction of the Building is underway.

(c) **Bicycle Storage Area.** The Bicycle Storage Area, located on the 2nd floor has sufficient space for at least one (1) bicycle per Residential Unit. If there is space for additional bicycles and demand exceeds availability, the Board will determine the method of allocating the additional space among Unit Owners.

(d) **Parking Area.** The Parking Area is a Residential Common Element and shall be operated by the Board of Managers. The Board shall have the right to enter into Parking License Agreements for use of the Parking Area with Residential Unit Owners on such terms as the Board shall determine and to impose a Parking License Fee. The term of such Parking License Agreements shall be 12 months and shall automatically renew for successive 12-month terms while the Unit Owner owns the Residential Unit, subject to termination for default or otherwise, as shall be specified therein. The Board shall have the right to increase the rate under Parking License Agreements after the First Year of Condominium Operation by amounts commensurate with any percentage increase in Common Charges.. A parking licensee shall in no event park its own vehicle and all parking shall be undertaken by Condominium personnel (or such operator as the Board may engage for that purpose). The Parking License will not be for a specific parking space as spaces will not be designated but instead will be for the right to have a sedan or normal size vehicle, no longer than 201 inches long, 80 inches wide and with a height as permitted by the condition of the finished garage, excluding oversize vehicles, vans and trucks ("**Vehicle Size Restriction**"), parked in the Parking Area. Parking Licensees will be bound by the Vehicle Size Restriction, unless the Board of Managers provides the Parking Licensee with a waiver of the Vehicle Size Restriction. The Board of Managers will have the right to engage a professional garage operator in the future if it determines to do so. Regardless of the

capacity of the Parking Area, the Board of Managers shall be obligated to keep space sufficient to park at least five (5) vehicles unencumbered by Parking Licenses. The Board of Managers will have the right to use the unlicensed Parking Area for guest parking or otherwise as the Board of Managers shall in its discretion determine. Parking Licensees may not sublease their Parking License to non-Unit Owners or non-tenants.

2.6.2 Commercial Units. A Commercial Unit (or any portion thereof) or any Commercial Units resulting from the subdivision thereof, may be used for any lawful purpose permitted under the Zoning Resolution including, without limitation, commercial use and or other use (except as may otherwise be prohibited by the Condominium Documents). In this regard, even though same may be permitted under the Zoning Resolution, Commercial Units are prohibited to be used as a so-called "adult book shop" or any other type of pornography or sex shop or establishment involving nude or semi-nude live performances (other than as a legitimate theatre for the performance arts in which nude or semi-nude performances are part of the play, dance concert or other performance), cabaret, "head shop" (or any other type of establishment for the sale of illegal drugs and/or drug related paraphernalia or equipment) or bail bonds office. In addition, no immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. A Commercial Unit Owner must in any and all events use, occupy and maintain (or cause to be used, occupied and maintained), said Owner's Unit, during the period of said Owner's ownership, in a manner that will not detract from the character or appearance of the Condominium and will not materially and adversely affect the use of the Residential Units or the Hotel Unit for their permitted purposes.

Section 2.7 Hotel Unit. The Hotel Unit (or any portion thereof) or any Units resulting from the subdivision thereof, may be used for any lawful purpose permitted under the Zoning Resolution including, without limitation, Hotel use, Commercial use and or other use (except as may otherwise be prohibited by the Condominium Documents). In this regard, even though same may be permitted under the Zoning Resolution, the Hotel Unit is prohibited to be used as a so-called "adult book shop" or any other type of pornography or sex shop or establishment involving nude or semi-nude live performances (other than as a legitimate theatre for the performance arts in which nude or semi-nude performances are part of the play, dance concert or other performance), cabaret, "head shop" (or any other type of establishment for the sale of illegal drugs and/or drug related paraphernalia or equipment) or bail bonds office. In addition, no immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The Hotel Unit Owner must in any and all events use, occupy and maintain (or cause to be used, occupied and maintained), said Owner's Unit, during the period of said Owner's ownership, in a manner that will not detract from the character or appearance of the Condominium and will not materially and adversely affect the use of the Residential Units or the Commercial Units for their permitted purposes.

Section 2.8 All Units. All Units shall be used in compliance with applicable laws, codes, orders, zoning requirements and regulations of all federal, state and municipal authorities having jurisdiction. Each Unit Owner, at its sole cost and expense, shall comply with all such laws, codes, orders, zoning requirements and regulations of such federal, state and municipal authorities and with any direction of any public officer or officers pursuant to law, and all rules, orders, regulations or requirements of the New York Board of Fire Underwriters, or any other similar body which shall impose any violation, order or duty upon the Condominium, its Board of Managers or the Unit Owner, with respect to said Owner's Unit as a result of (i) any authorized or unauthorized use or occupation thereof by said Unit Owner or its tenant(s) or licensee(s), or (ii) the conduct by the Unit Owner or its tenant(s) or licensee(s) of business in the Unit.

ARTICLE 3
COMMON INTEREST

Section 3.1 General. The aggregate Common Interest of all Units shall equal 100%. This provision of the Declaration may not be amended.

3.1.1 Determination of Common Interest. The Common Interest of each Unit has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, and is based on 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 a particular Unit. The aggregate Common Interest of all Units equals 100%.

Section 3.2 No Separation of Common Interest. The Common Interest may not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even through such interest is not expressly mentioned or described in the conveyance, encumbrance or other instrument.

ARTICLE 4
COMMON ELEMENTS

Section 4.1 General Common Elements. The General Common Elements consist of all the Property except the Units, Residential Common Elements, Commercial Common Elements and Limited Common Elements and include, without limitation, the following:

4.1.1 The Land, including sidewalks thereon or appurtenant thereto, together with all easements, rights and privileges appurtenant thereto.

4.1.2 Street trees and other exterior landscaping at the street level of the Property, if any, and all exterior lighting installed in or on the Building (excluding lighting installed exclusively to illuminate (i) the Amenity Terrace, (ii) any Unit Terrace, or (iii) any area comprising part of or appurtenant to a Commercial Unit or the Hotel Unit).

4.1.3 The exterior walls of the Building excluding windows, panes, casements and frames, but including all facade and structural elements of exterior walls.

4.1.4 The structural concrete roof slab or other structural roof construction material, the asphalt or other roofing material thereover, the roof membrane, flashing, and similar waterproofing or other roofing elements of the Main Roof and Roof Setbacks, subject to designation of a (i) portion of the 15th floor as the Amenity Terrace and (ii) certain Roof Setbacks supporting Unit Terraces, as Residential Common Elements, as set forth below.

4.1.5 The roof drainage systems installed in or on the Main Roof and/or the Roof Setbacks.

4.1.6 Roof drainage and storm drainage system within the Building to the point at which it connects to the municipal storm sewer system.

4.1.7 All doors, parapets, fencing and railings on the Main Roof and/or the Roof Setbacks, excluding, however, fencing, architectural partitions, gates or railings enclosing a Unit Terrace and/or separating a Unit Terrace from mechanical equipment or other Common Elements, or dividing a Unit Terrace from another Unit or Unit Terrace.

4.1.8 Mechanical equipment serving Common Elements, including without limitation sprinklers installed to fire-protect lot line windows.

4.1.9 The mechanical areas and installations located on the Roof and on the Roof Setbacks, including, without limitation, the area in which condensers for Units are installed and/or serving Common Elements.

4.1.10 Sanitary sewer pumping and drainage system from the point at which the sanitary sewer and drainage line leading from a Unit connects with the Building's main sewer line, to the point at which the Building's main sewer line connects with the municipal sewer system.

4.1.11 All foundations, piles and footings.

4.1.12 Structural columns and pillars.

4.1.13 Girders, beams, joists and supports.

4.1.14 Structural floor slabs and ceilings and all load-bearing partitions and walls.

4.1.15 Alarmed emergency egress doors opening from South Commercial Unit into Stairway B.

4.1.16 All other Facilities of the Property (including but not limited to shafts, pipes, pipe risers and branch or distribution piping concealed behind walls, wires, ducts, vents, cables, chases, conduits and lines and mechanical equipment), which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of at least two of the following (i) one Residential Unit and/or at least one Commercial Unit and/or the Hotel Unit, or (ii) at least one Residential Unit Owner and/or at least one Commercial Unit Owner and/or the Hotel Unit Owner.

Section 4.2 Residential Common Elements. The Residential Common Elements consist of Common Elements serving only the Residential Area, and include, without limitation, the following:

4.2.1 The passenger/service elevator serving the Residential Area together with all shafts, pits, bulkheads, cabs, doors and mechanical equipment associated therewith.

4.2.2 Stairways A and B and all doors, doorways, stairwells and landings therein.

4.2.3 The Storage Bin Area on the cellar level of the Building and the individual Storage Bins therein. However, any shelving or cabinets or other element installed in a Storage Bin by a Unit Owner shall belong to the Unit Owner and shall not be a Residential Common Element. Lighting in the Storage Bins and Storage Bin Area will be paid for as a Residential Common Expense

4.2.4 The Residents' Gym located on the cellar level of the Building and all gym equipment, mechanical equipment, Facilities, furnishings and appliances located therein or associated therewith.

4.2.5 The Parking Area and the ramp serving same.

4.2.6 The Bicycle Storage Area.

4.2.7 The exterior entrance canopy, if any, lobby, concierge desk, package room, and all corridors, stairways and other areas located at the ground floor level of the Building (other than the Commercial Units and/or the Hotel Unit), unless identified above as a General Common Element.

4.2.8 The recreational portion of the 15th floor comprising the Amenity Center and the Amenity Terrace with all furnishings and fixtures in both area including without limitation, structural, waterproofing and drainage elements in or on the Amenity Terrace, any structural concrete roof slab or other roof construction material, the asphalt or other roofing material thereover, the membrane, flashing and similar waterproofing or other roofing elements protecting the interior of the Building and located under the pavers, decking, tiles or other flooring of the Amenity Terrace, as well as any drainage system installed in or on the Amenity Terrace. The Amenity Center includes a Resident's Lounge, Library Kitchen, Library, Media Room, Children's Playroom and an Amenity Terrace. The Amenity Terrace includes artificial grass lawn, a children's play area, a lounge area with seating, a gas grill station, refrigerator, ice maker and sink.

4.2.9 Windows (including panes, casements and frames) serving the Residential Units and the other portions of the Residential Area.

4.2.10 Intercom system serving the Residential Units and all Facilities associated with same.

4.2.11 All passages and corridors, areas, rooms and other spaces located at the Property and serving or benefiting more than one Residential Unit and/or more than one Residential Unit Owner.

4.2.12 All other Facilities of the Property (including but not limited to shafts, pipes, pipe risers and branch or distribution piping concealed behind walls, wires, ducts, vents, cables, chases, conduits and lines), which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Units and/or the Residential Unit Owners.

Section 4.3 Commercial Common Elements. To the extent they exist, these are Common Elements of the Building that are located in or serve exclusively the Commercial Area and are not General Common Elements, Residential Common Elements, Hotel Common Elements or Limited Common Elements. As of the date of this Declaration there are no Common Elements falling into the category of Commercial Common Elements.

Section 4.4 Hotel Common Elements. To the extent they exist, these are Common Elements of the Building that are located in or serve exclusively the Hotel Unit and are not General Common Elements, Residential Common Elements, Commercial Common Elements or Limited Common Elements. As of the date of this Declaration there are no Common Elements falling into the category of Hotell Common Elements.

Section 4.5 Limited Common Elements. Limited Common Elements are Common Elements that serve only a specified Unit or Units and thus are restricted in use to the Owner (or Owners, as applicable) of that Unit (or Units, as applicable), and/or to such other occupant(s) of the Unit(s) as the Owner(s) shall permit, subject to the right of the Board of Managers to enter upon such Limited Common Elements to make structural repairs or structural replacements thereto, and subject to the Rules and Regulations. As of the date of this Declaration, Residential Limited Common Elements are the only category of Limited Common Elements in the Condominium.

4.5.1 Residential Limited Common Elements. The Residential Limited Common Elements include, without limitation, the following:.

(a) The structural concrete roof slab or other roof construction material, the asphalt or other roofing material thereover, the roof membrane, flashing and similar waterproofing or other roofing elements protecting the interior of the Building and located under the pavers, decking, tiles or other flooring of a Unit Terrace, as well as any drainage system installed in or on such Unit Terrace, are Residential Limited Common Elements appurtenant to such Unit.

(b) Any fencing, architectural partitions, gates or railings on Roof Setbacks which enclose Unit Terraces and/or separate a Unit Terrace from mechanical equipment or other Common Elements, or separate a Unit Terrace from another Unit or another Unit Terrace are Residential Limited Common Elements appurtenant to the Unit they serve and the Owner of the Unit served by same shall have the responsibility to maintain and repair said divider or enclosure. If a fence or other divider element directly separates two (2) Unit Terraces, both Unit Owners will be obligated to maintain and repair said divider, with the costs to be shared equally between them unless the necessity for such maintenance or repair was the result of the negligence of one Owner or such Owner's tenant, guest or invitee, in which case the cost shall be borne by said Owner exclusively. Any dispute as to a Unit Owner's responsibility for maintenance of a Limited Common Element that cannot be resolved by and between the affected Unit Owners, or by and between an affected Unit Owner and the Board of Managers, as applicable, shall be an Arbitrable Dispute under the Condominium Documents. If a Unit Terrace contains a gate opening onto a portion of the Roof Setback containing mechanical equipment for any Unit or Common Elements of the Building, the Unit Owner may not block or remove such gate and shall provide access to the Board of Managers to that area in accordance with the Condominium Documents.

(c) Any Smoke/CO Detector installed in a Residential Unit is a Residential Limited Common Element appurtenant to such Unit. Each Unit Owner will be responsible at its own cost and expense to test each

Smoke/CO Detector at regular intervals and maintain same in working condition, including, without limitation, ensuring that the sensor therein is always in working order. Notwithstanding the foregoing, the Board of Managers shall have the right to implement a program to inspect, maintain and service Smoke/CO Detectors and sensors therein on a regular basis. Should the Board do so, the cost of same will be a Residential Common Expense and all Residential Unit Owners will be obligated to cooperate by providing access to their Unit to permit such inspection, maintenance and service to occur.

(d) Any heat pump installed in a Residential Unit is part of the Unit. Though the heat pumps are part of the Unit, the Board may determine to implement an HVAC maintenance program that includes the heat pumps as well as piping serving same. Each Unit Owner shall cooperate with the Board of Managers in any HVAC maintenance program that the Board of Managers shall in its discretion implement, by providing reasonable access to the Unit for such scheduled maintenance to be performed in connection with the condenser and refrigerant piping and/or the heat pumps in the Unit, and by paying any Special Assessment or Common Charges the Board of Managers may impose from time to time to cover the cost of any such maintenance and repair.

4.5.2 Commercial Limited Common Elements. he Commercial Limited Common Elements consist of the kitchen exhaust fan and the black iron duct connecting the exhaust fan to the cooking vent that belongs to a Commercial Unit.

4.5.3 Hotel Limited Common Elements. The Hotel Limited Common Elements consist of the 3rd floor Roof Setback of the Building located over the 2nd floor of the Building.

4.5.4 Obligations Regarding Limited Common Elements.

(a) In no event shall Limited Common Elements ever include or be deemed to include load bearing walls.

(b) Each Unit Owner having the exclusive right to use a Limited Common Element shall have the obligation, at the Unit Owner's sole cost and expense, for day-to-day maintenance, including, without limitation, cleaning of debris, snow and ice from drains, if any, in Unit Terraces (notwithstanding that drains may be characterized as a General Common Element, Residential Common Element or Limited Common Element) so that water flows freely through the drains and does not back up, sweeping and vacuuming, and general cleaning, maintenance and repair of said Limited Common Element, in accordance with the applicable provisions of this Declaration and the By-laws, and applicable law.

(c) No alterations of or installations on or in a Unit Terrace appurtenant to a Unit including, without limitation, installation of landscaping thereon, may be made without the prior written consent of the Board of Managers. In no event may Unit Terraces be enclosed.

ARTICLE 5
USE OF AND ACCESS TO COMMON ELEMENTS

Section 5.1 General Use of and Access to Common Elements.

5.1.1 The Common Elements shall be used for the benefit of applicable Unit Owners (depending on the type of Common Element involved), the furnishing of services and facilities for which the same are reasonably intended, and for the enjoyment to be derived from such proper and reasonable use. Each Unit Owner may use the Common Elements (including, without limitation, such drainage systems and sewer lines that are part of the Common Elements) in accordance with the purposes for which they were intended and the limitations in use described in this Declaration, without hindering the exercise of or encroaching upon the rights of other Unit Owners, their tenants, licensees, invitees, clients, guests or other Permittees. A Unit Owner may not obstruct the Common Elements.

5.1.2 The provisions of this Section 5.1 shall not prevent the Board of Managers or this Declaration from granting to a particular Unit Owner or any other party substantially exclusive rights or advantages in a part or parts of the Common Elements by reason of that Owner's ownership of a particular Unit or Units or by reason of said other party's provision of consideration for such use, subject to Declarant's rights under Section 5.1.5 and 5.1.6 of this Declaration, and Declarant's rights elsewhere in the Condominium Documents. Any exclusive right to use a Common Element granted by the Board of Managers to a Unit Owner or any other party, shall be effectuated by a revocable license. Such license shall include, among other things, standards for revocation giving due consideration to the use of and/or nature and cost of improvements made to or on the Common Elements by the Unit Owner or other party to whom the license is granted. A fee may be imposed by the Board of Managers, in its discretion, in consideration of any license entered into pursuant to this or any other section of the Condominium Documents.

5.1.3 The Board of Managers shall, if any question arises, determine the purpose for which a Common Element is intended to be used. Subject to the provisions of the Condominium Documents including, without limitation, Declarant's rights in Section 5.1.5 and 5.1.6 hereof and elsewhere in the Condominium Documents, the Board shall have the right to regulate access to Common Elements and to promulgate rules and regulations scheduling the use of Common Elements, and limiting the use of Common Elements to Unit Owners, their tenants, licensees, invitees, clients, guests and employees, as well as providing for the exclusive use, for a specified limited period of time, of a Common Element by a Unit Owner and such Unit Owner's guests, for personal non-Commercial special occasions. Such use may be conditioned upon, among other things, the payment by the Unit Owner (or other Person or entity) seeking such use, of such assessment or security deposit or other fee as may be established by the Board of Managers for the purpose of defraying the costs of such use.

5.1.4 Notwithstanding anything in this Declaration or in the By-laws to the contrary, a Unit Owner may gain access to any mechanical equipment rooms, and the areas of the Main Roof and the Roof Setbacks containing mechanical equipment, if at all, only through clearance by the Board of Managers and under such supervision as the Board shall reasonably require. The foregoing shall not be deemed to circumscribe or limit roof access for emergency egress as required by law.

5.1.5 Declarant shall be deemed to have an exclusive license with the Board of Managers to access and use, or sublicense to Unit Owners or others to access and use the Main Roof (and appropriate other areas) of the Building to erect, install, maintain and/or operate, Facilities and equipment for transmission and receipt of radio, video, cellular, Internet, satellite and/or optical frequency communications signals and/or other telecommunications Facilities and equipment, and appropriate conduits and/or wiring therefor (collectively, "**Telecommunications Facilities**"), for use by residents and/or tenants or other Unit Owners of the Building, or for use by others, on such terms and conditions as Declarant shall in its sole discretion determine. In connection therewith, Declarant shall also have the right to install Telecommunications Facilities itself for use by residents of the Building, Unit Owners, or any other parties whatsoever, on such terms and conditions as Declarant shall in its sole discretion determine, as discussed below. Any installation and operation of Telecommunications Facilities shall be in accordance with applicable law, and access for installation and operation shall be pursuant to such rules and regulations, and on such terms and conditions, as the Declarant may establish on notice to the Board of Managers. Only Declarant shall have the right to enter into agreements permitting the Main Roof and other portions of the Property to be used for installation and operation of Telecommunications Facilities for use by third parties (i.e., for use by parties in addition to Unit Owners, Commercial tenants and residents of the Building). Any such third party use shall be pursuant to a sublicense or other agreement as Declarant shall in its discretion deem appropriate, and shall be on such terms and conditions as Declarant shall in its discretion determine. Declarant shall be entitled to retain any and all income therefrom. Declarant shall notify the Board of Managers of any sublicense or other agreement respecting Telecommunications Facilities entered into by Declarant and shall provide the name and contact information for the licensee and what the Telecommunications Facilities to be installed and maintained shall include. However, Declarant shall not be obligated to provide the Board of Managers with a copy of any such agreement.

5.1.6 In addition, while Declarant shall own any Residential Unit, Declarant shall have the right to use the Storage Bins, or other areas of the cellar, for storage by Declarant or its agents or contractors, of any materials or supplies or equipment being used in connection with construction of the Building.

5.1.7 Each Unit Owner shall have in common with all other Unit Owners, and each Unit and the Common Elements shall be subject to, an easement for egress and ingress in the case of an Emergency Situation, and an easement through and over any fire stairs in the Building. In addition, each Unit Owner shall have a perpetual easement, which shall be appurtenant to and shall run with the Unit, on, through and over the Common Elements, providing egress from the Unit to and access to the Unit from, the outdoors, at all times, in a non-Emergency Situation as well as an Emergency Situation.

5.1.8 Except in emergency residents of the Residential Area may not use the stairs that run through the Hotel Unit. Guests and other users of the Hotel Unit may not enter and use the stairs except in emergency situations either. Access doors to the stairs must be alarmed at the 3rd through 6th floors.

Section 5.2 Easements for Utilities, Pipes and Conduits.

5.2.1 Each Unit Owner and said Unit Owner's agents, contractors, invitees, licensees and employees shall have in common with all other Unit Owners, an easement of access to all other Units and to the Common Elements including, without limitation, the drainage system and sewer lines serving the Property to the extent same are Common Elements, and each Unit and the Common Elements shall be subject to such easement, as may be necessary for such Unit Owner to use, install, operate, maintain, repair, rebuild, restore and replace, as necessary, such Owner's Unit including, if any, the pipes, wires, flues, ducts and conduits which are part of the Unit running from the meters or equipment servicing such Unit to the Unit.

5.2.2 Each Unit Owner shall have an easement in common with the Owners of all other Units to use, in accordance with then present use and present available Facilities, all pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units and serving such Unit Owner's Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use, in accordance with then present use and present available Facilities, Common Elements serving such other Units and located in such Unit.

Section 5.3 Access Easement of Board of Managers. Subject to the provisions of Section 5.4 of this Declaration and the notice provisions in the By-laws, the Board of Managers, its members, agents, contractors and employees, shall have an easement and a right of access to each Unit to (i) inspect the Unit in seeking to identify the source or cause of a plumbing, mechanical or other problem in the Building, (ii) remove violations from the Unit, (iii) maintain, repair or improve pipes, wires, ducts, cables, conduits and utility lines or other Common Elements located in or appurtenant to any Unit, (iv) make repairs to the Unit to prevent damage to the Common Elements or to any other Unit or (v) abate any violation of (or implement any modifications or alterations required by) any law, ordinance, statute or rule of any Governmental Authority having jurisdiction thereof. In addition, subject to the provisions of Section 5.4 of this Declaration and the notice provisions in the By-laws, the Board of Managers, its members, agents, contractors and employees, shall have an easement in, on, through and across any Units and any Storage Bin, Unit Terrace or other Limited Common Element appurtenant thereto, to access all Common Elements (irrespective of the restricted nature of such Common Elements) to remove violations, to prevent harm or damage to other Common Elements or Units, Owners, occupants or users of the Property, or to implement modifications or alterations required by law, and for inspection, maintenance, repair or improvement.

Section 5.4 Commercial Unit Owner and Hotel Unit Owner Easements.

5.4.1 Each Commercial Unit Owner and the Hotel Owner and said Unit Owner's respective successors and assigns, shall have an easement to erect, maintain, repair and replace, from time to time, one or more Signs on the Property, subject to restrictions contained in the By-laws, for the purposes of advertising the sale or lease of all or any portion of said Owner's Unit and the operation of any business of said Unit Owner or of a tenant or other occupant of all or any portion of said Owner's Unit.

5.4.2 Each Commercial Unit Owner and the Hotel Owner shall have an easement for access through and use of corridors and areas in the cellar and/or ground floor of the Building, to the extent same comprise Residential Common Elements, Commercial Common Elements or Hotel Common Elements, as applicable, to access and use any mechanical rooms or areas that contain equipment or meters serving said Owner's Commercial Unit or Hotel Unit.

Section 5.5 Exercise of Easements.

5.5.1 The easements authorized pursuant to Sections 5.2-5.4 of this Declaration shall be exercised in such a manner as will not materially or unreasonably interfere with the normal conduct of business of an Owner, tenant(s) or other occupant(s) of any Unit, in the event access is needed, or with the use of any Units (and the Limited Common Elements appurtenant thereto) or the Common Elements, for their permitted purposes. Any pipes, wires, ducts or other Facilities installed, operated, maintained and/or used pursuant to said easements, if located within the normal view of the occupants, patrons, customers, tenants or other users of Common Elements, a Unit or the use or businesses located therein, shall be reasonably consistent with the aesthetic character of the Unit or Common Element (General, Residential, Commercial, Hotel or Limited) in, on or through which the Facility is located, and if installed, operated or maintained within a Unit, shall not be so installed, operated or maintained without the Unit Owner's prior written consent, which consent shall not be unreasonably withheld or delayed. Entry shall be permitted on reasonable prior notice to the applicable Unit Owner(s), except that notice will not be necessary in case of an Emergency Situation requiring inspection, repair or replacement immediately necessary for the preservation or safety of the Property, or for the safety of occupants or users of the Property, or required to avoid the suspension of any necessary service to the Property.

5.5.2 If the Board of Managers requires entry into a Unit, or if one Unit Owner requires entry into another Owner's Unit, in either case during non-business hours or any other period when there ordinarily would not be security or other occupants present in the Unit, the Unit Owner whose Unit is being entered shall have the right to make reasonable arrangements for security of the Unit and its contents and oversight of the work being performed, during such period as access and entry shall continue. The cost of such security and oversight shall be borne exclusively by the party (i.e., the Board of Managers or Unit Owner, as applicable), requiring the access and entry, unless, however, access is required due to the negligence or other action or inaction of the Owner of the Unit being entered, in which case the Owner of the Unit being entered shall bear the cost.

5.5.3 The Board of Managers shall not perform any work in a Unit to cure a violation or problem therein arising out of the action or failure to act of the Unit Owner or a tenant or other occupant of the Unit (except emergency work pursuant to the foregoing), unless the Board of Managers has given the Unit Owner notice of and opportunity to cure the violation or other problem emanating from said Owner's Unit, in accordance with the By-laws.

Section 5.6 Easement for Encroachments. If any portion of a Unit or the Common Elements (whether restricted in use to an individual Unit Owner or not) encroaches or shall hereinafter encroach upon another Unit or the Common Elements as a result of: (i) the reconstruction or settling or shifting of the Building, or (ii) any repair or restoration made by the Board of Managers to the Building, any Unit or the Common Elements, or (iii) any reconstruction after a partial or total destruction as a result of a fire or other casualty or as a result of condemnation or eminent domain proceedings, a valid easement for the encroachment and the maintenance of the same shall and does exist, provided, however, that the encroachment is de minimis and does not materially or unreasonably interfere with the normal conduct of business of the Owner, tenant(s) or other occupant(s) of the Unit, or Common Element being encroached upon, or with the use of the Common Element or Unit being encroached upon, for its or their permitted purposes. Such easements as provided in this Section shall exist so long as the Building shall stand.

Section 5.7 Easements of Necessity and Emergency Egress. Each Unit shall have and each Unit shall be subject to all easements of necessity and emergency egress in favor of such Unit or in favor of other Units and the Common Elements.

Section 5.8 Declarant/Sponsor and Board Easements.

5.8.1 Declarant and/or its designee and their respective successors and assigns shall have an easement to erect, maintain, repair and replace, from time to time, one or more Signs on the Property for the purposes of advertising the sale or lease of any Unit owned by it or them. Declarant and/or its designee and their respective successors and assigns, shall have an additional easement permitting access in and to all Units and Common Elements for the purpose of completing construction of the Condominium in accordance with the Offering Plan, and a further easement over and upon the Common Elements and the Units for the purpose of making repairs contemplated by the Offering Plan, and a further easement to maintain one or more sales offices, model apartments and other Facilities in and on the Property reasonably necessary to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units.

5.8.2 Declarant and/or its designee and the Board of Managers shall have the right to grant such electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Property, as Declarant and/or its designee, or the Board of Managers, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of the Owners, tenants and occupants of the Units, provided that such additional utility easements or the relocation of existing utility easements will not prevent or unreasonably interfere with the normal conduct of business of any Owners, tenant(s) or other occupant(s) of the Units or with the use of the Units for their permitted purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the normal conduct of business of the Owner, tenant(s) or other occupant(s) of the Commercial Units and the Hotel Unit or with the use of the Residential Units for their permitted purposes.

5.8.3 To facilitate Declarant's obligations under the Plan to procure a permanent certificate of occupancy for the Building and to perform any other construction required under the Plan, Sponsor, and Sponsor's successors and assigns, including without limitation, the Recognized Mortgagee with respect to the construction Loan, and its and their contractors, subcontractors, construction workers and other personnel, shall have the following rights and easements in and through the Common Elements from and after the First Unit Closing until the permanent certificate of occupancy for the Building has been obtained: (i) general right and easement of access to, and use of General Common Elements, Residential Common Elements (including, without limitation, preferential and priority use of the elevator), Commercial Common Elements and Hotel Unit Common Elements, (ii) right and easement to transport construction equipment, materials, supplies and debris on, across or through the General Common Elements, Residential Common Elements, Commercial Common Elements and Hotel Common Elements and to temporarily store construction equipment, materials, supplies and debris in or on portions of the General Common Elements, Residential Common Elements, Commercial Common Elements or Hotel Common Elements, determined appropriate by said party or its contractors in its or their sole discretion, and (iii) right to temporarily interrupt or suspend Building services or systems (including, without limitation, water, heating, cooling, electricity, gas, ventilation, plumbing and other building systems). Each such party will use reasonable efforts to utilize the foregoing rights and easements in a manner that will minimize inconvenience to residents of the Building.

5.8.4 The Board of Managers shall have an easement and right of access through each Unit with an appurtenant Unit Terrace, as necessary, to maintain, repair and replace Building machinery and other Common Elements or Facilities located on the Roof Setback or Main Roof, as applicable, supporting such Unit Terrace, and to store, repair, replace and/or launch window washing equipment on or from any Roof Setback or the Main Roof. As used in these By-laws, "window washing equipment" means any equipment used to wash the exterior windows of the Building, including, without limitation, storage chests, washing rigs, ropes and related equipment, if any.

Section 5.9 Responsibility and Indemnity. The user of any easement granted by the above subparagraphs of this Article 5 shall have the responsibility of repairing any damage to the Common Elements or to any other Unit directly or indirectly resulting from the exercise of the easement. Additional obligations respecting maintenance and repair of Units and Common Elements arising out of these access and easement rights are found

in the By-laws. Unit Owners shall be obligated to indemnify other Unit Owners and the Board of Managers, and the Board of Managers shall be obligated to indemnify Unit Owners, in connection with loss, damage or liability arising out of that party's exercise of rights pursuant to the easements granted in this Article 5.

ARTICLE 6
CONDOMINIUM GOVERNANCE; SERVICE OF PROCESS

Section 6.1 Board of Managers. The affairs of the Condominium shall be governed and controlled by a Board of Managers, as described in the By-laws. When in this Declaration or in the By-laws an action is to be undertaken, or is authorized to be done by the Condominium, it shall mean the Condominium acting through its Board of Managers, unless the text clearly requires another interpretation (i.e., through a vote of the Unit Owners). When the Board of Managers is authorized or obligated to act, it shall be acting on behalf of all Unit Owners in the Condominium.

Section 6.2 Administration. The administration of the Condominium shall be in accordance with the provisions of this Declaration and the By-laws.

Section 6.3 Service of Process. The Secretary of State is hereby designated as agent of the Board of Managers upon whom process against the Board of Managers may be served. Service of process on the Secretary of State as agent for the Board of Managers shall be made personally, by delivering to and leaving with the Secretary of State or his or her deputy, or with any person authorized by the Secretary of State to receive such service, at the office of the Department of State in Albany, New York, duplicate copies of such process together with the statutory fee, which shall be a taxable disbursement. Service of process on the Board of Managers shall be complete when the Secretary of State is so served. The Secretary of State is required under the Condominium Act to promptly send one of such copies by certified mail, return receipt requested, to the Board of Managers, at the post office address on file with the Department of State, specified for such purpose. ***The Board of Managers is required under the Condominium Act to file with the Secretary of State the name and post office address to which the Secretary of State shall mail a copy of any process served upon the Secretary of State, and to update such filing as necessary. As of the date of recording this Declaration, such address is c/o First Service Residential, 622 Third Avenue, New York, New York***

ARTICLE 7
POWER OF ATTORNEY TO BOARD OF MANAGERS AND DECLARANT

Section 7.1 Power of Attorney.

7.1.1 Each Unit Owner at the time of closing of title to said Owner's Unit, by acceptance of a deed to said Unit, shall be deemed to have nominated, constituted and appointed (i) the persons who shall from time to time comprise the Board of Managers and (ii) Declarant, severally, while Declarant shall own at least one (1) Unit, as true and lawful attorneys-in-fact for such Unit Owner, in accordance with this Article 7. Each Unit Owner shall grant such persons an irrevocable written power of attorney, in such form as the Board of Managers shall from time to time determine and/or as may be required by law, and the Board of Managers shall cause such power of attorney to be recorded against the Unit, as set forth herein.

7.1.2 Each power of attorney granted pursuant to this Article 7 shall be irrevocable, coupled with an interest, and exercisable by the Board of Managers as and when applicable, only following due authorization of the Unit Owners in accordance with the By-laws, to the extent required. Subject to the foregoing, the acts of a majority of the Board of Managers shall constitute the acts of such attorneys-in-fact. Each power of attorney granted pursuant to this Article 7 shall be irrevocable, coupled with an interest, and exercised by Declarant as and when applicable, as set forth herein. No power of attorney granted hereby shall be affected by the subsequent disability or incompetence of the Unit Owner granting same.

7.1.3 The attorneys-in-fact comprising the Board of Managers shall have the power under the Condominium Documents and pursuant to the power of attorney described herein to (i) acquire or lease any Unit, together with its Appurtenant Interests from any Unit Owner desiring to sell, convey, transfer, or lease the same, upon such terms and conditions as set forth in the By-laws, (ii) acquire any Unit, together with its Appurtenant Interests, whose Owner elects to surrender or abandon same pursuant to the By-laws, and (iii) acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other judicial sale, or otherwise on such terms and at such price or rental as the case may be, as the attorneys-in-fact deem proper. Any such acquisition or lease shall be in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners. The power of attorney granted pursuant to this Article 7 shall also authorize the holders thereof, after any such acquisition or lease, to convey, sell, lease, sublease, mortgage or otherwise deal with 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 the attorneys-in-fact may determine.

7.1.4 The power of attorney granted pursuant to this Article 7 shall also authorize Declarant while Declarant owns at least one Unit, severally, as well as the Board of Managers, as applicable, to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium, or any amendment to any such declaration or other instrument, which Declarant or the Board of Managers, as applicable, deems reasonably 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, or any agreement of record, applicable to the operation, maintenance, demolition, construction, alteration, repair or restoration of the Condominium (and/or with respect to Declarant, applicable to consummation of its obligations as Sponsor under the Offering Plan), or (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium which the Declarant or the Board of Managers, as applicable, deems necessary or appropriate (and with respect to Declarant, is consistent with and/or necessary to consummate, its obligations as Sponsor under the Offering Plan). Such power of attorney shall also authorize the Board of Managers to execute, acknowledge and deliver any instrument affecting the Unit in connection with any petition seeking administrative and judicial review of an assessment made in accordance with Real Property Law § 339-y(i) which the Unit Owner, by written authorization, may have authorized the Board of Managers to undertake.

Section 7.2 Limitation on Authority. The power of attorney granted pursuant hereto shall explicitly prohibit the Board of Managers from acting so as to adversely affect the rights of Declarant or any Unit Owner without the prior written consent of any such adversely affected party. Likewise, the power of attorney granted pursuant hereto will explicitly prohibit the Board of Managers from acting so as to adversely affect the rights of Declarant or any Unit Owner without the prior written consent of any such adversely affected party. Notwithstanding anything to the contrary in this Declaration or in the By-laws, Declarant shall have the right, so long as it shall own at least one Unit at the Condominium, and without limitation as to time, unilaterally to execute, acknowledge and deliver any of the items referred to in clauses (i) and (ii) of Section 7.1.4 above.

Section 7.3 Recording. The Board of Managers shall have the authority to and shall cause the power of attorney discussed herein, to be executed by a grantee contemporaneously with the delivery of a deed for a Unit to grantee, and immediately thereafter to be recorded in the City Register's Office, at the expense of the Unit Owner.

ARTICLE 8
ACQUISITION AND SALE OR LEASE OF UNITS BY BOARD OF MANAGERS

Section 8.1 Generally.

8.1.1 In the event (i) any Unit Owner shall surrender said Owner's Unit, together with said Unit's Appurtenant Interests pursuant to the provisions of Section 339-x of the Condominium Act, or (ii) the Board of Managers shall acquire or lease a Unit from any Unit Owner together with the Appurtenant Interests, pursuant to the By-laws or otherwise, or (iii) the Board of Managers shall purchase a Unit at a foreclosure or similar sale or otherwise, title to such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

8.1.2 Any profit upon any sale of a Unit so acquired by the Board of Managers shall accrue to the benefit of the Unit Owners.

8.1.3 The lease covering any Unit leased by the Board of Managers or its designee, shall be held by the Board of Managers or its designee, on behalf of all Unit Owners in proportion to their Common Interests.

Section 8.2 Procedures for Sale or Lease. Specific procedures for sale or lease of Units to be adhered to by Unit Owners are set forth in Article 9 of the By-laws.

ARTICLE 9
CONDOMINIUM DOCUMENTS RUN WITH THE LAND

Section 9.1 All Owners, Tenants and Occupants Subject to Condominium Documents Which Run With the Land. All present and future Unit Owners, tenants, occupants or any other Person that might use the Units or the Facilities of the Property in any manner, are subject to the provisions of this Declaration, the By-laws, and Rules and Regulations of the Condominium, as they may be amended from time to time. The acceptance of a deed of conveyance of, or the entering into of a lease for all or any portion of, or the entering into occupancy of all or any portion of a Unit shall signify that the provisions of this Declaration and the By-laws and Rules and Regulations of the Condominium, 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 of conveyance or lease thereof.

ARTICLE 10
AMENDMENT

Section 10.1 Generally.

10.1.1 Except for the rights of Declarant and/or the Commercial Unit Owners and/or the Hotel Unit Owner set forth in this Article 10 and elsewhere in this Declaration or the By-laws to amend this Declaration or the By-laws without the vote of any other Unit Owners, with respect to modifications affecting only their own Unit(s) (and/or, with respect to Declarant, in connection with its obligations and role as Sponsor of the Offering Plan), or the alteration of Common Elements by the Board (or otherwise) and/or the alteration, combination or division of Unit(s) by Unit Owners (or otherwise), and to make related changes arising out of such modifications, as discussed in this Declaration and in the By-laws, this Declaration and the By-laws generally may be modified, altered, amended or added to only at a duly called meeting of Unit Owners, provided that:

(a) a notice of the meeting containing a full statement of the proposed amendment has been sent to all Unit Owners in accordance with Section 3.4 of the By-laws;

(b) Unit Owners representing at least 51% in number and Common Interest of Units, voting in person or by proxy approve the amendment at the meeting; and

(c) the amendment, in the form approved at the meeting, is duly recorded in the City Register's Office.

10.1.2 Notwithstanding the foregoing, while Declarant is the only Unit Owner, Declarant may amend this Declaration without the necessity of calling a meeting.

10.1.3 (a) Declarant and its successors and assigns, and each Commercial Unit Owner and the Hotel Unit Owner, shall have the further right, without the necessity of calling a meeting and without the prior consent of the Board of Managers, Eligible Holders or any other holders, insurers or guarantors of Unit mortgages, to execute (or to require the Board of Managers to execute) and to record in the City Register's Office, an amendment to

this Declaration and/or to the By-laws annexed hereto, to reflect changes in number, size, layout, etc. in Units owned by Declarant or such Commercial Unit Owner or the Hotel Unit Owner, as applicable, and any reapportionment of Common Interest necessitated by such change, and to file simultaneously with said amendment, any amendment to the Tax Lot Drawings necessitated by such change, pursuant to the rights of the Declarant, the Commercial Unit Owners and the Hotel Unit Owner set forth in the Condominium Documents and to reflect any related modifications arising out of such changes. In connection with the foregoing, Declarant, may, without limitation, amend this Declaration to subdivide a Unit owned by it into one or more Units and combine separate Units owned by it into one or more Units, and in so doing, may alter boundary walls or otherwise, and may include in such reconfiguration of space any wall, public hallway or portion thereof, or any other space abutting such Unit(s) even if same comprise Common Elements, and if appropriate, reapportion Common Interest among Units affected by such change. However, Common Interest need not be increased in connection with such modification if the change involves incorporation of a portion of public hallway space into a Unit.

(b) Declarant, its Affiliates and its successors and assigns shall also have the right, regardless of how many Units it owns or how many other Unit Owners shall exist, to amend this Declaration and the By-laws annexed hereto, and the Tax Lot Drawings, without calling a meeting, to effect changes and/or corrections consistent with Declarant's rights and obligations hereunder and/or as Sponsor under the Offering Plan, including, without limitation, to correct mathematical mistakes, scrivener's errors or inconsistencies.

(c) Consent by each Unit Owner to any and all of the foregoing amendments or filings by Declarant or a Commercial Unit Owner or the Hotel Unit Owner, shall be deemed given by virtue of the fact that the Unit Owner holds title to a Unit. Such consent may be confirmed pursuant to this provision in the amendment itself, and/or in a confirmatory certification by an officer of the Board of Managers attached to the amendment. Declarant may make any such amendment without the consent of any party other than the deemed consent of Unit Owners as described above. Any amendments and filings made by Declarant or a Commercial Unit Owner or the Hotel Unit Owner pursuant to the above provisions shall be at Declarant's or such Commercial Unit Owner's or Hotel Unit Owner's sole cost and expense, unless Declarant, if applicable, shall arrange otherwise with a party on whose behalf the modifications are being made.

10.1.4 An instrument evidencing an amendment to this Declaration must be duly recorded in the City Register's Office. Such instrument need not contain the written consent of the required percentage of Unit Owners or, if applicable, Eligible Holders, but shall contain a certification by Declarant, an officer of the Board of Managers or the amending Commercial Unit Owner(s) or the Hotel Unit Owner, as applicable, that the consents, if any, required for such change have been received and filed with the Board of Managers or are deemed given pursuant to the terms of the Condominium Documents. With certain exceptions, as discussed above and below, the costs and expenses of preparing and recording an amendment to the Declaration pursuant to this Article 10 shall be borne by the Unit Owners as a Common Expense. If an amendment is necessitated as a result of alteration work performed by a Unit Owner, the Unit Owner shall bear the expense of preparing and recording the amendment, although the Board shall bear the responsibility of recording such amendment, provided it has approved same in accordance with this Declaration and the By-laws.

Section 10.2 Execution of Amendments. An amendment shall be executed by Declarant, if applicable, and/or by the Board of Managers, in either case as attorney in fact for the Unit Owners. The Board of Managers is authorized by the Unit Owners to so act as their attorney-in-fact. The Board of Managers and/or Declarant may require a Unit Owner to execute or otherwise confirm consent to an amendment if the amendment concerns the Unit Owner's Unit.

Section 10.3 Distribution of Amendments. Copies of amendments to this Declaration will be furnished by the Board of Managers to Unit Owners (as a General Common Expense) if the amendment is prepared and recorded by the Board of Managers and affects the entire Condominium or the Residential Area. Amendments filed by the Board of Managers on behalf of a Residential Unit Owner shall be duplicated and distributed to all Unit Owners at the amending Unit Owner's sole cost and expense. Amendments filed by a Commercial Unit Owner or by

the Hotel Unit Owner shall be duplicated and distributed to all Unit Owners by such Commercial Unit Owner or Hotel Unit Owner at its sole cost and expense.

Section 10.4 Limitations on Amendments.

10.4.1 No amendment to this Declaration and/or the By-laws may be enacted which (i) adversely affects Declarant's or any Commercial Unit Owner's or Hotel Unit Owner's rights hereunder with respect to the sale or leasing of Units owned by it or the making of alterations, additions and improvements to Units owned by it, or (ii) which adversely affects Declarant's or any Commercial Unit Owner's or Hotel Unit Owner's rights hereunder in any way whatsoever, without Declarant's or such Commercial Unit Owner's or Hotel Unit Owner's prior written consent. No amendment shall be enacted that changes the Common Interest allocated to a Unit pursuant to this Declaration, without the prior consent of all Unit Owners. The foregoing prohibition shall not be applicable, however, in the case of, and shall not prevent, a Unit Owner from reallocating Common Interest among Units it owns, in connection with the subdivision or combination of such Unit Owner's Units by that Unit Owner. Said provision shall also not prohibit Declarant, as Sponsor of the Offering Plan, from making an amendment changing Common Interest appurtenant to Units not owned by Declarant, when the modifications sought to be made are de minimis and are necessary to correct arithmetic or other errors in the calculation of Common Interest set forth in the Declaration, or otherwise necessary to carry out Sponsor's obligations under the Offering Plan. Consent of all Unit Owners to any such amendment(s) shall be deemed given, when and if such amendment is promulgated. Declarant and each Commercial Unit Owner and the Hotel Unit Owner's may make such alterations and amendments without prior consent of any other Person. The consent of all other Unit Owners to any such reallocation by Declarant or a Commercial Unit Owner or the Hotel Unit Owner of the Common Interest among its own Units in accordance with the foregoing and the applicable provisions of the Condominium Documents, shall be deemed given by the acceptance of a deed for a Unit and Sponsor or the Commercial Unit Owner or the Hotel Unit Owner may proceed accordingly without any other consents required.

10.4.2 No amendment to this Declaration or the By-laws enacted by the Unit Owners pursuant to Section 10.1.1 above, and no amendment to the By-laws enacted pursuant to Section 14.1 thereof, which in the reasonable judgment of the Board of Managers shall materially impair or materially and adversely prejudice the rights or priorities of a Recognized Mortgagee, shall be recorded without the prior written consent of such Recognized Mortgagee. If a Recognized Mortgagee does not respond to a request for consent within ten (10) business days after the date the request is sent (or such longer period expressly provided in the Condominium Documents or in the notice from the Board of Managers), then the Recognized Mortgagee shall be deemed to have approved the proposed amendment. A Recognized Mortgagee's consent to a proposed amendment shall not be unreasonably withheld or delayed.

10.4.3 The foregoing shall not be deemed to interfere with the right and duty of the Board of Managers to promulgate and amend Rules and Regulations pertaining to use and operation of the Condominium, as to which consent of Eligible Holders and Recognized Mortgagees shall not be required.

Section 10.5 Eligible Holders; Recognized Mortgagees. The provisions of Article 8 of the By-laws providing certain specified rights to Eligible Holders and Recognized Mortgagees, are incorporated by reference into this Article 10.

ARTICLE 11
TERMINATION AND WITHDRAWAL

Section 11.1 Termination. The Condominium shall continue and shall not be terminated or withdrawn from the Condominium Act except in accordance with this Declaration, the By-laws, and all laws, ordinances and regulations applicable to the Property at the time termination or withdrawal is desired. In this regard, the Condominium may be terminated following a loss due to casualty or condemnation, as more fully described in Sections 6.4 and 10.3, respectively, of the By-laws.

Section 11.2 Withdrawal. The Condominium may be withdrawn from the provisions of the Condominium Act by the affirmative vote of Unit Owners representing at least 80% in Common Interest. No such vote shall be effective, however, without the approval and consent of Declarant, during the Sponsor Veto Control Period, and shall be subject to the rights of Recognized Mortgagees and Eligible Holders, as described in Article 8 of the By-laws.

Section 11.3 Action for Partition. If withdrawal of the Condominium from the Condominium Act is authorized as provided in this Article 11, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common. In the event an action for partition is approved and authorized pursuant to the foregoing, the net proceeds of sale arising out of the partition action shall be divided by or on behalf of the Board of Managers among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of the Unit Owner's share of such net proceeds, the liens of all mortgages and all other liens on the Unit Owner's Unit, in the order of priority of such liens. As set forth in the By-laws, a Permitted Mortgage held by an Eligible Holder and secured by a Residential Unit is prior to the lien of the Board of Managers for unpaid Common Charges with respect to that Unit.

ARTICLE 12
GENERAL

Section 12.1 Declarant's Rights and Obligations. All rights accruing to Declarant hereunder shall also accrue to an Affiliate of Declarant, or any entity appointed by Declarant as its designee, or any Person or entity succeeding to Declarant's rights hereunder.

Section 12.2 Affiliate. As used in this Declaration, an Affiliate of Declarant shall be deemed to be (i) a Person or entity who or which owns more than 25% of the legal or beneficial interest of Declarant, or (ii) an entity with respect to which Declarant owns more than 25% of the legal or beneficial interest, or (iii) an entity owned or controlled directly or indirectly by the principal shareholder of the managing member of Declarant.

Section 12.3 Invalidity. The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been made.

Section 12.4 Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce same, irrespective of the number of violations or breaches which may occur.

Section 12.5 Captions. The captions in the Condominium Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provision thereof.

Section 12.6 Conflicts. Conflicts between this Declaration and the By-laws attached hereto shall be resolved in favor of this Declaration. Conflicts between this Declaration and the Condominium Act shall be resolved in favor of the Condominium Act.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this ____ day of _____ 201_.

71 SMITH STREET PROPERTY OWNER, L.L.C.

By: 71 Smith Street, L.L.C., sole member

By: Flank 71 Smith LLC

By:_____
Name: Michael Walsdorf
Title: Member

STATE OF NEW YORK)

ss.:

COUNTY OF NEW YORK)

On this ____ day of _____ 201_ before me the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____

Notary Public

LIST OF SCHEDULES

Schedule A - Legal Description

Schedule B - Unit Designations, Common Interest and Related Information

Schedule C – Definitions

Schedule D - By-laws of the Condominium

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SCHEDULE A

LEGAL DESCRIPTION

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

SCHEDULE B
TO CONDOMINIUM DECLARATION FOR THE BOERUM CONDOMINIUM
265 STATE STREET, BROOKLYN, NY 11201

UNIT DESIGNATIONS, COMMON INTEREST, AND RELATED INFORMATION

UNIT DESIGNATION	UNIT AREA (SQ. FT)	TERRACE AREA (SQ. FT.)	STORAGE BIN # (SQ. FT.)	TAX LOT NUMBER	COMMON INTEREST	COMMON ELEMENTS TO WHICH UNIT HAS ACCESS	LOCATION IN BUILDING

SCHEDULE C

TO CONDOMINIUM DECLARATION FOR THE BOERUM CONDOMINIUM

DEFINITIONS

"***3rd Floor Roof Setback***" means the roof setback at the 3rd floor of the Building located over the 2nd floor of the Building which are Limited Common Elements appurtenant to the Hotel Unit.

"***15th Floor Roof Setback***" means the roof setback at the 15th floor of the Building located over the 14th floor of the Building, which is a Residential Common Element and supports the Amenity Terrace.

"***ACRIS***" is an acronym for Automated City Register Information System, a document database website maintained by the New York City Department of Finance.

"***Affiliate***" or "***Affiliated***" shall mean (i) with respect to any Person that is a natural person, such Person's immediate family members or (ii) with respect to any Person that is an entity, any director or officer of such Person, any corporation, association, firm or the entity of which such Person (or any officer or director of such Person) is a member, director or officer, and any other Person, directly or indirectly controlling, controlled by, or under common control with, such Person. For the purpose of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The term "immediate family members" means, with respect to any natural person, the Spouse, children, grandchildren, parents and grandparents, in each case including by adoption, of any such natural person.

"***Amenity Center***" means the recreational amenity center on the 15th Floor of the Building and all equipment, appliances and furnishings therein, as well as the Amenity Terrace appurtenant thereto, all of which are Residential Common Elements.

"***Amenity Terrace***" means the outdoor terrace on the 15th Floor, and all pavers, decking, landscaping and furnishings and equipment therein or thereon, including, without limitation, an artificial grass lawn, a children's play area, a lounge area with seating, a gas grill station, refrigerator, ice maker and sink, all of which are Residential Common Element..

"***Attorney General***" means the New York State Attorney General, who is the head of the New York State Department of Law.

"***Balcony***" means a balcony, if any, projecting from and appurtenant to a particular Residential Unit.

"***Board of Managers***" or "***Board***" or "***Condominium Board***" means the Board of Managers of the Condominium.

"***Building***" means the Improvements now or hereafter erected on the Land and all alterations and replacements made to such Improvements.

"***By-laws***" means the By-laws of the Condominium, which by-laws are annexed to the Declaration, as such by-laws may be amended from time to time.

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

"***Commercial Area***" means collectively, the Commercial Units, any Commercial Common Elements and any Commercial Limited Common Elements.

"***Commercial Board Member***" means the individual elected or appointed by the Commercial Unit Owners to serve as the representative of the Commercial Unit Owners on the Board of Managers.

"***Commercial Common Charges***" means those Common Charges, if any, assessed against the Commercial Unit Owners for the purpose of meeting Commercial Common Expenses, if any.

"***Commercial Common Elements***" means those Common Elements, if any, located in or exclusively serving the Commercial Units.

"***Commercial Common Expenses***" means those Common Expenses, if any, incurred in connection with the Commercial Common Elements plus the Commercial Units' pro-rata share of General Common Expenses.

"***Commercial Limited Common Element***" means a Limited Common Element serving a specified Commercial Unit, and restricted in use to the Owner of that Unit or tenants and/or other occupants thereof.

"***Commercial Unit***" means a Unit designated as a Commercial Unit on Schedule B to the Declaration and on the Tax Lot Drawings, together with the Common Interest appurtenant to such Unit.

"***Commercial Unit Owner***" means the Owner of a Commercial Unit.

"***Common Charges***" means the annual assessments payable in monthly installments by Unit Owners for the purpose of meeting Common Expenses. Assessments, both special and otherwise, will be characterized and treated as Common Charges of the Unit Owner to whom assessed, all as more fully described in the By-laws.

"***Common Elements***" means those facilities and areas of the Property that are not part of a Unit and which are necessary or convenient to the existence, management, operation, maintenance and/or safety of the Property, or normally in common use.

"***Common Expenses***" means all costs and expenses in connection with repair, maintenance, replacement, restoration, operation of, and alteration, addition or improvement to, the Common Elements, including but not limited to insurance and establishment of reserves for repairs and replacements.

"***Common Interest***" means the proportionate undivided percentage of interest in fee simple absolute in the Common Elements allocated and appurtenant to a Unit, as set forth in ***Schedule B*** to the Declaration. The total of all Common Interest percentages appertaining to all Units equals 100%.

"***Condominium***" means the Property submitted to the Condominium Act.

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

"***Condominium Documents***" means, collectively, the Declaration and the By-laws attached thereto, as same may be amended from time to time.

"***Construction Lender***" means M & T Bank, its successors and assigns or similar institutional lending institution.

"***Construction Loan***" means the construction loan made by Construction Lender to Sponsor for purpose of constructing the Building.

"***Declaration***" means the Declaration establishing the Condominium, to be recorded by Sponsor prior to conveying title to a Unit under this Offering Plan, as same may be amended from time to time.

"***Department of Buildings***" means the New York City Department of Buildings.

"***Department of Law***" means the New York State Department of Law, which is headed by the New York State Attorney General.

"***Eligible Holder***" means a Permitted Mortgagee who timely provides a Mortgagee's Notice to the Board of Managers in accordance with the By-laws and who holds a Permitted Mortgage secured by a Residential Unit.

"***First Annual Meeting of Unit Owners***" means the first annual meeting Unit Owners following establishment of the Condominium held in accordance with the provisions therefor stated in the By-laws.

"***First Unit Closing***" means the first closing of a sale of a Residential Unit pursuant to the Offering Plan.

"***First Year of Condominium Operation***" means the initial 12-month period of Condominium operation commencing on the date of the First Unit Closing.

"***First Year's Budget***" means the projected operating budget for the First Year of Condominium Operation, which is included in the Plan as, and referred to from time to time as, "Schedule B."

"***General Common Charges***" means those Common Charges attributable to General Common Expenses.

"***General Common Elements***" means those portions of the Property other than the Units, the Residential Common Elements, the Commercial Common Elements, the Hotel Common Elements, the Residential Limited Common Elements, the Commercial Limited Common Elements, and the Hotel Limited Common Elements, if any.

"***General Common Expenses***" means those Common Expenses attributable to the General Common Elements.

"***Hotel Board Member***" means the individual appointed by the Hotel Unit Owner to serve as the representative of the Hotel Unit Owner on the Board of Managers.

"***Hotel Common Charges***" means those Common Charges, if any, assessed against the Hotel Unit Owner for the purpose of meeting Hotel Common Expenses, if any

"***Hotel Common Elements***" means those Common Elements, if any, located in or exclusively serving the Hotel Unit.

"***Hotel Common Expenses***" means those Common Expenses, if any, incurred in connection with the Hotel Unit Common Elements plus the Hotel Unit's pro-rata share of General Common Expenses.

"***Hotel Unit***"" means a Unit designated as a Hotel Unit on Schedule B to the Declaration and on the Tax Lot Drawings, together with the Common Interest appurtenant to such Unit.

"***Hotel Unit Owner***" means the Owner of the Hotel Unit.

"***Improvements***" means the Building and any and all other improvements now or hereafter erected on the Land and all alterations, additions and replacements to such improvements.

"***Initial Control Period***" means the period ending on the later to occur of (i) closing of title to 95% of the Residential Units offered under the Offering Plan, or (ii) ten (10) years after the date of the First Unit Closing.

"***Institutional Lender***" means any domestic or foreign retail or savings bank, any insurance company or savings and loan association whose investments are regulated by the laws of any State or of the United States, any pension fund, trust company, governmental agency or fund, any educational, religious or charitable institution, or other non-individual entity, any entity which is the holder of a mezzanine loan to Sponsor or a Commercial Unit Owner (or any of their respective Affiliates or subsidiaries) or a consortium of any of the foregoing, in the business, among other things, of making mortgage loans secured by real property.

"***Land***" means the land submitted to the Declaration upon which the Building and Improvements comprising the Condominium are constructed, as more fully described on Schedule A attached to this Declaration.

"***Limited Common Element***" means a Common Element that serves one or more specified Unit(s) and no other Units, and is restricted in use to the Owner(s) of that (those) Unit(s).

"***Main Roof***" means the roof constructed over the highest floor of the Building.

"***Managing Agent***" means any management company or agent engaged to manage the Condominium.

"***Mortgagee***" means any Institutional Lender (i) holding, insuring or guaranteeing a mortgage of record encumbering a Unit (including, without limitation the Construction Lender while it holds a mortgage secured by a Unit owned by Sponsor) or (ii) who makes a mezzanine loan to Sponsor or a Commercial Unit Owner or a Hotel Unit Owner or any of their respective Affiliates or subsidiaries, and holds a pledge of ownership interests in connection therewith.

"***Mortgagee's Notice***" means written notice sent by a Permitted Mortgagee certified mail return receipt requested to the Board of Managers within thirty (30) days of the date a Permitted Mortgage is made to that Mortgagee or within thirty (30) days of the date a mezzanine loan is made by a Permitted Mortgagee to Sponsor or a Commercial Unit Owner (or any of their respective Affiliates or subsidiaries) or Hotel Unit Owner (or any of its respective Affiliates or subsidiaries), as applicable), stating the name of the Permitted Mortgagee, the Unit encumbered by the Permitted Mortgage (or subject to the mezzanine loan), an address to which notices to Permitted Mortgagee are to be sent when required to be sent under the Condominium Documents, and if applicable, expressly listing those specific actions by the Board of Managers of which Permitted Mortgagee requests notice, consistent with the By-laws.

"***Offering Plan***" (or "***Plan***") means this Offering Plan for the sale of Units at the Condominium, filed by Sponsor with the Department of Law, as said Plan may be amended from time to time.

"***Parking Area***" means the garage area on the second floor of the Building designated as parking on the Tax Lot Drawings together with the ramp leading to the Parking Area from Schermerhorn Street and the vehicle entry door to the garage area.

"***Parking License***" means the license granted pursuant to a Parking License Agreement.

"***Parking License Agreement***" means a license agreement between the Board of Managers and a Residential Unit Owner setting forth terms and conditions of use by Residential Unit Owner of the Parking Area.

"Parking License Fee" means the fee payable under a Parking License Agreement.

"***Permitted Mortgage***" means a (i) a first mortgage of record made by a Unit Owner to a Mortgagee and secured by that Owner's Unit, (ii) any mortgage of record made by Sponsor to a Mortgagee and secured by one or more Units owned by Sponsor, which mortgage in case of (i) or (ii) satisfies the applicable requirements in Article 8 of the By-laws, (iii) the Construction Loan, while any portion remains outstanding and secured by one or more Units at the Building owned by Sponsor, and (iv) a pledge of ownership interests in Sponsor or a Commercial Unit Owner or Hotel Unit Owner or in any of their respective Affiliates or subsidiaries, to an Institutional Lender, securing a mezzanine loan made to Sponsor or such Commercial Unit Owner or Hotel Unit Owner or any of their respective Affiliates or subsidiaries, by said lender, and satisfying the applicable provisions of Article 8 of the By-laws.

"***Permitted Mortgagee***" means a Mortgagee holding, insuring or guaranteeing a Permitted Mortgage and, in the case of the mortgages referenced in clauses (i) and (ii) of the definition of Permitted Mortgage, satisfying the additional criteria to be a Permitted Mortgagee set forth in Section 8.1(a) of the By-laws.

"***Permittee***" means the Unit Owners, Recognized Mortgagees, Permitted Mortgagees, tenants of Residential Units or Commercial Units or Hotel Unit, any party who by lease, license or otherwise is entitled to use or occupy space within the Building, and their respective beneficiaries, officers, directors, employees, agents, partners, shareholders, contractors, guests, family members, invitees and licensees, it being understood that the term "Permittees" shall in no event or circumstance create or be deemed to create any rights hereunder generally to members of the general public unless expressly set forth herein.

"***Person***" shall mean an individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, any Federal, State, County or municipal government, or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"***Planting Rules***" means the rules and regulations established by the Board of Managers with respect to plantings on Unit Terraces as such rules may be amended from time to time. The initial Planting Rules are contained in the Rules and Regulations included in Part II of this Offering Plan.

"***Property***" means the Land and Improvements now or hereafter erected on the Land and submitted to the Declaration.

"***Replacement Reserve Fund***" means a fund now or hereafter established and maintained by the Board of Managers for the periodic maintenance, repair and replacement of the Building and Common Element systems therein, which fund may be funded out of regular assessments for Common Charges and may be supplemented as the Board of Managers in its discretion may determine from time to time.

"***Residential Area***" means, collectively, the Residential Units, Residential Common Elements and Residential Limited Common Elements.

"***Residential Board Members***" means the individuals elected or appointed by the Residential Unit Owners to serve as their representatives on the Board of Managers and to, among other things, make and implement operational decisions concerning exclusively the Residential Area.

"***Residential Common Charges***" means those Common Charges assessed against the Residential Unit Owners for the purpose of meeting Residential Common Expenses.

"***Residential Common Elements***" means those Common Elements located in and/or serving exclusively the Residential Area.

"***Residential Common Expenses***" means those Common Expenses incurred in connection with the Residential Area, plus the Residential Unit Owners' pro-rata share of the General Common Expenses.

"***Residential Common Interest***" means a proportion, the numerator of which is the Common Interest attributable to a particular Residential Unit and the denominator of which is the aggregate Common Interest attributable to all Residential Units. The proportion is expressed as a percentage appurtenant to each Residential Unit, and is included on ***Schedule B*** to the Declaration. The total of all Residential Common Interests equals 100%.

"***Residential Limited Common Element***" means a Limited Common Element serving a specified Residential Unit, and restricted in use to the Owner or other occupant of that Unit.

"***Residential Unit***" means a Unit designated as a Residential Unit on Schedule B to the Declaration and on the Tax Lot Drawings, together with the Common Interest appurtenant to such Unit.

"***Residential Unit Owner***" means the Owner of a Residential Unit.

"***Residents' Gym***" means the gym in the cellar level of the Building together with all equipment and facilities therein, which are all Residential Common Elements for exclusive use by Residential Unit Owners and such other residents of the Residential Units as the Board of Managers shall determine in its discretion.

"***Roof Setback***" means, the 3rd Floor Roof Setback and the 15th Floor Roof Setback, as applicable.

"***Rules and Regulations***" means, collectively, the rules and regulations adopted by the Board of Managers pertaining to the use of the Condominium, as amended from time to time.

"**Smoke/CO Detector**" means any combination hard-wired smoke and carbon monoxide detector installed in a Residential Unit.

"***Special Assessment***" means an assessment in addition to Common Charges enacted by the Board of Managers and payable by all Unit Owners, or imposed by the Board of Managers against a particular Unit Owner in accordance with the Condominium Documents.

"***Sponsor***" means 71 Smith Street Property Owner, L.L.C. and its designated successors and assigns.

"***Sponsor Veto Control Period***" means the longer of (i) the period during which Sponsor owns Units representing in the aggregate at least 25% in Common Interest, or (ii) ten (10) years after the date of the First Unit Closing.

"***Spouse***" means an adult person of the same or opposite sex to whom the Residential Unit Owner is married and/or with whom the Residential Unit Owner has registered as a domestic partner pursuant to the laws and/or regulations of the City and/or State of New York or other jurisdiction authorizing and providing for similar domestic partner registrations or for civil unions, or an adult lifetime partner whose relationship with the Residential Unit Owner is long-term and characterized by emotional and financial commitment and interdependence.

"***Storage Bin***" means a Storage Bin constructed by Sponsor in the cellar level of the Building.

"***Storage Bin License Agreement***" means a license agreement between the Board of Managers and a Residential Unit Owner setting forth terms and conditions of use by Residential Unit Owner of a Storage Bin.

"***Storage Bin License Fee***" means the fee payable under a Storage Bin License Agreement.

"***Subway Indemnity Agreement***" means Agreement dated January 8, 2014 between the New York City Transit Authority, a public benefit corporation of the State of New York and Sponsor.

"***Tax Lot Drawings***" means the drawings of the Building delineating the Units and Common Elements, which drawings are certified by Goldstein, Hill and West Architects, LLP, Sponsor's Architect, approved by the Real Property Assessment Department of the City of New York and filed simultaneously with the recording of this Declaration in the City Register's Office, as same may be amended from time to time.

"***Unit***" means any space in the Building intended for independent use or ownership and designated as a Unit in the Declaration, together with such Unit's Common Interest. Any two or more Units are collectively referred to as "***Units***."

"***Unit Owner***" or "***Owner***" means collectively, all parties owning a Unit in fee simple absolute.

"***Unit Terrace***" means a terrace appurtenant to a particular Residential Unit as a Residential Limited Common Element constructed on a Roof Setback.

"***Unsold Unit***" refers to any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by (i) Sponsor or its designee, (ii) any party designated by Sponsor as a "sponsor" under the Plan, (iii) any party designed by Sponsor as the Owner of an Unsold Unit, (iv) the holder of a Permitted Mortgage given by Sponsor or (v) the designee of a holder of such a Permitted Mortgage.

"***Zoning Resolution***" means the Zoning Resolution of the City of New York, as same may be amended from time to time.

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8. SCHEDULE D TO DECLARATION

BY-LAWS

FOR
THE BOERUM CONDOMINIUM
265 STATE STREET
BROOKLYN, NEW YORK 11021

BRYAN CAVE LLP
Attorneys for Declarant
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BY-LAWS

of

THE BOERUM CONDOMINIUM
BROOKLYN, NEW YORK

ARTICLE 1

GENERAL

Section 1.1. Purpose. The purpose of these By-laws is to set forth the rules and procedures governing the operation and conduct of the Condominium. All capitalized terms used in these By-laws and not defined herein, shall have the meanings ascribed to them in the Declaration to which they are annexed.

Section 1.2. Applicability of By-laws. The provisions of these By-laws are applicable to the Property and to the use and occupancy thereof.

Section 1.3. Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, agents and/or licensees, and any other Persons who may use the Facilities of the Property in any manner are subject to these By-laws, the Declaration and the Rules and Regulations, each as amended from time to time. The acceptance of a deed or conveyance or the entering into (or acceptance of assignment) of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 1.4. Title to Units.

(a) Title to Units may be taken in the name of an individual or in the names of two or more Persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation, limited liability company, partnership, fiduciary, trust, estate, unincorporated association, organization, syndicate, joint venture, government (or any mission, department or agency thereof), or any other entity.

(b) If a deed to a Unit is accepted by a government or any mission, department or agency thereof that might then or in the future be eligible for immunity (whether sovereign, diplomatic, consular or otherwise) from any legal or equitable proceedings in the United States or elsewhere, under any applicable law, code, convention, treaty, agreement or otherwise, by accepting a deed to the Unit the Unit Owner shall be deemed to:

(i) Expressly and voluntarily waive any such immunity from the personal jurisdiction of the courts of the United States and of the States of the United States as to any controversy, dispute or claim in connection with or relating to the Condominium Documents, the Property or Unit Owner's ownership, use, occupancy or operation of the Unit;

(ii) Expressly and voluntarily waive all rights to immunity from pre-judgment attachment, attachment in aid of execution, or from execution, upon a judgment entered by a court of the United States or of a State of the United States even though the Unit may be used for the purposes of maintaining a diplomatic or consular mission or the residence of the chief of such mission;

(iii) Irrevocably and unconditionally (1) consent to any suit, action or proceeding arising out of or relating to the Condominium Documents, the Property or Unit Owner's ownership, use, occupancy or

operation of its Unit being brought in any state or Federal court in the State of New York; (2) waive any objection it may then or thereafter have to the laying of the venue of any such suit, action or proceeding under clause (1) above, in any such court, or claim that any such suit, action or proceeding under clause (1) above, has been brought in an inconvenient forum; (3) acknowledge the competence of any such court and submits to the jurisdiction of any such court in any such suit, action or proceeding; (4) agree that any final non-appealable order or judgment issued by any such court in any such suit, action or proceeding shall be conclusive and binding upon the Unit Owner and may be enforced in the courts of such Unit Owner's country of origin once a further judgment has been obtained in the courts of Unit Owner's country of origin, which further judgment may as a matter of practice be obtained without relitigation on the merits of the matter adjudicated upon by such state or Federal court in the State of New York, a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of such Unit Owner's obligation, provided that service of process is effected upon the Unit Owner in the manner specified above or as otherwise permitted by law; and (5) irrevocably consent to service of process upon it out of said courts in any such suit, action or proceeding by mailing copies thereof by registered or certified air mail postage prepaid, to such Unit Owner at the Property; and

(iv) Maintain an agent for service of process in the City of New York, State of New York for the purpose of any suit, action or proceeding taken in any state or Federal court in the State of New York. Absent a written designation of an agent for service of process executed and delivered to the Board of Managers by the Unit Owner, Unit Owner shall be deemed to have irrevocably designated, appointed and empowered the Managing Agent, should there be one, as its duly authorized and lawful agent to receive process for and on behalf of Unit Owner in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Condominium Documents, the Property, or Unit Owner's ownership, use, occupancy and operation of its Unit. Nothing contained herein is intended or shall be deemed to limit the rights to the Board of Managers or any other Unit Owner to serve process in any other country or any other manner permitted by law or to bring any legal action or proceeding or to obtain an attachment or execution of judgment in any competent jurisdiction, including in the courts of Unit Owner's country of origin.

(c) If the grantee of a Unit is a government or any mission, department or agency thereof, the Board may require that the grantee enter into a written agreement with the Board of Managers on terms acceptable to the Board and its counsel, in which the grantee (i) confirms compliance with the foregoing provisions of this Section 1.4, (ii) agrees that any legal action or proceeding with respect to the Unit may be brought in the courts of the State of New York, and in the City of New York, or in the United States District Court for the Southern District of New York, as the Board of Managers shall elect, and (iii) permits execution and enforcement of any judgment obtained by the Board of Managers. The Board of Managers may require evidence satisfactory to the Board's counsel, of the authority of the party executing any such agreement to execute it, and confirming the binding nature of any agreement executed by such party.

(d) If a potential grantee is an entity (as opposed to a natural person), grantee must, at the request of the Board of Managers, (i) provide the Board with evidence documenting formation of grantee and authority of grantee to purchase and own the Unit and (ii) if grantee is an entity formed under the laws of a jurisdiction other than New York State, provide the Board of Managers with a certified copy of an application for authority filed by the entity with the New York State Department of State which, among other things, designates the Secretary of State of the State of New York ("**Secretary**") as agent of the entity upon whom process may be served and provides an address to which the Secretary shall mail a copy of any such service.

(e) With respect to any potential grantee which is a corporation, limited liability company, partnership, trust or other entity including, without limitation, those itemized in Section 1.4(a) above, the Board of Managers shall have the right and authority to require personal guarantees and/or such other assurances and security as the Board of Managers shall reasonably deem necessary to insure that Common Charges due with respect to the Unit are paid and other obligations respecting the Unit are satisfied.

ARTICLE 2

BOARD OF MANAGERS

Section 2.1. Number; Qualification; Term.

(a) The affairs of the Condominium shall be governed by a Board of Managers. The Board of Managers shall comprise representatives of the Residential Unit Owners, the Commercial Unit Owners and the Hotel Unit Owner. The initial Board of Managers shall consist of three (3) persons, one (1) appointed by Declarant who shall represent all Residential Unit Owners, one (1) appointed by Declarant who shall represent the Commercial Unit Owners, one (1) appointed by Declarant who shall represent the Hotel Unit Owner. They shall hold office until their successors shall have been installed at the First Annual Meeting of Unit Owners held pursuant to Section 3.1 of these By-laws, at which time a seven (7) member Board of Managers shall be established in accordance with these By-laws. Of these seven (7) members, five (5) shall be elected or appointed by the Residential Unit Owners including Declarant if Declarant shall then own a Residential Unit (each, a **"Residential Board Member"**), one (1) shall be elected or appointed by the Commercial Unit Owners (the **"Commercial Board Member"**) and one (1) shall be elected or appointed by the Hotel Unit Owner (the **"Hotel Board Member")** The Commercial Board Member shall represent all Commercial Unit Owners and shall in no event make any decision or take any action that discriminates against or adversely affects a Commercial Unit or Commercial Unit Owner without the prior written consent of all Commercial Unit Owners. The Hotel Board Member will have the power and authority to make all decisions and actions affecting exclusively the Hotel Unit.

(b) Declarant shall have the right to voting control over the Board of Managers until the later to occur of (i) closing of title to 95% of the Residential Units offered under the Offering Plan, or (ii)ten (10 years after the date of the First Unit Closing (**"Initial Control Period"**). Declarant may appoint all Residential Board Members during the Initial Control Period. Declarant may relinquish voting control of the Board of Managers prior to the end of the Initial Control Period, in Declarant's sole discretion. In addition while Declarant is the Owner of at least one Commercial Unit (including, if applicable, after expiration of the Initial Control Period), Declarant shall have the right to appoint the Commercial Board Member. While Declarant is the Owner of the Hotel Unit (including, if applicable, after expiration of the Initial Control Period), Declarant shall have the right to appoint the Hotel Board Member.

(c) If Declarant elects not to appoint all Residential Board Members during the Initial Control Period, any Residential Board Member elected or appointed by the Residential Unit Owners during this period shall serve a term ending on the sooner of (i) 12 months after election or appointment (or the date said member's successor is elected or appointed) or (ii) the first annual meeting of Unit Owners held after expiration of the Initial Control Period (as described in Section 2.1(d) below).

(d) At the annual meeting of Unit Owners (or at a specially-called meeting) following expiration of the Initial Control Period (or following such earlier date as Declarant relinquishes voting control of the Board of Managers), successors for all but one of Declarant's designated Residential Board Members (or for all Declarant's designated Board Members if Declarant no longer owns a Residential Unit) shall be elected by the Residential Unit Owners. In addition, at such annual (or specially-called) meeting of Unit Owners, the Commercial Board Member and the Hotel Board Member shall be elected or appointed (or his/her existing Board membership shall be confirmed) by the Commercial Unit Owners, the Hotel Board member or Declarant, as applicable.

(e) The term of office of Residential Board Members elected at the annual or special meeting held pursuant to the previous paragraph, shall be two years for three members and one year for two members, or until their respective successors are elected or appointed. The three candidates receiving the highest number of votes shall serve two year terms on the Board and the two candidates receiving the lower number of votes (or Declarant's appointee as applicable) shall serve a one-year term. Thereafter, subject to the provisions of the

following paragraph providing for one possible one-year term, all Residential Board Members shall be elected or appointed to serve two-year terms.

(f) After the Initial Control Period ends, Declarant shall have the right to designate one (1) Residential Board Member so long as Declarant owns at least one (1) Residential Unit. When Declarant no longer owns a Residential Unit, then at the annual meeting next following the date the final Residential Unit is sold, Declarant's appointed Residential Board Member shall step down and a successor shall be elected by the Residential Unit Owners. The individual elected at such meeting shall serve a one-year or two-year term, whichever will is necessary to prevent the terms of all three Residential Board Members from expiring at the same time.

(g) At all meetings of Unit Owners Declarant shall have the right to vote for all candidates nominated for election (that is, candidates nominated by Unit Owners and candidates nominated by Declarant) as Residential Board Members, in accordance with Declarant's ownership of Residential Units and the number of votes attributable to such Units, subject, however, to the special rights of Declarant during the Initial Control Period.

(h) The term of office of the Commercial Board Member shall be one (1) year, or until his or her successor is elected or appointed. The term of office of the Hotel Board Member shall be one (1) year, or until his or her successor is elected or appointed.

(i) During the Initial Control Period, Declarant and/or its designee shall have the right to control the maintenance and operation of, and services to be provided by, the Board of Managers, and to determine Common Charges to be paid by all Unit Owners.

(j) Notwithstanding anything in these By-laws to the contrary, whenever Declarant shall have the right to designate more than one member of the Board of Managers, Declarant may appoint one or more than one individual to vote Declarant's interest on the Board, and any such individual(s) so appointed shall have the same rights and votes as would have been available to Declarant had Declarant appointed separate Board members for each position.

(k) So long as Declarant and/or its designee continue to own at least one Unit, the number of members of the Board of Managers may not be changed without the prior consent of Declarant and/or its designee.

(l) Members of the Board of Managers shall serve without compensation unless the Board of Managers amends the Condominium Documents to provide otherwise.

(m) Each member of the Board of Managers, other than an appointee of Declarant or its designee(s), shall be an individual Unit Owner or the Spouse of an individual Unit Owner, or shall be the designee of a Recognized Mortgagee who holds a recorded mortgage secured by a Unit. In the case of an entity Unit Owner, the Board member must be the formally authorized designee of a Unit Owner and shall be authorized by the Unit Owner in writing to serve as Board member. With respect to multi-party Residential Unit Owners (i.e., Spouses, partners), only one person per Residential Unit may be a Residential Board Member. The Commercial Board Member must be affiliated in some way with at least one Commercial Unit Owner, and must be elected or appointed as the Commercial Board Member by the Commercial Unit Owners (or one Commercial Unit Owner if the other Commercial Unit Owners fail to act). The Hotel Board member must be affiliated in some way with the Hotel Unit Owner.

(n) To be authorized to vote on the Board, the Board Member, if she or he is a Unit Owner or principal of a Unit Owner, must not be in default in payment of Common Charges or other assessments for the Unit she or he owns or represents. If a Unit Owner who is a member of the Board of Managers is in default in payment of Common Charges or other assessments following notice and expiration of any applicable cure period, that member may be removed from the Board and in any event, is not authorized to vote as a member of the Board of Managers. Likewise, a member of the Board of Managers against whose Unit a lien has been filed by the Board of Managers for

non-payment of Common Charges or by a Mortgagee for default under a mortgage, may be removed from the Board and shall in no event be authorized to vote as a member of the Board of Managers while the lien remains of record against that Unit Owner's Unit.

(o) If a member of the Board of Managers ceases to meet the qualifications for membership set forth above, he or she shall be deemed to have resigned from the Board effective as of the date such qualification ceased.

(p) Notwithstanding anything in the foregoing paragraphs of this Section 2.1 or elsewhere in these By-laws to the contrary, these By-laws do not require that at the end of the Initial Control Period referred to in Section 2.1(b) above, a majority of the members of the Board of Managers must be individual Unit Owners or Spouses of individual Unit Owners, or individual principals or authorized designees of Unit Owners that are entities, who in each case occupy their Units (i.e., they need not be "owner-occupants"), nor must they be unrelated to Declarant and its principals. Accordingly, at the end of the Initial Control Period, Board members may comprise investors or other non-occupant Owners, as well as owner-occupants, and it is possible non-occupant Owners may control the Board of Managers. It is also possible non-occupant Owners may be related to Declarant.

(q) Members of the Board of Managers may serve for more than one term.

Section 2.2. Resignation and Removal of Members of the Board of Managers. Members of the Board of Managers may resign at any time by giving notice in writing to the Board. Unless otherwise stated in the notice, the resignation shall be effective immediately.

(b) At any regular or special meeting of Unit Owners, any one or more of the Residential Board Members, other than a member appointed or elected by Declarant or its designee, may be removed with or without cause by a majority vote of the Residential Unit Owners and a successor to any such Residential Board Member may then and there or thereafter be elected by the remaining Board members to fill the vacancy thus created, provided notice of such proposed removal was given to the Residential Board Member and in the notice of the meeting. Any member of the Board of Managers appointed by Declarant or its designee may be removed by Declarant or its designee without notice for any reason, and by a majority of the Unit Owners (with notice) for cause, provided notice of such proposed removal was given to the Board member and in the notice of meeting. The Commercial Board Member may be removed by the Commercial Unit Owners without notice for any reason, and by a majority of other Unit Owners for cause, provided notice of such proposed removal was given to the Board member and in the notice of meeting. The Hotel Board Member may be removed for cause, provided notice of such proposed removal was given to the Board Member and in the notice of meeting.

(c) The term "for cause" as used in this Section 2.2 in connection with a proposed removal of a Board member "for cause," means that the Board member shall have (i) been found by a court of competent jurisdiction to have engaged in illegal activity, (ii) failed to attend any required minimum number of Board meetings within a specified period that the Board of Managers shall have adopted as a requirement of Board members under these By-laws, (iii) acted in a manner inconsistent with its fiduciary role under the Condominium Documents, or (iv) otherwise acted or failed to act so as be liable for malfeasance or negligence in its role as Board member of the Condominium. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting (except for any Declarant-appointed member being removed by Declarant, and the Commercial Board Member being removed by the Commercial Unit Owners, as to whom no such opportunity need be given by Declarant or the Commercial Unit Owners, as applicable).

(d) Regardless of whether (i) a Declarant-appointee to the Board is removed by Declarant, Declarant's designee or the Residential Unit Owners or (ii) the Commercial Board Member is removed by the Commercial Unit Owners or the Board or (iii) the Hotel Board Member is removed by the Board, only the Declarant or its designee shall have the right to designate a replacement for such Declarant-appointee, and only the

Commercial Unit Owners shall have the right to designate a replacement for the Commercial Board Member, and only the Declarant or its designee shall have the right to designate a replacement for the Hotel Unit Member, as the case may be.

(e) Notwithstanding the foregoing, if one Commercial Unit Owner is authorized by the other Commercial Unit Owners to appoint a Commercial Board Member and said authorized Unit Owner fails to appoint the Commercial Board Member either at an annual meeting or following a resignation or removal, and the position remains vacant for thirty (30) days after it was required to be filled, the other Commercial Unit Owners shall designate an individual to serve as the Commercial Board Member. In no event shall Commercial Board Member take any action that would discriminate against or adversely impact any Commercial Unit Owner or any Commercial Unit without the consent of all Commercial Unit Owners.

Section 2.3. Vacancies; Suspension of Activities Pending Replacement.

(a) Subject to the provisions of Section 2.2 above, vacancies in the required number of Residential Board Members shall be filled by the unanimous appointment of the remaining Residential Board Members promptly after the occurrence of any such vacancy. Each person so appointed shall be a Residential Board Member for the remainder of the term of the predecessor member and until a successor shall be elected. Subject to the provisions of Section 2.2 above, a vacancy of the Commercial Board Member caused by death, resignation, removal or otherwise of the Commercial Board Member shall be filled by the Commercial Unit Owners promptly after the occurrence of the vacancy. A vacancy of the Hotel Board Member caused by death, resignation, removal or otherwise of the Hotel Board Member shall be filled promptly after the occurrence of the vacancy. Any person so appointed shall be the Commercial Board Member or Hotel Board Member, as applicable, for the remainder of the term of the predecessor member and until a successor shall be appointed. Notwithstanding the foregoing, vacancies in the Board of Managers caused by death, resignation, removal or otherwise of members appointed by Declarant or its designee, shall be filled only by appointment by Declarant or its designee.

(b) In the event of a vacancy on the Board of Managers for any reason, the Board of Managers shall wait at least thirty (30) days for the vacancy to be filled pursuant to the foregoing, before calling a meeting of the Board of Managers or otherwise attempting to conduct business of the Board of Managers.

Section 2.4. Powers and Duties.

(a) **Generally**. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-laws may not be delegated to the Board of Managers by the Unit Owners. All determinations affecting the Condominium shall be made by the full Board of Managers; provided, however, (i) the Residential Board Members shall have the power and authority to make all decisions and take all actions affecting exclusively the operation of the Residential Area, subject, however, to certain rights of Declarant during the Initial Control Period as described above, insofar as same affect only the Residential Area, and do not adversely impact the Commercial Units; and (ii) the Commercial Board Member shall have the power and authority to make all decisions and take all actions affecting exclusively the operation of Commercial Area, insofar as same affect only the Commercial Area; and (iii) the Hotel Board Member shall have the power and authority to make all decisions and take all actions affecting exclusively the operation of Hotel Unit, insofar as same affect only the Hotel Unit. Subject to the foregoing, the powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(i) Operation, care, upkeep, maintenance, repair, replacement and cleaning of the Common Elements.

(ii) Determination of the Common Charges required to pay for the Common Expenses of the Condominium.

(iii) Collection of Common Charges and other assessments from Unit Owners and expenditure of same to pay Common Expenses.

(iv) Employment and dismissal of the personnel necessary for maintenance and operation of the Common Elements, including, without limitation an operator for the Parking Area.

(v) Adoption and amendment of the Rules and Regulations covering operation and use of the Property including, without limitation, rules governing use and operation of the Amenity Center. Amenity Terrace and Unit Terraces, Gym, Parking Area, Bicycle Area, Storage Bin and other amenity spaces in the Building, and seeking of damages and impositions of fines from Unit Owners for violations of Rules and Regulations. However, the Board of Managers may not enact rules or regulations or perform any act, or make any other provisions that would interfere with Declarant's rights set forth in the Condominium Documents relating to sales and leasing of Units or that discriminates against a specific Unit Owner.

(v) Opening and maintaining of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(vi) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or Units surrendered by their Owners to the Board of Managers.

(vii) Purchasing a Unit at foreclosure or other judicial or otherwise sale in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(viii) Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property.

(ix) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Managers), or otherwise dealing with Units acquired by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

(x) Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units or rights and interests in real and personal property.

(xi) Procuring and maintaining insurance for the Property, pursuant to the provisions of Article 6 hereof.

(xii) Making ordinary repairs, restorations, additions and improvements to or alterations of the General Common Elements and making repairs to and restoration of the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(xiii) Borrowing money and thereby incurring debt on behalf of the Condominium in connection with the operation, care, upkeep and maintenance of, the Common Elements, the making of repairs, replacements, restorations, improvements or additions to or alterations of, the General Common Elements, for working capital, bad debts and unpaid Common Charges, depreciation, obsolescence or similar purposes, or otherwise in connection with any permitted or required action or activity of the Board. With respect to borrowing for any purposes enumerated under Section 339-v(2)(b) of the Condominium Act, (a) the consent of Unit Owners representing at least 75% in number of Units authorized to vote and present in person or by proxy and voting at a meeting duly called and held for such purpose in accordance with these By-laws, shall be required, and (b) such debt shall be incurred no earlier than the 5th annual anniversary of the First Unit Closing. For borrowing generally, (x) the

consent of Unit Owners representing at least 75% in number of Units authorized to vote and present in person or by proxy and voting at a meeting called and held for that purpose in accordance with these By-laws, shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year in 2015 Equivalent Dollars (regardless of the balance of loans outstanding from previous years) and (y) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant Common Interest without the consent of the Owner of the Unit so affected, subject to the provisions of subparagraph (xvi) below. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this subparagraph (xv) or elsewhere in these By-laws is not repaid by the Board, a Unit Owner who pays to the creditor such Unit Owner's proportionate share of the sum based on such Unit Owner's Common Interest, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit. The foregoing sentence shall be deemed incorporated into each and every loan agreement or promissory note entered into or made by the Board of Managers pursuant to the authority granted it in the Condominium Documents.

(xiv) In connection with a debt incurred by it pursuant to the foregoing paragraph, the Board of Managers, on behalf of the Unit Owners, may (a) assign to the lender its rights in and to future income and General Common Charges, (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that the Board holds, (c) agree that, to the extent of any amounts due under any provisions of the agreements pursuant to which the debt was incurred, and subject to the provisions of Section 339-l of the Condominium Act, all Common Charges received and to be received by the Board of Managers, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and such funds shall be expended for such purpose before expending any part of the same for any other purpose, and (d) agree that at the lender's direction the Board will increase General Common Charges to the extent necessary to pay any amount when due under any of the provisions of the agreements pursuant to which the debt was incurred. The foregoing sentence shall not be construed to authorize the Board of Managers to create a lien on any Common Elements. Any such assignment may provide, subject to the provisions of subparagraph (xv) above, that in the event of a default, the lender shall have the right of the Board of Managers to file liens in the lender's name on Units for unpaid General Common Charges in accordance with these By-laws and Section 339-z and 339-aa of the Condominium Act, and to foreclose such liens pursuant to Section 339-aa of the Condominium Act and pursuant to these By-laws.

(xv) Levying fines or taking other action against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property. Fines shall be considered Common Charges payable by the Unit Owner against whom they are assessed.

(xvi) Adjusting and settling claims under insurance policies obtained pursuant to Article 6 hereof, and executing and delivering releases upon settlement of such claims on behalf of all Unit Owners.

(xvii) Execution, acknowledgment and delivery of (a) any declaration, easement or other instrument affecting the Property, any amendment thereto or any amendment to these By-laws or the Declaration, which the Board of Managers deems appropriate or necessary 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, operation, demolition, construction, alteration, repair or restoration of the Property, or (b) any consent, covenant, restriction, easement or declaration, or any amendment to these By-laws or the Declaration, affecting the Property which the Board of Managers deems necessary or appropriate.

(xviii) Prepare, execute and record, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-laws whenever, in the Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-laws.

(xix) Execution, acknowledgment and delivery of any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units as agent for each Unit Owner who has given appropriate written authorization (and to retain counsel in connection therewith on behalf of all such Unit Owners), provided that each such Unit Owner indemnifies the Board of Managers from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

(xx) Leasing and/or licensing portions of the Common Elements, subject to the rights of Declarant set forth in the Condominium Documents, without limitation, the license Declarant is deemed to have under the Section 5.1.5 and 5.1.6, of the Declaration. Subject to the rights of Declarant set forth in the Condominium Documents including, without limitation, Section 5.1.5 and 5.1.6 of the Declaration, licensing or leasing portions of the Common Elements for use by Unit Owners or non-Unit Owner parties as storage areas, for parking or for any other purpose, to charge a fee for such use, to treat such fee as an assessment by the Board (with respect to licenses or leases to Unit Owners) and to enter into a license or lease agreement with any Residential Unit Owner setting forth the terms and conditions of the usage. The Board of Managers may enter into a Parking License Agreement with a Residential Unit Owner, but if at any time Parking Spaces are not all licensed by Residential Unit Owners, and there are Parking Spaces available in the Parking Area, the Board may permit such Parking Spaces to be used by the general public and in any event, non-Resident Unit Owner parties, in accordance with applicable law and regulation. The Board may also permit a Residential Unit Owner who has entered into one Parking License to enter into Parking Licenses for more additional spaces on such terms and pursuant to such conditions as the Board shall determine. Storage Bin Licensees and Parking Licensees may not sublease to non-Resident Unit Owners or non-tenants.

(xxi) Overseeing compliance by Unit Owners and the Condominium generally, with applicable law and regulation.

(xxii) The Board of Managers shall cooperate with Declarant as Sponsor of the Offering Plan, to facilitate Sponsor's undertaking in the Offering Plan to extend any temporary certificate of occupancy for a Building prior to expiration of same, and to complete construction of the Building and thereafter obtain a final certificate of occupancy for the Building.

(xxiii) Levying charges on purchasers of resale Units for deposit into the operating account reserve fund or any other fund designated by the Board.

(b) **Actions Where No Consent Is Necessary:** Notwithstanding anything to the contrary contained in these By-laws:

(i) no action which is taken or omitted to be taken by or on behalf of the Residential Board Members or the Residential Unit Owners shall be deemed to adversely affect in any way the Commercial Area or the Hotel Unit or the use of the Commercial Units or the Hotel Unit for their permitted purposes and thus shall not require the consent or approval of the Commercial Board Member or the Commercial Unit Owners or the Hotel Board Member or the Hotel Unit Owner, unless the use of any portion of the Residential Units or Residential Area would result in or involve a violation of the provisions of Section 2.6 of the Declaration; and

(ii) no action which is taken or omitted to be taken by or on behalf of the Commercial Board Member or the Commercial Unit Owners or the Hotel Board Member or the Hotel Unit Owner shall be deemed to adversely affect in any way the Residential Area or the use of the Residential Units for their permitted purposes and thus shall not require the consent or approval of the Residential Board Members or the Residential Unit Owners unless the use of any portion of the Commercial Units or Commercial Area or the Hotel Unit would result in or involve a violation of the provisions of Section 2.6 of the Declaration.

(c) **Limitations During Period of Declarant Control:** Notwithstanding anything to the contrary contained in the Condominium Documents, for the longer of (i) the period during which Declarant or its designee(s) owns Units representing at least 25% in Common Interest, or (ii) ten (10) years after the date of the First Unit Closing (such period referred to as the **"Sponsor Veto Control Period"),** the Board of Managers may not, without the prior written consent of Declarant and its designee(s), (1) make or permit to be made any addition, alteration or improvement to the Common Elements or Limited Common Elements appurtenant to Units (subject to Declarant's right to modify Units owned by it, and any Limited Common Elements appurtenant thereto, without consent of the Board of Managers), (2) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (however, Declarant will not unreasonably withhold consent to additions to any contingency reserve provided for in the Condominium Operating Budget adopted for a particular fiscal year, provided the aggregate amount of said reserve does not in that fiscal year of the Condominium exceed 3% of the operating expenses of the Condominium for that year), (3) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent the existing reserves are insufficient), (4) amend the Declaration or By-laws so as to affect Declarant and/or its designee(s) adversely in any way, (5) increase the number of employees from those described in Schedule B to the Offering Plan, or (6) exercise a right of first refusal to purchase or lease a Unit. Declarant's consent to the foregoing shall not be withheld for expenses required (a) to comply with applicable law or regulations, (b) to remedy any violation which it is the responsibility of the Board of Managers to cure, (c) to remedy any work order of an insurer, or (d) for the health and safety of the occupants of the Property. Subject to the foregoing, Declarant and its designee(s) shall have the right to withhold its consent to any of the foregoing actions.

(d) **Non-Disturbance; Default Notices; Estoppel.** In addition to the rights and duties set forth below, the Board of Managers shall have the right, and shall be obligated (i) at the request of a Commercial Unit Owner, provided such Commercial Unit Owner has not at the time said request is made, been finally adjudicated by a court of competent jurisdiction, or has not been determined through Arbitration, as applicable, to be in default under the Condominium Documents, to enter into an agreement (a **"Non-Disturbance Agreement"**) with a tenant of substantially all of such Owner's Commercial Unit (provided the use of the Unit is permitted under the Condominium Documents) containing substantially the following terms and agreements and otherwise acceptable to the Board of Managers and its counsel, and (ii) at the request of a Hotel Unit Owner, provided such Hotel Unit Owner has not at the time said request is made, been finally adjudicated by a court of competent jurisdiction, or has not been determined through Arbitration, as applicable, to be in default under the Condominium Documents, to enter into a Non-Disturbance Agreement with a tenant of substantially all of such Owner's Hotel Unit (provided the use of the Unit is permitted under the Condominium Documents) containing substantially the following terms and agreements and otherwise acceptable to the Board of Managers and its counsel. Specifically, in the Non-Disturbance Agreement, the tenant shall agree, without limitation, that the lease is subject and subordinate to the Condominium Documents and the Board of Managers shall agree that so long as the lease is in full force and effect and there is no uncured default by tenant thereunder, the possession of the tenant shall not be disturbed or affected as a result of foreclosure by the Board of Managers of its lien for unpaid Common Charges, and in the event such Commercial Unit Owner or Hotel Unit Owner is in default to the Board of Managers for non-payment of Common Charges or otherwise, upon receipt of a notice from the Board to such effect, the tenant shall pay the rent that would otherwise be due to such Commercial Unit Owner as landlord under the lease or Hotel Unit Owner as landlord under the lease, as applicable to the Board. The Board shall also be authorized to agree, upon tenant's request and at the Board's discretion, to provide to a tenant with whom the Board enters into such agreement, copies of any notices sent by the Board to such Commercial Unit Owner or Hotel Unit Owner advising such Commercial Unit Owner or Hotel Unit Owner, as applicable of its default for non-payment of Common Charges or otherwise. At the request of a Commercial Unit Owner or Hotel Unit Owner, the Board of Managers also shall be obligated to provide to such Commercial Unit Owner or the lender or tenant of such Commercial Unit Owner's Unit, or to such Hotel Unit Owner or the lender or tenant of such Hotel Unit Owner, as applicable, an estoppel certificate in such reasonable form and substance as may be requested by said lender or tenant.

Section 2.5. Managing Agent and Manager. The Board of Managers may employ for management of the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, provided, however, that the Board retains the power to designate the signatories on any account opened by said Managing Agent. In no event, however, may the managing agent, manager or employee of either one of them, be a signatory on the account opened by the Board of Managers for any reserve fund account opened by the Board of Managers. The Board may delegate such other tasks as hiring and firing employees, obtaining insurance policies, forming corporations and entering into contracts and leases for services and repairs to Common Elements, provided the Board retains the right to consent to the action or contract prior to execution of the task or contract.

Section 2.6. Organizational Meeting. The first meeting of the Board of Managers following each annual meeting of the Unit Owners shall be held either immediately following the adjournment of the annual meeting or within ten (10) days thereafter at such time and place as shall be fixed by a majority of the members of the Board of Managers and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, provided a majority of the whole Board of Managers was present at the time the date was selected, or is present at the meeting itself.

Section 2.7. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least six (6) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers personally or by U.S. mail or telephone, at least three (3) business days prior to the day named for such meeting.

Section 2.8. Special Meetings. Special meetings of the Board of Managers may be called by the President on not less than three (3) business days' notice to each member of the Board of Managers, given personally or by U.S. mail or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers also shall be called by the President or Secretary (in like manner and on like notice), on the written request of at least three (3) members of the Residential Board of Managers or upon the written request of the Commercial Board Member or upon the written request of the Hotel Board member. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.9. Waiver of Notice; Telephone Participation.

(a) Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof.

(b) Any one or more members of the Board of Managers or any committee thereof, may participate in a meeting of the Board or other committee, as applicable, by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

(c) If members representing a quorum of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 2.10. Quorums, Determinations and Adjournments.

(a) Except as otherwise set forth in these By-laws, all determinations of the Board of Managers shall be made at a meeting of the Board at which a quorum is present. At all meetings of the Board of Managers the presence of a majority of the members shall constitute a quorum for the transaction of business. If a

single individual is appointed to serve as two or more Residential Board Members instead of five individuals being so appointed as provided in these By-laws, the presence of that individual shall count as the presence of the two or more Residential Board Members represented for purposes of establishing a quorum of the Board. The vote of a majority of the members of the Board of Managers present at a Board meeting at which a quorum is established, shall constitute the decision of the Board of Managers. If at a meeting of the Board of Managers a vote taken at that meeting results in a tie, the President of the Board of Managers shall be obligated to cast a tie-breaking vote at that meeting.

(b) Any determination made at a meeting of the Board of Managers at which a Board member is not in attendance, shall promptly be reported to that Board member by the Secretary of the Condominium, or by a different party designated by the Board of Managers for that purpose, upon conclusion of the meeting. Notwithstanding the foregoing, if a vote held at a meeting of the Board of Managers at which the Commercial Board Member is not present, purports to authorize action adversely affecting any Commercial Unit, a quorum shall not be deemed to have been established at that meeting, unless the Commercial Board Member expressly agrees otherwise, at his or her discretion. Further, the vote taken at that meeting shall be voidable at the option of the Commercial Board Member, as follows. Specifically, if such a meeting and vote shall occur, written notice of the vote at that meeting shall promptly be provided by the Board of Managers to the Commercial Board Member, and the vote taken at that meeting shall be voidable at the option of the Commercial Board Member, by written notice given to the Board of Managers within thirty (30) days after said written notice is given to the Commercial Board Member.

In addition, if a vote held at a meeting of the Board of Managers at which the Hotel Board Member is not present, purports to authorize action adversely affecting the Hotel Unit, a quorum shall not be deemed to have been established at that meeting, unless the Hotel Board Member expressly agrees otherwise, at his or her discretion. Further, the vote taken at that meeting shall be voidable at the option of the Hotel Board Member, as follows. Specifically, if such a meeting and vote shall occur, written notice of the vote at that meeting shall promptly be provided by the Board of Managers to the Hotel Board Member, and the vote taken at that meeting shall be voidable at the option of the Hotel Board Member, by written notice given to the Board of Managers within thirty (30) days after said written notice is given to the Hotel Board Member.

(c) If at any meeting of the Board of Managers there shall be less than a valid quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjournment meeting at which a valid quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

(d) Any action required or permitted to be taken by the Board of Managers or any committee thereof, may be taken without a meeting if all members of the Board or such committee, as applicable, consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

(e) When the Residential Board Members, the Commercial Board Member and the Hotel Board Member, all acting in accordance with the provisions of this Article 2, have made the same determination as to any matter which is required or permitted to be determined by the Board of Managers, such determination shall constitute the determination of the Board of Managers. No meeting of the Board of Managers as such shall be necessary for such determination to be deemed made by the Board of Managers, provided that copies of the determinations of the Residential Board Members, the Commercial Board Member and the Hotel Board member, as applicable, are filed with the records of the Board of Managers.

Section 2.11. Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds or crime insurance for all (i) members of the Board of Managers, (ii) officers of the Board of Managers and (iii) employees of the Condominium and of the Managing Agent handling or responsible for Condominium funds. The premiums on

such bonds or crime insurance shall constitute a General Common Expense. Additional requirements concerning fidelity bonds and crime insurance are found in Article 6 of these By-laws addressing insurance requirements.

Section 2.12. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such unless the Unit Owners amend these By-laws to provide otherwise. Declarant will not propose or support any such amendment while Declarant controls the Board of Managers.

Section 2.13. Liability of the Board of Managers and Officers of the Condominium.

(a) The members and officers of the Board of Managers shall not be liable to the Unit Owners except for their own individual willful misconduct or bad faith actions or bad faith failures to act. The Unit Owners shall indemnify and hold harmless each of the members and officers of the Board of Managers against all loss, damage or liability that a Board member or officer of the Condominium incurs arising from his or her acts as, or by reason of the fact that such person was, a member of the Board of Managers, or an officer of the Condominium, as applicable, except with respect to liability arising from willful misconduct, bad faith actions or bad faith failures to act.

(b) Members of the Board of Managers shall have no personal liability with respect to any contract made by them as the Board of Managers within the scope of their authority or believed by them in good faith to be within the scope of their authority. The liability of any Unit Owner arising out of any contract made by the Board of Managers, or out of the aforesaid indemnity in favor of the members of the Board of Managers, shall be limited to the Unit Owner's proportionate share of the total liability based on the Unit Owner's Common Interest. If liability pertains only to the Residential Area, liability shall be limited to the Unit Owner's proportionate share of liability based on Residential Common Interest. If liability pertains only to the Commercial Area, liability shall be limited to such proportionate share of liability as the Unit Owner's Common Interest bears to the aggregate Common Interest of all other Commercial Unit Owners. If liability pertains only to the Hotel Unit, liability shall be limited to the Hotel Unit Owners percentage of interest in the Hotel Unit.

(c) Every agreement made by the Board of Managers or by the Managing Agent or by the manager on behalf of the Condominium, shall provide or be deemed to provide that the members of the Board of Managers, or the Managing Agent, or the manager, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, if applicable), and that any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability thereunder as computed in accordance with said Unit Owner's Common Interest, or in accordance with said Unit Owner's Residential Common Interest, if it concerns the Residential Area, or to such percentage of liability as said Unit Owner's Common Interest bears to the aggregate Common Interest of all other Commercial Unit Owners, if it concerns the Commercial Area, or to such percentage of liability as said Unit Owner's Common Interest bears to the aggregate Common Interest of the Hotel Unit Owner, if it concerns the Hotel Unit.

(d) If a Unit Owner pays to the Board of Managers or directly to the party to whom the liability is owed if the Board of Managers fails to make the payment required to be paid to such party, the Unit Owner's proportionate share of the liability calculated pursuant to the foregoing, the Unit Owner shall be entitled to a release from the Board and from the party making the claim, and the Board of Managers shall be obligated to issue and obtain and provide same to that Unit Owner.

Section 2.14. Executive Committees. The Board of Managers may, by resolution duly adopted, meet as an Executive Committee. As long as Declarant and/or its designee have the right to appoint a majority of the members of the Board of Managers, Declarant and/or its designee shall have the right to appoint a majority of the members of the Executive Committee. In addition, so long as Declarant and/or its designee shall have the right to designate a member of the Board of Managers, Declarant and/or its designee shall be entitled to appoint at least one member of the Executive Committee. Such Executive Committee shall have and may exercise all the powers of the

Board of Managers in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law.

Section 2.15. Other Committees. The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall each consist of at least three members of the Board and shall each have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be appointed by Declarant or its designee, so long as Declarant or its designee has the right to appoint a member of the Board of Managers, shall be appointed by the President of the Condominium. Such committee shall not have the power to do any act which the Executive Committee may not do under Section 2.14 of these By-laws.

Section 2.16. Rules and Regulations. Subject to the provisions of Section 2.4(a)(v) of these By-laws, Rules and Regulations concerning the use of the Property may be promulgated and amended from time to time by the Board of Managers, provided that copies are furnished to each Unit Owner not less than 5 days prior to the time that they become effective. Any rule or regulation promulgated by the Board of Managers may be rescinded by vote of a majority of the Unit Owners at a meeting duly called for that purpose. ***The initial Rules and Regulations of the Condominium are attached as Exhibit A to these By-laws for convenience, but are not thereby made part of these By-laws.*** The Rules and Regulations may thus be expanded or otherwise modified by the Board of Managers pursuant to the foregoing in the ordinary course of business, without the formality of amending these By-laws. Each Unit Owner must comply strictly with these By-laws and the Rules and Regulations, and the resolutions and decisions adopted pursuant thereto. Failure to comply with any of same shall be grounds for action to recover sums due, for damages or injunctive relief, or both, by the Board of Managers or in a proper case, by an aggrieved Unit Owner. In the case of repeated or flagrant violations, the Board of Managers may ask the offending Unit Owner for sufficient surety for future compliance.

ARTICLE 3

UNIT OWNERS

Section 3.1. Annual Meetings.

(a) Within approximately 90 days after the earlier of (i) conveyance of title by Declarant to 75% of the Residential Units offered for sale under the Offering Plan, or (ii) the fifth (5th) annual anniversary date of the First Unit Closing, Declarant shall call the First Annual Meeting of Unit Owners. Declarant reserves the right, however, to call the First Annual Meeting of Unit Owners at such earlier date as Declarant shall in its sole discretion select. Thereafter, annual meetings of the Unit Owners shall be held within approximately three weeks of the anniversary of the First Annual Meeting of Unit Owners.

(b) At the First Annual Meeting of Unit Owners, the Initial Board will resign and a new seven-member Board of Managers shall be installed in accordance with the provisions of Article 2 of these By-laws. At all annual meetings thereafter, the Residential Board Members shall be appointed or elected by the Residential Unit Owners, and the Commercial Board Member shall be appointed or elected by the Commercial Unit Owners and the Hotel Board Member shall be elected or appointed by the Hotel Unit Owner, in accordance with the provisions of Article 2 of these By-laws.

(c) In addition to voting for or appointing Board members, the Unit Owners shall transact such other business at annual meetings as may properly come before them.

Section 3.2. Place of Meetings. Meetings of Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3.3. Special Meetings. It shall be the duty of the President of the Board of Managers to call a special meeting of all Unit Owners or the Residential Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by not less than 25% in number and Common Interest, in the aggregate, of all Unit Owners, with respect to calling meetings of all Unit Owners, or not less than 25% in number and Residential Common Interest, in the aggregate, of all Residential Unit Owners, with respect to calling meetings of all Residential Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 3.4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners at least ten but not more than forty days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the Property or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-laws, the notice of meeting shall be mailed at least fifteen days prior to such meeting and the notice shall be accompanied by the text of the proposed amendment. The mailing of a notice of meeting by regular mail or by certified mail return receipt requested in the manner provided in this Section shall be considered service of notice.

Section 3.5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than three (3) business days from the date the original meeting was scheduled. Notice of the date, time and location of the adjournment meeting shall be given to each Unit Owner in writing by mail, telegraph or personal delivery, at least three business days prior to the date of the adjournment meeting. If the Board of Managers maintains a file of e-mail addresses for Unit Owners, notice of the date, time and location of such adjournment meeting may be given by e-mail, at least three business days before the date of the adjourned meeting, provided, however, if the Board shall not have been supplied by a Unit Owner with an e-mail address for that Unit Owner, the Board shall send such notice by one of the other permitted methods of giving notice set forth above. At any such adjournment meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 3.6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

(a) Roll call.

(b) Proof of notice of meeting.

(c) Reading of minutes of preceding meeting.

(d) Reports of officers.

(e) Report of Board of Managers.

(f) Reports of committees.

(g) Election of inspectors of election (when so requested).

(h) Election of members of the Board of Managers (when so required).

(i) Unfinished business.

(j) New business.

Section 3.7. Voting.

(a) Each Unit Owner, including Declarant and its designee(s) with respect to each Unit owned by them, shall be entitled to cast one (1) vote either in person or by proxy for each .0001% of Common Interest attributable to said Owner's Unit(s), for each item voted upon at each meeting of all Unit Owners. Accordingly, the total number of votes that may be cast at meetings of all Unit Owners is 1,000,000.

(b) Each Residential Unit Owner, including Declarant and its designee(s) with respect to each Residential Unit owned by them, shall be entitled to cast one (1) vote either in person or by proxy for each .0001% of Residential Common Interest attributable to said Owner's Residential Unit(s), for each item voted upon at each meeting of all Residential Owners. Accordingly, the total number of votes that may be cast at all meetings of all Residential Unit Owners is 1,000,000.

(c) Each Commercial Unit Owner, including Declarant and its designee(s) with respect to each Commercial Unit owned by them, shall be entitled to cast one (1) vote, either in person or by proxy, for each .0001% of the proportion that the Common Interest attributable to such Unit Owner's Commercial Unit bears to the aggregate Common Interest attributable to all Commercial Units, for each item voted on at all meetings of Commercial Unit Owners. Accordingly, the total number of votes that may be cast at all meetings of Commercial Unit Owners is 1,000,000.

(d) Each Unit Owner or a party designated by the Unit Owner to act as proxy on the Unit Owner's behalf, shall be entitled to cast the votes attributable to said Unit Owner's Unit at meetings of Unit Owners to the extent there are items to be voted on at the meeting. Those owning a Unit jointly or in common must act unanimously. Accordingly, all votes attributable to a Unit must be cast as a block for each item voted upon, and votes may not split or cumulated.

(e) Elections of the Residential Board Members by the Residential Unit Owners shall be by plurality vote. At all elections for Residential Board Members, a Residential Unit Owner may cast the votes attributable to said Unit Owner's Units for each manager to be elected. Thus, if three managers are to be elected by the Residential Unit Owners, each Residential Unit Owner may cast his or her votes three times (i.e., one time each for three different candidates). As stated above, votes must be cast as a block for each item or candidate to be voted upon; accordingly, in no event may the votes be split, cumulated or cast together for one or more of the managers to be elected. The Residential Unit Owners may not vote for the Commercial Board Member nor the Hotel Board Member; the Commercial Unit Owners may not vote for Residential Board Members nor the Hotel Board Member: the Hotel Board member may not vote for the Residential Board Members nor the Commercial Board Member. In addition, if the Board of Managers shall have acquired a Unit through exercise of a right of first refusal, foreclosure or otherwise, the Board may not cast the votes attributable to that Unit at an election for members of the Board of Managers.

Section 3.8. Proxies. Each Unit Owner shall be entitled to vote by proxy at any meeting of Unit Owners. The designation of any such proxy shall be in writing and shall be filed with the Secretary at or prior to the meeting in which the same is to be used. Such proxy shall be valid only for such meeting or subsequent adjournment meetings thereof. Such proxy shall, however, be revocable at any time (i) by written notice to the Secretary by the Owner who designated the proxy, or (ii) by verbal notice given in person to the Secretary. A notation of such proxy(ies) shall be made in the minutes of the meeting. If a Unit is owned jointly or otherwise in common, the co-owner who is present must hold a proxy for each co-owner not present at the meeting where the proxy is to be used. Alternatively, one single proxy holder holding the proxies of all co-owners (who need not be a co-owner himself or herself), may vote the votes appurtenant to said Unit at the meeting. The holder of a Unit Owner's proxy need not be a Unit Owner.

Section 3.9. Majority of Unit Owners;. As used in these By-laws (i) the term "**majority of Unit Owners**" shall mean those Owners of Units representing more than 50% of the total number and authorized votes of all Unit Owners; and (ii) the term "**majority of Residential Unit Owners**" shall mean those Owners of Residential Units representing more than 50% of the total number and authorized votes of all Residential Unit Owners. In all cases such majority must be present in person or by proxy and voting in favor of one position at any meeting of the Unit Owners, or at a separate meeting of all Residential Unit Owners, as applicable, in accordance with the provisions of Section 3.7 of these By-laws in order to constitute a valid vote of a majority of the Unit Owners or of a majority of all Residential Unit Owners, as the case may be, when such vote is required.

Section 3.10. Quorum. Except as otherwise provided in these By-laws, the presence in person or by proxy of Residential Unit Owners representing at least 50% in Residential Common Interest shall constitute a quorum at all meetings of Residential Unit Owners and at meetings of all Unit Owners, as well.

Section 3.11. Binding Nature of Majority Vote. Except where otherwise provided by law, the Declaration or these By-laws, (i) at all meetings of all Unit Owners the vote of a majority of Unit Owners present in person or by proxy at a meeting at which a quorum is established, shall be binding on all Unit Owners for all purposes; and (ii) at all separate meetings of Residential Unit Owners the vote of a majority of Residential Unit Owners present in person or by proxy at a meeting at which a quorum is established, shall be binding on all Residential Unit Owners for all purposes.

Section 3.12. Action Without Meeting.

(a) Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-laws or applicable law consents in writing to the adoption of a resolution authorizing such action and the writing is filed with the records of the Condominium.

(b) When the Residential Unit Owners, the Commercial Unit Owners and the Hotel Unit Owner, each acting separately in accordance with this Article 3, have made the same determination as to any matter which is required or permitted to be determined by all Unit Owners, such determination shall constitute the determination of all Unit Owners and no joint meeting of all Unit Owners shall be necessary for any such determination to be made by all Unit Owners.

ARTICLE 4

OFFICERS

Section 4.1. Designation and Qualification. The principal officers of the Condominium shall be the President, Vice-President, Secretary and Treasurer, all of whom shall be elected by the Board of Managers. All officers except the Secretary must satisfy the standards to be a Board member contained in Section 2.1 of these By-laws. The Secretary may be a Unit Owner, or Spouse of a Unit Owner, or an employee of the Managing Agent, but in any event need not be a member of the Board of Managers. The Board of Managers may appoint such other officers as in its judgment may be necessary.

Section 4.2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organizational meeting of each new Board of Managers, and shall hold office at the pleasure of the Board of Managers.

Section 4.3. Removal, Resignation and Other Vacancies.

(a) Any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers

called for such purpose, provided notice of the proposed removal was given to the officer and in the notice of the meeting. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting.

(b) Officers may resign at any time by giving notice in writing to the Board of Managers. Unless stated otherwise in the letter of resignation, the resignation shall be effective immediately.

(c) Vacant offices caused by removal, resignation, death or otherwise, shall be promptly filled by vote of the Board of Managers.

Section 4.4. President. The President of the Condominium shall be the chief executive officer of the Condominium. He or she shall preside at all meetings of Unit Owners and of the Board of Managers. The President shall have all of the general powers and duties as would be incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among the Unit Owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the entire Condominium or the Residential Area, as the case may be.

Section 4.5. Vice-President. The Vice-President shall take the place of the President and perform the President's duties as any of head of the Condominium, whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President on an interim basis. The Vice-President shall perform such other duties as shall from time to time be imposed upon him or her by the Board of Managers or by the President.

Section 4.6. Secretary. The Secretary of the Condominium shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers. The Secretary shall have charge of such books and papers as the Board of Managers may direct. He or she shall, in general, perform all the duties as would typically be performed by a secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 4.7. Treasurer. The Treasurer of the Condominium shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements. The Treasurer shall be responsible for the preparation of all required financial data and for the deposit of all moneys and other valuable effects in the name of the Board of Managers or the Managing Agent, as applicable, in such depositories as may from time to time be designated by the Board of Managers. He or she shall, in general, perform all the duties as would typically be performed by a treasurer of a stock corporation organized under the Business Corporation Law of the State of New York. Notwithstanding anything in the foregoing discussion to the contrary, the Board of Managers shall have the right to engage accountants, bookkeepers and other appropriate professionals to perform one or more of the tasks described as the Treasurer's responsibility in this paragraph. In the event such professional is engaged, it shall be the Treasurer's responsibility to oversee and examine the work performed by the professional, to ensure accuracy, timeliness and complete performance.

Section 4.8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium and all agreements, contracts, deeds, leases, checks and other instruments of the Board of Managers shall be executed by any two officers of the Condominium or by such other two (or more) persons as may be designated by the Board of Managers. In addition, any withdrawals from the account holding the Replacement Reserve Fund shall require the signature of at least two (2) officers of the Condominium who are Residential Board Members.

Section 4.9. Compensation of Officers. No officer shall receive compensation from the Condominium for acting as such, unless the Unit Owners amend these By-laws to provide otherwise. These By-laws

may not be so amended while Declarant or its designee owns at least one Unit, without the consent of Declarant and its designee(s).

ARTICLE 5

COMMON EXPENSES, CHARGES AND ASSESSMENTS DETERMINATION, PAYMENT, COLLECTION AND ACCOUNTS

Section 5.1. Determination of Common Expenses and Fixing of Common Charges; Special Assessments.

(a) The Board of Managers shall from time to time, and at least annually, prepare a Condominium Operating Budget to meet the General Common Expenses of the Condominium, determine the overall amount of General Common Charges payable by the Unit Owners to meet the General Common Expenses of the Condominium, and determine (i) the portion of General Common Expenses to be paid by the Residential Unit Owners as part of their Residential Common Charges and (ii) the portion of General Common Expenses to be paid by the Commercial Unit Owners as part of their Commercial Common Charges, (iii) the portion of General Common Expenses to be paid by the Hotel Unit Owner as part of their Hotel Common Charges The initial Condominium Operating Budget will be the First Year's Budget set forth in the Offering Plan, as same may be amended from time to time. Generally, General Common Expenses will be allocated between the Residential Area, the Commercial Area and the Hotel Unit based on the estimated amount, if any, by which a particular expense item benefits or is used by such component of the Condominium, or such other method as the Board of Managers shall determine in its sole discretion, provided the allocation is fairly attributable to such component, and reasonable under the circumstances. Unless and until the Residential Board Members, the Commercial Board Member and the Hotel Board Member agree otherwise, the allocation of General Common Expenses between the Residential Area, the Commercial Area and the Hotel Unit in a particular year's Condominium Operating Budget shall be made on the same basis as contained in the First Year's Budget, as said basis is explained in the Notes attached thereto. Insurance costs generally shall be allocated on the basis of Common Interest, subject to the Board's right to allocate this cost differently in accordance with these By-laws and the Condominium Act. Expenses attributable exclusively to the maintenance and operation of the Residential Area shall be borne by the Residential Unit Owners; and expenses attributable exclusively to maintenance and operation of the Commercial Area shall be borne by the Commercial Unit Owners; and expenses attributable exclusively to maintenance and operation of the Hotel Unit shall be borne by the Hotel Unit Owner . Any changes in categories of expenses or method of allocation from those set forth in the First Year's Operating Budget that would materially and adversely affect a Commercial Unit or a Commercial Unit Owner, or the Hotel Unit or the Hotel Unit Owner may not be adopted without the prior written consent of such Commercial Unit Owner or Hotel Unit Owner, which consent may be withheld in the sole discretion of such Commercial Unit Owner or Hotel Unit Owner, as applicable.

(b) The Board of Managers shall have the right to allocate certain General Common Expenses, in addition to insurance and those specified in the First Year's Budget, on the basis of Common Interest. In no event, however, shall the Commercial Unit Owners be expected to pay any Common Expenses attributable exclusively to the operation and maintenance of the Residential Area or the Hotel Unit, and in no event shall the Residential Unit Owners be obligated to pay any Common Expenses attributable exclusively to operation and maintenance of the Commercial Area or the Hotel Unit, and in no event shall the Hotel Unit Owner be obligated to pay any Common Expense attributable exclusively to operation and maintenance of the Residential Area or Commercial Area.

(c) If a Commercial Unit Owner or Hotel Unit Owner objects to any such allocation as between the other Unit Owners, and the dispute cannot be resolved among the Board members, the dispute shall be submitted to Arbitration in accordance with these By-laws.

(d) The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges payable by each of them as determined by the Board of Managers, and shall furnish copies of each budget on which such Common Charges are based to all Unit Owners, at least thirty (30) days prior to the adoption thereof. That portion of the Common Charges which is allocated by the Board of Managers to principal payments on indebtedness or for capital improvements shall be treated upon the books of the Condominium as capital contributions.

(e) If the Board of Managers determines to commence collection of Common Charges as of the date of the First Unit Closing, Declarant or its designee(s) shall be responsible for all Common Charges assessed against each Unit owned by it from the date of the First Unit Closing, until such Unit is sold or otherwise conveyed to a purchaser, at which time the purchaser, as Unit Owner, shall become obligated for said Common Charges. However, the Board in its sole discretion shall have the right to waive Unit Owners' obligations to pay Common Charges for a period of time determined by the Board, and accordingly to commence collection of Common Charges at a later date than the date of the First Unit Closing, provided, however, that Declarant agrees to and does pay the basic operating costs of the Condominium during the period when Common Charges are not being collected (or balance of operating costs if the Board of Managers has imposed reduced assessments). Declarant shall become responsible for all Common Charges assessed against Units owned by it only from and after the date the Board determines to commence collection of Common Charges.

(f) The General Common Expenses shall include, generally, the costs of maintaining the General Common Elements. In addition, the General Common Expenses shall include the cost of insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of these By-laws. The General Common Expenses may also include such amounts as the Board of Managers may deem proper for repairs, reserves, replacements, improvements, betterments, maintenance and other operating expenses of the Property, including, without limitation, an amount for working capital, for a general operating reserve, a Replacement Reserve Fund to the extent one is being maintained, and an amount to cover any deficit in the General Common Charges collected for any prior year. The General Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit which is to be sold at a foreclosure or other judicial sale. To the extent an Insurance Trustee is engaged by the Board of Managers in connection with the proceeds of a casualty or condemnation, all administrative fees charged by the Insurance Trustee shall be a General Common Expense unless the Insurance Trustee is acting exclusively for one or more Unit Owners, in which event the cost of the Insurance Trustee shall be paid or shared by the applicable Unit Owners. General Common Expenses shall also include other items stated in the Declaration or these By-laws to be General Common Expenses. Common Charges shall in no event include furnishings or decorations in a Unit, or any portions thereof, except to the extent the Unit is owned by the Board of Managers, and the Board of Managers owns the furnishings or decorations in that Unit.

(g) In the event of casualty to the Common Elements for which insurance proceeds under policies maintained by the Board of Managers are forthcoming, the Board may levy and assess as a Special Assessment an amount anticipated to be needed to repair or restore the Common Elements, prior to receipt of such proceeds. Upon receipt of such proceeds, the Board of Managers will reimburse Unit Owners the amount they paid as a Special Assessment, or such lesser amount as shall be necessary to compensate for the Board's receipt of insurance proceeds in an insufficient amount to cover the cost of repair or restoration. In addition, to the extent insufficient insurance proceeds are received to cover the actual cost of repair or restoration, the Board of Managers may levy and assess as a Special Assessment the amount needed to cover such shortfall in insurance proceeds.

(h) Residential Common Expenses may include, without limitation, such amounts as the Board of Managers (acting, if applicable, through the Residential Board Members) may deem proper for repairs, reserves, replacements, improvements, betterments, maintenance and other operating expenses of the Residential Area, as well as for working capital, a general operating reserve, other reserves, and such amounts, determined by the Board (acting, if applicable, through the Residential Board Members), as may be required for the purchase, lease

or sublease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, of any Residential Unit whose Owner has elected to sell, lease, transfer or convey such Unit to the Board of Managers. Residential Common Expenses shall also include all such other items provided for in the Declaration or these By-laws to be Residential Common Expenses.

(i) Commercial Common Expenses shall be determined by the Board of Managers (acting, if applicable, through the Commercial Board Member) and shall be borne solely by the Commercial Unit Owners.

(j) Hotel Common Expenses shall be determined by the Board of Managers (acting, if applicable, through the Hotel Board Member) and shall be borne solely by the Hotel Unit Owner.

(k) Special Assessments and other assessments in addition to Common Charges shall be levied against and paid by Unit Owners in the same manner as provided in these By-laws for Common Charges.

(l) The Board of Managers shall not be obligated to expend all the revenues collected in any one accounting period, but instead may allocate monies to reserves, as described below.

Section 5.2. Accounts. The receipts and expenditures of the Condominium shall be General Common Charges and General Common Expenses, respectively; the receipts and expenditures of the Residential Area shall be Residential Common Charges and Residential Common Expenses, respectively; and the receipts and expenditures of the Commercial Area shall be Commercial Common Charges and Commercial Common Expenses, respectively; and the receipts and expenditures of the Hotel Unit shall be Hotel Common Charges and Hotel Common Expenses; and shall be credited and charged to accounts deemed by the Board of Managers to be reasonably necessary for the prudent operation of the Property.

Section 5.3. Reserves.

(a) The Board of Managers is authorized to establish and maintain a Replacement Reserve Fund for the periodic maintenance, repair and replacement of the Common Elements, to be funded out of regular assessments for Common Charges and/or otherwise as the Board of Managers in its discretion may determine. The Board of Managers may also establish and maintain reasonable reserves for, among other things, and without limitation, emergencies, contingencies of bad weather or uncollected accounts.

(b) The Board of Managers may, but shall not be obligated to physically segregate reserves in separate accounts, but may, in its sole discretion, maintain the funds in one or more consolidated accounts.

(c) The signatures of at least two (2) officers of the Condominium shall be required for withdrawals or other disbursements from any reserve accounts.

Section 5.4. Payment of Common Charges and Assessments; Liability of Grantee and Grantor After Transfer of Unit.

(a) Unit Owners shall be obligated to pay Common Charges and other assessments at such time or times (but not less than monthly) as the Board of Managers shall determine, at such time as same become payable, as set forth in Section 5.1 above. Unless otherwise determined, all Common Charges shall be payable monthly, in advance, on the first day of each month.

(b) Dissatisfaction with the quantity or quality of maintenance or services furnished to the Property shall not be grounds for withholding or failure to pay Common Charges or any other assessments. Likewise, no Unit Owner shall deem itself or be deemed by the Board of Managers or any committee thereof, to be exempt from the obligation to pay Common Charges or other assessments for any reason, including without

limitation, waiver of use or enjoyment of the Common Element, abandonment of Unit Owner's Unit, or by claiming the quantity or quality of services are not worthy of such payment or are not as were expected by such Owner at the time of acquisition of the Unit or at any other time.

(c) No Unit Owner shall be liable for the payment of Common Charges, Special Assessments or other assessments assessed against such Owner's Unit from and after the date of sale, transfer or other conveyance of the Unit by such Unit Owner in accordance with the Declaration and these By-laws, and applicable only to the period subsequent to the sale, transfer or other conveyance.

(d) The grantee of a Unit shall be jointly and severally liable with grantor for unpaid Common Charges, Special Assessments and other assessments assessed against such Unit, Storage Bin and/or Parking License and due up to the date of conveyance, without prejudice to the grantee's right to recover from the grantor any amounts paid by the grantee therefor. Upon conveyance of a Unit, Storage Bin and/or Parking License to a grantee, all unpaid Common Charges shall be paid out of sale proceeds or otherwise by grantor, or by grantee, directly to the Board of Managers. A grantee acquiring title to a Unit, Storage Bin and/or Parking License through an arms-length transaction or as a gift or donation, a creditor of a Unit Owner, Storage Bin Licensee and/or Parking Licensee acquiring title through a sale or other proceeding arising out of the bankruptcy or liquidation of a Unit Owner, Storage Bin Licensee and/or Parking License, or any other grantee whatsoever shall be jointly liable with the selling Unit Owner, Storage Bin Licensee and/or Parking Licensee, for the payment of Common Charges, Special Assessments and other assessments assessed against that Unit, Storage Bin and/or Parking License prior to grantee's acquisition of the Unit. A Unit, Storage Bin and/or Parking License shall, upon transfer always be subject to a lien for unpaid Common Charges and/or assessments that were assessed against the Unit, Storage Bin and/or Parking License and due and payable up to date of transfer.

(e) Notwithstanding the foregoing, a Permitted Mortgagee or its designee acquiring a Unit, Storage Bin and/or Parking License through foreclosure or by deed in lieu of foreclosure, shall not be liable for unpaid Common Charges or assessments assessed or otherwise imposed against the Unit, Storage Bin and/or Parking License and secured by a lien filed against the Unit, Storage Bin and/or Parking License in accordance with the Condominium Act prior to the date of foreclosure or deed in lieu of foreclosure, but shall be liable for all Common Charges and assessments assessed against the Unit, Storage Bin and/or Parking License for the period on and after, and due from and after, the date of that party's acquisition of title to the Unit, Storage Bin and/or Parking License. An Eligible Holder, however, who acquires title to a Unit, Storage Bin and/or Parking License by foreclosure or by deed in lieu of foreclosure, shall be liable for up to six (6) months of regularly budgeted but unpaid Common Charges or Special Assessments assessed or otherwise imposed against the Unit, Storage Bin and/or Parking License which accrued prior to the date of foreclosure or prior to the date of recording the deed in lieu of foreclosure, as applicable. The party who was the Unit Owner whose Unit, Storage Bin and/or Parking License was sold and conveyed pursuant to the foreclosure sale, or conveyed pursuant to deed in lieu of foreclosure, shall remain liable for unpaid Common Charges and assessments accruing prior to the date of sale or conveyance in connection with such foreclosure or deed in lieu of foreclosure, as applicable.

(f) All grantees, regardless of circumstance of acquisition of a Unit, Storage Bin and/or Parking License, shall be liable for all Common Charges and other assessments assessed against the Unit, Storage Bin and/or Parking License for the period on and after the date of that party's acquisition of the Unit, Storage Bin and/or Parking License.

(g) If a petition in bankruptcy is filed by or against a Unit Owner, or if a trustee, receiver or similar official is appointed to administer a Unit Owner's assets, the Unit Owner, trustee, receiver or other official shall remain obligated to pay, and the Unit, Storage Bin and/or Parking License shall continue to be subject to, Common Charges and assessments for the entire duration of any bankruptcy or other reorganization proceeding.

Section 5.5. Default in Payment of Common Charges and Assessments.

(a) If any Common Charge, Special Assessment or other assessment imposed by the Board of Managers, or any installment thereof is not paid by the due date, then such payment shall be deemed delinquent, and the Unit Owner shall be in default under these By-laws for such non-payment.

(b) The Board of Managers shall impose a late charge in the amount of not less than 2% of the overdue payment, or such other amount as the Board deems reasonable, provided such late charges are uniformly applied, with respect to Common Charges or other assessments not paid within 10 days after the due date.

(c) In addition to late charges, if the Common Charge, Special Assessment or other assessment (or installment thereof with respect to any assessment payable in installments), is not paid within thirty (30) days after the due date, then (i) such Common Charge, Special Assessment or other assessment shall bear interest from the due date at the Default Rate, (ii) the Board of Managers may accelerate the remaining installments of any assessment payable in installments, and (iii) the Board of Managers may bring legal action against the delinquent Unit Owner, and subject to the lien of any Permitted Mortgage on the Unit, foreclose the lien on such Unit filed pursuant to these By-laws and/or the Condominium Act, or otherwise seek to recover the amounts due to the Condominium. The expenses, including without limitation, reasonable attorneys' fees and disbursements, incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments, shall be added to the amount of such delinquent Common Charge, Special Assessment, other assessment or installment thereof, together with late charges and interest.

(d) Any amounts collected by the Board of Managers on account of past due Common Charges or other assessments through foreclosure or otherwise, shall be applied in the following order: attorneys' fees and disbursements, other costs of collection, interest, late charges and Common Charges or assessments, beginning with the Common Charge or assessment due for the longest period.

Section 5.6. Collection of Common Charges and Assessments. The Board of Managers shall take prompt action to collect any Common Charge and/or other assessment previously imposed by the Board which remains unpaid for more than 30 days from the due date for payment thereof.

Section 5.7. Unpaid Common Charges and Assessments; Personal Obligation of Unit Owner and Lien on Unit. All sums assessed as Common Charges by the Board of Managers as well as any other assessments or Special Assessments made by the Board of Managers, but unpaid, together with late charges as may be established by the Board of Managers, interest thereon at such rate as may be fixed by the Board of Managers, and reasonable attorneys' fees and other costs and expenses incurred in efforts to collect such past due Common Charges and/or assessments or other costs identified in Section 5.10 of these By-Laws (all such costs and charges collectively "**Condominium Charges**"), shall be the personal obligation of the Unit Owner. Such Condominium Charges shall constitute a lien upon the Unit prior to all other liens except (i) any lien for past due and unpaid real estate taxes and (ii) any lien for sums unpaid on a first mortgage of record against the Unit. While Sponsor controls the Board of Managers, Sponsor shall be responsible for causing the Board of Managers to enforce the obligation for payment of Common Charges against all Unit Owners, including, without limitation, Sponsor, with respect to Units owned by Sponsor.

Section 5.8. Foreclosure of Lien for Common Charges and Assessments; Liability of Grantee in Foreclosure.

(a) A lien for past due Common Charges shall be effective from and after the filing in the appropriate recording office of a verified notice of lien in accordance with the Condominium Act. Any such lien for past due Common Charges, Special Assessments and/or other assessments may be foreclosed by the Board of Managers in accordance with the laws of the State of New York, in like manner as a mortgage on real property, and

the Board of Managers shall also have the right to recover all costs incurred in foreclosing on such lien, including but not limited to reasonable attorney's fees and disbursements, as set forth in these By-laws.

(b) Notwithstanding anything to the contrary in these By-laws or in the Declaration, once an action to foreclose a lien for Common Charges, Special Assessments or any other assessments is commenced, if the Owner of the Unit being foreclosed is a member of the Board of Managers and has not previously been deemed to have resigned from the Board of Managers (and any committee thereof), her or his membership on the Board of Managers (and any committee thereof) shall be deemed terminated.

(c) In the event the proceeds of any foreclosure sale for non-payment of Common Charges, Special Assessments or other assessments are not sufficient to pay such unpaid Common Charges, assessments and related expenses, the Board of Managers shall commence an action for the deficiency (if not yet commenced) against the Unit Owner who had failed to pay the Common Charges, Special Assessments or other assessments. Following suit for a deficiency judgment, if the amounts collected are insufficient to pay outstanding costs, the remaining balance may be charged (i) to all Unit Owners as a General Common Expense, if the unpaid Common Charges, Special Assessments or assessments were General Common Charges or assessments, (ii) to all Residential Unit Owners if the unpaid Common Charges, Special Assessments or assessments were Residential Common Charges or assessments, or (ii) to the Commercial Unit Owners if the unpaid Common Charges, Special Assessments or assessments were Commercial Common Charges or assessments, or (iii) to the Hotel Unit Owner if the unpaid Common Charges, Special Assessments or assessments were Hotel Common Charges or assessments.

Section 5.9. Proceedings to Foreclose Common Charge Liens or Otherwise Collect Unpaid Common Charges and Assessments; Unit Rentals.

(a) In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, Special Assessments or other assessments, the Unit Owner shall be required to pay a reasonable rental for the use of said Unit Owner's Unit, Storage Bin and/or Parking License, if applicable, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same.

(b) The Board of Managers acting on behalf of all Unit Owners, shall have power to purchase such Unit, Storage Bin and/or Parking License, if applicable, at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant thereto (other than for the election of members of the Board of Managers), convey or otherwise deal with the same.

(c) A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing, filing or waiving the lien securing the same, and foreclosure may be maintained despite the pendency of a suit to recover a money judgment.

Section 5.10. Statement of Monies Owed. Upon the written request of a Unit Owner, lessee or Permitted Mortgagee and/or Recognized Mortgagee with respect to the Unit owned by such Owner, leased by such lessee or upon which such Permitted Mortgagee and/or Recognized Mortgagee holds a mortgage, or upon the written request of a prospective purchaser, lessee, mortgagee or title insurer of such Unit, the Board of Managers, acting through the Managing Agent, shall promptly furnish a certificate in writing setting forth with respect to such Unit as of the date of such certificate, (i) whether or not the Common Charges and/or Special Assessments or other assessments due have been paid, (ii) the amount of such Common Charges and/or Special Assessments or other assessments, including interest and costs, if any, due and payable, and (iii) whether any other amounts or charges are owing to the Condominium (e.g., for the cost of extinguishing a violation of the Declaration, By-laws or Rules and Regulations, etc.). A reasonable charge, as determined by the Board of Managers, as and when applicable, may be made for the issuance of this certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Board of Managers and any bona fide purchaser or lessee of, or lender on, or title insurer of, the Unit with respect to which the request was made.

ARTICLE 6

INSURANCE

Section 6.1. Required Coverage.

(a) The Board of Managers shall be required to obtain and maintain (i) all-risk property coverage insuring the Common Elements from loss or damage by fire and such other hazards as are customarily covered by standard all-risk property coverage and such other risks as are customarily covered for projects similar in construction, location and use as the Condominium as the Board of Managers in its reasonable discretion shall deem advisable (terrorism insurance is not required, but may be obtained and maintained at the election of the Board, in its sole and absolute discretion), (ii) liability insurance in connection with the Condominium, (iii) fidelity bond or crime insurance, and (iv) if the Property is located in a 100-year flood plain, flood insurance as well, as more specifically set forth below. All insurance maintained by the Board of Managers shall be issued in the name of the Board of Managers of the Condominium for the use and benefit of the Unit Owners.

(b) (i) The all-risk property policy shall cover the interests of the Board of Managers and Permitted Mortgagees, as their interests may appear. Coverage shall be for 100% of the insurable replacement cost of the Improvements (excluding land, excavations and other items normally excluded from such coverage), including fixtures (to the extent they are Common Elements), building service equipment and supplies, and other personalty comprising Common Elements. If available and appropriate in the discretion of the Board of Managers, the all-risk policy shall contain a Replacement Cost Endorsement (under which the insurer agrees to waive the requirement for co-insurance).

(ii) The Board of Managers shall review the amounts and coverages of the foregoing all-risk insurance at least annually, or more frequently, should circumstances dictate.

(iii) The all-risk policy shall contain, among other provisions, recognition of any Insurance Trustee arrangement, waiver by the insurer of any right to claim by way of subrogation against Unit Owners, Permitted Mortgagees, the Board of Managers and members of the Board of Managers, Sponsor, the construction consultant, general contractor or construction manager (collectively the "**General Contractor**") engaged by Sponsor to complete construction of the Condominium and all contractors and subcontractors of Sponsor and General Contractor at every tier, and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and confirmation that it shall not be prejudiced by the acts or omissions of individual Unit Owners. It shall include a NY standard mortgagee clause in favor of Permitted Mortgagees, which shall provide that the loss thereunder, if any, shall be payable to each such Permitted Mortgagee, as its interest shall appear, subject, however, to the loss payment provisions set forth below. Certificates of insurance confirming the Condominium's all-risk coverage and naming a Unit Owner and its Permitted Mortgagee, if applicable, as insurance certificate insurance holders as their interests shall appear, shall be issued to a Unit Owner and its Permitted Mortgagee by the Board of Managers upon request therefor from a Unit Owner (or Unit Owner's authorized purchaser, as applicable), upon said Unit Owner's (or purchaser's, as applicable) acquisition and/or financing of a Unit.

(iv) The all-risk policy shall provide that adjustment for loss shall be made exclusively by the first named insured on the policy. Insurance proceeds with respect to any loss shall be payable to the Board of Managers, except that the proceeds of physical damage insurance, if in excess of $800,000.00, shall be deposited with an Insurance Trustee designated by the Board of Managers with the Board having the discretion to deposit any lesser amount of proceeds with an Insurance Trustee as well, all as discussed below. The Board of Managers shall have the discretion to name the Insurance Trustee as co-payee with respect to insurance proceeds to facilitate deposit of proceeds with the Insurance Trustee. Any dispute pursuant to this provision shall be an Arbitrable Dispute under the Condominium Documents.

(c) The Board of Managers shall also be required to obtain and maintain comprehensive commercial general liability insurance covering all Common Elements and other areas under its supervision, including, without limitation, the Parking Area. This insurance shall provide coverage to the Board of Managers, the Managing Agent, each Board member, each officer and employee of the Condominium as well as all Unit Owners, against claims for bodily injury, death or property damage occurring upon, in or about the Common Elements. Coverage shall be for at least a minimum combined single limit of liability of $1,000,000 for bodily injury, including death of persons or property damage arising out of any one occurrence (or such greater coverage as the Board of Managers shall in its discretion determine), plus umbrella liability coverage as described in Section 6.1(g) below. If this policy does not include "severability of interest" in its terms, then the Board of Managers shall consider obtaining if available, an endorsement precluding insurer's denial of a Unit Owner's claim because of the negligent acts of the Board of Managers or other Unit Owners. Such liability coverage shall include hired/non-owned auto liability and legal liability of the insureds for property damage, bodily injury and deaths of persons in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Board of Managers. It shall also cover cross-liability claims of one insured against another, but such policy shall not cover liability of a Unit Owner arising from occurrences within said Unit Owner's Unit.

(d) The Board of Managers shall also be required to obtain and maintain fidelity bond or crime insurance covering all directors, officers, employees and agents of the Condominium and all other persons handling or otherwise responsible for Condominium funds, whether or not each such individual, if any, receives compensation for his or her services. If the Board of Managers engages a Managing Agent with responsibility for Condominium funds, the Board of Managers may require the Managing Agent to provide the fidelity bond coverage. All such fidelity bonds or crime insurance policies shall name the Board of Managers and the Condominium as obligees, and shall be in such amount as the Board of Managers shall from time to time determine. Such determination shall take into consideration the estimated maximum of funds, including reserves, in the custody of the Board of Managers or the Managing Agent, as the case may be, at any time during the term of the fidelity bond coverage, and the amount of Common Charges being billed to Unit Owners at the time the bond is obtained. The fidelity bond shall contain waivers by the issuers of the bonds of all defenses based on exclusion from the definition of "employees" or similar terms, of persons serving without compensation. Premiums on fidelity bonds or crime insurance policies maintained by the Board of Managers shall be a Common Expense. Each fidelity bond or crime insurance policy shall provide that it may not be cancelled or substantially modified (including cancellation for non-payment), without at least thirty (30) days prior written notice to the Board of Managers.

(e) If the Property is located in a 100-year flood plain and/or if any of the principal structures comprising the Improvements are located in a Special Flood Hazard Area that has federally mandated flood insurance requirements, the Board of Managers shall be required to obtain and maintain flood insurance covering the Common Elements (including applicable elements of the Building and its contents), to the extent such insurance is available and is then required by any governmental insurer or governmental purchaser of end-loan mortgages secured by Units at the Property. The amount of flood insurance, should same be required pursuant to the foregoing, shall be at least equal to the lower of the (i) replacement cost of the insurable value of the Condominium (e.g., the Improvements, including all machinery and equipment that are part of the Building and/or Common Elements not affixed to the Building), less land costs, or (ii) the maximum insurance available from the National Flood Insurance Program, subject to any changes implemented by any applicable governmental agency(ies).

(f) In addition, the Board of Managers shall obtain and maintain, to the extent obtainable and/or required by law, (i) workers' compensation and disability insurance, (ii) officers and directors liability insurance and (iii) such other insurance as the Board of Managers in its sole discretion shall determine.

(g) The Board of Managers shall obtain and maintain umbrella/excess liability insurance coverage with a minimum single limit of $100,000,000 per occurrence and a minimum annual limit of $100,000,000 in

the aggregate, in excess of the general liability, hired/non-owned auto liability, employee benefits liability and directors' and officers' liability insurance required under these By-laws.

(h) Any insurance maintained by the Board of Managers may provide for such deductible amounts as the Board shall in its discretion determine. However, with respect to the all-risk policy, the deductibles shall be at reasonable and customary levels, and with respect to flood insurance, if any is required, the deductible shall not exceed amounts mandated by any governmental insurer as a condition of insuring Permitted Mortgages at the Condominium.

(i) All insurance policies maintained by the Board of Managers must provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to the Board of Managers, all Eligible Holders and all Recognized Mortgagees.

(j) All insurance obtained and maintained by the Board of Managers shall be paid for as a Common Expense of the Condominium. However, the Board of Managers shall have the right, pursuant to § 339-bb of the Condominium Act, to charge a Unit Owner a higher amount of the Condominium's insurance expense than said Owner's Common Interest would otherwise dictate, should the cost of the Condominium's insurance premium be based in part, specifically on the use to which the Unit in question is put. The Board of Managers shall review all insurance coverages and limits at least annually and shall take into consideration then standard insurance requirements of Permitted Mortgagees in connection with such review.

(k) The Board of Managers is not required to carry insurance coverage for personal property or occurrences within any Unit, Storage Bin, Vehicle parked in the Parking Area, Unit Terrace or other appurtenant Limited Common Element.

(l) Each Residential Unit Owner must maintain during the period of Unit Owner's ownership of a Residential Unit, at Unit Owner's expense, (i) all-risk property insurance covering at replacement cost, all improvements and fixtures (i.e., cabinets that are built-in or attached to the wall, appliances, plumbing and electrical fixtures, bathroom vanities that are built-in or attached to the wall, etc.), equipment, furniture, contents and all other personal property within its Unit, Storage Bin and Unit Terrace, if applicable, or other Limited Common Elements appurtenant thereto, in the event of damage thereto arising out of fire, water damage, flood, earthquake, electrical failure, theft, vandalism, windstorm or other casualty covered by an all-risk insurance policy, and (ii) personal liability insurance against claims for personal injury, death or property damage (including, without limitation, loss due to water damage), occurring in, upon or from the Unit, Storage Bin, Unit Terrace and any other Limited Common Elements appurtenant thereto, with minimum combined single limits of liability of $2,000,000 for bodily injury or death arising out of any one occurrence, including $2,000,000 for damage to property including loss of use, plus at least $2,000,000 umbrella liability coverage. The required minimum $2,000,000 liability limit may be achieved through a $2,000,000 liability policy alone or a combination of a liability policy plus umbrella liability coverage. The limits of liability set forth above may be increased by the Board of Managers from time to time. Each such policy shall contain a waiver by the insurer of the right to claim by way of subrogation against the Board of Managers, members thereof, other Unit Owners, Sponsor and General Contractor, including all sub-contractors of General Contractor at every tier, and shall provide that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of such insurance carried by the Unit Owner.

(m) Each Commercial Unit Owner shall obtain and keep in full force and effect during the period of ownership of its respective Unit, (i) property insurance covering at replacement cost, all improvements and fixtures, equipment, furniture and all other personal property within or comprising part of their Commercial Unit, in the event of damage thereto arising out of fire, water damage, flood, earthquake, electrical failure, theft, vandalism, windstorm or other casualty, and (ii) a policy of commercial general liability insurance including contractual liability coverage under which (x) the insurance company waives subrogation against the Board of Managers, members thereof, other Unit Owners, Sponsor and General Contractor, including all sub-contractors of General Contractor at

every tier (y) the Commercial Unit Owner is named as the insured and (z) the Board of Managers, as agent for the Unit Owners, is named as an additional insured. Each Commercial Unit Owner shall indemnify and hold the Board of Managers harmless from and against all cost, expense and/or liability arising out of or based upon any and all claims, accidents, injuries and damages caused by such Unit Owner's conduct and/or use or misuse of the Owner's Commercial Unit and any Limited Common Element appurtenant thereto. The minimum limits of liability shall be a combined single limit with respect to each occurrence in an amount of not less than $2,000,000 for injury (or death) and damage to property, including loss of use.

(n) The Hotel Unit Owner shall obtain and keep in full force and effect during the period of ownership of its respective Unit, (i) property insurance covering at replacement cost, all improvements and fixtures, equipment, furniture and all other personal property within or comprising part of their Hotel Unit, in the event of damage thereto arising out of fire, water damage, flood, earthquake, electrical failure, theft, vandalism, windstorm or other casualty, and (ii) a policy of commercial general liability insurance including contractual liability coverage under which (x) the insurance company waives subrogation against the Board of Managers, members thereof, other Unit Owners, Sponsor and General Contractor, including all sub-contractors of General Contractor at every tier (y) the Hotel Unit Owner is named as the insured and (z) the Board of Managers, as agent for the Unit Owners, is named as an additional insured. The Hotel Unit Owner shall indemnify and hold the Board of Managers harmless from and against all cost, expense and/or liability arising out of or based upon any and all claims, accidents, injuries and damages caused by such Unit Owner's conduct and/or use or misuse of the Owner's Hotel Unit and any Limited Common Element appurtenant thereto. The minimum limits of liability shall be a combined single limit with respect to each occurrence in an amount of not less than $2,000,000 for injury (or death) and damage to property, including loss of use.

(o) All insurance required to be carried by a Unit Owner or the Board of Managers pursuant to the terms of the Declaration and/or these By-laws shall be effected under valid and enforceable policies issued by reputable and independent insurers admitted and licensed to do business in the State of New York and rated by A.M. Best's Company, Inc., or any successor publication of comparable standing, as having either (i) a "A-" or better Financial Strength Rating in *Best's Insurance Reports*, or (ii) an "A-" or better Financial Strength Rating in *Best's Insurance Reports Non-US Edition*, or the equivalent of such ratings by other rating agencies. All policies carried by the Board of Managers or by a Unit Owner shall provide that they may not be cancelled without at least thirty (30) days prior written notice to the Board of Managers or the Unit Owner, as applicable, sent by certified mail, return receipt requested, which notice shall contain the policy number and the names of the insured and additional insureds. Upon ten (10) days written notice from the Board of Managers or the Managing Agent, a Unit Owner shall deliver to the Board of Managers or the Managing Agent, a duplicate original of the insurance policy required hereunder.

(p) To the extent a party is insured for loss or damage to property, it will look to its own insurance for recovery.

(q) The obligation of the Board of Managers to carry specific insurance coverages as set forth above, shall be subject to the availability of such insurance at reasonable cost in the general insurance market, the continuing use of similar coverages by projects similar to the Condominium, and the Board's determination, based on periodic review of its insurance as set forth above in consultation with appropriate insurance professionals, that the particular insurance coverage(s) in question remains necessary or advisable for the Condominium to carry.

Section 6.2. Repair or Reconstruction After Fire or Other Casualty.

(a) In the event of damage to the Property by fire or other casualty ("**Casualty Loss**"), the Board of Managers shall promptly cause the Property (excluding, however, appliances, fixtures or improvements that belong to and/or were installed by a Unit Owner or a tenant of a Unit, and excluding any furnishings, decorations or other personal property supplied or installed by a Unit Owner of a tenant of a Unit) to be repaired and/or restored as nearly as practicable to the condition and utility it was in before the Casualty Loss, using the proceeds of casualty

insurance on the Property maintained by the Board of Managers and/or other Condominium funds or the proceeds of Special Assessments against Unit Owners, for that purpose, subject to the provisions of Section 6.4 of these By-laws.

(b) In the event the Property or any part thereof is damaged by fire or other casualty, the net insurance proceeds payable under insurance policies held by the Board of Managers shall be paid to the first named insured on the policy, subject to the recipient's right to name the Insurance Trustee as co-payee, as discussed above, to facilitate payment directly to the Insurance Trustee. The proceeds shall in any event be deposited with an Insurance Trustee engaged by the Board of Managers for that purpose, if proceeds exceed $800,000.00 in the aggregate (though the Board may deposit proceeds of $800,000.00 or less with an Insurance Trustee if the Board in its discretion determines to do so). In all instances the proceeds shall be held in trust for the benefit of the Unit Owners and their Permitted Mortgagees. The $800,000.00 limit in this Section 6.2(b) shall automatically increase each calendar year by 5% over the limit of the previous year.

(c) Except as provided in these By-laws, the Board of Managers shall arrange for the prompt repair or restoration (the "**Work**"), of the portions of the Property affected by the Casualty Loss. Damage or destruction to a Unit shall be promptly repaired by the Owner of the Unit, as set forth below. If Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, Work shall be performed, to the extent practical, first to Units, next to Common Elements that service Units, and then to other Common Elements.

(d) When and if Work is to be performed pursuant to the foregoing, the Board of Managers shall arrange for and commence such Work promptly, shall diligently prosecute same to completion, and the Board of Managers (or the Insurance Trustee, as applicable) shall disburse the proceeds of all insurance policies and/or other funds to the contractors engaged in such repair and restoration in appropriate progress payments. The Board may levy and assess as a Special Assessment, prior to receipt of insurance proceeds, the amount anticipated to be necessary to repair or reconstruct the Property. Upon receipt of the proceeds, if any, the Board will reimburse Unit Owners any amounts they paid as Special Assessments as will not be needed to pay the cost of repair and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a General Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of their General Common Charges, if the Work involves Common Elements. However, if the deficiency is for Work to repair a Casualty Loss impacting (i) only the Residential Area, the Residential Unit Owners shall be responsible exclusively for the deficiency; and (ii) only the Commercial Area, the Commercial Unit Owners shall be responsible exclusively for the deficiency; and (iii) only the Hotel Unit, the Hotel Unit Owner shall be responsible exclusively for the deficiency. When applicable, insurance proceeds in excess of those needed for repair and reconstruction of the Property following a casualty, shall be distributed among Unit Owners in proportion to their respective Common Interests.

(e) Damage to or destruction of a Unit or the Limited Common Elements appurtenant thereto, as a result of fire or other casualty, shall promptly be repaired and reconstructed by the Owner of the affected Unit(s) in compliance with all applicable laws and regulations, as nearly as practicable to the Unit's condition and utility before the casualty, using the proceeds of the insurance required to be carried by the Unit Owner under these By-laws or other funds belonging to the Unit Owner, it being the responsibility of the Unit Owner to fund any deficiencies in insurance proceeds made available by its insurer. Notwithstanding the preceding sentence, if the damage in question (i) does not affect other Units or Common Elements, (ii) is not in a Visible Area, and (iii) does not affect Unit Owners (other than the Owner of the damaged Unit) or any tenants or other occupants of the Condominium (other than the tenants or other occupants of the damaged Unit), then the Unit Owner may elect not to restore the Unit to its condition and utility before the casualty, but shall repair and rebuild the Unit so it does not constitute a hazard to any other Unit Owner or other occupants and users of the Building, does not adversely affect any other Unit Owners or other occupants or users of the Building, does not adversely affect the value, use or operation of any other Units or the Property generally, and so that all Visible Areas appear in good, clean and neat appearance, in conformity with

the dignity and character of the Condominium. Any Unit Owner undertaking restoration work pursuant to this provision shall be obligated to coordinate such work through the construction manager or general contractor, should one be engaged by the Board of Managers pursuant to Section 6.5 of these By-laws.

Section 6.3. Unit Owner Failure to Rebuild. If the Unit Owners have not voted to terminate the Condominium as provided in Section 6.4 of these By-laws, and if a Unit Owner fails to comply with the obligations to repair and reconstruct set forth in Section 6.2 of these By-laws, and if the Unit Owner's failure to repair and reconstruct has an adverse effect on any other Unit or the Common Elements (such adverse effect including, without limitation, reduction in value), the Board of Managers may cause the Unit to be repaired and reconstructed in accordance with these By-laws, and the cost in connection therewith shall be charged to the defaulting Unit Owner as a Special Assessment.

Section 6.4. Termination of Condominium Following Damage or Destruction.

(a) If as the result of fire or other casualty, at least 75% of the Property is destroyed or substantially damaged, Unit Owners shall be asked to determine, at a meeting called in accordance with these By-laws, or by some other method, in any event within thirty (30) days of the casualty, if the Property should be repaired or reconstructed. The Work (as defined above) shall not be performed unless Unit Owners representing at least 75% in number of Units resolve to proceed with same. If, however, Unit Owners representing at least 75% in number of Units affirmatively determine not to proceed with repair or restoration, or do not duly and promptly resolve to proceed with the Work, or otherwise fail or refuse to resolve to repair or reconstruct the Property, then, and in such event, subject, however, if then applicable, to the rights of Recognized Mortgagees and Eligible Holders set forth in Article 8 of these By-laws, the Property will not be repaired and the Property, or such portion of the Property as shall remain, shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common, in accordance with the provisions of the Condominium Act.

(b) If termination of the Condominium and a partition action are authorized pursuant to the foregoing, then (i) the net proceeds of insurance policies maintained by the Board for coverage of the Common Elements, if received prior to the date of sale of the Property, less an amount determined by the Board of Managers in its discretion as necessary to maintain the Property during the period prior to closing of sale of same, shall promptly be divided by the Board of Managers among and paid to 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 outstanding Permitted Mortgage and other unpaid liens on said Owner's Unit, in the order of the priority of such liens and (ii) the net proceeds of sale, together with the remaining net proceeds (if any), of insurance policies maintained by the Board of Managers for coverage of the Common Elements, shall be divided by the Board of Managers among, and paid to the Unit Owners, in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner, the remaining unpaid liens, if any, on said Owner's Unit, in the order of priority of such liens. Absent such affirmative decision not to proceed with repair or restoration, the Property shall be rebuilt substantially to the condition it was in at time of such damage or destruction, or to such other standard as the Board of Managers shall determine in its reasonable discretion.

Section 6.5. Construction Manager and General Contractor. In the event of damage due to fire or other casualty affecting the Common Elements and/or one or more Units where the decision has not been made not to rebuild, the Board of Managers shall engage a reputable and independent construction manager or general contractor to supervise the restoration work required to be done by the Board. The construction manager or general contractor will coordinate the Board's restoration work with a Unit Owner's restoration work, as necessary, so the work and scheduling may proceed expeditiously and efficiently. All such coordination work shall be performed in accordance with good construction practices, without priority or preferences for particular Unit or Unit Owners. The cost of the construction manager or general contractor shall be a General Common Expense.

ARTICLE 7

THE CONDOMINIUM PROPERTY
USE, OPERATION, PRESERVATION, MAINTENANCE AND REPAIR

Section 7.1. Maintenance and Repairs Which Are the Responsibility of the Board of Managers.

(a) The Board of Managers shall be responsible for maintaining the Common Elements in good condition and repair, and in a safe, clean, slightly and sanitary condition, including, without limitation, causing those portions of the Common Elements that are exposed to the elements to be properly drained and free from snow and ice, and causing the Common Elements where pedestrians may walk to be cleaned and adequately lighted. The Board of Managers shall also be obligated to keep the sidewalks adjacent to the Building clean, and free and clear of snow and ice. All painting, decorating, landscaping, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, to the General Common Elements, Residential Common Elements or Commercial Common Elements or Hotel Common Elements, whether located inside or outside of the Units, shall be made by the Board of Managers. The foregoing maintenance costs shall be charged to all Unit Owners as a General Common Expense if concerning a General Common Element, to all Residential Unit Owners as a Residential Common Expense if concerning a Residential Common Element, to the Commercial Unit Owners as a Commercial Common Expense if concerning a Commercial Common Element, to the Hotel Unit Owner as a Hotel Common Expense if concerning a Hotel Common Element (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the expense shall be charged to such Unit Owner as described below).

(b) Sprinklers or other fire-protective systems installed in Units with lot line windows, if any, shall be the obligation of the Board of Managers to maintain. Unit Owners with Units containing lot line windows protected by sprinklers or otherwise, shall be obligated to provide the Board access for such maintenance and shall in no event enclose the sprinklers. Unit Owners shall at all times treat the sprinklers or other fire-protective system or structure in accordance with applicable law or code. If there is construction on property abutting the Condominium that necessitates the sealing or other fire-protection of lot line windows in addition to any protection installed as of the date of the recording of the Declaration, it shall be the obligation of the Unit Owner of the affected Unit at the date such sealing or other fire-protection becomes necessary, to undertake such work at Unit Owner's sole cost and expense. The Board of Managers shall have no responsibility or liability in connection with sealing or additional fire protection lot line windows.

Section 7.2. Maintenance and Repairs Which are a Unit Owner's Responsibility.

(a) Except as otherwise provided in the Declaration or By-laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, in or to any Unit (other than to the Common Elements contained therein) shall be made by the Owner of such Unit, at the Unit Owner's sole cost and expense. Each Unit Owner shall be responsible for all damage to any and all other Units and/or to the Common Elements in said Unit Owner's Unit or elsewhere in the Condominium, that said Unit Owner's failure to make necessary repairs or replacements or perform necessary maintenance may engender, or which are caused by said Unit Owner's actions, inactions, negligence, misuse or neglect.

(b) Exterior windows (including, without limitation, panes, casements and frames) located in or appurtenant to the Residential Units and other portions of the Residential Area are Residential Common Elements. However, notwithstanding this characterization, the Board of Managers may arrange for the cleaning of exterior and/or interior surfaces of windows in or appurtenant to a Residential Unit as a Residential Common Expense. If the Board makes this arrangement, the Unit Owner shall cooperate reasonably and provide access to the Board and/or its window washing service engaged for that purpose, as discussed below. Maintenance and repair of windows as well as cleaning are the responsibility of the Residential Unit Owner whose Unit they serve, regardless of whether the window is part of the Unit or a Common Element. Broken window glass or broken window frames in a Residential

Unit shall be replaced by the Unit Owner at the Unit Owner's sole cost and expense, unless the breakage was caused by the Board of Managers or its agents, in which case replacement shall be by the Board at its sole cost and expense.

(c) The washing, maintenance, repair and replacement of windows and window systems in a Commercial Unit, including, without limitation, panes, frames, doors, Signs, louvers, glazing, metal panels, etc., shall be the sole responsibility of the Owner of that Unit. Window cleaning of each Commercial Unit shall be performed by the Owner of the Commercial Unit at such regular intervals as are customary in a first class residential building with street level commercial space.

(d) The washing, maintenance, repair and replacement of windows and window systems in a Hotel Unit, including, without limitation, panes, frames, doors, Signs, louvers, glazing, metal panels, etc., shall be the sole responsibility of the Owner of that Unit. Window cleaning of the Hotel Unit shall be performed by the Owner of the Hotel Unit at such regular intervals as are customary in a first class hotel.

(e) Notwithstanding anything to the contrary in this section or elsewhere in the Condominium Documents, should the Board of Managers determine to engage a professional window washing company to clean the exterior side of windows in the Building, including windows serving Residential Units, and/or windows serving Commercial Units and/or windows serving Common Elements, and should the Board of Managers impose a Special Assessment to cover the cost of such professional window washing, or should the Board of Managers determine to include a line item for window washing in the Condominium Operating Budget for any one or more fiscal years of Condominium operation, the impacted Unit Owners shall be obligated to pay said Special Assessment and/or Common Charge amount attributable to such window washing arrangement as a General or Residential Common Expense, as applicable, and to permit the Board of Managers and/or its agent access to the Unit to wash the windows, if access to the Unit is necessary to accomplish that task.

(f) Each entrance door to a Residential Unit and each door accessing a Residential Unit from an appurtenant Unit Terrace are part of the Unit they serve, as are all locks and hardware thereon or therein. As such, it shall be the responsibility of the Unit Owner to maintain and repair all such doors and locks in accordance with law, regulation and/or architectural or maintenance standards adopted by the Board of Managers. Locks on Storage Bins shall belong to the Licensee of the Storage Bin and the Board of Managers shall have no responsibility or liability therefor. Each Residential Unit Owner must always maintain a set of current keys for its Unit and, if applicable, the door to any appurtenant Unit Terrace, with the Managing Agent. Alternatively, the Managing Agent shall have the right to maintain a master passkey or card that will permit access to all Units on an emergency basis.

(g) Doors and appurtenant locks accessing a Commercial Unit from the outdoors are part of the Commercial Unit. Doors and appurtenant locks accessing the Hotel Unit from the outdoors are part of the Hotel Unit.

(h) If a Residential Unit contains a Unit Terrace, the Unit Owner shall be responsible for maintenance, repair and replacement, when necessary or appropriate, of the pavers, decking, tile or other flooring installed on the Unit Terrace and all faucets, hose bibs, electrical outlets, lighting, installed in or on the Unit Terrace, as same are all considered part of the Unit. In addition, all fencing and railings on Roof Setbacks which enclose Unit Terraces and/or separate a Unit Terrace from mechanical equipment or Common Elements or separate or divide a Unit Terrace from another Unit Terrace, are Residential Limited Common Elements and also the responsibility of the Unit Owner to maintain and repair. If a fence or other divider element directly separates two Unit Terraces, both Unit Owners will be obligated to maintain and repair such divider with the costs to be shared equally unless the necessity for such maintenance or repair was the result of the negligence of one Unit Owner or such Owner's tenant, guest or invitee, in which case the cost shall be borne by that Unit Owner exclusively. Enclosures or dividers separating a Unit Terrace from Common Elements (including without limitation mechanical equipment space) are Residential Limited Common Elements appurtenant to the Unit to which the Unit Terrace is appurtenant, and the Owner of that

Unit will have sole responsibility to maintain and repair said divider or enclosure. Any dispute as to a Unit Owner's responsibility for Limited Common Elements that cannot be resolved by and between the affected Unit Owners, or by and between an affected Unit Owner and the Board of Managers, as applicable, shall be an Arbitrable Dispute under the Condominium Documents.

(i) The Board of Managers shall be responsible for repairs and replacement of parapets, structural elements, waterproofing and drainage systems installed in or on the Unit Terrace below the protective flooring, if applicable, subject to the right of the Board to impose the cost of such repair or replacement on the Unit Owner if same was necessitated by the actions, inactions or other negligence of the Unit Owner or such Unit Owner's invitees or Permittees. A Residential Unit Owner with a Unit Terrace as a Residential Limited Common Element, shall be responsible for sweeping, clearing, maintaining and cleaning any such Unit Terrace and keeping same, including, without limitation, the drains thereon, free from leaves, dirt, debris, snow and ice, so water may drain unimpeded.

(j) Notwithstanding the classification of Smoke/CO Detectors as Residential Limited Common Elements, a Residential Unit Owner will be responsible, at the Unit Owner's expense, to test each Smoke/CO Detector in Owner's Unit at regular intervals and maintain same in working condition, including, without limitation, ensuring that the sensor therein is always in working order. Notwithstanding the foregoing, the Board of Managers shall have the right to implement a program to inspect, maintain and service Smoke/CO Detectors and sensors therein on a regular basis. Should the Board of Managers do so, the cost of same shall be a Residential Common Expense and Residential Unit Owners shall be obligated to cooperate by providing access to their Unit to permit such inspection, maintenance and service of the Smoke/CO Detectors to occur.

(k) The heat pumps installed in a Residential Unit are part of the Unit they serve and the Unit Owner shall be responsible for the cost to repair, maintain and service same, and replace when and if necessary. The variant refrigerant piping connecting the heat pumps in a Unit to the rooftop condenser serving that Unit, as well as the condenser(s) themselves, are Limited Common Elements appurtenant to the Unit The Board of Managers may determine to implement an HVAC maintenance program, however, for the benefit of all Unit Owners, that includes the indoor heat pumps as well as the refrigerant piping and condensers serving each Residential Unit. If the Board does so, the Unit Owner will be obligated to cooperate by providing access to the Unit to the Board and paying such Common Charges or Special Assessments associated with this inspection, maintenance and repair program

(l) Each Unit Owner, at said Unit Owner's expense, shall keep said Owner's Unit in good order, shall cause the Unit, any street level entrance door or doors and all street level glass surfaces and storefronts, and any service entrance area, to be maintained in a first class manner. Unit Owners with street level Units having access to the front of the Building, shall cause these items and areas to be cleaned at regular intervals (but not less frequently than weekly), and shall not at any time sweep any refuse, rubbish or dirt into the gutters or streets. Each Commercial Unit Owner or Hotel Unit Owner shall cause any portion of such Owner's Unit used for storage, preparation, service or consummation of food or beverages to be exterminated against infestation by vermin, roaches or rodents regularly, and in addition, whenever there shall be evidence of any infestation.

(m) Unit Owners with drains in any exterior portion(s) of the Unit shall be responsible for keeping same free from dirt, debris, leaves, snow and ice, so water may drain unimpeded.

(n) Any maintenance, repair or replacement necessary to preserve the appearance and value of the Property made pursuant to Section 7.1 above or, as applicable, Section 7.2 above but which is occasioned by the action, regardless of whether same be a negligent or willful act or omission of (i) a Unit Owner, or (ii) any Permittees of such Unit Owner, or (iii) any Permittee of a Permittee of such Unit Owner, shall be made at the cost and expense of such Unit Owner. If such maintenance, repair or replacement is undertaken and paid for by the Board of Managers, it shall not be regarded as a Common Expense, but rather shall be considered a Special

Assessment allocable to the specific Unit and such cost shall be added to that Unit Owner's Common Charges and, as part of those Common Charges, shall constitute a lien on the Unit to secure the payment thereof.

Section 7.3. Quality, Type and Scheduling of Maintenance and Repairs.

(a) All repairs, painting and maintenance, whether made by a Unit Owner or the Board of Managers, to any Visible Area of the Property, shall be implemented in such a manner so as to conform to the materials, style and color of the Unit or Common Element being repaired, painted or otherwise maintained, unless the Board authorizes a variance from such materials, style and color prior to commencement of the non-conforming repair, painting or maintenance.

(b) Unit Owners and the Board of Managers shall in connection with alteration, maintenance and repair of their respective interests at the Property comply with the Rules and Regulations and schedule their construction and/or maintenance and/or repair work such that (i) no party or its agents or employees unreasonably interferes with the work being done by any other party, its agents or employees at the Property, and (ii) the labor employed by Unit Owners shall be compatible and harmonious with the labor employed by the Board of Managers, it being understood that if in the reasonable judgment of the Board the labor is incompatible, the Unit Owner shall forthwith, upon the request of the Board, withdraw the incompatible laborers.

Section 7.4. Scaffolding.

(a) In connection with the obligations and responsibilities of Declarant and the Board of Managers under applicable law, and/or their rights and/or responsibilities and obligations under the Condominium Documents, Declarant, the Board of Managers, each Commercial Unit Owner and the Hotel Unit Owner shall each have the right to erect and maintain scaffolding, sidewalk bridges or other equipment or Facility required by law, regulation, code or ordinance when performing required or permitted construction work, even though such scaffolding, sidewalk bridge or other equipment or Facility may encroach on a Unit or the Common Elements, provided such scaffolding is erected in accordance with this section. Specifically, such scaffolding, sidewalk bridge or equipment must be at least fourteen (14) feet in height, the horizontal portion must commence above the top of the Commercial Units and/ or the Hotel Unit and the party erecting such scaffolding must use reasonable efforts not to block display windows, Signs or entrance doors serving Commercial Units and the Hotel Unit, and such scaffolding must otherwise be in compliance with the requirements below.

(b) Declarant shall not be liable to a Unit Owner or the Board of Managers, or to any tenant or licensee of a Unit or Unit Owner, for any damages (including but not limited to interference with business operations) incurred in connection with the erection of scaffolding, except for damages caused by the negligence of Declarant. Likewise, neither the Board of Managers nor a Commercial Unit Owner nor the Hotel Unit Owner shall be liable to any Unit Owner or the tenant or licensee of a Unit or Unit Owner, for any damages (including but not limited to interference with business operations), incurred in connection with the erection of scaffolding, except for damages caused by the negligence of the Board of Managers or a Commercial Unit Owner or the Hotel Unit Owner, as applicable, or any of their respective agents or employees, or failure to comply with the scaffolding requirements of these By-laws.

(c) In no event may scaffolding be installed in a manner or location that will prevent access to a Unit (other than a Unit owned by the party erecting the scaffolding).

(d) Whenever Declarant, the Board or Managers or a Commercial Unit Owner or the Hotel Unit Owner shall have the right or obligation pursuant to the Declaration or these By-laws to erect scaffolding, Declarant, the Board of Managers or such Commercial Unit Owner or the Hotel Unit Owner, as applicable, shall give written notice to the Unit Owners of the intended erection of such scaffolding, contemporaneously with its application for a permit to erect the scaffolding, but in no event less than fifteen (15) days prior to the intended date for erection

of the scaffolding. With respect to any scaffolding erected at the Building, the party erecting the scaffolding, at its sole cost and expense, shall install one or more "blade signs" in front of the Building, perpendicular to the street or avenue (wherever pedestrians customarily enter) in open view along such street or avenue, reasonably identifying each establishment in the Commercial Units or the Hotel Unit, such "blade sign" to be of customary size and appearance for such Signs. To the extent commercially practicable and using commercially reasonable diligence, Sponsor and/or the Board of Managers or the Commercial Unit Owner or the Hotel Unit Owner, as applicable, erecting the scaffolding shall seek the prompt removal of all such scaffolding upon completion of the work it was erected to facilitate.

Section 7.5. Operation and Use of the Property.

(a) It is anticipated that trash from the Residential Area will be picked up and removed by the New York City Department of Sanitation ("**Sanitation Department**"). Each Commercial Unit Owner and/or the tenants or other occupants of a Commercial Unit and the Hotel Unit Owner and/or the tenants or other occupants of the Hotel Unit, shall be required, however, to contract for private carting service for removal of their trash and rubbish. In the case of the Residential Area, the Commercial Area and the Hotel Unit, dumpsters and rubbish bins utilized by a Unit Owner and/or the tenants or other occupants of a Unit are required to be maintained within the confines of the Building or as shall otherwise be designated by the Board of Managers, and placed on designated areas of sidewalks or streets adjacent to the Building only at the time scheduled by the Sanitation Department or carting company, as applicable, for trash collection, and then only if the Sanitation Department or carting company requires same to be placed on the sidewalk or street. Dumpsters and rubbish bins may not in any event, be maintained on a permanent basis on the sidewalks or streets that are part of the Property or on any sidewalks or streets abutting the Property. All trash generated by a Commercial Unit Owner and/or the tenants or other occupants of a Commercial Unit and the Hotel Unit Owner and/or the tenants or occupants of the Hotel Unit, shall be carted only during regular business hours.

(b) A Unit Owner shall not suffer or permit said Unit Owner's employees or tenants or any persons making deliveries to or from the Unit or removing refuse therefrom, to leave any food, refuse and rubbish containers or other matter standing upon the streets or sidewalks adjacent to the Property.

(c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to residents or occupants of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No Owner, tenant, licensee or other occupant of a Unit shall do, suffer or permit to be done in any Unit, activities of a pornographic, illegal or unlawful nature.

(d) No Owner, tenant or occupant of a Unit shall do, suffer, or permit to be done, anything in any Unit which would impair the soundness or safety of the Building, or which will result in the cancellation of insurance applicable to the Building, or which would be noxious, offensive or hazardous or an interference with the peaceful possession and proper use of any other Unit, or which would require an alteration to any of the Common Elements in order to comply with any applicable law or regulation, or which would otherwise be in violation of law.

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

(f) No Unit Owner (nor any tenant, licensee or other occupant of a Unit) may use or operate any Unit or any portion thereof, as a so-called "adult book shop" or any other type of pornography or sex shop or establishment involving nude or semi-nude live performances (other than as a legitimate theatre for the performance

arts in which nude or semi-nude live performances are part of the play, dance concert or other performance), or as a theatre for the showing of primarily pornographic movies, or as a "head shop" (or any other type of establishment for the sale of illegal drugs and/or drug-related paraphernalia or equipment or as a cabaret or bail bond store).

(g) No portion of a Residential Unit other than the entire Unit may be rented, and no transient tenant (or other occupant) or short-term paying guest (i.e., a tenant (or other occupant) or paying guest in occupancy for a period of less than twelve (12) consecutive months) may be accommodated therein.

(h) A Unit Owner shall not at any time use or occupy or suffer or permit anyone to use or occupy said Owner's Unit or do anything in said Owner's Unit or at the Property, or suffer or permit anything to be done in said Owner's Unit or at the Property, in violation of any temporary or final certificate of occupancy issued for the Unit and/or the Building, and in the event that any department of the City or State of New York shall at any time contend and/or declare by notice, violation, order or in any other manner whatsoever that the Owner's Unit is used for a purpose which is a violation of such certificate of occupancy, the Unit Owner shall, upon ten (10) days' written notice from the Board of Managers, immediately discontinue such use of the Unit.

(i) A Residential Unit owned or leased by an individual(s), corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments), may only be occupied or used as a residence (and for permitted home occupations) by said individual(s), or an officer, director, stockholder, member or employee of such corporation or limited liability company, or a partner or employee of such partnership, or said fiduciary (including directors, officers, stockholders of employees of corporate fiduciaries or partners or employees of partnership fiduciaries) or the beneficiary of said fiduciary, or a principal or employee of such other entity, respectively, or members of the immediate family or guests of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Residential Unit by such family members or guests). The foregoing shall not be deemed to prevent the lease of a Residential Unit by a Unit Owner in accordance with these By-laws, and occupancy of the Unit by the parties permitted under the lease.

(j) Notwithstanding the foregoing or anything contained in these By-laws or the Rules and Regulations to the contrary, Declarant or its designee(s) may, without the permission of the Board of Managers, use or grant permission for the use of any Unit owned by Declarant or its designee(s), until such time as the same may have been sold or otherwise conveyed (i.e., an "**Unsold Unit**"), as models, sales, leasing, promotion and/or production offices in connection with the sale or rental or Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations. In addition, while Declarant owns at least one Unit, Declarant shall be entitled to erect one or more Signs and banners at the Property, including but not limited to Signs and banners affixed to the windows of Units owned by Declarant, the façade of a Building, etc., advertising Units for sale or lease.

(k) No zoning variances with respect to use of any Common Element or Unit may be applied for by a Unit Owner. Any such application shall be made only by or through the Board of Managers. However, the Board shall be under no obligation to apply for zoning variances with respect to Common Elements or Units.

(l) Subject to the rights of Declarant set forth herein, no Residential Unit Owner, tenant or occupant of a Residential Unit shall, without the prior written approval of the Board of Managers, which approval may be withheld for any reason or no reason, place or suffer to be placed or maintained (i) within the Residential Unit or any Visible Area, any sign or advertising material which shall be visible from the exterior of the Residential Unit or (ii) on the exterior of any Residential Unit or on any window belonging to the Residential Unit or on any Common

Element adjacent to the Residential Unit, any sign, awning, canopy, decoration, lettering or advertising matter or other thing of any kind. The Board shall, however, establish reasonable and uniform regulations regarding placement and maintenance of Signs, as well as signage materials and size, which are architecturally suitable and appropriate to the design and function of the Building and which shall be adhered to by all Unit Owners.

(m) Declarant, while it owns any Unit (and a tenant of all or part of any Commercial Unit or the Hotel Unit owned by Declarant, if expressly permitted by the lease therefor), shall have the right, freely and without consent, payment or restriction except as provided in this subparagraph, to erect and install one or more Signs on the outside and inside of its Unit (including without limitation, the outside and inside portions of windows, door and the exterior walls enclosing the Unit), and on the sidewalks immediately adjacent to the Unit, and thereafter to maintain, repair, alter and otherwise operate such Signs, which Signs may be of any size, content, composition, color, material, design, illumination, character or appearance deemed appropriate by Declarant (or a tenant of a Commercial Unit or the Hotel Unit owned by Declarant if expressly provided in the lease therefor), and used in connection with the sale, rental, promotion, operation, management, use, business, identity or other disposition of such Unit, and must in all events be in keeping with the first-class residential character of the Building. Any such Sign installed by Declarant (or tenant of a Commercial Unit or the Hotel Unit owned by Declarant, as applicable), may not impair or threaten the structural integrity of the Building, violate applicable laws, constitute a nuisance or otherwise serve as an unreasonable interference with the peaceful and proper possession of the Residential Units for their intended or permitted purposes.

(n) Notwithstanding anything to the contrary in the Condominium Documents, in no event may any Unit Owner other than Declarant install, place or permit any Signs, lights, fixtures or decorations of any sort in any trees outside the Building, or install, place or permit in windows or other Visible Areas, any flashing, blinking or animated Signs.

(o) No Owner, tenant or occupant of a Unit shall repair, alter, replace or move any of the Common Elements or the Limited Common Elements in or appurtenant to said Owner's Unit, without the prior written consent of the Board and, during the Initial Control Period, Declarant as well, which consent may be withheld for any reason or no reason. A Unit Owner shall not obstruct the Common Elements.

(p) The Units shall be used in a manner appropriate to the design of the Building systems and for which adequate elevator, stair, ventilation, plumbing and similar and related Facilities exist. A Unit Owner's use of electricity and other systems in the Unit shall not at any time exceed the capacity of any electrical conductors and other equipment in or otherwise serving the Property.

(q) Unit Owners shall maintain their Units and any Limited Common Elements appurtenant thereto, in a manner which will not interfere with the use by others of the Property.

(r) A Unit may in no event be used for purposes, even though lawful, that create, result in, or generate excessive noise, vibration, vermin or insects in, through or on the Property. No broadcast, amplified or otherwise, of live or recorded words, music or other audio from a Residential Unit that is audible from the exterior of the Building to pedestrians and others outside of the Building shall be permitted. "Excessive noise" as used in this subparagraph shall mean noise levels in excess of noise levels legally permitted at the Property pursuant to applicable provisions of the New York City Administrative Code, as same may be amended, or pursuant to any successor noise code or regulations.

(s) Regardless of the type of window-treatment a Unit Owner elects to use, in order to preserve the architectural harmony of the Property, each Residential Unit Owner shall be obligated to provide (and shall cause each tenant, licensee or other occupant in such Owner's Unit to provide) a white backing on the window-treatment such that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance.

(t) A Commercial Unit Owner or the Hotel Unit Owner may, at its expense, contest by appropriate proceedings, prosecuted diligently and in good faith, the validity or applicability to its Unit of any law or requirement of any public authority, provided that (i) neither the Board of Managers nor any member thereof nor any other Unit Owner shall be subject to criminal penalty or prosecution for a crime, or any other fine or charge, nor shall any part of the Property (other than the Unit) be subject to any lien or encumbrance by reason of such non-compliance or contest, (ii) before the commencement of such contest, the Unit Owner shall indemnify the Board of Managers and the other Unit Owners for damages, interest, penalties and other expenses resulting from the non-compliance or contest, and (iii) such non-compliance or contest shall not prevent the Board of Managers or any other Unit Owner from obtaining any and all permits and licenses necessary or required in connection with operation of the Condominium, or with the use and occupancy of any other Unit, or the performance of any alterations, additions, installations or improvements therein that the other Unit Owner would otherwise be entitled to undertake in accordance with the Condominium Documents.

(u) The service elevator must be used to transport animals in and out of the Building.

(v) Except in an emergency, residents of the Residential Area may not use the stairs that run through the Hotel Unit. Guests and other users of the Hotel Unit may not enter an use the stairs except in emergency situations either. Access doors to the stairs will be alarmed at the 3rd through 6th floor.

(w) Any dispute arising under this Section 7.5 of these By-laws that cannot otherwise be resolved by the Unit Owner and the Board shall be an Arbitrable Dispute and shall be resolved by Arbitration in accordance with Article 11 of these By-laws.

Section 7.6. Additions, Alterations or Improvements by Board of Managers.

(a) (i) The Board of Managers shall have the right to make or cause or permit to be made such additions, alterations and improvements to the Common Elements as in its opinion may be beneficial or necessary, or which are requested in writing by a Unit Owner. However, if the addition, alteration or improvement to the Common Elements shall cost more than 50% of the then current estimated annual Condominium Operating Budget, exclusive of reserves, such addition, alteration or improvement must be approved by Unit Owners representing more than 66-2/3% in number and Common Interest, voting at a meeting duly called in accordance with these By-laws or otherwise consenting in writing to the proposed expenditure. If the alteration or improvement concerns the Residential Common Elements or a Residential Limited Common Element and shall cost more than 50% of the then current estimated annual operating budget for the Residential Area, exclusive of reserves, such addition, alteration or improvement must be approved by Residential Unit Owners representing more than 66-2/3% in number and Residential Common Interest, voting at a meeting duly called in accordance with these By-laws. If the addition, alteration or improvement concerns the Commercial Common Elements and shall cost more than 50% of the then current estimated annual operating budget for the Commercial Area, exclusive of reserves, such addition, alteration or improvement must be approved by the Commercial Unit Owners. If the addition, alteration or improvement concerns the Hotel Unit and shall cost more than 50% of the then current estimated annual operating budget for the Hotel Unit, exclusive of reserves, such addition, alteration or improvement must be approved by the Hotel Unit Owner.

(ii) Additions, alterations or improvements to the Common Elements that are general in nature and cost 50% or less than 50% of then current estimated annual Condominium Operating Budget, exclusive of reserves, may be made by the Board of Managers and the cost thereof shall be a Common Expense. Additions, alterations or improvements to the Residential Common Elements that are general in nature and cost 50% or less than 50% of the then current estimated annual operating budget for the Residential Area, exclusive of reserves, may be made by the Board of Managers and the cost thereof shall be a Residential Common Expense. Additions,

alterations or improvements to the Commercial Common Elements that are general in nature and cost 50% or less than 50% of the then current estimated annual operating budget for the Commercial Area, exclusive of reserves, may be made by the Board of Managers and the cost thereof shall be a Commercial Common Expense. Additions, alterations or improvements to the Hotel Unit that are general in nature and cost 50% or less than 50% of the then current estimated annual operating budget for the Hotel Unit, exclusive of reserves, may be made by the Board of Managers and the cost thereof shall be a Hotel Unit Expense.

(b) If the Board of Managers determines that a proposed addition, alteration or improvement of a General Common Element (or a Limited Common Element, if applicable) is general in character, the cost thereof shall be a General Common Expense, shared by all Unit Owners in accordance with these By-laws, subject to the requirements of Section 7.2 of these By-laws. If the Board of Managers determines that a proposed addition, alteration or improvement of a Residential Common Element (or a Residential Limited Common Element, if applicable) is general in character, the cost thereof shall be a Residential Common Expense, shared by all Residential Unit Owners in accordance with these By-laws, subject to the requirements of Section 7.2 of these By-laws. If the Board of Managers determines that a proposed addition, alteration or improvement of a Commercial Common Element (or a Commercial Limited Common Element, if applicable) is general in character, the cost thereof shall be a Commercial Common Expense, shared by all Commercial Unit Owners in accordance with these By-laws, subject to the requirements of Sections 7.2 of these By-laws. If the Board of Managers determines that a proposed addition, alteration or improvement of the Hotel Unit is general in character, the cost thereof shall be an expense paid for by the Hotel Unit Owner in accordance with these By-laws, subject to the requirements of Sections 7.2 of these By-laws. If the Board of Managers determines that a proposed addition, alteration or improvement to a General Common Element, Residential Common Element, Commercial Common Element or Limited Common Element is exclusively or substantially for the benefit of the Unit Owner that requested it, the cost shall be a Special Assessment against such Owner. If more than one Unit Owner requested the addition, alteration or improvement, the cost shall be assessed in such proportion as the Board of Managers shall determine to be fair and equitable. The foregoing shall not prevent the Unit Owners affected by such addition, alteration or improvement from agreeing in writing, before or after the assessment is made, to be assessed in different proportions.

(c) Notwithstanding the foregoing, until Declarant has obtained a final certificate of occupancy for the Building, the Board of Managers may not make any addition, alteration or improvement to the General Common Elements, the Residential Common Elements, the Commercial Common Elements or the Hotel Unit, without Declarant's prior written consent, which may be withheld by Declarant in its sole discretion.

Section 7.7. Additions, Alterations or Improvements by Unit Owners.

(a) (i) Any structural, mechanical, electrical or plumbing addition, alteration or improvement in or to a Residential Unit or Residential Limited Common Elements appurtenant thereto, or to the Common Elements generally, and/or the combination of two or more Residential Units into one Unit or the division of one Residential Unit into two or more Units, shall require the prior written consent of the Board of Managers and, during the Initial Control Period, Declarant's consent as well, as set forth below in this Section 7.7. Awnings and exterior lighting in or on Residential Units and Unit Terraces may not be installed without the prior consent of the Board of Managers, and until Declarant has obtained a final certificate of occupancy for the Building, without the prior written consent of Declarant as well, which consent by either Declarant or the Board of Managers may be withheld for any reason. Residential Unit Owners may perform non-structural work in the interior of their Unit (e.g., painting, decorating, installation of shelving), without the prior consent of the Board of Managers, provided the pertinent provisions of these By-laws regarding alterations are adhered to. If in the course of performing structural alteration work that has been approved by the Board a Unit Owner encounters site conditions, such as, for instance and without limitation, pipes running through walls or ceilings that interfere with Unit Owner's approved alteration plans and require possible relocation or replacement, the Board of Managers and any Unit Owner affected thereby, shall reasonably cooperate with the altering Unit Owner to permit access to such locations of the Building and /or Unit and

by discussion with altering Unit Owner generally, to facilitate a solution and possible relocation that will enable Unit Owner to proceed with the approved alteration plan.

(ii) Certain improvements on Unit Terraces, including, for example, placement of planters, storage lockers, furniture, trellises, garden areas and temporary elements that conform to certain New York City height restrictions, might be able to be implemented by a Residential Unit Owner without a building permit, but any Residential Unit Owner seeking to do such work may not implement same without the prior written consent of the Board of Managers, and, during the Initial Control Period, Declarant as well. Likewise, resilient non-penetrating decking material such as rubber or cork, and stone decking that falls within the load capacity of a Unit Terrace, may be able to be installed without a permit, but may not be installed by a Residential Unit Owner without the prior written consent of the Board, and, during the Initial Control Period, Declarant as well. Wood decks must in any event satisfy New York City Building Code requirements, including, without limitation, compliance with the maximum ratio between fire-retardant and regular wood. In all cases, deck and other installations on Unit Terraces by a Residential Unit Owner must receive the prior written consent of the Board and, during the Initial Control Period, Declarant as well, before such installations may be made. During the Initial Control Period, Declarant shall have the absolute right to withhold consent for any alteration work on Unit Terraces.

(iii) Any structural addition, structural alteration or structural improvement to a Commercial Unit or the Commercial Limited Common Elements appurtenant thereto (if any) or to the Hotel Unit , that could materially affect the structural integrity of the Building or the Common Elements in any way, shall require the prior written consent of the Board of Managers, which consent shall not be unreasonably withheld. Subject to the foregoing, each Commercial Unit Owner or the Hotel Unit Owner shall have the right, without the prior consent of but with prior notice to the Board of Managers, to (1) make structural and non-structural alterations, additions or improvements to its Commercial Unit or to the Hotel Unit, (2) subdivide its Commercial Unit or its Hotel Unit into two or more separate Commercial Units or Hotel Units, as applicable (3) subdivide the Hotel Unit into Commercial or residential units (4) if appropriate, reapportion among the Commercial Units affected by such changes, their Common Interest and (5) amend the Condominium Documents and Tax Lot Drawings to reflect such changes, if necessary. Notwithstanding anything to the contrary in the Condominium Documents, any work proposed to be performed by a Commercial Unit Owner or the Hotel Unit Owner pursuant to the provisions of this subparagraph (iii) shall require, in addition to consent of the Board where applicable, the prior written consent of Declarant (x) while Declarant continues to own at least one Unit in the Building, (y) until Declarant, as Sponsor, has completed all Residential Unit punchlist work with respect to the Building and Residential Units therein, and (z) until such time as Declarant as Sponsor obtains a final certificate of occupancy for the Building, and Declarant shall have the absolute right to withhold consent during this period. A Commercial Unit Owner or the Hotel Unit Owner in no event shall undertake or fail to undertake any activity that will interfere with Sponsor's ability to procure a final certificate of occupancy for the Building.

(iv) In no event may the sub-division or combination of Units result in a different total aggregate Common Interest than existed for the Units(s) being sub-divided or combined before the sub-division or combination. In each of the foregoing instances the Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall cause the Declaration to be amended, if necessary. Under no circumstances shall a Unit Owner make any changes to a Unit which will affect the Common Elements and/or the structural integrity of the Building, without the prior written consent of the Board of Managers. Application for such consent shall be made by a Unit Owner in accordance with this Section 7.7 and the Board shall respond in accordance with the procedures set forth in this Section.

(v) No alterations, additions, improvements or repairs may be made by a Unit Owner or the tenant of a Unit Owner, which shall materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, directly or indirectly, issuance or reissuance of a temporary or final certificate of occupancy for the Building. Accordingly, notwithstanding anything to the contrary in the Condominium Documents, prior to issuance of a final certificate of occupancy for the Building and prior to Sponsor's

completion of any agreed-upon Punchlist Items (as defined in the Offering Plan) for all Residential Units, no alterations or repairs of any kind may be made by the Owner of any Commercial Unit or the Hotel Unit Owner other than by Sponsor, whether to the interior of a Unit or to the Common Elements, without Sponsor's prior written consent, which consent may be withheld by Sponsor in its sole discretion.

(vi) During the Initial Control Period, Sponsor may require that any and all Unit Owners engage Sponsor's Architect (or another architect designated by Sponsor) and/or Sponsor's expediter/code consultant and Sponsor's designated counsel for any filings required to be made to the Department of Buildings and the Department of Finance, as discussed below.

(b) If pursuant to the Condominium Documents a Unit Owner is obligated to obtain approval from the Board of Managers prior to commencing an alteration, addition or improvement, the Board shall be obligated to act on a Unit Owner's request for such approval for an addition, alteration or improvement in or to a Unit, within forty-five (45) days after the Board's receipt from the Unit Owner of information and material in sufficient detail for the Board to thoroughly evaluate the request. In connection with any such request for approval, the Unit Owner shall be expected to submit, at a minimum, preliminary plans and specifications prepared by an architect licensed in New York State, and, in the event the request for approval concerns the division or combination of Units, a draft of the proposed associated amendment to the Declaration, which shall, among other things, reallocate Common Interest. The Board of Managers shall have the right to impose such additional reasonable requirements as it deems appropriate. The 45-day period within which the Board is obligated to act, shall not begin to run until the Board, in its sole reasonable judgment, has received a complete application from the Unit Owner seeking the Board's approval. The determination as to whether an application is complete shall be in the sole discretion of the Board. The Board's failure to act on a complete application within forty-five (45) days after receipt thereof shall be deemed to mean the Board has approved the application. Until such time as Sponsor has obtained a final certificate of occupancy for the Building, and prior to completion by Sponsor of Punchlist work copies of all submissions to the Board by a Unit Owner requesting consent to an alteration plan shall be submitted by Unit Owner at Unit Owner's expense to Sponsor as well, and Sponsor shall be obligated to act within the same time period as the Board in exercise of its consent right described herein.

(c) The cost of any proposed alteration, improvement, division or combination (including but not limited to the cost incurred by the Board to engage architects, lawyers and other professionals to review the plans and specifications for the proposed construction work and, if applicable, the proposed amendment to the Declaration), shall be borne by the Owner(s) of the Units being altered, improved, divided or combined. In this regard, Sponsor shall have the right, until Sponsor shall have obtained a final certificate of occupancy for the Building, to require that as a condition of Sponsor's approval to a proposed alteration, that the Unit Owner engage, at Unit Owner's expense, counsel designated by Sponsor and Sponsor's Architect (or another architect designated by Sponsor) and/or Sponsor's expediter/code consultant to make the necessary filings with the Department of Buildings and the Department of Finance, and to file the necessary amendment to the Declaration, as described more fully below.

(d) Any alteration, improvement, division or combination by a Unit Owner shall be performed in compliance with all laws, codes, ordinances and regulations, and the provisions of these By-laws governing alterations generally. Any division or combination of a Unit shall become effective only upon the recording of the amendment to the Declaration prepared by and at the expense of the Unit Owner and the concurrent filing of all necessary amendments to the Tax Lot Drawings with the necessary architectural certification affixed. The foregoing amendments to the Declaration and to the Tax Lot Drawings shall be recorded and filed by the Board or Managers upon the Residential Unit Owner's completion of construction and at the expense of the Residential Unit Owner combining, dividing or otherwise altering the Unit(s), provided the Board consented to the amendment prior to the Unit Owner's alteration work, in accordance with the procedures contained in the Declaration and By-laws. Each Commercial Unit Owner shall have the right and obligation to file its own permitted amendments to the Declaration at

its own expense, with notice to the Board of Managers, and while Sponsor owns any Unit, with Sponsor's prior written consent as well.

(e) Prior to and as a condition of granting consent to the making of any structural, mechanical, electrical or plumbing alteration, repair, addition or improvement to a Residential Unit or the Limited Common Elements appurtenant thereto, or to any other Common Element, the Board of Managers may require a Unit Owner to execute an alteration agreement in the form required by the Board, setting forth the terms and conditions under which the proposed work is to be done, including, without limitation, the name and address of the contractor, license and insurance requirements, and the days and hours during which the work is to be done.

(f) Residential Unit Owners and Commercial Unit Owners proposing alteration work shall have the obligation to submit the name and address of their contractor(s), together with a telephone number and contact person for each contractor who will be working in the Unit, in writing to the Board of Managers (and until Sponsor has obtained a final certificate of occupancy for the Building, to Sponsor as well) at least five (5) business days before the work is scheduled to begin. All contractors engaged by Unit Owners to perform construction work in a Unit (including, without limitation, painters, electricians, carpenters and plumbers) must be licensed and adequately insured and must provide a satisfactory certificate of insurance before commencing work. For insurance purposes, electrical and plumbing work in all Units must be performed by licensed contractors. Further, all contractors must carry liability insurance coverage in such minimum amounts as the Board shall from time to time establish. Proof of license, where applicable, and insurance coverage must be submitted to the Board of Managers at the time the contractor's name is given to the Board. A contractor's liability insurance policy must be in full force and effect at the time the work is performed and must be issued by a reputable insurance company licensed to do business in New York. The contractor shall deliver a certificate of insurance, satisfactory to the Board of Managers, naming the Board of Managers of the Condominium, the Managing Agent and all Unit Owners, including but not limited to Declarant, as additional insureds.

(g) Any application to any department of or governmental agency of the City of New York or to any other Governmental Authority for permits or certificates necessary to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers, if necessary; provided, however, the Board of Managers shall not incur any liability on the part of the Board or any member of same, to any contractor, subcontractor, materialman, architect or engineer on account of such installation, addition, alteration or improvement, or to any Person having any claim for injury to Person or damage to property arising therefrom. The Unit Owner shall, if so requested, indemnify the Board of Managers and other Unit Owners in writing for any loss, damage or liability the Board or other Unit Owners may incur, resulting in any way from execution of any such documents. The cost of obtaining any such permits or certificates, as well as the cost of professional fees, if any, incurred by the Board of Managers in evaluating the proposed construction plans, shall be borne by the Owner of the Unit in which the addition, alteration or improvement is to be made. Any Unit Owner who combines two or more Units into one or more Units, and any Unit Owner who divides a Unit into two or more Units, shall be obligated, at said Unit Owner's sole cost and expense, to obtain the services of a registered architect or engineer to (i) file such drawings and make such applications as may be necessary to obtain, and (ii) if required by law and/or by the Board of Managers, actually obtain an amended certificate of occupancy for the Building reflecting the changes made by said Unit Owner. Until Sponsor obtains a final certificate of occupancy for the Building, any application to the NYC Department of Buildings to be made by a Unit Owner or by the Board on behalf of a Unit Owner in connection with the combination or other alteration of a Unit, must be coordinated through Sponsor's Architect (or another architect designated by Sponsor) and/or Sponsor's expediter/code consultant and the cost therefor paid for by the Unit Owner.

(h) The provisions of Sections 7.7(a) -7.7(g) of these By-laws shall not apply to any Unit owned by Declarant or its designee, and such provisions shall apply to a Commercial Unit Owner only as expressly provided therein. Declarant or its designee, and each Commercial Unit Owner shall have the right, without the consent of the Board of Managers or other Unit Owners or the holders of Unit mortgages (except, however, a Commercial Unit Owner must obtain Declarant's consent as set forth at the end of this subparagraph and a

Commercial Unit Owner must obtain the consent of its Mortgagee, to the extent provided in its loan documents) with respect to Units owned by them to (i) make alterations, additions or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit owned by it, (ii) reverse or change the layout of any Unit and make adjustments in interior dimensions of Units, (iii) change the number of rooms in any Unit, (iv) change the size and/or number of Units by subdividing one or more Units into two or more separate Units, combining separate Units (including those resulting from such sub-division or otherwise) into one or more Units, altering the boundary walls between Units or otherwise, including, without limitation, with respect only to Declarant but not a Commercial Unit Owner, incorporating any wall, hallway or portion thereof, or any space or other area abutting a Unit or Units into one or more of said Units, or otherwise, and (v) if appropriate, reapportion among the Units affected by such change their appurtenant Common Interests provided, however, that Common Interest need not be reapportioned by Declarant if a portion of the public hallway is incorporated into a Unit or Units as described above. In each of the foregoing instances the Declarant or its designee, or a Commercial Unit Owner, as applicable, shall comply with all laws, ordinances and regulations of all Governmental Authorities having jurisdiction, and shall cause the Declaration to be amended. Notwithstanding anything to the contrary in the Condominium Documents, while Declarant owns any Unit, and until Declarant has procured a final certificate of occupancy for the Building, a Commercial Unit Owner must obtain Declarant's prior written consent to the foregoing activities before such Commercial Unit Owner may undertake any of the foregoing activities.

(n) The Board of Managers shall execute any application or other document required to be filed with any Governmental Authority having or asserting jurisdiction in connection with any such installation or structural addition, alteration or improvement made by Declarant or its designee, or by any other Unit Owner, to any Unit, if necessary, provided however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other document. A copy of any such application or document required to be signed by the Board shall be given to the Board by the applicable party.

(o) In order to preserve the architectural harmony of the facade of the Building, minimize the possibility of unsightly or obstructed views from Unit Terraces and Residential Units, and promote the safety of those on lower Unit Terraces as well as on the streets below, each Residential Unit Owner having the exclusive use of a Unit Terrace will be required to obtain the approval of the Board of Managers (and until Sponsor has procured a final certificate of occupancy for the Building, Sponsor as well), before altering, decorating, installing an awning on or over, landscaping or painting same. The Board (and Sponsor, as applicable) may grant or withhold the foregoing approvals in its sole discretion. Notwithstanding anything to the contrary contained in these By-laws or in the Declaration, Residential Unit Owners with a Unit Terrace appurtenant to their Units shall not be permitted to enclose these areas.

(p) All construction work undertaken pursuant to this Section 7.7 shall be carried on in a manner that will not unreasonably disturb or interfere with the normal conduct of business or use of Owners, tenants and other occupants of Units.

Section 7.8. Use of Common Elements and Facilities.

(a) A Unit Owner shall not place or cause to be placed in the Common Elements or common Facilities, other than the areas designated as storage areas, any furniture, packages or objects of any kind.

(b) The Common Elements and Facilities shall be used only for the furnishing of the services and Facilities for which they are reasonably suited and capable. No Unit Owner shall make any addition, alteration, improvement or change in or to any Common Element without the prior written consent of the Board of Managers, except as expressly permitted under the Condominium Documents.

(c) While Declarant or its designee(s) owns any Unit it shall have the right to maintain general and sales and leasing offices on or about the Property, to have its employees, contractors and agents present on the

Property, to use the Common Elements and to do all things necessary or appropriate to sell or lease Units, including, without limitation, the right to erect and maintain Signs on the exterior portion of the Building and elsewhere on the Property, consistent with the first-class residential character of the Property, and the Board of Managers may not interfere with or obstruct such rights. Declarant shall be obligated to repair and maintain the portions of the Property used by it for such purpose so long as such use by Declarant or its designee shall continue.

(d) The Board of Managers shall have the right to regulate the hours within which Unit Owners or their tenants may move in and out of the Building and/or use the elevator therefor, and to impose against the Unit Owner as a Special Assessment, the overtime charges incurred by the Board of Managers for any employee required to work in excess of his or her regular hours to facilitate such Unit Owner's (or such Unit Owner's tenant's) move into or out of, the Building.

(e) Notwithstanding anything to the contrary in the Condominium Documents, Declarant and Declarant's contractors, subcontractors, construction workers and other personnel shall have the following rights and easements in and through the Common Elements from and after the First Unit Closing to facilitate Declarant's completion, as Sponsor of the Offering Plan, of its construction obligations pursuant thereto: (i) general right and easement of access to, and use of Common Elements (including, without limitation, preferential and priority use of the elevator), (ii) right and easement to transport construction equipment, materials, supplies and debris on, across or through the Common Elements, and to temporarily store construction equipment, materials, supplies and debris in or on portions of the Common Elements and/or in Storage Bins not yet sold, determined appropriate by Declarant and/or Declarant's contractors in its or their sole discretion, and (iii) right to temporarily interrupt or suspend Building services or systems (including, without limitation, water, heating, cooling, electricity, gas, ventilation, plumbing and other building systems). Declarant will use reasonable efforts to utilize the foregoing rights and easements in a manner that will minimize inconvenience to residents of the Building.

(f) No admission fee or entry charge may be charged or collected by the Board of Managers for use of any of portion of the Gym, Amenity Center, Amenity Terrace, Bicycle or other special room or other amenity space in the Building that is part of the Common Elements. The foregoing shall not be deemed to prohibit the Board of Managers from licensing portions of the Common Elements for exclusive use by a Unit Owner and charging a license fee therefor, including, without limitation, the Parking Area, as described in Article 5 of the Declaration.

Section 7.9. Right of Access.

(a) By acceptance of a deed to Unit, a Unit Owner shall be deemed to have granted a right of access to said Unit Owner's Unit and appurtenant Storage Bin (as well as, if applicable, the Unit Terrace and/or other Limited Common Element appurtenant to such Owner's Unit) to the Board of Managers, the Managing Agent and/or any other Person authorized by the Board of Managers, for the purposes set forth herein. Specifically, access is deemed granted for the purpose of making inspections or for the purpose of correcting any violation noted by any Governmental Authority against any part of the Property or any other condition, in either case originating in said Unit Owner's Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations, maintenance (including, without limitation, monthly or other periodic maintenance) or repairs to the mechanical or electrical services or other Common Elements in said Unit Owner's Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any Permitted Mortgage or Recognized Mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner and any tenant of the Unit that will be affected by the access. Such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Unit for which it was intended. Requests for access shall be made at least three (3) business days in advance of the date access is requested, and shall be subject to the right of any tenant of a Commercial Unit or the Hotel Unit that would be impacted by such access. In the case of an Emergency Situation or in the event that the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Building or for the safety of the residents or Unit

Owners of the Condominium or other Persons, or required to avoid the suspension of any necessary service to the Condominium, only such notice as is practical under the circumstances need be given. In case of an Emergency Situation, such right of entry shall be immediate, whether or not a Unit Owner is present and whether or not prior notice was given.

(b) Sponsor shall have an unqualified right of access to the Building, the Units and the Common Elements to remediate any defect timely brought to Sponsor's attention pursuant to the provisions of the Offering Plan by a Unit Owner or the Board of Managers, as applicable, and/or otherwise determined by Sponsor to be eligible for remediation by Sponsor pursuant to the Offering Plan and/or to complete construction of the Project as described in the Offering Plan in accordance with the Plans and Specifications (as defined in the Offering Plan) and applicable law. Towards this end, Sponsor shall have an absolute right of access to the Common Elements for completion of construction and equipping the Building in accordance with the Plans and Specifications, for as long as such work shall take to complete. The Board of Managers shall have no right to limit, impede, obstruct, interfere with or prevent Sponsor's access to the Building or the Common Elements for the foregoing purposes. If Sponsor is apprised of an alleged defect in a Unit or the Common Elements by a Unit Owner, the Board of Managers or otherwise, Sponsor and/or its engineer, architect or contractors shall have the absolute right to enter the Building and the Common Elements to evaluate and if appropriate, thereafter remediate same. There shall be no limitation on Sponsor's right to enter the Building or the Common Elements pursuant to the foregoing.

Section 7.10. Water Charges and Sewer Rents. The Building is master-metered for water and the cost of water as measured by the meter will be paid by the Board of Managers to the City of New York Water Board, or other applicable billing agency. Water usage and sewer charges as shown on said meter for the Residential Area will be payable by the Residential Unit Owners as a Residential Common Expense. It is expected that water consumption and sewer rent will be sub-metered and billed by the Board of Managers to the Commercial Unit Owners and the Hotel Unit as a Special Assessment based on their consumption.

Section 7.11. Electricity.

(a) Each Residential Unit and each Commercial Unit and the Hotel Unit will be separately metered for electricity to operate the lighting and appliances serving the Unit, including, without limitation the condenser and fan coil units providing heating and cooling in the Unit, and the Unit Owner will pay (or cause its tenant to pay) the cost thereof directly to the utility company. Residential Unit Owners, Commercial Unit Owners and the Hotel Unit Owner will be obligated to open (or cause their tenants to open) electricity accounts with the utility company and pay electricity costs at the earlier of possession or closing of their Unit, even if Common Charges are not at that time being imposed or collected by the Board of Managers.

(b) If the Board of Managers applies for and receives permission from the Public Service Commission to purchase electricity at a discounted rate, any and all savings obtained by the Board shall be passed through to Unit Owners.

Section 7.12. Gas.

(a) Gas will be supplied to the Property only for uses in the Residential Area (e.g., cooking, hot water, gas barbecue grills (where permissible)) and thus the cost therefor shall be paid by the Residential Unit Owners as a Residential Common Expense. Payment of the bill as shown on these meters shall be made by the Board of Managers to the utility company. There is no gas serving the Storage Bin Area or the Parking Area.

(b) If a Commercial Unit Owner or the Hotel Unit Owner desires to have gas usage available, the Commercial Unit Owner or the Hotel Unit Owner will be responsible for arranging for the installation and separate metering of same.

Section 7.13. Violations of Maintenance and Other Obligations.

(a) The violation by a Unit Owner of any of the Rules and Regulations or the breach by a Unit Owner of any provisions of the Condominium Documents (in each such instance, said party is referred to as the "**Defaulting Unit Owner**"), shall give the Board of Managers the right, in addition to any other rights set forth in the Condominium Documents, following the giving of reasonable prior notice to the Defaulting Unit Owner and expiration of any applicable cure period (provided however, no prior notice shall be required if the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property or for the safety of the residents of the Condominium or other persons, or required to avoid the suspension of any necessary service to the Condominium), (i) to enter the Unit or Limited Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the Defaulting Unit Owner, any structure, thing or condition that may exist therein resulting in such violation or breach, and the Board shall not be deemed liable for trespass in connection therewith or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

(b) In addition, the violation by a Unit Owner, the Board of Managers, or any other party subject to the Condominium Documents, of any of the Rules and Regulations or the breach of any provisions of the Condominium Documents with respect in each case to any rights, easements, privileges or licenses granted to Declarant or its designee, shall give to Declarant and any other owner of an Unsold Unit under the Offering Plan, until Declarant has obtained a final certificate of occupancy for the Building and in any event while Declarant owns at least one (1) Unit, the right, in addition to any other rights set forth in the Condominium Documents, upon reasonable notice to the Unit Owner, Board of Managers or other party, as applicable, (i) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the Defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event Declarant shall determine that action is immediately necessary for the preservation or safety of the Property or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium), or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

(c) If the Board of Managers or Declarant (the "**Creditor Party**") takes action or brings a proceeding against a Defaulting Unit Owner pursuant to the foregoing, the Defaulting Unit Owner shall be obligated to reimburse the Creditor Party for all reasonable costs and charges incurred by the Creditor Party in connection therewith, including without limitation, attorneys fees and expenses and out of pocket expenses incurred by the Creditor Party, plus interest thereon at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by law), from the date of payment or performance of the service by the Creditor Party or the due date (if applicable) until fully paid by the Defaulting Unit Owner. The Creditor Party may bill the Defaulting Unit Owner therefor at any time. The funds expended by the Creditor Party and billed to the Defaulting Unit Owner shall be deemed a Special Assessment against the Defaulting Unit Owner's Unit and the failure of the Defaulting Unit Owner to pay such assessment shall be deemed a failure to pay Common Charges. Accordingly, the Board shall have all such rights and remedies in connection therewith as the Board has generally for failure of a Unit Owner to pay Common Charges and assessments. If a charge is billed to the Defaulting Unit Owner by Declarant as Creditor Party and thereafter, at Declarant's request, charged to the Unit Owner as a Special Assessment by the Board of Managers, then if and when Unit Owner pays that sum to the Board of Managers, the Board shall remit same to Declarant.

(d) In the event a Unit Owner, after receipt of written notice from the Board of Managers, fails or neglects in any way to comply with its obligations under the Condominium Documents with respect to the painting, decorating, maintenance, repair or replacement of said Unit Owner's Unit or of any Common Element for which such Unit Owner is responsible under the Declaration or these By-laws as provided in this Article 7, the Board of Managers shall have the right, but not the obligation, to perform or cause to be performed such painting, decorating,

maintenance, repair or replacement. The Board of Managers shall have such right provided that the Board of Managers gives the Unit Owner at least ten (10) business days prior written notice (or no prior notice or written or verbal notice of shorter duration in the event of an Emergency Situation) that such maintenance, repair or replacement is required and the Board of Managers reserves the right to cure such default if Unit Owner fails to cure such default within said ten (10) day period, or in the case of a default not reasonably susceptible of cure within such period, if Unit Owner fails to commence and thereafter prosecute to completion, with due diligence, the curing of such default. In the event the Board exercises its right to cure the default, the Board shall be deemed a Creditor Party and all sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Unit Owner's Unit, together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by such Unit Owner to the Board of Managers and shall for all purposes hereunder, be considered Common Charges payable by the Unit Owner.

(e) In any case of flagrant or repeated violation or breach by a Unit Owner of the Declaration, By-laws or the Rules and Regulations, such Unit Owner may be required by the Board of Managers to give sufficient surety or sureties for future compliance with the Declaration, By-laws and Rules and Regulations. The Board of Managers shall have the right to impose penalties for violations as well, as set forth below.

(f) If at a special meeting of Unit Owners called for that purpose a majority of Unit Owners determine that the Board of Managers has failed to substantially comply with one or more other specific obligations of the Board of Managers set forth in the Condominium Documents, and that said failure materially and adversely impacts the value and/or use of the Condominium and/or one or more Units contained therein, the Unit Owners may bring an action or proceeding against the Board of Managers to compel the Board to comply with said specific obligations. The costs of any such action or proceeding, including without limitation attorney's fees and disbursements, shall be borne by the Unit Owners as a Common Expense.

Section 7.14. Penalties for Violation. In addition or as an alternative to an action at law or suit in equity, the Board of Managers may, with respect to any violation of the Declaration or of these By-laws or of any Rules and Regulations of the Condominium by a Unit Owner, after affording the Unit Owner a reasonable opportunity to appear and be heard, establish monetary and non-monetary penalties, the amount and severity of which shall be reasonably related to the violation and to the aim of deterring similar future violations by the same or any other Unit Owner. Monetary penalties imposed against a Unit Owner shall be deemed a Special Assessment against each Unit of such Owner and, as such, shall be a charge and continuing lien upon such Unit(s), shall constitute a personal obligation of the Unit Owner, and shall be collectible in the same manner and with the same priority as Common Charges and other assessments under these By-laws. A Unit Owner who disputes the validity or reasonableness of a penalty imposed against the Unit may subject the dispute to Arbitration in accordance with these By-laws, after first paying the disputed amount.

ARTICLE 8
MORTGAGES; RIGHTS OF UNIT OWNERS AND MORTGAGEES

Section 8.1. Unit Owner's Rights.

(a) Each Unit Owner shall have the right to give one or more mortgages secured by said Owner's Unit to a Mortgagee, provided, however, that in each case (i) such mortgage and any and all extensions, renewals, replacements, consolidations, additions or substitutions thereof is expressly subordinate to the Declaration and recorded against Owner's Unit, and (ii) the Unit Owner making such mortgage pays all assessments against said Owner's Unit then due and outstanding, at or prior to the making of the mortgage. Any such mortgage made by Declarant with respect to any Unit owned by it, and any such mortgage that is a first mortgage made by any other Unit Owner with respect to a Unit owned by it, is considered a "**Permitted Mortgage**" pursuant to the Condominium Documents.

(b) In addition, Declarant as Owner of any Unit, any Commercial Unit Owner as Owner of a Commercial Unit, and/or any direct or indirect owner of Declarant or a Commercial Unit Owner, as applicable, may pledge its direct or indirect ownership interests in Declarant or the Commercial Unit Owner, as applicable, as security for a mezzanine loan made to such Owner, provided that the Unit Owner (i.e., Declarant or the Commercial Unit Owner as applicable), pays all assessments against the Unit then due and outstanding, at or prior to the time such pledge is made. The security agreement securing any such loan will be deemed a Permitted Mortgage for purposes of the Condominium Documents.

Section 8.2. Recognized and Permitted Mortgagees; Eligible Holders.

(a) The Board of Managers will recognize any Mortgagee holding a Permitted Mortgage made (i) by a Unit Owner with respect to any Unit owned by the Unit Owner and (ii) by Declarant with respect to any Unit owned by Declarant, in connection with the giving of notices under these By-laws as specified in this Article 8, provided the Mortgagee has complied with the provisions set forth herein.

(b) Specifically, the Board will recognize such Mortgagee provided that the Mortgagee gives written notice to the Board of Managers within thirty (30) days of the making of its Permitted Mortgage setting forth the name of the Mortgagee, the Unit encumbered by the Permitted Mortgage (or subject to the mezzanine loan made by the Mortgagee), a complete address to which notices to the Mortgagee are to be sent when required to be sent under the Condominium Documents or when requested to be sent pursuant to this provision, and expressly listing those specific actions or circumstances as to which the Mortgagee wishes to be notified by the Board of Managers consistent with the Condominium Documents (such notice by Mortgagee, a "**Mortgagee's Notice**"). Any Mortgagee holding or insuring a Permitted Mortgage who has provided a Mortgagee's Notice satisfying the foregoing shall be deemed to be a "**Permitted Mortgagee.**" A Permitted Mortgagee holding a Permitted Mortgage secured by a Residential Unit who has given a Mortgagee's Notice respecting that Unit, also is referred to under the Condominium Documents from time to time as an "**Eligible Holder.**" If the Board of Managers shall inadvertently fail to provide a copy of a default notice to a Permitted Mortgagee who has requested same in a duly sent Mortgagee's Notice, the Board of Managers shall not thereby incur liability to the Permitted Mortgagee or any other party.

(c) Any Mortgagee that makes a loan to Declarant or a Commercial Unit Owner, or to an Affiliate or subsidiary of either of same, and who has satisfied the criteria in this Article 8 to be a Permitted Mortgagee, and has provided Mortgagee's Notice to the Board of Managers as described above, shall be a "**Recognized Mortgagee**" for purposes of the Condominium Documents and the mortgage held by such Mortgagee shall be a "**Recognized Mortgage**" for purposes of the Condominium Documents.

Section 8.3. Notice By Unit Owners to Board of Managers. Each Unit Owner other than Declarant shall be obligated to provide a conformed copy of the mortgages it makes which are secured by Unit Owner's Unit to the Board of Managers. The Board of Managers shall maintain such information in a book entitled "Mortgages on Units." A Unit Owner who satisfies a mortgage secured by such Owner's Unit, or satisfies a mezzanine or similar loan secured by a direct or indirect pledge of ownership interests in Unit Owner, shall notify the Board of Managers, in writing, promptly upon such satisfaction, and shall provide a copy of the satisfaction to the Board.

Section 8.4. Notice of Unpaid Common Charges or Other Default; Mortgagee Cure Rights.

(a) The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall endeavor to send a copy of such notice to each Eligible Holder or Recognized Mortgagee of that Unit who has requested same in Mortgagee's Notice, by certified mail, return receipt requested. An Eligible Holder or Recognized Mortgagee who is entitled to receive notices of default by a Unit Owner in accordance with the foregoing, shall also be entitled to cure said default, as set forth in this Section. The Board's inadvertent failure, however, to provide any notices pursuant to this Section, shall not subject the Board of Managers to liability to any Eligible Holder, Recognized Mortgagee or other party.

(b) The Board of Managers shall be obligated to accept payment of any sum, or performance of any act, by a Recognized Mortgagee, or payment of any sum by an Eligible Holder, seeking to cure a default by its borrower, pursuant to the following provisions, with the same force and effect as if paid or performed by the Unit Owner:

(i) If the Unit Owner shall fail to cure or commence to cure the default within the cure period provided in the Condominium Documents and/or stated in the notice sent by the Board of Managers, then a Recognized Mortgagee of that Unit (including, without limitation, the Construction Lender while the Construction Loan is outstanding) or an Eligible Holder with respect to that Unit, shall have the right, but not the obligation, for an additional period of ten (10) days with respect to monetary defaults, and the Recognized Mortgagee shall have an additional period of thirty (30) days for non-monetary defaults, in either case following expiration of the cure period provided to the Unit Owner initially, to cure the default in the name and on behalf of the Unit Owner.

(ii) To facilitate cure of monetary defaults in accordance with the foregoing, for a period of at least ten (10) days following expiration of the initial cure period granted to Unit Owner to cure monetary defaults, the Board of Managers, will not commence a proceeding to foreclose its lien for said Unit Owner's non-payment of Common Charges, Special Assessments or other assessments. If the Eligible Holder or Recognized Mortgagee of that Unit fails to cure said default by the end of said ten (10) day period by paying the requisite Common Charges, Special Assessments or other assessments (plus late payment charges and interest thereon as per these By-laws), the Board of Managers shall be free to commence a proceeding to foreclose its lien at its discretion.

Section 8.5. Notices to Tenants; Estoppel Letter. The Board shall, in the event all or substantially all of a Commercial Unit has been leased to a single tenant, have the right to provide to the Recognized Mortgagee of that Unit, copies of notices to the tenant of the Unit, as described in Section 9.2(c) of these By-laws. Whenever so requested by a Commercial Unit Owner on behalf of a potential lender seeking to become a Recognized Mortgagee in connection with said Unit Owner's (or potential Unit Owner's) acquisition or refinancing of a Commercial Unit, the Board of Managers promptly shall issue an estoppel letter in commercially reasonable form and substance confirming that the Commercial Unit Owner is not in default under the Declaration and/or By-laws, or if there is a default, specifying same in the letter.

Section 8.6. Mortgagees to Notify Board of Managers of Unit Owner's Default. Upon the occurrence of a default or event of default (as applicable) under the terms of a Permitted Mortgage which would permit the holder to declare the entire principal sum due, notice of the intention of the holder to do so shall be given in writing by the Mortgagee to the Board of Managers prior to instituting a foreclosure action. However, failure of a Mortgagee to give such notice shall not be deemed to affect any of the rights and remedies of such Mortgagee under its mortgage.

Section 8.7. Board of Managers, Shall Be Notified in All Mortgage or Other Lien Foreclosures; Right to Bid. The Board of Managers also shall be notified by the affected Unit Owner in writing of every action brought to foreclose any mortgage or other lien affecting said Owner's Unit. The Board of Managers shall be entitled to bid at any sale, whether the Board of Managers is the plaintiff or a defendant, and to purchase any Unit at such sale (in its name or in the name of a nominee) for such amount as shall be approved by the applicable Unit Owners (excluding, however, the Unit Owner whose Unit is being foreclosed), in accordance with these By-laws, taking into consideration the amount due the plaintiff, the costs and disbursements, and all other charges affecting the Unit. The Board of Managers, however, shall not be limited in its bidding to such amount or total but may bid any higher sum that they find necessary in order to protect the interests of the other applicable Unit Owners.

Section 8.8. Receivers. Upon appointment of a receiver in connection with foreclosure of a mortgage secured by a Unit, the Unit Owner whose loan is being foreclosed loses all rights accorded a Unit Owner in these By-laws or the Declaration in connection with operation of the Condominium, including but not limited to the right to

appoint or vote for members of the Board of Managers and the right to be a member of the Board of Managers or an officer of the Condominium, and the receiver shall succeed to all such rights and to all Unit Owner obligations under the Condominium Documents. Accordingly, any receiver so appointed shall succeed to, among other things, the obligation to pay Common Charges and assessments assessed against the Unit from and after the date the receiver is so appointed. Notwithstanding anything to the contrary in these By-laws or the Declaration, in the event a receiver is appointed in connection with an action to foreclose a mortgage against a Unit, whether that mortgage is a Permitted Mortgage or otherwise, said receiver shall, upon appointment, be obligated to pay to the Board of Managers all Common Charges and other assessments owed by the defaulting Unit Owner, together with any late charges, interest and penalties assessed thereon.

Section 8.9. Mortgagee Consent.

(a) Whenever in the Condominium Documents the approval or consent of a percentage of Eligible Holders is required for a particular action of the Board of Managers or Unit Owners to be effective, the Board of Managers shall endeavor to send request for approval or consent to each Eligible Holder by certified mail return receipt requested at the address in Mortgagee's Notice provided by that Eligible Holder. The inadvertent failure of the Board of Managers to send such notice to an Eligible Holder, however, shall not subject the Board of Managers to any liability. If an Eligible Holder fails to object or otherwise respond to a request for approval or consent sent by certified mail return receipt requested to the address in the Mortgagee's Notice within sixty (60) days after the notice of request for approval or consent is given by the Board of Managers, then the Eligible Holder's approval or consent to the action shall be deemed given.

(b) In no event may there be more than one Eligible Holder for any one Residential Unit in the Condominium for purposes of approval and consent by Eligible Holders to actions by the Board of Managers or Unit Owners. If a Unit Owner has made one or more subordinate mortgages secured by the Unit, only the holder of the first mortgage may be an Eligible Holder with respect to that Unit. Further, whenever in the Condominium Documents the approval or consent of a percentage of Eligible Holders is required for a particular action of the Board of Managers or Unit Owners to be effective, Eligible Holders for this calculation shall not include the Construction Lender or any mezzanine lender holding a pledge of membership interests in a Unit Owner or in its Affiliates or subsidiaries, but shall include only those Eligible Holders holding Permitted Mortgages on Residential Units owned by parties other than Declarant and/or its successor and assigns.

(c) In any cases under the Condominium Documents where an action may not be taken without the consent of a Recognized Mortgagee, if consent is requested and the Recognized Mortgagee fails to object to a proposed action as to which its consent is requested within ten (10) business days after the date the request is sent (or such longer period expressly provided in the Condominium Documents or in the notice from the Board of Managers), said Mortgagee's consent shall be deemed given. Consents by a Recognized Mortgagee may not be unreasonably withheld, conditioned or delayed.

Section 8.10. Rights of Eligible Holders. Notwithstanding anything to the contrary contained in the Condominium Documents, the following provisions shall govern and be applicable so long as they are required in order to qualify Permitted Mortgages held by Eligible Holders to be sold to Fannie Mae or Freddie Mac (or any successor entities or assigns to such agencies if applicable), or in the discretion of the Board of Managers, so long as necessary to qualify Permitted Mortgages held by Eligible Mortgagees to be insured by any governmental insurer, or unless and until amended otherwise by the Unit Owners, in accordance with the amendment provisions of these By-laws:

(a) An Eligible Holder who has provided Mortgagee's Notice as set forth above, shall be entitled to receive written notice from the Board of Managers of any default by the Owner of the Unit securing the Permitted Mortgage in payment of Common Charges or Special Assessments continuing for more than sixty (60) days after the date due;

(b) An Eligible Holder who forecloses a Permitted Mortgage or arranges to accept a deed in lieu of foreclosure, shall not be subject to the right of first refusal held by the Board of Managers set forth set forth in Article 9 of these By-laws, in connection with its acquisition of title or sale or lease of the Unit so acquired by Eligible Holder or its designee;

(c) An Eligible Holder who acquires title to a Unit pursuant to remedies in its Permitted Mortgage or by foreclosure or by deed in lieu of foreclosure, shall not be liable for more than six (6) months of regularly budgeted but unpaid Common Charges or Special Assessments assessed or otherwise imposed against the Unit which accrued prior to the date of foreclosure or prior to the date of recording the deed in lieu of foreclosure, as applicable;

(d) An Eligible Holder who has provided Mortgagee's Notice as set forth above, shall be entitled to notice from the Board of Managers of condemnation or casualty loss that affects a material portion of the Property or the Unit securing its Permitted Mortgage;

(e) An Eligible Holder who has provided Mortgagee's Notice as set forth above, shall be entitled to notification from the Board of Managers of lapse, cancellation or material change in any insurance policy maintained by the Board of Managers;

(f) An Eligible Holder who has provided Mortgagee's Notice as set forth above, shall be entitled to written notice from the Board of Managers of any action that under the Condominium Documents requires the consent of a percentage of Eligible Holders;

(g) If an amendment to the Condominium Documents is proposed and affirmatively adopted by the Unit Owners in accordance with the Condominium Documents, and if such amendment would have a material and adverse impact on Eligible Holders, any such amendment may not be implemented without the consent of then Eligible Holders holding Permitted Mortgages on Residential Units representing at least 51% of the votes attributable to all Residential Units then encumbered by Permitted Mortgages; and

(h) A determination to terminate the Condominium following destruction due to casualty or a taking in a condemnation proceeding, as set forth in Sections 6.4 and 10.3 respectively, of these By-laws, or otherwise, as well as a determination by the Unit Owners to authorize withdrawal from the Condominium Act in accordance with Article 15 of these By-laws, may not be implemented without the consent of then Eligible Holders holding Permitted Mortgages on Residential Units representing at least 51% of the votes attributable to all Residential Units then encumbered by Permitted Mortgages.

(i) In connection with the foregoing, whenever in the Condominium Documents the approval or consent of a percentage of Eligible Holders is required for a particular action of the Board of Managers or an amendment to the Condominium Documents to be effective, the Board of Managers shall endeavor to send notice requesting such approval or consent to each Eligible Holder at the address in its Mortgagee's Notice. If an Eligible Holder fails to object or otherwise respond to a request for approval or consent sent by certified mail return receipt requested to the address in Mortgagee's Notice, within sixty (60) days after such notice requesting approval or consent is given by the Board of Managers, then the Eligible Holder's approval or consent to the action or amendment, as applicable, shall be deemed given.

(j) As set forth in Sections 6.4, 10.3 and Article 15 of these By-laws, in the event of termination of the Condominium due to casualty, condemnation or a decision to otherwise withdraw the Property from the Condominium Act, insurance proceeds, condemnation awards and proceeds of sale, respectively, shall be disbursed to a Unit Owner only after satisfying, out of such Owner's share of these funds, the lien of any Permitted Mortgage on the Unit, and all other liens on the Unit, in the order of priority of these liens.

Section 8.11. Rights of Recognized Mortgagees with Respect to Termination of Condominium. Recognized Mortgagees shall be entitled to receive notice from the Board of Managers that a determination has been made by the Unit Owners to terminate the Condominium following destruction due to casualty or a taking in a condemnation proceeding, as set forth in Sections 6.4 and 10.3 respectively, of these By-laws, as well as a determination by the Unit Owners to authorize withdrawal from the Condominium Act in accordance with Article 15 of these By-laws.

ARTICLE 9

SALES AND LEASES OF UNITS

Section 9.1. Sales.

(a) Sales of Residential Units shall be subject to a right of first refusal on the part of the Board of Managers as set forth below. Accordingly, Residential Units shall be sold in accordance with the following procedures:

(i) A Residential Unit Owner may enter into an agreement for the sale of a Residential Unit together with the Appurtenant Interests attributable to such Unit (and any Storage Bin License and/or Parking License, as applicable, to which Unit Owner is a party) with any party Unit Owner shall elect and on such terms as Unit Owner shall determine, subject to the Right of First Refusal (defined below) held by the Board of Managers (a "**Purchase and Sale Agreement**"). The Unit Owner shall provide to the Board of Managers a copy of such Purchase and Sale Agreement, together with the name and address of the purchaser and such other information as the Board shall then require of selling Unit Owners, including, without limitation, identification, a credit report, other financial information respecting the proposed buyer, and such assurances as are referred to in Section 1.4 of these By-laws, and shall offer to sell such Unit(s) to the Board on the terms and conditions in the Purchase and Sale Agreement (collectively, the "**Outside Offer**"). The giving of such notice of the Outside Offer shall constitute a warranty and representation by the selling Unit Owner who has received such offer, to the Board on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within twenty (20) days after the Board of Managers has received the Outside Offer plus all additional information the Board has requested (i.e., within twenty (20) days after the date the application to the Board is complete), the Board of Managers shall elect, by notice to such Unit Owner, (1) to purchase the Residential Unit, together with the Appurtenant Interests (or to cause the same to be purchased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner, or (2) to produce a purchaser who will purchase the Residential Unit, together with the Appurtenant Interests (and any Storage Bin License and/or Parking License, as applicable, to which Unit Owner is a party), on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner, or (3) to waive its right to the provisions of the foregoing clauses (1) and (2). The Board of Manager's right embodied in clauses (1) and (2) of the foregoing sentence is referred to as the Board's "**Right of First Refusal.**"

(ii) If the Board of Managers shall exercise its Right of First Refusal and thereby elect to purchase a Residential Unit, together with the Appurtenant Interests (and any Storage Bin License and/or Parking License, as applicable, to which Unit Owner is a party), or to cause the same to be purchased by its designee, corporate or otherwise, title shall close at the office of the attorneys for the Condominium (or at such other location as the Board specifies) in accordance with the terms of the Outside Offer within sixty (60) days after the giving of notice by the Board of its exercise of its Right of First Refusal. At the closing, the Unit Owner shall convey the Unit and Appurtenant Interests (and any Storage Bin License and/or Parking License, as applicable, to which Unit Owner is a party) to the Board of Managers, or to its designee, as the Board shall direct, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other transfer taxes arising out of such sale (unless, however, the terms of

the Outside Offer expressly provided that the transfer taxes will be paid by the purchaser, in which case the Board or its designated purchaser shall pay same). Real estate taxes and Common Charges shall be apportioned between the Unit Owner and the Board, or its designee, as of the closing date, subject to any contrary terms contained in the Outside Offer.

(iii) If the Board of Managers waives its Right of First Refusal with respect to an Outside Offer, or fails to exercise its Right of First Refusal within the 20-day period mentioned above, or timely accepts the Outside Offer but fails to produce a purchaser and close within the 60-day period mentioned above, the offering Unit Owner shall be free to sell and convey such Unit, together with the Appurtenant Interests (and any Storage Bin License and/or Parking License, as applicable, to which Unit Owner is a party), within ninety (90) days after expiration of the period in which the Board might have exercised its Right of First Refusal, to the maker of the Outside Offer (hereinafter the "**Outside Offeror**"), on the terms and conditions set forth in the Purchase and Sale Agreement and in the notice from the offering Unit Owner to the Board of such Outside Offer. In the event the offering Unit Owner shall not, within such 90-day period, sell and convey such Unit, together with the Appurtenant Interests (and any Storage Bin License and/or Parking License, as applicable, to which Unit Owner is a party), to the Outside Offeror on the terms and conditions contained in the Outside Offer, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests (and any Storage Bin License and/or Parking License, as applicable, to which Unit Owner is a party), to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 9.1.

(iv) A Unit Owner who is also a licensee under a Storage Bin License and/or a Parking License shall not be obligated to sell or assign the Storage Bin License and/or the Parking License simultaneously with the sale and conveyance of the Residential Unit or to the same party purchasing the Residential Unit, but may sell or assign the Storage Bin and/or the Parking License to another Residential Unit Owner in the Condominium, simultaneously with or separately from the sale of the Residential Unit (but no later than the closing of the last Residential Unit owned by that Unit Owner). If the sale and assignment of the Storage Bin License and/or the Parking License is separate from the sale of the Residential Unit, and is with and to another Residential Unit Owner, said sale and assignment shall not be subject to the Board's Right of First Refusal. The selling Residential Unit Owner shall be obligated, however, to notify the Board in writing of the intended conveyance, the name of the intended buyer/assignee and the designation of the Storage Bin owned by that Unit Owner, and to provide subsequent written confirmation to the Board that the closing of the sale and assignment of the Storage Bin License and/or the Parking License has occurred, promptly after closing concludes. Upon the Board's receipt of such notice of intended sale, the Board shall, if so requested by the purchasing Unit Owner, prepare and provide a statement as to the status of the selling Unit Owner's obligations to the Condominium, in accordance with Section 5.10 of these By-laws in the same manner as if the Storage Bin License and/or Parking License were a Unit. Upon assignment of a Storage Bin License and/or Parking License, in conjunction with the sale of a Residential Unit or otherwise, the assignor or assignee shall supply the Board with a copy of the assignment and the Board shall thereafter prepare a new Storage Bin License and/or Parking License to be entered into by the Board with the assignee.

(iv) Any deed to an Outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, including these By-laws annexed thereto, and the Rules and Regulations, as all of the same may be amended from time to time.

(v) With the exception of a purchaser acquiring a Residential Unit from Sponsor under the Offering Plan, each grantee of a Residential Unit, at the time of closing on the acquisition of the Residential Unit, shall be required to pay to the Board of Managers a sum equal to one month's Common Charges then attributable to the Residential Unit being purchased, for deposit by the Board into its operating account, reserves or otherwise, as the Board shall in its discretion determine. Purchasers acquiring a Residential Unit from Sponsor pursuant to the Offering Plan shall be obligated to pay to the Board of Managers a sum equal to three months' Common Charges attributable to each Residential Unit purchased, for deposit by the Board into the operating

account of the Condominium as working capital, as described in the Offering Plan. The provisions of this subparagraph shall not apply to the Board exercising its Right of First Refusal to acquire a Residential Unit.

(vi) The Board of Managers shall have the right to require Residential Unit Owners (except for Declarant and/or its designee) to pay a fee to the Board of Managers and/or the Condominium's Managing Agent to cover expenses in conjunction with the processing of an application for the sale of a Residential Unit, Storage Bin License and/or Parking License.

(b) If a purported sale of a Residential Unit (and any Storage Bin License and/or Parking License, as applicable) is not in compliance with the foregoing, the former Unit Owner (and any Storage Bin Licensee and/or Parking Licensee, as applicable) and the purported new Unit Owner (and any new Storage Bin Licensee and/or new Parking License, as applicable) shall be jointly and severally liable for all costs and expenses the Board of Managers incurs arising out of such non-compliance including, without limitation, legal fees and disbursements. Further, any such purported sale of a Residential Unit (and any Storage Bin License and/or Parking License, as applicable) in violation of this Section shall be voidable at the election of the Board of Managers. If the Board shall so elect, the purported former Unit Owner (and any former Storage Bin Licensee and/or former Parking Licensee, as applicable) shall be deemed to have empowered the Board of Managers, if necessary, to institute legal proceedings to eject the purported new Unit Owner (and any new Storage Bin Licensee and/or new Parking Licensee, as applicable) at the cost and expense of the purported former Unit Owner (and any former Storage Bin Licensee and/or former Parking Licensee, as applicable), who shall be obligated to reimburse the Board of Managers for all expenses incurred in connection with such proceedings, including without limitation legal fees and disbursements.

(c) There shall be no restrictions on the right of a Commercial Unit Owner to sell said Owner's Commercial Unit, except as may be included elsewhere in these By-laws. Upon the sale of a Commercial Unit, however, either or both of the selling Unit Owner and new Unit Owner shall give written notice to the Board of Managers of such sale, and shall include in such notice the name and address of the new Unit Owner, an address to which Common Charge invoices are to be sent, and the name and phone number of an individual to be contacted in the event of emergency.

(d) There shall be no restrictions on the right of the Hotel Unit Owner to sell said Owner's Hotel Unit, except as may be included elsewhere in these By-laws. Upon the sale of the Hotel Unit, however, either or both of the selling Hotel Unit Owner and new Hotel Unit Owner shall give written notice to the Board of Managers of such sale, and shall include in such notice the name and address of the new Hotel Unit Owner, an address to which Common Charge invoices are to be sent, and the name and phone number of an individual to be contacted in the event of emergency.

Section 9.2. Leases.

(a) A Residential Unit Owner may lease or license use of its Residential Unit together with the Appurtenant Interests attributable to such Unit (and sublicense any Storage Bin and/or Parking License licensed by such Unit Owner), only in accordance with the following terms and conditions:

(i) Any Residential Unit Owner who desires to lease or license said Owner's Residential Unit (and sublicense any Storage Bin and/or Parking License licensed by such Unit Owner) and who has secured a bona fide offer from a potential tenant or licensee to whom the Unit Owner intends to lease or license the Unit (and sublicense any Storage Bin and/or Parking License licensed by such Unit Owner) shall give notice to the Board of Managers of such offer and such intention, together with the name and address of the proposed lessee, licensee or other occupant(s) (and proposed Storage Bin and/or Parking License sublicense, if applicable), a copy of the proposed lease, license or other occupancy agreement, references, and such other information as the Board of Managers may reasonably require, including without limitation, identification, a credit report and other financial

information respecting the proposed tenant, licensee or other occupant(s) (and proposed Storage Bin and/or Parking License sublicense, if applicable) . The Board may from time to time prescribe a form upon which the aforementioned information shall be listed.

(ii) Leases or other occupancy agreements of Residential Units (and proposed Storage Bin and/or Parking License sublicense, if applicable) must be in writing and must contain terms of at least twelve (12) consecutive months and may not exceed a maximum term of two (2) years.

(iii) Any lease, license or other occupancy agreement shall be consistent with, subject to and shall be deemed to incorporate by reference the Condominium Documents. Such agreement shall also provide (in the case of Residential Unit leases, licenses or other occupancy agreements) that the tenant or licensee shall not sublet or sublicense the demised premises or any part thereof, and (in the case of Storage Bin and/or Parking License sublicenses) that the sublicensee shall not sub-sublicense the Storage Bin and/or the Parking License and shall include or be deemed to include a statement that the Board of Managers is authorized and empowered to terminate such lease, license or other occupancy agreement and/or to bring summary proceedings to evict or otherwise remove the tenant, licensee, or other occupant due to the default by the Unit Owner under the Condominium Documents, or due to the default by the tenant, licensee or other occupant itself under the lease, license or other occupancy agreement. The basic form of any such lease for a Residential Unit shall be the then current form of apartment lease recommended by The Real Estate Board of New York, Inc., or such other form as may have been promulgated by the Residential Board.

(iv) The lease of a Residential Unit need not include the Storage Bin or the Parking License of the Residential Unit Owner. If the Storage Bin and/or Parking License are expressly excluded from the demised premises under the lease, Residential Unit Owner shall retain the right to use these amenities during the term of the lease. If, however, the Unit Owner wishes to permit tenant to use the Parking License, Unit Owner shall expressly designate the tenant a "Permitted User" under the Parking License Agreement by written notice to the Board of Managers.

(v) Storage Bin Licenses and Parking Licensee may not lease Storage bins or Parking Licenses to Non-Unit Owners or Non-Tenants.

(vi) The Board of Managers shall, within thirty (30) days after receipt of a fully completed application form for consent to a lease, advise the Residential Unit Owner in writing of its consent or refusal to consent to a proposed lease, license or other occupancy agreement. The Condominium Board's refusal to consent to a proposed agreement must be based upon (1) the Board's agreement to lease/license the Unit upon the same terms, conditions and rent or license payment offered by the proposed lessee/licensee, (2) the Board's production of a lessee/licensee satisfying all the credit, financial and other requirements then established by the Board who will lease/license the Unit (and, if applicable, sublicense the Storage Bin and/or the Parking License) on the on the same terms, conditions and rent/license payment offered by the proposed tenant/licensee, (3) the fact that the proposed agreement does not comply with the minimum or maximum lease term or other provisions for the Condominium, or (4) the fact that the proposed occupant (and, if applicable, proposed sublicensee of the Storage Bin and/or the Parking License) does not meet credit or other financial requirements established by the Board. If the Condominium Board affirmatively consents to the agreement, or elects not to lease/license such Unit on behalf of all Residential Unit Owners or produce a lessee/licensee for such Unit (and sublicensee for such Storage Bin and/or Parking License, if applicable), or does not otherwise refuse to consent to same pursuant to the foregoing, within thirty (30) days after receipt of a fully completed application form, the Unit Owner shall have the right to consummate the lease/license/occupancy agreement on the terms submitted to the Board.

(vii) Notwithstanding the foregoing, if a Residential Unit is owned by an institution, corporation, limited liability company or other business entity, the Owner of that Unit may enter into a lease (or other occupancy agreement) for that Unit (and, if applicable, a sublicense for any Storage Bin or Parking License licensed

by that Unit Owner) with a principal of the Unit Owner an employee of the Unit Owner or any other party designated by such Unit Owner directly associated with or affiliated with Unit Owner, without the lease (or other occupancy agreement) being subject to approval by the Board of Managers, provided, however, that (a) at least ten (10) business days in advance of the commencement date of the lease or other occupancy agreement the Residential Unit Owner provides the Board of Managers with the name of the tenant or other occupant (and, if applicable, sublicensee), position of employment or other relationship the tenant or other occupant (and, if applicable, sublicensee) has with the Residential Unit Owner and the period of time such engagement or other relationship is scheduled to last, and (b) the lease or occupancy agreement (and, if applicable, sublicensee) is consistent with minimum and maximum lease/occupancy terms as established by the Board of Managers for the leasing of Residential Units. All other conditions and provisions set forth in these By-laws required to be incorporated into leases between Residential Unit Owners and their tenants (and, if applicable, sublicensee) shall be applicable to such entity/employee lease or occupancy agreements as well.

(viii) The consent of the Board of Managers to a lease, license or other occupancy agreement (and, if applicable, Storage Bin and/or Parking License sublicense) shall not be construed to relieve the Unit Owner from obtaining the consent of the Board to another lease, license or other occupancy agreement (and, if applicable, sublicense), and a Unit Owner who subsequently desires to lease or license such Residential Unit (and, sublicense such Storage Bin and/or Parking License) shall be required again to comply with all the terms and provisions of this Section 9.2.

(ix) The Board of Managers shall have the right to require Residential Unit Owners (except for Declarant or its designee) to pay a fee to the Board and/or the Managing Agent to cover expenses in connection with applications for the lease or license of a Residential Unit (and, if applicable sublicense of a Storage Bin and/or Parking License).

(b) A Commercial Unit Owner (including a Mortgagee who acquires title to a Commercial Unit through foreclosure or by deed in lieu of foreclosure), may lease said Owner's Commercial Unit without any notice to or consent of the Board of Managers. However, a Commercial Unit Owner must regularly advise the Board of Managers in writing of the name of any tenant(s) or operator of its Commercial Unit, as applicable, together with the name, telephone number and address of an individual who is authorized to take action or make decisions respecting the tenant(s) or operator, who may be contacted in event of emergency. A Commercial Unit Owner also must provide the Board of Managers with the name, address and telephone number of the Unit Owner's own representative who may be contacted in event of emergency or other problem. Leases of Commercial Units shall not be subject to any minimum or maximum term restrictions under the Condominium Documents.

(c) The Hotel Unit Owner (including a Mortgagee who acquires title to the Hotel Unit through foreclosure or by deed in lieu of foreclosure), may lease or license said Owner's Hotel Unit without any notice to or consent of the Board of Managers. However, a Hotel Unit Owner must regularly advise the Board of Managers in writing of the name of any tenant(s), operator or licensee of its Hotel Unit, as applicable, together with the name, telephone number and address of an individual who is authorized to take action or make decisions respecting the tenant(s) or operator or licensee who may be contacted in event of emergency. The Hotel Unit Owner also must provide the Board of Managers with the name, address and telephone number of the Unit Owner's own representative who may be contacted in event of emergency or other problem. Leases or licenses of the Hotel Unit shall not be subject to any minimum or maximum term restrictions under the Condominium Documents.

(d) Each lease or license for any type of Unit shall be deemed to incorporate into it the provisions of Real Property Law Section 339-kk. In addition, each lease or license for a Residential Unit, Storage Bin and Parking License and any lease or license agreement for all or part of a Commercial Unit or Hotel Unit, whether such lease or license has been entered into in accordance with these By-laws or otherwise, shall be deemed to have incorporated into it the following provisions:

(i) In the event the Owner of the Unit forming all or part of the demised premises under the lease or license shall be in default in payment of Common Charges for more than 30 days, the Board of Managers shall have the right to notify each and every tenant or licensee of the Unit Owner's default, and in said notice to direct tenant or licensee to pay all rent or license fees that would otherwise be due under the lease or license, directly to the Board of Managers. Upon receipt of such income the Board shall apply it against Common Charges owed by the defaulting Unit Owner.

(ii) In the event, however, that a Commercial Unit Owner or Hotel Unit Owner has made an assignment of rents to a Recognized Mortgagee in connection with a Permitted Mortgage, and the Recognized Mortgagee has previously provided written notice to that effect to the Board of Managers, the Board of Managers shall endeavor to send a copy of the notification of the Unit Owner's default to the Recognized Mortgagee, at the time same is sent to the tenant. In such event, the Board shall refrain for a period of 30 days after giving a tenant notice of the Unit Owner's default, from directing tenant to pay its rent directly to the Board, in order to allow the Recognized Mortgagee to enforce its assignment of rents. If the Recognized Mortgagee notifies the Board in writing during such 30-day period that it has enforced its assignment of rents, the Recognized Mortgagee shall be required to make payments of Common Charges attributable to the Unit to the Board of Managers. If the Recognized Mortgagee shall not provide notice to such effect to the Board of Managers, then, at the expiration of the 30-day period following the Board's written notice to the tenant and the Recognized Mortgagee of the Unit Owner's default, the Board shall be entitled to direct tenant to pay rent or license fees directly to the Board as described above.

(iii) If a Commercial Unit Owner or Hotel Unit Owner shall have leased all or substantially all of its Commercial Unit or Hotel Unit, as applicable, to a single tenant, then the Board of Managers shall have the obligation, as well as the right, at the request of such Commercial Unit Owner or Hotel Unit Owner, to provide to the tenant of said Owner's Unit, a copy of all default notices the Board of Managers sends to such Commercial Unit Owner or Hotel Unit Owner, and to accept cure of same by the tenant.

(e) Any purported lease or license of a Residential Unit (and, if applicable any purported sublicense of a Storage Bin and/or Parking License) in violation of this Section 9.1 shall be voidable at the election of the Board of Managers. If the Board of Managers shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to eject or evict the purported tenant or licensee in the name of the Unit Owner as the purported landlord or licensor. If a lease or license of a Residential Unit (and, if applicable, sublicense of a Storage Bin and/or Parking License) is not in compliance with this Section 9.1, the Unit Owner shall be liable for all costs and expenses of the Board of Managers arising out of such non-compliance including, without limitation, attorney's fees and expenses incurred in connection with same.

Section 9.3. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers; Discrimination Prohibited. The Board of Managers shall not exercise its Right of First Refusal to purchase a Unit, or agree to lease a Unit (and sublicense a Storage Bin and/or Parking License, if applicable), or agree to purchase a Unit at a foreclosure sale or otherwise, without the prior approval of a majority in Residential Common Interest of Residential Unit Owners. In determining whether or not to exercise its Right of First Refusal with respect to the sale of a Unit (and the sale/assignment of a Storage Bin License and/or Parking License, if applicable) and in determining whether or not to approve a lease of a Unit (and the sublicense of a Storage Bin and/or Parking License, if applicable), Board of Managers may not discriminate against any Person on the basis of race, creed, color, national origin, sex, age, disability, marital status, or on grounds considered discriminatory under the Fair Housing Act, or any other grounds prohibited by law. If a Unit Owner is seeking to sell or lease a Unit together with a Storage Bin and/or Parking License, the Board must act on the application for the Unit and/or Storage Bin and/or Parking License together, if same comprise the Outside Offer. In no event may the Board bifurcate the transaction and act only on the Unit or only on the Storage Bin License or only on the Parking License, if same are presented to the Board as a single transaction for sale or lease.

Section 9.4. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to said Owner's Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interest so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 9.5. Release by Board of Managers of Right of First Refusal; Lease Consent. The Right of First Refusal contained in Section 9.1 of these By-laws may be released, terminated or waived, and the consent right set forth in Section 9.2 of these By-laws may be exercised, by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, leased or otherwise conveyed free and clear of the provisions of such sections.

Section 9.6. Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged by the Secretary or other officer of the Condominium, stating that the provisions of Section 9.1 or Section 9.2, as applicable, of these By-laws have been met by a Unit Owner, or have been duly waived by the Board of Managers and that the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all Persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Sections 9.1 and 9.2 of these By-laws or as to whom the provisions of such sections shall have been waived or satisfied, upon request.

Section 9.7. Financing of Purchase of Units by Board of Managers; Sale of Units by Board of Managers. Acquisition of Units by the Board of Managers, or its designee, on behalf of all Unit Owners may be made from the working capital, operating funds or reserves, or Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner in proportion to said Owner's Common Interest as a Common Charge, which assessment shall be enforceable as a Special Assessment in accordance with these By-laws, or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers. The Board may not take any such action affecting the Residential Area without the consent of all Residential Board Members and, or any such action affecting the Commercial Area or the Hotel Unit, without the consent of the Commercial Board Member and the Hotel Board Member. The net proceeds of sale of any Unit owned by the Board of Managers on behalf of all Unit Owners shall be applied as the Board in its discretion shall determine.

Section 9.8. Exceptions; Special Transfers. The restrictions in Sections 9.1 and 9.2 of these By-laws shall not apply with respect to (i) the sale or lease of any Unit owned by Declarant or a designee or Affiliate of Declarant or any Units resulting from the subdivision or combination thereof, or (ii) any sale, lease or other conveyance of a Residential Unit by a Unit Owner to said Unit Owner's Spouse, to any of the Unit Owner's adult children, to the Unit Owner's parent or parents, to the Unit Owner's grandparents or grandchildren, to the Unit Owner's adult siblings, or to any one or more of the foregoing, or to any other party in a transaction other than an arms-length sale or lease, or (iii) the acquisition or sale of a Unit by a Permitted Mortgagee, Eligible Holder, Recognized Mortgagee, or any other party acquiring title to such Unit by foreclosure, or (iv) the acquisition or sale of a Unit by a party who acquired title to the Unit by deed in lieu of foreclosure. However, in each such instance the grantor or grantee shall provide notice to the Board of Managers of the sale or other conveyance, and if the Board is so requested by the grantor or grantee, the Board shall provide the statement referenced in Section 5.10 of these By-laws, as well as a certificate of insurance in connection with such conveyance, on or before the scheduled closing date. Likewise, a Residential Unit Owner providing for any lease or occupancy pursuant to the foregoing, must

advise the Board of Managers in writing of the name and contact information for any tenant(s) of its Residential Unit, and must provide the Board with the Unit Owner's contact information in event of emergency or other problem.

Section 9.9. Gifts and Devises, etc. Any individual Unit Owner shall be free to convey or transfer his or her Unit and Appurtenant Interests by gift, or to devise his or her Unit and Appurtenant Interests by will, or to pass the same by intestacy, without restriction.

Section 9.10. Waiver of Right of Partition with Respect to Such Units as Are Acquired by the Board of Managers, or Its Designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of Unit Owners as tenants in common, all Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 9.11. Payment of Assessments. With the exception of Units being conveyed pursuant to judgment of foreclosure or pursuant to deed in lieu of foreclosure, no Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease said Owner's Unit, unless and until said Owner shall have paid in full to the Board of Managers all unpaid Common Charges and other assessments theretofore assessed against said Owner's Unit and until said Owner shall have satisfied all unpaid liens against such Unit. In addition, each Unit Owner (except the Board of Managers, Declarant and any Affiliate, principal, partner or designee thereof), shall be obligated to pay any fee authorized by the Board of Managers to be paid to the Managing Agent of the Condominium, for services performed in connection with processing an application for the sale or lease of said Unit.

ARTICLE 10

CONDEMNATION

Section 10.1. Action to Contest Condemnation. The Board of Managers shall have the exclusive right to contest any condemnation or eminent domain proceeding which is directed at taking any portion of the Common Elements or which touches upon, concerns or affects the use of the Common Elements. No Unit Owner or tenant of a Unit shall impair or prejudice the action of the Board of Managers in contesting such condemnation. Such restriction or prohibition shall not preclude a Commercial Unit Owner (or a tenant of all or substantially all of a Commercial Unit, if permitted in such tenant's lease) or the Hotel Unit Owner (or a tenant of all or substantially all of the Hotel Unit, if permitted in such tenant's lease), from contesting the taking in such condemnation or eminent domain proceeding, through the Board of Managers, of said Owner's Unit, or of any trade fixtures or other equipment installed or located in the Unit. In any action contesting a taking by condemnation or eminent domain proceeding, the Board of Managers shall request the court to set forth the allocation of the condemnation award among the Unit Owners affected, taking into account their respective Common Interests, the effect of the taking on each Unit affected thereby, and any other relevant factors.

Section 10.2. Obligation to Restore. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements or any Unit, the Board of Managers shall be obligated to restore the Common Elements and all Unit Owners shall be obligated to restore their Units provided the Board makes available to the Unit Owners their applicable proportionate share of any condemnation proceeds. The foregoing obligation of the Board shall not be applicable, however, if the Property is subject to an action for partition in accordance with law or these By-laws or the Declaration. All condemnation awards shall be used for restoration and reconstruction of the interest taken. The Board of Managers may engage a construction manager or general contractor to coordinate the work necessary to complete the restoration of the Unit(s), Limited Common Elements and the Common Elements as in the case of a casualty, and the cost thereof shall be a General Common Expense.

Section 10.3. Partition Action in Lieu of Continuation of Condominium After Partial Taking by Condemnation. If any condemnation or eminent domain proceeding results in the taking of:

(a) three-fourths or more of the Property, and Unit Owners representing at least 80% in Common Interest voting at a duly called meeting of the Unit Owners promptly resolve not to continue the Condominium, or

(b) less than three-fourths of the Property, but such taking substantially and adversely affects the use of the Property, and Unit Owners representing at least 80% in Common Interest voting at a duly called meeting of the Unit Owners promptly resolve not to continue the Condominium, then the Property or so much thereof as shall remain, shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common. However, no determination by the Unit Owners to terminate the Condominium pursuant to paragraphs (a) or (b) of this Section 10.3 shall be effective without the approval of Eligible Holders holding Permitted Mortgages on Residential Units representing at least 51% of the votes of all Residential Units then encumbered by Permitted Mortgages.

(c) In the event that a partition action authorized pursuant to either 10.3(a) or 10.3(b) above is commenced, then (i) the net proceeds of the award from the condemnation or eminent domain proceeding, less an amount determined by the Board of Managers in its reasonable discretion to be necessary to maintain the Property during the period prior to sale of same, plus (ii) the net proceeds of sale arising out of the partition action, shall be considered one fund and shall be paid to and thereafter divided by the Insurance Trustee among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of such Owner's share all liens on such Owner's Unit, if any, in the order of priority of such liens.

Section 10.4. Distribution of Condemnation Awards.

(a) Except (i) as provided in Section 10.3 above, and (ii) with respect to any award obtained by a Commercial Unit Owner for said Owner's Commercial Unit or for any trade fixtures or other equipment as further provided in Section 10.1 above, 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 an Insurance Trustee selected by the Board of Managers if the award is more than $1,000,000.00 and to the Board of Managers if the award is $1,000,000.00 or less. This $1,000,000.00 limit shall automatically increase each calendar year by 5% over the limit of the previous year. The Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair, restoration or replacement of such Common Elements to the extent reasonably possible, and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments, in the same manner as if the Common Elements were destroyed by casualty, as described in Article 6 of these By-laws.

(b) Except (i) as provided in Section 10.3 above, and (ii) with respect to any award obtained by the Hotel Unit Owner for said Owner's Hotel Unit or for any trade fixtures or other equipment as further provided in Section 10.1 above, 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 an Insurance Trustee selected by the Board of Managers if the award is more than $1,000,000.00 and to the Board of Managers if the award is $1,000,000.00 or less. This $1,000,000.00 limit shall automatically increase each calendar year by 5% over the limit of the previous year. The Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair, restoration or replacement of such Common Elements to the extent reasonably possible, and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments, in the same manner as if the Common Elements were destroyed by casualty, as described in Article 6 of these By-laws.

(c) If there shall be a surplus of such proceeds or if the Board of Managers or Insurance Trustee cannot reasonably repair, restore or replace the Common Elements taken, the proceeds shall be distributed among the Unit Owners, and the Common Interests of the Condominium shall be reallocated among the remaining Units as the court shall have directed or as the Board of Managers shall equitably determine if there was no direction

by the court, taking into account in the latter event the respective Common Interest of the Units affected thereby, the effect of the taking on each Unit affected thereby after the completion of any repair, restoration or replacement by the Board of Managers or Insurance Trustee, and any other relevant factors. Any court direction as to such distribution shall be final. Any Unit Owner who wishes to contest a determination by the Board of Managers as between itself and another Unit Owner that cannot be resolved among the Unit Owners and the Board, shall do so by submitting the matter to Arbitration as provided in Article 11 of these By-laws, for a determination of a fair and proper distribution, or reallocation of Common Interest, as the case may be, which shall be binding on the Board of Managers, and on all affected Unit Owners. The cost of such Arbitration shall be borne solely by the party submitting the matter for Arbitration.

(d) After any determination of reallocation of Common Interest, the Board of Managers, on behalf of all Unit Owners, shall promptly prepare, execute and record an amendment to the Declaration reflecting such reallocation.

Section 10.5. Temporary Taking. If the temporary use or occupancy of all or any part of a Unit or the Common Elements shall be taken by condemnation or in any other manner for any public or quasi-public purpose, (a) a Unit Owner shall be entitled, except as hereinafter set forth, to receive that portion of the award or payment for such taking which represents compensation (i) for the use and occupancy of the Unit, (ii) for the taking of any property of the Unit Owner or tenants of the Unit Owner in the Unit, and (iii) for moving expenses, and (b) the Board of Managers shall be entitled to receive that portion which represents the cost of restoring any Common Elements, whether located in the Unit, or elsewhere. A Unit Owner shall remain responsible for complying with all obligations under the Declaration and By-laws, to the extent same are not affected by the taking, and shall also remain responsible for payment in full of Common Charges and any and all additional charges payable pursuant to the Declaration and By-laws. Any monies received by the Board as, or as part of, an award for temporary use and occupancy, shall be received, held and applied by the Board on account of Common Charges becoming due under these By-laws.

ARTICLE 11

ARBITRATION

Section 11.1. Applicability. Arbitration (hereinafter "**Arbitration**"), shall be available in those cases where the Declaration or these By-laws require that the applicable party not unreasonably withhold or delay its consent, approval, determination, authorization or acceptance, or that the applicable party act in a reasonable manner, or that the applicable party exercise or refrain, in its reasonable discretion, from exercising any right granted to it in these By-laws or the Declaration, or where as a matter of law, the party may not unreasonably withhold or delay its consent. Arbitration shall also be applicable in all other instances pursuant to these By-laws or the Declaration where a dispute is an Arbitrable Dispute that cannot be resolved among the parties themselves, and/or a dispute that may or must be resolved through Arbitration.

Section 11.2. Appointment of Arbitrators.

(a) In any circumstance for which Arbitration is required or permitted under the Declaration or these By-laws, the party desiring Arbitration shall, within 15 business days of the event giving rise to the right to Arbitration, give written notice to such effect to the other party. Such notice also shall state the name and address of the arbitrator said party has appointed on its behalf, and shall state the issue to be arbitrated. Within five (5) business days after such notice is given, the other party by written notice to the original party, shall provide the name and address of a second person which said party shall have appointed on its behalf. If within five (5) business days following notice of the appointment of the second of said arbitrators, said two arbitrators shall be unable to resolve the issue, the two arbitrators shall, no later than five (5) business days after the end of their initial 5-day determination

period, appoint by instrument in writing, a third person, as an impartial arbitrator, who shall proceed with the two arbitrators first appointed to determine the matter.

(b) If after notice of the appointment of the first arbitrator is given, the second arbitrator shall not have been appointed as aforesaid, then the party originating the Arbitration may apply for the appointment of an arbitrator in the manner hereinafter provided for the appointment of a third arbitrator in the case where the two arbitrators chosen hereunder are unable to agree upon such appointment.

(c) If the two (2) initially-appointed arbitrators shall be unable to agree within five (5) business days following the appointment of the latter of said arbitrators upon the matter in dispute and, in the event of the foregoing circumstances, if they shall fail to agree on an arbitrator to serve as the third arbitrator as aforesaid, then either party may apply to the American Arbitration Association ("**AAA**") or any successor organization (or if such organizations shall fail, refuse or be unable to act, to a court of competent jurisdiction in the State of New York) for the designation of such arbitrator.

(d) If any arbitrator appointed by either of the parties, by the AAA (or any successor organization), or court, or by the other two (2) arbitrators, shall die, become disqualified or incapacitated, or shall (for reasons beyond his or her control) fail to act, before such matter shall have been determined, a substitute arbitrator shall promptly be appointed by the person or persons who appointed the arbitrator who shall have died, become disqualified or incapacitated or who shall have failed to act, and if a substitute arbitrator is not so named within three (3) business days after such death, disqualification, incapacity or failure to act, such substitute arbitrator shall be appointed by application to the AAA, as described above.

Section 11.3. Qualification of Arbitrators. Each arbitrator shall be a person who shall have had at least ten (10) years' continuous experience in New York County, in a calling connected with the matter of the dispute (e.g., in the management or operation of first-class mixed-use i.e., residential and commercial buildings in Brooklyn, or in construction and/or architectural or engineering endeavors, etc.), shall be associated with a firm engaged in such business and when required by law or regulation pertaining to practice of the profession or trade, shall be licensed to practice in New York. Any third arbitrator appointed in accordance with this Article 11 shall be impartial and shall not then be employed or controlled by, controlling or under common control with any member of the Board of Managers, any Unit Owner, any manager or managing agent of the Condominium or any component thereof, or any Affiliates of the foregoing.

Section 11.4. Procedures.

(a) Arbitration shall be conducted, to the extent consistent with the Declaration and these By-laws, in accordance with the then prevailing Arbitration Rules for expedited procedures of the AAA, other than rules relating to the appointment of arbitrators, and such other procedures as are agreed to by the parties. All parties shall have the right to appear and be represented by counsel before the appointed arbitrators and to submit such data and memoranda in support of their respective positions in the matter in dispute as they may deem necessary or appropriate in the circumstances.

(b) Following presentation and submission of all such data, memoranda and similar material by all parties to the Arbitration in support of their positions, the arbitrators shall be obligated to render a determination within the time period set forth in this Article 11 for the rendering of decisions. The arbitrators' determination shall in all instances be in writing and shall not be rendered verbally.

(c) In the event a third arbitrator is appointed as described above, the arbitrators shall be instructed to render a decision within five (5) business days of the third arbitrator's appointment. In all Arbitrations, the written decision of any two arbitrators in accordance with the foregoing, shall be final and binding upon the parties to the Arbitration and judgment may be entered thereon in any court of competent jurisdiction. In rendering their

decision, the arbitrators shall have no power to modify any of the provisions of the Declaration or these By-laws, and the jurisdiction of the arbitrators is limited accordingly, it being specifically understood that in no event shall the arbitrators have the authority to award damages.

Section 11.5. Costs and Expenses. In any Arbitration the losing party shall pay the fees and disbursements of the arbitrators and all other costs associated with the Arbitration, including the legal fees and disbursements, and out-of-pocket expenses of the other parties involved in the Arbitration, unless the Declaration or these By-laws provides otherwise with respect to specific items of dispute.

Section 11.6. Agreement by Parties. The parties to any dispute required or expressly permitted to be submitted to Arbitration under these By-laws or the Declaration, may, by mutual written agreement between them, vary any of the provisions of this Article 11 with respect to the Arbitration of such dispute, or may agree to resolve their dispute in any other manner.

ARTICLE 12

RECORDS AND AUDITS

Section 12.1. General.

(a) The Board of Managers shall be required to keep detailed records of the actions of the Board of Managers and the Managing Agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures arising from the operation of the Property, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges and other assessments against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. Such records and vouchers authorizing payments shall be available for examination by Unit Owners at the office of the Managing Agent, during normal business hours, upon reasonable advance notice.

(b) A report of the receipts and expenditures of the Condominium audited by an independent public accountant, shall be rendered by the Board of Managers annually to all Unit Owners. The Board will use reasonable efforts to provide the report by April 1st of each year, if the Condominium shall operate on a calendar year basis as its fiscal year. The cost of such report shall be paid by the Board of Managers as a General Common Expense.

Section 12.2. Examination of Books by Owners and Mortgagees. The Board of Managers shall make available for review by each Unit Owner and each Permitted Mortgagee of that Owner's Unit, upon reasonable advance request and during normal business hours at the office of the Managing Agent, a current copy of the Declaration and these By-laws, a current copy of the Rules and Regulations, the most recent annual audited financial statement of the Condominium and the books of account of the Condominium, but not more frequently than once per month. In addition, the Board of Managers shall make available to any government agency or quasi-governmental or public benefit corporation having an interest in the Condominium as a lender or insurer of a Mortgage, upon reasonable advance request and during normal business hours at the office of the Managing Agent, for review, the most recent annual audited financial statement of the Condominium. Copies of these documents shall be available at a cost determined by the Board of Managers or the Managing Agent and updated from time to time.

Section 12.3. Examination by Potential Unit Owners. The Board of Managers shall make available for review by prospective purchasers of Units upon confirmation that they have executed a purchase agreement for a Unit and paid the requisite deposit or down payment due thereunder to the selling Unit Owner, upon reasonable advance request and during normal business hours at the office of the Managing Agent, a current copy of the Declaration and these By-laws, a current copy of the Rules and Regulations, and the most recent annual audited

financial statement of the Condominium. Copies of these documents shall be available at a cost to said potential Unit Owners as determined by the Board of Managers or the Managing Agent and updated from time to time.

ARTICLE 13

GENERAL

Section 13.1. Notices.

(a) All notices required or desired to be given hereunder shall be sent by registered or certified mail. All notices to the Board of Managers shall be sent to it at the Property or to such other address as any of the foregoing entities or persons may hereafter designate from time to time, in writing. All notices to any Unit Owner shall be sent by registered or certified mail to the Property or to such other address as may have been designated by said Unit Owner from time to time, in writing, to the Board of Managers. All notices to Eligible Holders and Permitted Mortgagees of Units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers in accordance with these By-laws.

(b) All notices given under the Condominium Documents shall be deemed to have been given five (5) days after mailing postage prepaid, in accordance with the foregoing, except notices of change of address which shall be deemed to have been given when received.

(c) Whenever any notice is required to be given by law, the Declaration or these By-laws, a waiver thereof, in writing, signed by the person(s) entitled to such notice, whether before or after the times stated therein, shall be deemed the equivalent thereof.

Section 13.2. Real Estate Taxes.

(a) During any interim period following recording of the Declaration when individual tax lots legally will be established of record for each Unit but during which time separate real estate tax assessments and real estate tax bills for each tax lot have not yet been issued (the "**Interim Period**"), real estate taxes shall be allocated to each Unit based on real estate taxes assessed against the entire Property. Accordingly, during this Interim Period an allocation of real estate taxes will be made between the Residential Area, the Commercial Area and the Hotel Unit and (i) each Residential Unit's proportionate share of real estate taxes will be based on the Residential Common Interest attributable to that Unit multiplied by the portion of the total Property assessment attributable to all Residential Units, and (ii) each Commercial Unit's proportionate share of real estate taxes will be based on the Unit's aliquot share of the portion of the total Property assessment attributable to Commercial Units, and (iii) the Hotel Unit's proportionate share of real estate taxes will be based on the Unit's aliquot share of the portion of the total Property assessment attributable to Commercial Units all as estimated by Declarant in consultation with its professional real estate tax advisors. If at the time the Units are separately assessed, it is determined that the assessing authority used a method of allocation of the Property assessment among all Units substantially different than the foregoing, the allocations made during the Interim Period will be adjusted to incorporate the method of assessment used by the assessing authority and any necessary reimbursements shall be made.

(b) (i) Until the Units are separately assessed, Declarant will collect from each Unit Owner, and will place in escrow with the Managing Agent or other appropriate party ("**RE Tax Escrowee**"), an amount equal to the Unit Owner's estimated proportionate share of real estate taxes projected to be due for the Property for the half of the tax year on the next upcoming tax payment due date, based on the foregoing allocation method. Escrows for real estate taxes for the tax payment due thereafter will be billed and collected monthly with Common Charges, based upon the then current tax rate (or a higher rate to hedge against a possible increase in rate at the beginning of a new tax year, if the new rate has not yet been set). At the time taxes are due and payable Declarant will pay all taxes allocable to Units not owned by Declarant from the tax escrow account and the balance of

the taxes for Units owned by Declarant will be paid by Declarant from its own funds. The Board of Managers shall be obligated to direct RE Tax Escrowee to release funds to Declarant from the tax escrow account for that purpose.

(ii) If the actual taxes due for any period for which escrows are collected are higher than the amount collected and held in escrow, the Board of Managers shall pay the difference and shall bill Unit Owners for their proportionate share of any necessary reimbursement, as a Special Assessment. If any Unit Owner fails to pay said Owner's pro rata share of real estate taxes when due, by Common Charge billing, Special Assessment billing, or both, the Board of Managers will have a lien on such Owner's Unit for non-payment thereof, as if such charges were Common Charges, and shall have the same rights and remedies for such non-payment of the Unit Owner's share of real estate taxes, as the Board has for non-payment of Common Charges. If the actual taxes due are lower than the amount collected and held in escrow by the RE Tax Escrowee, Declarant shall pay the tax bill and direct the RE Tax Escrowee to return to Unit Owner, Owner's proportionate share of any excess. At such time as the Unit is separately assessed, the Unit Owner will pay taxes directly to the taxing authority. If the Units are separately assessed with tax payments to commence during a period for which the RE Tax Escrowee holds escrow funds, the Declarant will direct the RE Tax Escrowee to return the funds to each Owner and the Owner will be responsible for paying said Unit Owner's own tax bill.

(c) The Board of Managers shall have the right accorded boards of managers in Section 339-y of the Condominium Act to act as an agent for each Unit Owner who gives the Board written authorization to commence, pursue and settle certiorari proceedings to obtained reduced real estate tax assessments with respect to the Units. If the application is made only on behalf of Residential Unit Owners, only the Residential Unit Owners shall share the costs in connection therewith and the benefits derived therefrom. If the application is made on behalf of all Unit Owners, then all Unit Owners will share the costs in connection therewith and the benefits derived therefrom. The Board may retain legal counsel on behalf of the Unit Owners for which it is acting as agent, and charge such Unit Owners a pro rata share of expenses, disbursements and legal fees, for which charges the Board shall have a lien as if for Common Charges, pursuant to Section 339-z of the Condominium Act. If any Unit Owner seeks individually to have the assessed value of said Owner's Unit reduced by bringing a separate tax certiorari proceeding, the Board of Managers, 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 such Unit Owner indemnifies the Board of Managers and all other Unit Owners from all costs, claims and expenses (including, without limitation, reasonable attorney's fees and expenses), resulting from such proceedings.

Section 13.3. Invalidity. The invalidity of any part of these By-laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-laws.

Section 13.4. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-laws, or the intent of any provision thereof.

Section 13.5. Plurals. The use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 13.6. Waiver. No restriction, condition, obligation, or provision contained in these By-laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE 14

AMENDMENTS TO BY-LAWS

Section 14.1. General. Subject to the rights of Declarant set forth below, these By-laws may be modified or amended by vote of Unit Owners representing at least 66-2/3% in number and in Common Interest of all

Units at a meeting of Unit Owners duly held for such purpose, and in accordance with the provisions of the Declaration for amendment of the Condominium Documents generally, as set forth in Article 10 of the Declaration.

Section 14.2. Declarant's Rights.

(a) Declarant shall have the right, without the calling of a meeting and without the vote of other Unit Owners, the Board of Managers or the holders of Unit mortgages, to execute (or to require the Board of Managers to execute), and to record in the City Register's Office, an amendment to these By-laws to reflect changes in Units owned by Declarant and the reapportionment of Common Interest and Residential Common Interest in and among such Units, in accordance with the provisions of Section 7.7 of these By-laws, and related changes arising out of such modifications and the consent of 100% of the Unit Owners shall be deemed given to such amendment.

(b) With the exception of (i) the above requirement as to the voting percentage necessary to amend these By-laws, and (ii) the rights set forth in these By-laws or the Declaration permitting Declarant and the Commercial Unit Owners, and Declarant and the Hotel Unit Owner to make certain modifications pertaining exclusively to their Units, as to which the consent of other Owners is deemed given pursuant to the Declaration and these By-laws, the same rights, restrictions, conditions and obligations with respect to amending the Declaration as set forth in Article 10 therein, pertain to amendment of these By-laws, including without limitation, the provisions under "Limitations on Amendments" set forth in Section 10.4 of the Declaration.

(c) The following provisions of these By-laws may not be amended, without the consent in writing of Declarant or its designee so long as Declarant or its designee shall be the owner of one or more Units:

(i) Section 2.1 insofar as it provides that Declarant or its designee has the right to appoint a specific number of members of the Board under the circumstances and for the period of time specified therein;

(ii) Section 2.4(c) insofar as it provides that the Board of Managers may not exercise certain powers without Declarant's prior written consent;

(iii) Sections 2.14 and 2.15 insofar as they provide for representation of and control by Declarant or its designee on the Executive Committee or any other committee created by the Board of Managers, so long as Declarant or its designee has a right to designate members of the Board;

(iv) Section 7.5(l) insofar as it provides for Declarant to have the right to use any Unit for general, leasing and sales office purposes, and permits Declarant signage rights.

(v) Section 7.7(h) insofar as it provides that the provisions of Sections 7.7(a)-7.7(g) are inapplicable to Declarant, and accords Declarant certain specified rights regarding alteration, combination and subdivision of Units.

(vi) Section 7.8(c) insofar as it provides, among other things, for Declarant to have the right to maintain general, sales and leasing offices on the Property, to have employees, contractors and agents on the Property, to use the Common Elements in connection with sales and leasing of the Property, and to erect and maintain Signs on the exterior portions of the Building and elsewhere on the Property.

(vii) Section 7.9(b) insofar as it provides for unrestricted access to Declarant as Sponsor of the Offering Plan, to the Building for purposes of remediation of defects and completion of construction and otherwise to carry out its obligations under the Offering Plan.

(viii) Section 9.8 insofar as it provides that the provisions of Sections 9.1 and 9.2 shall not apply with respect to a sale or lease of any Unit owned by Declarant or its designee.

(ix) Article 2 with respect to Declarant's rights in connection with removal of its designated members on the Board of Managers.

(x) All provisions concerning Declarant's rights with respect to alterations, additions and improvements of Units owned by it and requiring consent by Declarant to alterations or combinations of Units or Common Elements until a final certificate of occupancy has been obtained for the Building, all rights during the Initial Control Period and all rights during the Sponsor Veto Control Period.

(xi) All provisions requiring that these By-laws may not be amended so as to adversely affect Declarant.

(xii) This Article 14.

Section 14.3. Rights of Commercial Unit Owners. Notwithstanding anything to the contrary herein contained, each Commercial Unit Owner shall have the right, without the calling of a meeting and without the vote of other Unit Owners, the Board of Managers or the holders of Unit mortgages, to execute (or to require the Board of Managers to execute), and to record in the City Register's Office, an amendment to these By-laws to reflect changes in its Commercial Unit in accordance with the provisions of Section 7.7 of these By-laws and other provisions of these By-laws, and related changes arising out of such modifications, and the consent of all Unit Owners to any such amendment shall be deemed given. All expenses in connection with the preparation, recordation and filing of such amendment shall be paid by such Commercial Unit Owner. In no event may any amendment to the Condominium Documents be made which in any way adversely impacts upon any Commercial Unit, or the rights of any Commercial Unit Owner thereunder, without the prior written consent of such Commercial Unit Owner, which consent may be withheld by such Commercial Unit Owner in its sole discretion.

Section 14.4. Rights of the Hotel Unit Owner. Notwithstanding anything to the contrary herein contained, each Hotel Unit Owner shall have the right, without the calling of a meeting and without the vote of other Unit Owners, the Board of Managers or the holders of Unit mortgages, to execute (or to require the Board of Managers to execute), and to record in the City Register's Office, an amendment to these By-laws to reflect changes in its Hotel Unit in accordance with the provisions of Section 7.7 of these By-laws and other provisions of these By-laws, and related changes arising out of such modifications, and the consent of all Unit Owners to any such amendment shall be deemed given. All expenses in connection with the preparation, recordation and filing of such amendment shall be paid by such Hotel Unit Owner. In no event may any amendment to the Condominium Documents be made which in any way adversely impacts upon the Hotel Unit, or the rights of any Hotel Unit Owner thereunder, without the prior written consent of such Hotel Unit Owner, which consent may be withheld by such Hotel Unit Owner in its sole discretion.

Section 14.5. Use of Units. Notwithstanding anything to the contrary herein contained, no provision of these By-laws or the Declaration to which they are appended relating to the use of the Units may be amended without the consent of every Unit Owner affected by such amendment.

ARTICLE 15

TERMINATION OF CONDOMINIUM

Section 15.1. Termination. The Condominium shall continue and shall not be terminated or withdrawn from the Condominium Act except in accordance with the Declaration, these By-laws, and all laws, ordinances and regulations applicable to the Property at the time termination or withdrawal is desired. In this regard, the

Condominium may be terminated following a loss due to casualty or condemnation, as described in Sections 6.4 and 10.3, respectively, of these By-laws. In addition, the Condominium may be withdrawn from the provisions of the Condominium Act by the affirmative vote of Unit Owners representing at least 80% in Common Interest of Units, as set forth in Article 11 of the Declaration, subject in any event to the rights of Eligible Holders and other Permitted Mortgagees set forth in Article 8 of these By-laws. The cited provisions of these By-laws and the Declaration must be reviewed for a complete discussion of termination of the Condominium, withdrawal from the Condominium Act and the consents necessary in connection with same.

ARTICLE 16

CONFLICTS

Section 16.1. Generally. These By-laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

9. EXHIBIT A TO BY-LAWS

INITIAL RULES AND REGULATIONS OF THE BOERUM CONDOMINIUM 265 STATE STREET BROOKLYN, NEW YORK

1. The sidewalks, entrances, passages, public halls, elevators, vestibule, corridors and stairways of the Building shall not be obstructed or used for any other purpose than ingress to and egress from the Units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or landings of the Building, nor shall any fire exit thereof be obstructed in any manner. No baby carriages, bicycles, scooters or similar vehicles shall be allowed to stand in the passages, public halls, vestibule, corridors or other public areas. Nothing shall be hung or shaken from any doors, windows, Balconies, Unit Terraces or roofs or placed upon the window sills. Subject to any specific rights of the Hotel Unit Owner and the Commercial Unit Owners with respect to Signs, no awnings, fans, or other projections shall be attached to the outside of the Building without the prior written approval of the Board of Managers.

3. Neither occupants nor their guests shall play in the entrances, lobby, passages, public halls, elevators, vestibule, corridors or stairways of the Building. Neither occupants nor their guests shall wear or use roller blades or other type of roller skate, or any skateboard or other similar wheeled recreational board, in any of the foregoing areas or in any other common area of the Building.

4. No public hall or public elevator vestibule shall be decorated or furnished by any Unit Owner in any manner.

5. Each Unit Owner shall keep Unit Owner's Unit and its appurtenant Limited Common Elements, if any, in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

6. No window guards or other window decorations shall be used in or about any Residential Unit, unless otherwise required by law, except such as shall have been approved or required by the Board of Managers, which approval shall not be unreasonably withheld or delayed.

7. No radio or television aerial or satellite dish shall be attached to or hung from a Unit or otherwise installed on the exterior of the Building except as the Board of Managers shall permit in each case, in its sole discretion. No sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the Building except such as are permitted pursuant to the Declaration, the By-laws or shall have been approved in writing by the Board of Managers, nor shall anything be projected from any window without similar approval.

8. No through the wall or in window air conditioning device shall be installed in any Residential Unit.

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

10. No Residential Unit Owner shall make or permit any disturbing noises or activity or do or permit anything to be done therein, which will interfere with the rights, comforts or convenience of other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a disc, tape player or other audio player or radio or television set or other loud speaker in such Unit Owner's Unit between 10:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall 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 or repair work or other installation involving noise (other than any such work performed by Sponsor) shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 4:00 P.M., unless such construction or repair work is necessitated by an emergency.

11. No bird, reptile or animal shall be permitted, kept or harbored in a Residential Unit unless the same in each instance shall have been expressly permitted in writing by the Board of Managers and such consent, if given, shall be revocable by the Board in its sole discretion, at any time. Notwithstanding the foregoing, a Residential Unit Owner shall be permitted to maintain (or to permit such Owner's tenant to maintain) up to two (2) domestic birds, reptiles or animals in any one Residential Unit without the prior consent of the Board. In any event, only domestic animals (e.g., no farm or exotic or wild animals), may be maintained in a Unit. In no event shall any bird, reptile or animal be permitted in any passenger elevator of the Building. Only the service elevator shall be used for the purpose of transporting birds, reptiles and animals. In no event shall any bird, reptile or animal be permitted in any public portions of the Building unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Building or on the sidewalk or street adjacent to the Building.

12. Residential refuse shall be sent by occupants of the Residential Units to the cellar level of the Building only at such times and in such manner as the Board of Managers may direct. The owners and tenants of the Commercial Units and the Hotel Unit shall be responsible for privately carting their refuse.

13. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article 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 Unit Owner.

14. No occupant of the Building shall send any employee of the Board of Managers, the Condominium or the Managing Agent out of the Building on any private business. In addition, any Condominium employee to whom any property shall be entrusted by or on behalf of a Unit Owner shall be deemed to be acting as said Unit Owner's agent with respect to such property and neither the Condominium, the Board of Managers or any of their agents, shall be liable for any damage to property of said Unit Owner or of other entrusted to employees of the Condominium nor for the loss of, or damage to, any property of the Unit Owner by theft or otherwise.

15. The agents of the Board of Managers or the Managing Agent, and any contractor or worker 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.

16. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors. All removals or the carrying in or out of any safes, freight, furniture or bulky matter of any description must take place in the manner and during the hours which the Board of Managers shall designate, and with payment to the Board of any costs it incurs in connection therewith. All work in connection with the moving of any such safe, machinery, equipment, freight, etc., must comply with the Administrative Code of the City of New York and all other laws and regulations applicable thereto. Notwithstanding any consent of the Board of

Managers to the movement of such safe, machinery, etc., the Unit Owner shall indemnify the Board of Managers for, and hold the Board harmless from, damages sustained by persons or property and for any damages paid out by the Board of Managers in settlement of any claims or judgments, as well as for all expenses and attorneys' fees incurred in connection therewith and all costs incurred in repairing any damage to the Building or appurtenances, caused by movement of any safes, freight, furniture, heavy machinery, or bulky matter of any sort into or out of the Building.

17. The Board of Managers shall retain a passkey to each Unit and any appurtenant Balcony or Unit Terrace. If any lock is altered or a new lock is installed, the Board of Managers shall be provided with a key or combination thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit entry to the Unit at any time when 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 then the Board or its agents (but, except in an emergency, only when specifically authorized by an officer of the Board) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care is given to the Unit Owner's property). Alternatively, the Managing Agent shall have the right to maintain a master passkey or card that will permit access to all Units on an emergency basis.

18. Complaints regarding the service of the Building shall be made in writing to the Board of Managers or the Managing Agent if concerning a Common Element.

19. Any consent or approval given under these Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Board of Managers at any time by resolution of the Board.

20. Unit Owners shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units.

21. No Unit Owner or any of the Unit Owner's agents, servants, employees, licensees or visitors shall at any time use or bring into or keep in the Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

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

23. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Condominium or contents thereof without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in Unit Owner's Unit or in the Common Elements which will result in the cancellation of insurance on the Property or which would be in violation of any law. No waste shall be committed in the Common Elements.

24. The Board of Managers shall have the right from time to time to relocate or reallocate any space in the Residential Area of the Building devoted to service purposes.

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

26. In the event that any Residential Unit (or any portion thereof) is used for home occupation purposes permitted by law, clients or other invitees shall not be permitted for any purpose to wait in any lobby, public hallway or vestibule, unless such lobby, hallway or vestibule is part of the Unit.

27. Unless expressly authorized by the Board of Managers in each case, at least 80% of the floor area of each Residential Unit (excepting only kitchens, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.

28. The following constitute "***Planting Rules***" applicable to Residential Units:

(i) No Residential Unit Owner shall install (or permit to be installed) any plantings on any Balcony or Unit Terrace appurtenant to such Owner's Unit without the prior written approval of the Board of Managers.

(ii) Plantings on Balconies or Unit Terraces shall be contained in boxes of wood or other material acceptable to the Board of Managers, lined with metal or other material impervious to dampness and standing on supports at least two inches from the Balcony or Unit Terrace surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Balcony and Unit Terrace floor loads are designed for small potted plants only. Plantings on Balconies or Unit Terraces may not exceed weight limits commensurate with the foregoing. The Board of Managers may promulgate specific weight limits as well.

(iii) Any damage to the Building or to the personal property of another Unit Owner or occupant of the Building caused by a Unit Owner's Balcony or Unit Terrace plantings, or improper maintenance thereof, shall be the responsibility of the Unit Owner whose plants caused the damage, to repair. If the Unit Owner fails to repair the damage, the Board of Managers may cause the damage to be repaired and shall assess the Unit Owner for all costs incurred in connection therewith.

29. Storage Bins may be used only for the storage of the personal effects of a Residential Unit resident. In no event may Storage Bins be used for the storage of (i) animals or food, (ii) flammable, combustible, explosive or other dangerous items, (iii) items which have an objectionable odor or may spoil or decay, or (iv) valuable items. A Residential Unit Owner who is a Storage Bin Licensee may install racks, shelving or other facilities within said Owner's Storage Bin, provided that such installation does not damage the structural integrity of that Storage Bin or any other Storage Bin. A Residential Unit Owner who has a license for Storage Bin generally shall have access to the Storage Bin subject to the right of the Board of Managers, in its reasonable judgment, to restrict access during certain hours for security reasons. A Storage Bin Licensee shall in no event store belongings outside of said Owner's Storage Bin.

30. No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product including, without limitation an electronic cigarette (hereinafter referred to, collectively, as a "**Smoking Apparatus**") in any common areas of the Building at any time. Smoking or otherwise burning or operating a Smoking Apparatus is permitted inside Residential Unit and on Unit Terraces and on the Amenity Terrace, provided, however, any such smoking or other burning or operation of a Smoking Apparatus does not disturb or interfere with the use and enjoyment of other Residential Units or Unit Terraces. Cigarette butts and any other debris from a Smoking Apparatus must be disposed of in the correct manner and under no circumstances shall be thrown over the side of a Unit Terrace or the Amenity Terrace.

31. The Board of Managers reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Building when, in the judgment of the Board, the Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of

the Building or the preservation of good order therein, or the operation or maintenance of the Building or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Building. Such right shall include, without limitation, the right to impose rules and regulations prohibiting smoking or burning a Smoking Apparatus in a Unit or on a Limited Common Element appurtenant thereto, from and after a specified date, and imposing a fine on a Unit Owner if a Unit Owner burns a Smoking Apparatus in a Unit or on an appurtenant Limited Common Element (even if same is permitted), and the smoke from said Smoking Apparatus enters into another Unit or Common Elements or Limited Common Elements and disturbs or interferes with the use of these areas. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Unit Owner or other occupant.

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10. PARKING LICENSE AGREEMENT

PARKING LICENSE AGREEMENT ("**License Agreement**") entered into this _____ day of _____, 201_ by the Board of Managers of The Boerum Condominium ("**Licensor**" or "**Board of Managers**"), having an address at 265 State Street, Brooklyn, New York 10012 (the "**Condominium**") and _____, having an address at 265 State Street, Brooklyn, New York 10012 ("**Licensee**").

RECITALS

WHEREAS, the Condominium was formed pursuant to Declaration of Condominium recorded in the Office of the City Register, Kings County on _____, 20__ as CRFN _____(as same may be amended from time to time collectively, the "**Declaration**"); and

WHEREAS, in accordance with the Declaration, Licensor is responsible for administration of the Common Elements, including, without limitation, the Parking Area; and

WHEREAS, Licensee owns Residential Unit _____ at the Condominium (the "**Unit**"); and

WHEREAS, Licensee desires to use the Parking Area and Licensor is agreeable to permitting such use on the terms and conditions of this License Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Term.** The term of this Agreement (the "**Term**") shall commence on the date set forth above (the "**Commencement Date**") and shall continue for a period of twelve months from the Commencement Date, at the end of which time it shall renew automatically from year to year and be extended automatically for successive 12-month increments. However, the Term, as same shall have been renewed and extended pursuant to the foregoing, shall end automatically on the earlier of (i) the date Licensee no longer owns a Residential Unit at the Condominium, (ii) the date Licensee gives Licensor written notice of termination of this License Agreement, subject to payment in full of any Parking License Fee(s) then due, or (iii) the date this License Agreement is terminated by Licensor due to Licensee's default hereunder or otherwise, as provided herein (said date, the "**Termination Date**").

2. **License Fee.** Licensee shall pay to the Board of Managers, on the first day of each month of the Term, a license fee for use of the Parking Area (the "**Parking License Fee**"). The Parking License Fee for the First Year of Condominium Operation is **$215.57** per month plus sales tax as and if applicable, and shall be billed by the Board of Managers monthly, at the same time as the Board of Managers bills Licensee for Common Charges. Each 12-month fiscal year of the Condominium occurring during the Term is referred to herein as a "**License Year**." The Board of Managers may in its discretion increase the Parking License Fee for each License Year after the First Year of Condominium Operation by an amount commensurate with the percentage increase in Common Charges for that fiscal year of the Condominium. The Parking License Fee shall be deemed a Special Assessment by the Board of Managers and Licensee's failure to pay same shall entitle the Board of Managers, without limitation, to the same rights and remedies as the Board has for failure to pay Common Charges. The Parking License Fee shall be pro-rated for any portion of the Term that is less than thirty (30) days, and all accrued and unpaid fees shall be due and payable as of the Termination Date.

3. **Grant of License; Access to and Use of Parking Area.**

(a) Subject to and in accordance with the terms and conditions of this License Agreement, the Board of Managers hereby grants to Licensee and Licensee hereby accepts from the Board of Managers, a license to use the Parking Area during the Term (the "**License**") for the parking of one registered, inspected, operable and insured motor vehicle that is a sedan or standard size vehicle, no longer than 201 inches long, 80 inches wide and with a height as permitted by the ceiling of the finished Parking Area. Each vehicle that satisfies the foregoing conditions is a "**Permitted Vehicle.**" Oversize vehicles, commercial vans and trucks generally may not be Permitted Vehicles. Each Permitted Vehicle must be owned or leased by Licensee or another permitted occupant of the Unit designated by Licensee in writing as a permitted user under this Agreement. Licensee and any party so designated by Licensee, are each a "**Permitted User.**"[1] Each Permitted User must be licensed to drive under a current drivers license during the time said Permitted User's Permitted Vehicle is being parked in the Parking Area.

(b) The Parking Area is an attended, rather than a self-park parking garage. As such, the Licensee or other Permitted User may not park the Permitted Vehicle themselves, but instead shall leave the Permitted Vehicle at the entrance to the Parking Area in a designated location to be parked by personnel designated by the Board of Managers. Likewise, when a Permitted User requires use of the Permitted Vehicle, it shall be retrieved for Permitted User through personnel designated by the Board of Managers.

(c) A Permitted User shall not (i) interfere with use of the Parking Area by any person or entity authorized by Board of Managers, (ii) permit to be parked in the Parking Area any vehicle other than the Permitted Vehicle, (iii) allow any person to use the Parking Area except in accordance with the terms of this License Agreement, or (iv) deface or damage the Parking Area. A Permitted User may not construct any installations or store anything other than the Permitted Vehicle in the Parking Area.

(d) Licensee shall provide (or shall cause Permitted User to provide, if Licensee is not the Permitted User) the Board of Managers with a set of keys for each Permitted Vehicle, which Board of Managers agrees to maintain in a secure location. Each Permitted User shall maintain a set of keys for the Permitted Vehicle itself as well. Board of Managers shall, however, have no responsibility for theft or damage that may occur to the Permitted Vehicle when parked in the Parking Area.

(e) Access to the Permitted Vehicle shall be available to Permitted User 24 hours a day, seven days a week though designated personnel.

4. **Sale or Lease of Residential Unit.**

(a) The License granted hereunder shall terminate on the date that Licensee no longer owns a Residential Unit at the Condominium. If Licensee is selling the Unit and Licensee desires to transfer and the purchaser of the Unit desires to acquire Licensee's rights under this License Agreement simultaneously with its acquisition of the Unit, and if Licensor shall have waived its right of first refusal with respect to the proposed sale of the Unit and this License Agreement and thereby "approved" the sale in accordance with the Condominium Documents, or if Licensor has exercised its right of first refusal and procured a purchaser for the Unit (in either case, said proposed purchaser is referred to herein as the "**Transferee**"), then Licensee shall assign this License Agreement to Transferee upon closing of the sale of the Unit. Licensor shall, at closing or upon prior written notice to Transferee, require that Transferee enter into a new license agreement with Licensor and pay the security deposit, if any, then required by Licensor with respect to license agreements for use of the Parking Area, and any

[1] If there is a Permitted User other than Licensee as of the Commencement Date, provide the name here: _____. If there is no Permitted User other than Licensee, insert the word "None" in the blank.

administrative fee for processing the new license agreement then required by Licensor, upon Licensee's assignment to Transferee.

(b) If Licensee desires to lease the Unit and to include the right to use the Parking Area pursuant to this License as part of said lease, and if Licensor has waived its right of first refusal in connection with the proposed lease, then Licensee may sub-license the License granted hereby to the tenant to whom the Unit is being leased. Upon execution of a sublicense of this License Agreement, Licensee shall provide a fully executed original counterpart of same to Licensor, in form and substance acceptable to Licensor, within ten (10) days of execution thereof.

(c) If Licensee desires to assign this License Agreement to another Residential Unit Owner in the Condominium, Licensee shall provide to Licensor written notice of Licensee's desire to do so, specifying the name, phone number and Residential Unit owned by the Unit Owner, and providing a copy of the proposed assignment and assumption agreement, at least thirty (30) days in advance of the intended assignment. If Licensor does not object to the proposed assignment within ten (10) business days of receipt of Licensor's notice, Licensee may proceed with the specified assignment and shall provide a fully executed original counterpart of the assignment and assumption agreement to Licensor within ten (10) days of execution thereof. Licensor reserves the right in lieu of consenting to the assignment and/or at anytime following the date such assignment takes effect, to require that the new licensee enter into a new license agreement directly with Licensor, on the same terms and conditions as if the new licensee were a Transferee as set forth in Paragraph 4(a) above.

5. **Vehicle in Parking Area Upon Expiration of Term.** If this License Agreement expires or is terminated as discussed above, Licensee shall remove the Permitted Vehicle from the Parking Area no later than the Termination Date. Licensee's obligation to observe or perform this covenant shall survive the expiration or other termination of this License Agreement. Any Permitted Vehicle or other property not removed from the Parking Area at the expiration or other termination of this License Agreement shall be considered abandoned and may, at Board of Managers' option, be retained as Board of Managers' property or removed by Board of Managers at Licensee's sole cost and expense, in either case without any liability by Board of Managers to Licensee or anyone else.

6. **Indemnity**. Licensee shall indemnify and save harmless the Board of Managers and the Board of Managers' agents and employees, against and from any and all liability, loss, damage and expense (including, without limitation, attorneys' fees and expenses) arising out of injury to person or property occasioned by the negligence of Licensee (or any Permitted User other than or in addition to Licensee), or failure of Licensee (or any Permitted User other than or in addition to Licensee) to comply with any provision in this License Agreement, or due wholly or in part to any act, default or omission of Licensee (or any Permitted User other than or in addition to Licensee). The provisions of this Paragraph 6 shall survive the expiration or other termination of this License Agreement.

7. **Risk of Loss**. Neither the Board of Managers nor its agents or employees shall be liable for any damage to or theft or other loss of the Permitted Vehicle or any property therein, unless due to the negligence of the Board of Managers. Licensee agrees that Permitted Vehicle is parked in the Parking Area at the sole risk of Licensee (or any Permitted User other than or in addition to Licensee). Board of Managers undertakes only to act as Licensor, and under no circumstances shall Board of Managers or its agents be deemed to act as a Permitted User's bailee.

8. **Services by Licensor**. Licensor shall provide access to the Permitted Vehicle 24/7 on prior notice to designated Condominium personnel. Licensor, as part of its responsibilities to maintain Common Elements shall maintain the Parking Area.

9. **Licensee's Default**. Licensee's failure to pay the Parking License Fee shall be treated in the same manner and Licensor shall have the same remedies and rights, as if Licensee failed to pay Common Charges or other assessments, including, without limitation, the right to file a lien against the Unit. In addition, if Licensee shall

default in any of its obligations or covenants under this Agreement, Licensor may (i) deny access to the Parking Area until Licensee cures such default, or (ii) terminate this License Agreement in accordance with the provisions of Paragraph 11 below.

10. **Access in Emergency.** Licensor or its agents shall have the right (but not the obligation), without liability to Licensor, to remove a vehicle from the Parking Area in an emergency in order to protect the health or safety of persons or damage to property in, on or about the Building, and at other reasonable times, to inspect and examine the same and to make such repairs, replacements and improvements as Licensor shall deem necessary or desirable, to the Parking Area or to any other portion of the Property, without any liability to Licensee or other Permitted User whatsoever as a result thereof.

11. **Termination.** In addition to any and all other rights or remedies provided in this License or which Board of Managers may have at law, in equity, or otherwise, Board of Managers will have the right, in the event that Licensee or other Permitted User fails to comply with any obligations hereunder, after 10 days written notice to Licensee of the default and Licensee's failure to remedy same within such 10-day period (or if such non-compliance cannot be remedied with such 10-day period, Licensee's failure to immediately commence within such period and diligently prosecute such cure to completion within a reasonable time after the date of said notice, but in no event later than thirty (30) days after the date of said notice), to terminate this License on the date specified by Board of Managers in such notice as if such date were the date herein fixed for the expiration of the term of this Agreement, and Licensee will immediately quit and surrender use of the Parking Area as required hereby.

12. **Notices.** Any notice (including a letter, request, consent or other communication) which either party wants to give to the other concerning items relating to this License Agreement, must be in writing and must be sent by registered or certified mail, return receipt requested, to the respective addresses shown on page one of this License Agreement. Board of Managers and Licensee can specify a different address for themselves by giving notice of it to the other. A notice shall be considered given five (5) days after the date it is mailed, except that a notice of an address change shall be considered given when it is received. Either party may, by notice as aforesaid, designate a different address (or addresses) for notices intended for it.

13. **No Waiver**. The failure of the Board of Managers to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this License Agreement shall not be deemed a waiver of such right and shall not prevent a subsequent act which would have originally constituted a violation from having all the force and effort of an original violation.

14. **Assignment**. In the event Licensee desires to assign this Agreement, such assignment shall comply with the requirements of Licensor to effectuate the assignment, as set forth above, including, without limitation, the obligation of assignee to enter into a new license agreement with Licensor and the obligation of Licensee and/or assignee to pay any fees then imposed by Licensor in connection with such assignment.

15. **Definitions**. All capitalized terms used in this License Agreement and not defined herein shall have the meanings ascribed to them in the Declaration.

16. **Successors and Assigns**. This License Agreement shall inure to the benefit of and be binding upon the heirs, executors, successors and assigns of Licensor and Licensee.

There is no further text on this page.

17. **Changes to Be in Writing.** This License Agreement may not be modified except by a writing signed by the party to be charged.

IN WITNESS WHEREOF the undersigned have executed this License Agreement as of the day and year first above written.

LICENSOR

Board of Managers of The Boerum Condominium

By:_____
Name:
Title:

LICENSEE:

_____

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11. STORAGE BIN LICENSE AGREEMENT

STORAGE BIN LICENSE AGREEMENT ("**License Agreement**") entered into this _____ day of _____, 201_ by and between the Board of Managers of The Boerum Condominium ("**Licensor**" or the "**Board of Managers**") having an address at 265 State Street, Brooklyn, New York 11201 (the "**Condominium**") and_____ _____, having an address at 265 State Street, Brooklyn, New York 11201 ("**Licensee**").

RECITALS

WHEREAS, the Condominium was formed pursuant to Declaration of Condominium recorded in the Office of the City Register, Kings County on _____, 20__ as CRFN _____(as same may be amended from time to time collectively, the "**Declaration**"); and

WHEREAS, in accordance with the Declaration, Licensor is responsible for administration of the Common Elements, including, without limitation, certain lockable storage bins (collectively the "**Storage Bins**") constructed by Sponsor at the Property; and

WHEREAS, Licensee owns Residential Unit _____ at the Condominium (the "**Unit**"); and

WHEREAS, Licensee desires to use Storage Bin No. _____ (the "**Storage Bin**") and Licensor is agreeable to permitting such use on the terms and conditions of this License Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Term.** The term of this Agreement (the "**Term**") shall commence on the date set forth above (the "**Commencement Date**") and shall continue for a period of twelve months from the Commencement Date, at the end of which time it shall renew automatically from year to year and be extended automatically for successive 12-month increments. However, the Term, as same shall have been renewed and extended pursuant to the foregoing, shall end automatically on the earlier of (i) the date Licensee no longer owns a Residential Unit at the Condominium, (ii) the date Licensee gives Licensor written notice of termination of this License Agreement (subject to payment in full of any Storage License Fee(s) then due, or (iii) the date this License Agreement is terminated by Licensor due to Licensee's default hereunder or otherwise, as provided herein (said date, the "**Termination Date**").

2. **License Fee.** Licensee shall pay to the Board of Managers, on the first day of each month of the Term, a license fee for use of the Storage Bin (the "**Storage License Fee**"). The Storage License Fee for the First Year of Condominium Operation is **$**_____ per month plus sales tax as and if applicable, and shall be billed by the Board of Managers monthly, at the same time as the Board of Managers bills Licensee for Common Charges. Each 12-month fiscal year of the Condominium occurring during the Term is referred to herein as a "**License Year**." The Board of Managers may in its discretion increase the Storage License Fee for each License Year after the First Year of Condominium Operation by an amount commensurate with the percentage increase in Common Charges for that fiscal year of the Condominium. The Storage License Fee shall be deemed a Special Assessment by the Board of Managers and Licensee's failure to pay same shall entitle the Board of Managers, without limitation, to the same rights and remedies as the Board has for failure to pay Common Charges. The Storage License Fee shall be pro-rated for any portion of the Term that is less than thirty (30) days, and all accrued and unpaid fees shall be due and payable as of the Termination Date.

3. **Grant of License; Use of Storage Bin; Access to Bin Area.**

(a) Subject to and in accordance with the terms and conditions of this License Agreement, Licensor hereby grants to Licensee, its successors and assigns, and Licensee hereby accepts from Licensor, an exclusive license to use the Storage Bin during the Term (the "**License**") for storage of Licensee's personal property and the property of permitted occupants of the Unit (collectively, the "**Permitted Users**"). The area of the Building in which the Storage Bins are located is called the "**Storage Bin Area**" and this License includes access to the Storage Bin through the Storage Bin Area.

(b) Licensee shall not store or permit anyone else to store in the Storage Bin any (i) animals or food, (ii) flammable, combustible, explosive or other dangerous items, (iii) items which have an objectionable odor or which may spoil or decay or (iv) valuable items.

(c) Licensee shall not (i) interfere with the use of Storage Bins by any person or entity authorized by Licensor including, without limitation, any Unit Owner or other resident of the Condominium, (ii) store any property outside of the Storage Bin, (iii) allow any other person to use the Storage Bin except in accordance with the terms of this License Agreement, or (iv) deface or damage the Bin Area, the Storage Bin, the Common Elements within which it is located or any equipment, appliances or other elements of the Building in which such Storage Bin is located. Notwithstanding anything to the contrary contained in this License Agreement, Licensee may install racks, shelving or other facilities within the Storage Bin, provided that such installation does not damage the structural integrity of the Storage Bin or any other Storage Bin. Licensee shall, however, at Licensor's request and at Licensee's sole expense, remove any such installation upon the expiration of the Term or earlier termination of this License Agreement.

(d) Licensee shall keep the Storage Bin locked with a lock procured by Licensee at Licensee's expense, and shall provide Licensor with a duplicate key. Licensee acknowledges that it is Licensee's responsibility to safeguard the keys and Licensee is fully responsible for whoever has possession of the keys. Licensor shall be entitled to use the duplicate key in its possession to access the Storage Bin only in the case of emergency as described below, or to make such repairs, replacements and improvements that Licensor, in its reasonable judgment, deems necessary.

(e) Licensee shall have access to the Storage Bin 24 hours a day, seven days a week, subject to the right of Licensor, in its reasonable judgment, to restrict late night access for security reasons.

4. **Sale or Lease of Unit; Assignment; Sublicense of Storage Bin License Agreement.**

(a) The License granted hereunder shall automatically terminate on the date that Licensee no longer owns a Residential Unit at the Condominium. If Licensee is selling the Unit and Licensee desires to transfer and Licensee's buyer desires to acquire Licensee's rights under this License Agreement, and Licensor shall have waived its right of first refusal with respect to the proposed sale and thereby "approved" the sale in accordance with the Condominium Documents, or if Licensor has exercised its right of first refusal and procured a purchaser for the Unit (in either case, said proposed purchaser is referred to herein as the "**Transferee**"), then Licensee shall assign this License Agreement to Transferee at time of closing upon the sale of the Unit. Licensor shall, at closing or upon prior written notice to Transferee, require that Transferee enter into a new license agreement with Licensor and pay the security deposit, if any, then required by Licensor with respect to license agreements for Storage Bins and any administrative fee for processing the new license agreement then required by Licensor.

(b) If Licensee desires to lease the Unit and to include the right to use the Storage Bin as part of said lease, and if Licensor has waived its right of first refusal (or has exercised such right) in connection with the proposed lease, then Licensee may sub-license the License granted hereby to the tenant to whom the Unit is being leased. Upon execution of a sublicense of this License Agreement, Licensee shall provide a fully

executed original counterpart of same to Licensor, in form and substance acceptable to Licensor, within ten (10) days of execution thereof.

(c) If Licensee desires to assign this License Agreement to another Residential Unit Owner in the Condominium, Licensee shall provide to Licensor written notice of Licensee's desire to do so, specifying the name, phone number and Residential Unit owned by that Unit Owner, and providing a copy of the proposed assignment and assumption agreement, at least thirty (30) days in advance of the intended assignment. If Licensor does not object to the proposed assignment within ten (10) business days of receipt of Licensor's notice, Licensee may proceed with the specified assignment and shall provide a fully executed original counterpart of the assignment and assumption agreement to Licensor within ten (10) days of execution thereof. Licensor reserves the right in lieu of consenting to the assignment and/or at anytime following the date such assignment takes effect, to require that the new licensee enter into a new license agreement directly with Licensor, on the same terms and conditions as if the new licensee were a Transferee as set forth in Paragraph 4(a) above.

5. **Property in Storage Bin Upon Expiration of Term.** If this License Agreement expires or is terminated as discussed above, Licensee shall vacate and surrender possession of the Storage Bin, broom clean, in the condition as existed on the Commencement Date. Licensee's obligation to observe or perform this covenant shall survive the expiration or other termination of this License Agreement. Any property not removed from the Storage Bin at the expiration or other termination of this License Agreement shall be considered abandoned and may, at Licensor's option, be retained as Licensor's property or disposed of at Licensee's sole cost and expense, in either case without any liability by Licensor to Licensee or anyone else.

6. **Indemnity**. Licensee shall indemnify and save harmless Licensor and Licensor's agents against and from any and all liability, loss, damage and expense (including, without limitation, attorneys' fees and expenses) arising out of injury to person or property occasioned by the negligence of Licensee (or any Permitted User other than or in addition to Licensee) or failure of Licensee (or any Permitted User other than or in addition to Licensee), to comply with any provision in this License Agreement, or due wholly or in part to any act, default or omission of the Licensee, any Permitted Users or of any other person using the Storage Bin, or by Licensor, its agents, servants or contractors when acting as agent for the Licensee. The provisions of this Paragraph 6 shall survive the expiration or other termination of, or the sub-license of, this License Agreement.

7. **Risk of Loss**. Neither Licensor nor its agents or employees shall be liable for any damage to or theft or other loss of any property stored in the Storage Bin, unless due to the negligence of Licensor. Licensee understands that Licensor intends to leave the area in which the Storage Bin is located unattended and accordingly, Licensee stores property in the Storage Bin at Licensee's own risk, including, without limitation, the possibility that the Bin Area may be damp or have water infiltration. In this regard, Licensee acknowledges that Licensor makes no representation the Bin Area will remain dry or will not experience water infiltration. Licensee has been advised by Licensor that it is prudent for Licensee to consult with an insurance advisor with respect to appropriate insurance coverage to be maintained by Licensee for items stored in the Storage Bin. Licensor undertakes only to act as a licensor, and under no circumstances shall Licensor or its agents be deemed to act as Licensee's bailee.

8. **As Is**. Licensee represents that it has made a thorough inspection of the Storage Bin and the Bin Area and agrees to take the Storage Bin in its condition "as is" as of the Commencement Date. Licensee shall, throughout the Term, take good care of the Storage Bin. Licensee shall repair all damage to (i) the Storage Bin and (ii) the Bin Area caused by the moving of property, furniture or equipment in and out of the Storage Bin and Bin Area, or otherwise.

9. **Services by Licensor**. Licensor shall not provide any services to the Storage Bin and Bin Area or to Licensee in connection with storage of property in the Storage Bin, except lighting in the Bin Area and periodic cleaning of the Bin Area. Licensee shall keep the interior of the Storage Bin clean.

10. **Licensee's Default**. Licensee's failure to pay the Storage License Fee shall be treated in the same manner and Licensor shall have the same remedies and rights, as if Licensee failed to pay Common Charges or other assessments, including, without limitation, the right to file a lien against the Unit. In addition, if Licensee shall default in any of its obligations or covenants under this Agreement, Licensor may (i) deny access to the Storage Bin until Licensee cures such default, or (ii) terminate this License Agreement in accordance with the provisions of Paragraph 13 below.

11. **Compliance with Laws.** Licensee shall, at all times, use the Storage Bin and permit the Storage Bin to be used only in a manner which is in full compliance with all present and future laws, orders, rules and regulations of all state, federal, municipal and local governments, departments, commissions and boards (including the New York Board of Fire Underwriters or any similar body) asserting jurisdiction thereover, or any direction of any public officer pursuant to law, including, without limitation, the police and fire departments of the City of New York, which may require the removal or destruction of items stored in the Storage Bin. Licensee, its servants, employees, agents, visitors and licensees shall observe faithfully and comply strictly with the Condominium Documents and any and all rules and regulations for the Condominium as Licensor, the Board of Managers (or any sub-board thereof), or any of their agents may from time to time adopt.

12. **Access in Emergency.** Licensor or its agents shall have the right (but not the obligation), without liability to Licensor, to open the Storage Bin in an emergency in order to protect the health or safety of persons or damage to property in, on or about the Building and at other reasonable times, to inspect and examine the same and to make such repairs, replacements and improvements as Licensor shall deem necessary or desirable to the Bin Area or any portion of the Building, all without any liability to Licensee or other Permitted User whatsoever as a result thereof.

13. **Termination.** In addition to any and all other rights or remedies provided in this License or which Licensor may have at law, in equity, or otherwise, Licensor will have the right, in the event that Licensee or any other Permitted User shall fail to comply with any obligations imposed upon Licensee hereunder, after 10 days written notice to Licensee of the default, and Licensee's failure to remedy the same within such 10-day period (or if such non-compliance cannot be remedied with such 10 day period, Licensee's failure to immediately commence within such period and diligently prosecute such cure to completion within a reasonable time after the date of said notice, but in no event later than thirty (30) days after the date of said notice), to terminate this License on the date specified by Licensor in such notice as if such date were the date herein fixed for the expiration of the Term, and Licensee will immediately quit and surrender the Storage Bin as required hereby.

14. **Notices.** Any notice (including a letter, request, consent or other communication) which either party wants to give to the other concerning items relating to this License Agreement, must be in writing and must be sent by registered or certified mail, return receipt requested, to the respective addresses shown on page one of this License Agreement. Licensor and Licensee can specify a different address for themselves by giving notice of it to the other. A notice shall be considered given five (5) days after the date it is mailed, except that a notice of an address change shall be considered given when it is received. Either party may, by notice as aforesaid, designate a different address (or addresses) for notices intended for it.

15. **No Waiver**. The failure of Licensor to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this License Agreement shall not be deemed a waiver of such

right and shall not prevent a subsequent act which would have originally constituted a violation from having all the force and effort of an original violation.

16. **Assignment**. In the event Licensee desires to assign this License Agreement, such assignment shall comply with the then requirements of Licensor to effectuate such assignment, including, without limitation, the obligation of the assignee to enter into a new license agreement directly with Licensor and the obligation of Licensee and/or assignee to pay any fees then imposed by Licensor in connection with the assignment..

17. **Definitions**. All capitalized terms used in this License Agreement and not defined herein shall have the meanings ascribed to them in the Declaration.

18. **Successors and Assigns**. This License Agreement shall inure to the benefit of and be binding upon the heirs, executors, successors and assigns of Licensor and Licensee.

19. **Changes to Be in Writing.** This License Agreement may not be modified except by a writing signed by the party to be charged.

IN WITNESS WHEREOF the undersigned have executed this Storage Bin License Agreement as of the day and year first above written.

LICENSOR:

Board of Managers of The Boerum Condominium

By:_____
Name:
Title:

LICENSEE:

_____

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12. CERTIFICATIONS

A. SPONSOR

B. SPONSOR'S ARCHITECT

C. SPONSOR'S BUDGET EXPERT

D. SPONSOR'S EXPERT ON ADEQUACY OF COMMERCIAL UNIT COMMON CHARGES

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ORIGINAL

71 Smith Street Property Owner, L.L.C.

CERTIFICATION BY SPONSOR AND PRINCIPALS OF SPONSOR

October 17, 2014

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

Re: The Boerum Condominium
265 State Street
Brooklyn, New York 11021

The undersigned do hereby state:

71 SMITH STREET PROPERTY OWNER, L.L.C. is the Sponsor of the Condominium Offering Plan for The Boerum Condominium, 265 State Street, Brooklyn, New York (the "**Plan**"). The undersigned are the Sponsor and the principals of Sponsor.

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 Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Plan. We have investigated the facts set forth in the Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Plan does, and that documents submitted hereafter by us which amend or supplement the Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statements made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

This certification may be signed in any number of counterparts and all counterparts when taken together shall constitute one and the same original document.

71 SMITH STREET PROPERTY OWNER, L.L.C.

By: 71 Smith Street, L.L.C., Sole Member
By: Flank 71 Smith LLC, Member

By: _____
Name: Michael Walsdorf
Title: Manager

By: _____
Name: Jonathan Kully
Title: Manager

_____
Michael Walsdorf

_____
Jonathan Kully

71 Smith Street Member, LLC, Member
By: _____
Name: Andrew Chung
Title: Vice President

Sworn to before me this
17 day of October 2014

_____
Notary Public

TURIYA MINTER
Notary Public - State of New York
No. 01MI6292173
Qualified in New York County
My Commission Expires November 4, 2017

(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 statements made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

This certification may be signed in any number of counterparts and all counterparts when taken together shall constitute one and the same original document.

71 SMITH STREET PROPERTY OWNER, L.L.C.

By: 71 Smith Street, L.L.C., Sole Member
By: Flank 71 Smith LLC, Member

By: _____
Name: Michael Walsdorf
Title: Manager

By: _____
Name: Jonathan Kully
Title: Manager

_____
Michael Walsdorf

_____
Jonathan Kully

71 Smith Street Member, LLC, Member
By: _____
Name: Andrew Chung
Title: Vice President

Sworn to before me this
16th day of October 2014

Dawn L. Requena
Notary Public

DAWN L. REQUENA
Notary Public - State of New York
No. 01RE6270218
Qualified in New York County
My Commission Expires October 15, 2016

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Goldstein, Hill & West Architects, LLP

CERTIFICATION OF ARCHITECT

September 8th, 2014

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

Re: The Boerum Condominium
265 State Street
Brooklyn, New York 11201

Ladies and Gentlemen:

The Sponsor of the Offering Plan to establish the captioned property (the "**Property**") as a condominium (the "**Offering Plan**") retained our firm to prepare a report disclosing construction and renovation of the project when completed. In accordance therewith, we prepared said report dated September 5th, 2014 (the "**Report**"). We also were retained to prepare plans and specifications for construction of the project. In accordance therewith, we prepared plans and specifications dated various dates and approved by the New York City Department of Buildings on February 18th, 2014 (the "**Plans and Specifications**"). We understand a copy of the Report is intended to be incorporated into the Offering Plan so prospective purchasers may rely on it.

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 the Report.

We have read the entire Report and investigated the facts set forth in the Report with the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the physical condition of the entire Property as it will exist upon completion of construction, provided that construction is in accordance with the Plans and Specifications;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the Property as it will exist upon completion of renovation and construction, provided that renovation and construction is in accordance with the Plans and Specifications;

(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 expectations 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 the Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

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.

GOLDSTEIN HILL AND WEST ARCHITECTS, LLP

By: _____

Name: Leo Stephen Hill

Title: Partner

[Seal]

Sworn to before me this

8th day of Sept, 2014

_____
Notary Public

SEAN DAWSON
NOTARY PUBLIC-STATE OF NEW YORK
No. 01DA6178763
Qualified in New York County
My Commission Expires December 10, 2015

FirstService
RESIDENTIAL

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET

August 6, 2014

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

Re: The Boerum Condominium
265 State Street
Brooklyn, New York 11021

Ladies and Gentlemen:

The Sponsor of the Condominium Offering Plan for the captioned property retained our firm to prepare Schedule B for the Plan, containing projections of income and expenses for the first year of condominium operation (**"Schedule B"**). Our experience in this field includes: the management of over 500 cooperatives and/or condominiums, throughout Manhattan and Brooklyn. We have been in business for over 25 years.

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 B.

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 Schedule B.

We have reviewed Schedule B and investigated the facts set forth in Schedule B and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing mixed-use buildings (i.e., buildings containing both residential and non-residential uses).

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that Schedule B:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

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www.fsresidential.com

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth, (b) with reasonable effort could have known the truth, (c) made no reasonable effort to ascertain the truth or (d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on it. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

FIRSTSERVICE RESIDENTIAL NEW YORK, INC.

By: _____
Name: Marc Kotler
Title: Senior Vice President
New Development Group

Sworn to before me this
6th day of August, 2014

_____
Notary Public

Brooke Rosenthal
Notary Public - State of New York
NO. 01RO6072178
Qualified in Nassau County
Commission Expires April 1, 2017

FirstService
RESIDENTIAL

FirstService
RESIDENTIAL

CERTIFICATION BY EXPERT ON ADEQUACY OF COMMON CHARGES PAYABLE BY COMMERCIAL UNIT OWNERS

August 6, 2014

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

Re: The Boerum Condominium
265 State Street
Brooklyn, New York 11201

Ladies and Gentlemen:

The Sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B for the offering plan, which includes projections of Common Charges payable by the owners of Commercial Units (3 Commercial Units and 1 Hotel Unit) during the anticipated first year of condominium operation ("**Schedule B**"). Our experience in this field includes: the management of over 500 cooperatives and/or condominiums, throughout Manhattan and Brooklyn. We have been in business for over 25 years.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Commercial Units listed in Schedule B.

We have reviewed Schedule B as it impacts upon the Commercial Units and investigated the facts underlying Schedule B with due diligence in order to form a basis for this certification. We have also relied on our experience in managing mixed-use buildings (i.e., both residential and non-residential uses).

We certify that the projections in Schedule B for Common Charges payable by the owners of Commercial Units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such Commercial Units for the projected first year of condominium operation, and that the allocation of Common Charges attributable to such Commercial Units also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for Common Charges payable by the owners of Commercial Units:

(i) set forth in detail the projected common charges for the Commercial Units for the first year of condominium operation;

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(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the Common Charges payable by the owners of the Commercial Units;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we; (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the Common Charges fairly attributable to the Commercial Units for the first year of condominium operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

FIRSTSERVICE RESIDENTIAL NY, INC.

By: _____
Name: Marc Kotler
Tile: Senior Vice President
New Development Group

Sworn to before me this
___ day of August, 2014

_____
Notary Public

Brooke Rosenthal
Notary Public - State of New York
NO. 01RO6072178
Qualified In Nassau County
Commission Expires April 1, 20__

FirstService
RESIDENTIAL