THIS PLAN HAS BEEN AMENDED. SEE INSIDE COVER.

CONDOMINIUM OFFERING PLAN

FOR

FACTORY HOUSE CONDOMINIUM

42-60 CRESCENT STREET
LONG ISLAND CITY, NEW YORK 11101

TOTAL AMOUNT OF OFFERING: $48,810,914.00

The Condominium will contain thirty seven (37) Residential Units and thirty three (33) Non-Residential Units, the Non-Residential Units are comprised of two (2) Commercial Units, eleven (11) Parking Units and twenty (20) Storage Units. All the Units are offered for sale under this Plan.

SPONSOR

RDG-STONECUTTER 43RD AVE OWNER LLC
c/o Rising Developers Group LLC
5-04 50th Avenue
Long Island City, New York 11101

SELLING AGENT

DOUGLAS ELLIMAN, LLC
575 Madison Avenue
New York, New York 10022

The approximate date of the first offering to the public is February 24, 2015.
This Plan May Not Be Used After February 23, 2016, Unless Extended By Amendment.

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

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNITS. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

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

TABLE OF CONTENTS

Section		Page
	SPECIAL RISKS	iv
A.	INTRODUCTION	1
	1. **General**	1
	2. **The Property**	1
	3. **Features of Condominium Ownership**	2
	4. **Offer to Sell**	3
B.	DEFINITIONS	5
C.	DESCRIPTION OF PROPERTY AND IMPROVEMENTS	11
	1. **The Property**	11
	2. **The Units**	11
	3. **Common Elements**	13
D.	LOCATION AND AREA INFORMATION	15
	1. **Location**	15
	2. **Transportation**	15
	3. **Parks, Recreation and Cultural Activities**	15
	4. **Educational Facilities**	15
	5. **Medical Facilities**	15
	6. **Religious Facilities**	16
	7. **Municipal Services**	16
	8. **Mailing Address**	16
	9. **Adjacent Properties**	16
	10. **Zoning and Use**	16
E.	SCHEDULE A OFFERING PRICES AND RELATED INFORMATION	17
F.	SCHEDULE B PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION ANTICIPATED TO BEGIN NOVEMBER 1, 2015	27
G.	SCHEDULE B-1 SCHEDULE OF PROJECTED UTILITY COSTS	39
H.	THE NON-RESIDENTIAL UNITS	42
I.	CHANGES IN PRICES AND UNITS	46
	1. **Changes in Prices**	46
	2. **Changes in Units**	46
J.	PROCEDURE TO PURCHASE	49

Page

K. INTERIM LEASES AND USE AND OCCUPANCY AGREEMENTS 58

L. EFFECTIVE DATE 59

M. TERMS OF SALE / CLOSING OF TITLE TO UNITS 61

N. CLOSING COSTS AND ADJUSTMENTS 67

1. **Title Insurance** 67
2. **Recording Fees** 68
3. **Transfer Taxes** 68
4. **Mansion Tax** 69
5. **Mortgage-Related Costs** 70
6. **Adjustments for Common Charges and Real Estate Taxes** 70
7. **Closing Counsel Fees** 72
8. **Working Capital Contribution** 72
9. **Reimbursement of Section 421-a and administrative Costs** 72
10. **Professional Fees** 73
11. **Penalties for Delay** 73
12. **Sample Closing Costs** 73

O. RIGHTS AND OBLIGATIONS OF SPONSOR 74

1. **Generally** 74
2. **Interim Leases and Use and Occupancy Agreements** 80
3. **Leasing and Use of Unsold Units** 80

P. CONTROL BY SPONSOR 81

Q. RIGHTS AND OBLIGATIONS OF UNIT OWNERS/SUMMARY OF BY-LAW PROVISIONS 83

R. BOARD OF MANAGERS/RIGHTS AND OBLIGATIONS OF RESIDENTIAL REPRESENTATIVES AND BOARD OF MANAGERS/SUMMARY OF BY-LAW PROVISIONS 90

S. TAX STATUS OF CONDOMINIUM, INCOME TAX DEDUCTIONS TO UNIT OWNERS, REAL ESTATE TAXES AND REAL ESTATE TAX BENEFITS 94

1. **Tax Status of Condominium** 94
2. **Income Tax Deductions to Residential Unit Owners** 95
3. **Real Estate Taxes** 96
4. **Real Estate Tax Benefits** 96

T. WORKING CAPITAL AND RESERVE FUND 100

1. **Working Capital Fund** 100
2. **Reserve Fund** 100

Page

U. AGREEMENTS BINDING ON THE CONDOMINIUM 101

V. IDENTITY OF PARTIES 103

W. REPORTS TO UNIT OWNERS 106

X. DOCUMENTS ON FILE 107

Y. GENERAL 108

Z. SPONSOR'S STATEMENT OF BUILDING CONDITION 109

PART II

1. ARCHITECT'S DESCRIPTION OF PROPERTY AND SPECIFICATIONS 112

2. FLOOR PLANS & LAYOUTS OF UNITS 133

3. FORM OF PURCHASE AGREEMENT 158

4. FORM OF INSPECTION STATEMENT 176

5. FORM OF POWER OF ATTORNEY 179

6. FORM OF UNIT DEED 183

7. DECLARATION OF CONDOMINIUM 193

8. CONDOMINIUM BY-LAWS 222

9. INITIAL RULES AND REGULATIONS OF FACTORY HOUSE CONDOMINIUM 282

10. REAL ESTATE TAX CONSULTANT'S OPINION (Re Eligibility For Real Estate Tax Benefits and Assessed Value) 285

11. OFFERING PLAN OPINIONS .....
A. Tax Aspects of Condominium 290
B. Compliance with Real Property Law Section 339-i 295

12. FORM OF INTERIM LEASE 296

13. CERTIFICATIONS .....
A. Sponsor 300
B. Sponsor's Architect 302
C. Sponsor's Budget Expert 304
D. Sponsor's Expert on Adequacy of Common Charges 306

[PAGE INTENTIONALLY BLANK]

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. (a) The Board of Managers will consist of five (5) members. Of these five (5) members, four (4) shall be appointed or elected by the Residential Unit Owners to serve as the Residential Representatives and one (1) shall be appointed by the Commercial Unit Owners to serve as the Non-Residential Representative. While Sponsor, its affiliate, designee or successor owns Residential Units representing at least 25% in Residential Common Interests, Sponsor, its affiliate, designee or successor may appoint a majority of the Residential Representatives of the Board of Managers. However, after the earlier of (i) conveyance of title to Residential Units representing 76% in Residential Common Interests, or, (ii) provided Sponsor has conveyed title to Residential Units representing at least 51% in Residential Common Interests, the 5th annual anniversary of the First Unit Closing, Sponsor may not appoint a majority of the Residential Representatives. Notwithstanding the foregoing, since Sponsor is not obligated to sell in excess of 15% of Units, Sponsor may maintain indefinite control of the Board. Purchasers should note that Sponsor's designee will be the sole member of the Residential Representatives until Sponsor has conveyed title to Residential Units representing at least 51% in Residential Common Interests or two years from the First Unit Closing.

(b) While Sponsor, its affiliate, designee or successor owns (i) Residential Units representing less than 25% but at least 10% in Residential Common Interests, Sponsor, its affiliate, designee or successor may appoint two (2) members of the Residential Representatives, and (ii) Residential Units representing less than 10% in Residential Common Interests but at least one Residential Unit, Sponsor shall have the right to appoint one (1) of the members of the Residential Representatives.

(c) At all annual meetings of Unit Owners, Sponsor, its affiliate, designee or successor shall have the right to vote for non-Sponsor Unit Owners nominated for election to the Board in accordance with Sponsor's ownership of Units and the number of votes attributable to such Units.

(d) The Residential Representatives shall be restricted from taking certain actions without Sponsor's prior consent for a period of time ending at the sooner of five (5) years after the First Unit Closing or the date on which the Residential Units owned by Sponsor, its affiliate, designee or successor comprise less than 25% in Residential Common Interests. Owner-occupants and non-occupant Unit Owners, including Sponsor, may have conflicting positions on how the Condominium should be managed because of their different reasons for purchasing or owning Units. See Part I, Section P of the Plan for additional information.

2. Sponsor endeavors to sell all the Residential Units in the Condominium. However, Sponsor retains the unconditional right to rent rather than sell Units. Sponsor is obligated to and will sell the minimum number of Residential Units required by the Attorney General Regulations to declare this Condominium Plan effective (a minimum of fifteen percent (15%) of units offered for sale). This plan may not result in the creation of a Condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to the Sponsor, thus, owner-occupants may never gain control and management of the Condominium. Furthermore, the By-laws of the Condominium do not include a provision that after the initial Sponsor voting control period, a majority of the Board of Managers will be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. The Sponsor, its affiliate, designee or successor may retain control and management of the Condominium indefinitely. Sponsor's control and management of the Condominium may result in inherent conflicts between owner-occupants and non-resident owners on how the Condominium should be managed because of their different reasons for purchasing a Residential Unit. See Part I, Section O of the Plan entitled "Rights and Obligations of Sponsor" for further details.

3. The Condominium will contain thirty three (33) Non-Residential Units comprised of (i) two (2) Commercial Units (NR-1A and NR-1B) that are located on the 1st floor, (ii) eleven (11) Parking Units in the parking garage located on the 1st floor, and (iii) twenty (20) Storage Units located in the cellar. The Commercial Units are initially expected to be used for retail, offices, food, or any other legally permitted use. The Parking Units are expected to be used for parking. The Storage Units are expected to be used for Storage. However, Sponsor does not warrant or guarantee that any of the Non-Residential Units will be used for the purposes stated above. The Commercial Units may be sold to a purchaser prior to the issuance of a temporary certificate of occupancy in accordance with the terms of the purchase agreement negotiated by Sponsor and any purchaser of the applicable Commercial Unit. The Owner of the Commercial Units may subdivide, combine or alter the Commercial Units, and may use the Commercial Units for any purpose permitted by law or under the Declaration and By-laws. No assurance, representation or warranty, is given that any of the owners, tenants, occupants or users of the Commercial Units will not be objectionable to Residential Unit Owners or other parties. The uses of the Commercial Units may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control. As set forth above, the Commercial Unit Owners may appoint one (1) member of the Board of Managers. Sponsor expressly reserves the right for itself or any later owner of the Commercial Units, at its sole discretion, to subdivide, combine or alter each of the Commercial Units. See Part I, Section H of the Plan entitled "The Non-Residential Units" for additional information.

4. Sponsor has applied to the City of New York for real estate tax benefits for the Property pursuant to NYS Real Property Law Section 421-a ("***Section 421-a***"). Even though Sponsor expects that Section 421-a tax benefits will be allocated to the Property, Sponsor does not represent, warrant or guaranty that the Property will in fact receive such real estate tax benefits. Sponsor anticipates that the Section 421-a benefits will take effect after Unit closings commence, but will be retroactive to the tax year during which the closings occur. The Project is located outside of the Geographic Exclusionary Area (as defined by HPD (defined herein)) and is not subject to the affordable units or substantial government assistance limits set forth by HPD and found in Section 6-02(b)(2) and 6-02(c)(10) of the rules of the City of New York, however, the Project is subject to the AV Cap (defined herein). In connection with the 421-a, Building service employees do not need to be paid at prevailing wages for the duration of the Building's Section 421- tax abatement since there are fewer than fifty (50) Residential Units in the Condominium. In accordance with the Department of Law's regulations, Sponsor intends that the Building be exempt from the obligation to register the Residential Units as rent stabilized by reason of the Building's condominium status and in the event prior to consummating this Offering Plan (as defined by the Department of Law), Sponsor enters into any lease for a Residential Unit that is not an Interim Lease (defined herein) or Occupancy Agreement (defined herein), Sponsor will abandon this Offering Plan. In the event Sponsor has not declared this Offering Plan effective (as defined by the Department of Law) within fifteen (15) months from the date of issuance of the final certificate of eligibility from HPD for the 421-a, Sponsor shall register the Residential Units as rent stabilized as the Residential Units become occupied by renters/occupants. Purchasers may obtain more information about the 421-a application process, tax benefits, and requirements associated therewith at http://www.nyc.gov/html/hpd/html/developers/421a.shtml. 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 Tax Benefits" for further information. See also the opinion of Real Estate Tax Consultant in Part II of the Plan.

5. As set forth in the Plan, Sponsor will pay Common Charges for Units it owns (once Common Charges are assessed and collected as described in the Plan), as well as assessments that may be imposed by the Board of Managers on Units 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, lease proceeds and/or reserves Sponsor maintains for these purposes. Purchasers are advised, however, that as is typical under offering plans for new construction condominium projects in New York City, no bond or other security will be posted by Sponsor to secure payment of these

obligations. See Part l, Section O of the Plan entitled "Rights and Obligations of Sponsor" for further details.

6. Purchasers are advised that under this Plan, Purchasers are obligated pursuant to the terms of the Purchase Agreement, to pay the New York City Real Property Transfer Tax (e.g. NYC-RPT) and Filing Fees (e.g. RP-5217) and the New York State Real Estate Transfer Tax (e.g. TP-584) due in connection with their purchase. Payment of these taxes customarily is a seller's obligation absent a contractual provision to the contrary. Accordingly, New York City and New York State take the position that the amount of tax paid by Purchaser is additional consideration upon which the tax must be paid. Thus the purchase price will be "grossed up" to include the amount of tax paid by Purchaser when the amount of tax due is calculated. The Purchase Agreement also provides that, in addition to other closing costs, the Purchaser of each Residential Unit pay (a) the sum of two thirds (2/3) of one percent (1%) of the sales price of their respective Unit to Sponsor for Sponsor's costs in connection with obtaining 421-a real property tax exemption benefits (irrespective of whether or not the tax benefits are obtained) as well as to address certain administrative and project costs and expenses of Sponsor; (b) a sum equal to two months Common Charges in connection with establishment of the Working Capital Fund; (c) the sum of $2,500 to Sponsor's attorneys for legal and other fees and expenses in connection with processing the sale of the Unit and (d) $275 to Sponsor's attorney for preparation of the NYC "ACRIS" Transfer Tax forms required by NYC. See Part l, Section N of the Plan entitled "Closing Costs and Adjustments" for further information.

7. The services described in the Plan have been budgeted for the first year of Condominium operation. Purchasers are advised, however, that some of the services and amenities may not be in place, until the sooner of (a) full occupancy of the Building or (b) one (1) year after the First Unit Closing. Thus, some services may not be in service or operation, when a particular Purchaser takes occupancy. See Part l, Section C of this Plan for further information.

8. In accordance with the Declaration and By-laws, and similar to the procedures followed by many condominium projects in the City of New York, at the time a Unit Owner closes title to a Unit, the Unit Owner will be required to give a power of attorney to the Board of Managers to take action on behalf of the Unit Owner in specified limited circumstances. See the Form of Power of Attorney in Part II of the Plan for a complete statement of the powers to be given to the Board.

9. Pursuant to Part l, Section J of the Plan, Sponsor may declare the Plan effective at the time Sponsor has accepted Purchase Agreements for six (6) Residential Units, which number represents fifteen percent (15%) of the Residential Units offered under the Plan. If Sponsor declares the Plan effective with said minimum number of sales, it is possible that Sponsor may be able to establish an operational condominium with fewer than the minimum number of sales, if Purchasers counted towards effectiveness ultimately do not purchase a Unit. See Part I, Section O of the Plan for further information.

10. While there are thirty seven (37) Residential Units and two (2) Commercial Units in the Property, there will only be eleven (11) Parking Units and twenty (20) Storage Units in the Property. Parking Units and Storage Units will generally be sold on a first come, first served basis except Sponsor, at Sponsor sole discretion, may reserve four (4) Parking Units and four (4) Storage Units for purchase by the purchasers of penthouse Units. A purchaser may also purchase more than one (1) Parking Unit or Storage Unit. Parking Units may be sold to persons other than purchasers of Residential Units and Commercial Units. Thus, there will not be sufficient Parking Units or Storage Units for all Residential Unit Owners and Commercial Unit Owners and there will be Unit Owners that may not be able to purchase Parking Units or Storage Units and will not be able to park their cars or store their possessions at or in the Property. See Part I, Section H of the Plan entitled "The Non-Residential Units" for additional information.

11. Parking Unit P1-2 can accommodate two (2) regular sized vehicles and spaces front to back but the vehicle closer to the lobby (on the western side of Parking Unit P1-2) shall only have access to and from the garage entrance without another vehicle in Parking Unit 1-2 blocking or impeding its access. Parking Unit P6 has been designated as a handicapped parking space and will be the last parking space to be sold unless it has been previously sold to a handicapped person. The purchase of Parking Unit P6 and any subsequent sale, transfer or hypothecation of it, is hereby subject to the following covenant and restriction which will be placed in the deed unless it is owned by a handicapped person:

"In the event a present or future owner of a Residential Unit or a member of his or her family, is or becomes handicapped and acquires New York City SPI handicap license plates for his or her vehicle, and said Unit Owner is the owner of a Parking Unit, unless the owner of the Parking Unit P6 or a member of his or her family, is handicapped or has handicap license plates for his or her vehicle, said handicapped Residential Unit Owner has the right to demand that the owner of Parking Unit P6 trade the handicapped parking space Parking Unit P6 he/she owns with said handicapped Residential Unit Owner and receive in exchange from said handicapped Residential Unit Owner the Parking Unit he/she currently owns.

In the event a present or future owner of a Residential Unit, or member of his or her family, is or becomes handicapped and said Residential Unit Owner does not own a Parking Unit, unless the owner of the Parking Unit P6 or a member of his or her family, is handicapped or has handicap license plates for his or her vehicle, said handicapped Residential Unit Owner has the right to demand that the owner of Parking Unit P6 sell it at the then current fair market value to said handicapped Residential Unit Owner.

All costs and expenses entailed in the transfer of title to the Parking Unit or Parking Units (in the event of a trade), including without limitation, title reports, title insurance, New York City and New York State transfer taxes and recording fees and reasonable attorney fees for both parties and the Condominium shall be borne by the handicapped Residential Unit Owner demanding the transfer of Parking Unit P6.

If the parties cannot agree on the fair market value of the Parking Unit P6 within forty five (45) days, then the parties agree to submit the matter to binding arbitration in accordance with Article 11 of the By-laws."

The owner of Parking Unit P6 must comply with the aforementioned demand upon thirty (30) days' written notice. Notice under this provision shall be delivered by hand delivery, certified or registered mail, return receipt requested or nationally recognized overnight delivery service. See Part I, Section C of the Plan for further details.

12. 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 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, by unendorsed personal certified or bank check drawn on a bank that is a member of the New York Clearinghouse Association, an amount derived by (a) multiplying the purchase price for the Unit by 16%, (b) dividing that product by 365, and (c) multiplying the resulting amount by the number of days the closing is delayed, beginning with the Original Scheduled Closing Date and ending with 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. See Part I, Section J of the Plan for further details.

13. Although a Purchaser is free to apply for a loan to finance the purchase of a Residential Unit, the Purchase Agreement that Purchaser shall be required to sign is not contingent upon Purchaser obtaining such financing. Accordingly, if a Purchaser applies for and is denied a loan, Purchaser shall still be obligated to close under the Purchase Agreement. If Purchaser fails to close under

the Purchase Agreement, Purchaser may forfeit the Deposit paid under the Purchase Agreement as liquidated damages. Purchasers should note that in the current real estate market, banks, and other lenders are imposing various restrictions on purchaser financing. Such restrictions include requiring that a certain percentage of residential units in a 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 where a sponsor or holder of unsold shares has not sold a substantial percentage of the residential units in the building which in some cases may be as high as 70%. Moreover, 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. Even once a building undergoes conversion, it may also be difficult for a purchaser to resell a residential unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. See Part I, Section J of the Plan entitled "Procedure to Purchase," for further information.

14. Purchasers of Residential Units are advised that the dimensions shown on the floor plans in Part II are approximate and within reasonable tolerances and are subject to change should site conditions so necessitate. No such variation will affect a Purchaser's obligations under a Purchaser Agreement or the Plan unless the net square footage area of the Unit is diminished by a material amount. Square footages of Residential Units and Commercial Units indicated on Schedule A hereto are calculated generally as follows: horizontally from the outside face of the glass and/or face or façade of the exterior walls of the Building to the midpoint of interior demising partitions (drywall or concrete masonry wall) between Units and/or to the midpoint of interior demising partitions (drywall or concrete masonry wall) separating a Unit from corridors, fire stairs, elevators or other Common Elements. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits are not deducted from measurement of a Unit. Floor area may include columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area. Any Common Element located within a Unit will not be considered a part of such Unit. Since the square footages listed on Schedule A hereto were not calculated from measurements from the interior surfaces of interior walls, square footages set forth on Schedule A will exceed the useable square footage of the Units. Purchasers should note that the square footage of Units as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan is within reasonable tolerances and may change due to field conditions and construction variances and tolerances. For a detailed description of the Unit to be conveyed, see "Description of Property, Specifications and Building Condition," "Declaration" and "Condominium Floor Plans" in Part II of the Plan."

15. Purchasers of Residential Units are advised that there are restrictions on the sale or lease of their Residential Units. The sale or lease of Residential Units by Residential Unit Owners, other than Sponsor, is subject to the Board of Managers "right of first refusal". Purchasers of Residential Units are advised that there are restrictions on the advertisement of their Residential Units prior to the closing of the Residential Unit and after the closing for so long as Sponsor owns any Residential Units, but not to exceed two (2) years from the date of the First Unit Closing. See Part Q, Section I of the Plan for further details.

16. Residential Unit Owners are advised that in the event a Residential Unit Owner enters into an agreement, written or oral ("***Resale Agreement***") to resell the Residential Unit prior to the first anniversary of the closing of the Unit by the Residential Unit Owner from Sponsor (a "***Resale***"), the Residential Unit Owner shall be obligated to pay Sponsor a portion of the proceeds of the Resale (the "***Resale Fee***"). The Residential Unit Owner will be required to send Sponsor a copy of the Resale Agreement within 10 days of agreeing to the Resale. The Resale Fee paid to Sponsor shall be equal to 50% of the difference between: (A) the sales price of the Residential Unit per the Resale Agreement less the following expenses actually paid for by the Residential Unit Owner (to the extant applicable): (i) brokerage commissions not exceeding 6% in the aggregate of the Resale Agreement sales price of the Residential Unit, and (ii) transfer taxes imposed by New York City and New York State; and (B) the

Purchase Price paid to Sponsor underneath the Purchase Agreement between the Residential Unit Owner and Sponsor. See Part I, Section Q of the Plan for further details.

17. The North wall of the Building is constructed on the boundary of the Property and the property adjacent to the Property. Accordingly, there are windows built into the north wall of the Building that are considered a "lot line window." Characterization of a window as a lot line window generally means that depending on the proximity and height of the improvements on the adjacent properties, the lot line window is required by law to be protected against fire occurring in the improvements on the adjacent lots in a manner satisfactory to the Department of Buildings. Such fire protection can include sealing the window completely, sprinklering it, using glass block instead of ordinary window glass, or using windows made of steel with wire glass. Unit PH-9B contains a lot line window. Because of its characterization as a lot line window and its proximity to existing structures, the lot line window on the northern façade of the Building in Unit PH-9B is fully sprinklered. See Part II, Description of Property and Specifications for further information.

18. The Building and Property are immediately adjacent to and on the North side of the Building face a viaduct and vehicular ramp that serves and connects to the Ed Koch Queensboro Bridge. The viaduct and/or ramp are within fifteen (15) feet from the Property. Consequently, some sound from the viaduct and/or ramp is noticeable in the vicinity of the Property. See Part II, Description of Property and Specifications for further information.

19. Purchasers are advised that under New York City law only a room labeled as a "bedroom" or "living room" on the architectural plans located in Part II of this Plan may be used for sleeping. The areas labeled "study" or "office" do not meet with requirements for sleeping accommodations. Violations may be posted against the Building, at a cost to the Unit Owner, in the event that these rooms are used as bedrooms. See Part II, Description of Property and Specifications for further information.

20. Residential Unit Owners must notify the Board of Manages and the Managing Agent in writing when a Child or Children of Ten (10) years of age or under lives or resides (even temporarily) in a Residential Unit. Each Residential Unit Owner shall install at such Residential Unit Owner's expense, the window guards required by applicable laws in all windows in the Residential Unit and shall not remove them until permitted by law in any event, without the full knowledge of the Board of Managers and Managing Agent. According to NYC HPD, Residential Unit Owners have a responsibility to ensure that window guards are properly installed. In September 2011, Local Law 57 of 2011 was signed into law which authorizes HPD to issue violations for failure to install proper window guards, and to seek penalties for noncompliance. Local Law 57 of 2011 also requires Residential Unit Owners to provide and properly install approved window guards on all windows, including first floor bathrooms and windows leading onto a balcony or terrace in an apartment where a child 10 years of age or younger resides and in each common area window, if any. See Part II, Description of Property and Specifications for further information.

21. A Commercial Unit Owner and/or its tenants shall have an easement to erect, maintain and replace one (1) or more signs on the Property permitted by law in the immediate area and vicinity of such Commercial Unit for the purpose of advertising the operation of any business conducted therein. Any such signs shall be of reasonable size, dimension, character and color and shall not be located so as to unduly disturb the aesthetics of the Building. The condenser for the HVAC unit for Unit NR-1A will be located in the exterior Common Element and behind the Building on the North side of the Property. The Owner of Unit NR-1A shall have an easement (a) underneath its HVAC condenser for the installation, placement, maintenance, repair and replacement of its HVAC condenser (b) through the Common Elements for access to its HVAC Condenser for its installation, placement, maintenance, repair and replacement. The condenser for the HVAC unit for Unit NR-1B will be located in the parking in the Building. The Owner of Unit NR-1B shall have an easement (a) underneath its HVAC condenser for the

installation, placement, maintenance, repair and replacement of its HVAC condenser (b) through the Common Elements for access to its HVAC Condenser for its installation, placement, maintenance, repair and replacement. See Part I Section Q of the Plan for further details.

22. Sponsor, its designees, successors and assigns shall have an exclusive easement to use the North wall of the Building as part of the Wall Signage Easement Area (defined in the Declaration) for the installation, placement, maintenance, service, operation, repair and replacement of one or more commercial signs. Sponsor, its designees, successors and assigns shall have the sole right to receive and retain all revenues, rents, income and profits arising from such sign(s) in such locations. Sponsor's Signage Rights (defined in the Declaration) have no expiration date and accordingly, Sponsor shall retain and may continue to exercise such rights for the installation and operation of sign(s) and the like even after such time as Sponsor may have sold all of the Units in the Building. Sponsor is retaining the Sponsor's Signage Rights for the potential commercial value of such rights. Since the limited areas constituting the Wall Signage Easement Area are for the exclusive use of Sponsor, its designees, successors and assigns and not the Condominium, Sponsor, its designees, successors and assigns and not the Condominium shall have the right to realize upon the commercial value and profits from leasing or using such areas for the installation and operation of sign(s) in such areas, which exclusive use shall not end upon Sponsor's sale of all Units in the Building. See The Condominium Declaration in Part II of the Plan for a complete statement of the easement rights granted to Sponsor, its designees, successors and assigns.

23. Purchasers should note that balconies and terraces may not be used for any type of occupancy, including, without limitation, dining, sleeping, living room, recreation room, office, storage or similar (any such usage may result in a violation against the Building being issued by the Department of Buildings). See Part I, Section Q of the Plan for further details.

24. As set forth elsewhere in this Plan, 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 November 1, 2015. If the actual date of the First Unit Closing differs by twelve (12) months or more from the projected commencement date for the first year of Condominium operation set forth in the Plan as same may be amended, Sponsor will offer Purchasers the right, for a period of at least fifteen (15) days, to rescind their Purchase Agreements and have their Deposits refunded. If the Plan is amended to provide for a later projected date of the First Unit Closing, purchasers will be entitled to an offer of rescission if the First Unit Closing occurs more than twelve (12) months beyond that amended, later date. However, if the First Unit Closing occurs before November 1, 2016 Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. See Part I, Section M of the Plan for further details.

25. This offering is exempt from the provisions of the Interstate Land Sales Full Disclosure Act ("ILSA"), which requires developers who offer condominium units or other developments with ninety nine (99) or more "lots" to provide Purchasers with a copy of a property report that has been filed with the United States Department of Housing and Urban Development. Sponsor's basis for such exemption is that the Building contains less than 100 "lots" (see 15 U.S.C. § 1702(a)(1).

26. Consistent with a first Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely form their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. Et

al, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013). See Part I, Section V of the Plan for further details.

27. Pursuant to N.Y. Real Prop. Law ("RPL") §339-m, common expenses and profits (except as to insurance) must be charged and distributed in accordance with the allocation of Common Interests, unless otherwise permitted in that statute. The RPL authorizes special allocations if the same are authorized by the By-laws and Declaration, and there are special allocations affecting the Non-Residential Units that are more particularly described in Section 3.5 of the Declaration and Section 5.1(a)(ii) of the By-laws and the Budget in Section F of this Plan. In particular, the Common Expenses budget line items from which the Non-Residential Units have not been allocated any expense or a reduced level of expense are described in the Budget in Section F of this Plan are as follows: (a) Labor has not been allocated any expense, (b) Utilities have a reduced allocation of 50% of the cost of electricity to reflect and only attribute the General Common Elements (and not include electricity associated with the Residential Common Elements), (c) Water and Sewer have a reduced allocation of 75% to reflect the usage of Residential Units to Non-Residential Units (household and residential uses such as cooking, consumption, washing and bathing) until such time as the Commercial Units are submetered (at the discretion and direction of the Board) after which time Water and Sewer will not be allocated any expense for the Non-Residential Units and the Commercial Unit Owners will pay their metered water and sewer costs to the Board, (d) Service Contracts for elevator and trash compactor and the cost or expense, if any, associated with the gym/recreational areas on the 2nd floor of the Building and any other amenity that is part of the Residential Common Elements are not included in the computation and expenses for Non-Residential Units (of which the Non-Residential Unit Owners do not benefit or share in), and (e) Management Fees have a reduced allocation of 50% of the work and contract reflecting the work associated with the General Common Elements (and not including work associated with the Residential Common Elements). The provisions of the Condominium Documents relating to the determination and modification of special allocations may not be amended without the consent of the affected Non-Residential Unit Owners. See Part I, Section F of the Plan for further details.

28. Purchasers should be advised that there will be no natural gas provided for in the Building or the Units. The Building and the Units (including, without limitation, all heating, cooling, kitchen appliances, clothes washers and dryers etc.) will be powered, run by and served with electricity. Purchasers are further advised that only ventless clothes dryers shall be used in each Residential Unit. See Part II, Description of Property and Specifications for further information.

29. Purchasers should be advised that Sponsor is under no obligation to (a) supply any exercise equipment for the gym/recreational area (Residential Common Element), the Board may, in its discretion, purchase and supply fitness equipment which may include treadmill, stairmaster, elliptical, upright bicycle, smith bench press, chin drop, and leg press for the gym/recreational room; (b) furnish, supply any toys, games or children's equipment or materials for the children's area and room (Residential Common Element), the Board may, in its discretion, purchase, furnish and supply the children's area and room; (c) furnish or supply anything for the outdoor recreational space (Residential Common Element), the Board may, in its discretion, purchase, supply and manage the outdoor recreational space; and (d) supply any of the storage equipment or bike racks (Residential Common Element), the Board may, in its discretion, purchase, supply and manage the storage equipment or bike racks. Should the Board decide to provide any of the foregoing in the future, it will be an additional expense for the budget which may cause an increase in individual common charges. See Part I, Section C of the Plan for further details.

30. Purchasers are advised that newly constructed and newly renovated buildings in New York City are 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 TCOs. Certificates of Occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that a property is

safe for occupancy, but that not all construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell a condominium unit. 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 commencing Unit closings when some or all of the Units are covered by a TCO rather than a FCO. In accordance with the below, Sponsor will use commercially reasonable efforts to extend each TCO received prior to expiration thereof and ultimately to obtain the FCO for the Building within two (2) years from the date of the First Unit Closing. However, Sponsor make no representations or guaranties that the DOB will issue the FCO within such two (2) year period. Notwithstanding the foregoing, Sponsor is obligated to obtain the FCO for the Building, and shall exercise commercially reasonable efforts to obtain the FCO within such two (2) year period while keeping the TCO current. Unit Owners and the Board of Managers shall be obligated to and must cooperate with Sponsor and refrain from obstructing Sponsor in these undertakings, in Sponsor's dealing or working with DOB, and in Sponsor's efforts in renewing TCOs and obtaining the FCO. As described in greater detail in the Plan, Sponsor will maintain sufficient funds in escrow to address the anticipated costs of obtaining the FCO. Purchasers should note that the TCO may lapse for reasons outside of Sponsor's control or responsibility. In the absence of a FCO or TCO it is unlawful to reside in or rent a Unit and it will be difficult for Unit Owners or Purchasers to obtain financing or transfer clear title and ownership to a successive purchaser.

31. Purchasers are advised that Sponsor is not providing the Board with a NDL Manufacturer's Warranty for the new roof on the Building. The absence of a NDL manufacturer's warranty may indicate (but does not mean or denote) that the roof membrane and appurtenances were not inspected by the manufacturer's inspectors for compliance with the manufacturer's specifications for installation. As such, premature deterioration and replacement of the roof membrane may result (but is not expected or foretold) and should be budgeted for in the reserve budget line item. The lack of a NDL Manufacturer's Warranty for the new roof on the Building is due to a number of business factors and not due to the lack of inspection by the manufacturer's inspectors and, thus, is not indicative or evidence of an issue with the roof membrane or premature deterioration and replacement of the roof. For further information on Sponsor's obligations relating to the installation and construction of the roof, please see Part I, Section O of the Plan entitled "Rights and Obligations of Sponsor" and Part II, Section 1 of this Plan "Description of Property and Specifications".

[PAGE INTENTIONALLY BLANK]

OFFERING PLAN

FACTORY HOUSE CONDOMINIUM

42-60 CRESCENT STREET
LONG ISLAND CITY, NEW YORK

PART I

[PAGE INTENTIONALLY BLANK]

A. INTRODUCTION

1. General

RDG-Stonecutter 43rd Ave Owner LLC ("***Sponsor***") is a Delaware limited liability company authorized to conduct business and operate in New York. Sponsor presents this Offering Plan (the "***Plan***" or "***Offering Plan***") for the sale of residential condominium units (the "***Residential Units***") and non-residential condominium units (the "***Non-Residential Units***"), the Non-Residential Units are comprised of commercial units (the "***Commercial Units***"), parking units (the "***Parking Units***"), and storage units (the "***Storage Units***") in a condominium project being developed by Sponsor as Factory House at 42-60 Crescent Street, Long Island City, New York (the "***Project***").

The purpose of this Plan is to set forth all material terms of Sponsor's offer to sell Units. 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 a Purchase Agreement or have not yet closed on their purchase and to 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 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, legal opinions as to certain tax matters discussed in the Plan, and certifications by Sponsor, its architect and its budget expert, as to the truth and accuracy of information in the Plan for which they are primarily responsible.

Prices for Units may be found on Schedule A which is contained 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.

2. The Property

The land on which the Project is being developed was acquired by Sponsor by deed dated July 23, 2013. The land on which the Project is being constructed (the "***Land***"), and the Building and all other Improvements now or hereafter located on the Land, are referred to collectively in this Plan as the "***Property***." When the Project is completed, the Property will be submitted and subject to the Condominium Act and thereafter will be known as the "***Condominium***" or the "Property." Once submitted to the Condominium Act, the Property is expected to contain thirty seven (37) Residential Units, and thirty three (33) Non-Residential Units comprised of (i) two (2) Commercial Units (NR-1A and NR-1B), (ii) eleven (11) Parking Units, and (iii) twenty (20) Storage Units. Accordingly, the Condominium is expected to contain seventy (70) Units in total. Sponsor expressly reserves the right for itself or any later owner of any of the Commercial Units to subdivide, combine or alter each of the Commercial Units, at Sponsor's or the Commercial Unit Owner's, as applicable, sole discretion. The Condominium will be in compliance with the Condominium Act upon its establishment.

The Building rises ten (10) stories from the ground. Construction of the Project was commenced in June 2014. An initial partial temporary certificate of occupancy is anticipated, but not warranted or guaranteed, to be received on or about November 1, 2015.

3. Features of Condominium Ownership

An owner of a Condominium Unit owns title to that Unit and is entitled to exclusive possession of the Unit. Each Unit 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.

The Condominium will be operated and run by a five (5) person Board of Managers. Each Residential Unit Owner will have the right to vote annually for the election of four (4) individuals to serve on the Board of Managers. These members will function as the Residential Representatives of the Board of Managers. The Residential Representatives will govern the Residential Area of the Condominium in accordance with its responsibilities under the Declaration, By-laws and Rules and Regulations of the Condominium.

The Commercial Unit Owners will have the right to designate one (1) representative to serve as the Non-Residential Representative to the Board of Managers. This member will function as the Non-Residential Representative of the Board of Managers. The Non-Residential Representative will govern the Non-Residential Area of the Condominium in accordance with its responsibilities under the Declaration, By-laws and Rules and Regulations of the Condominium.

The Board of Managers will be responsible for supervising the maintenance and operation of the General Common Elements of the Property, the Residential Areas and Non-Residential Areas, the Parking Units and Storage Units, 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 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. Residential Unit Owners are subject to certain restrictions on the advertisement of their Residential Units for so long as Sponsor owns any Residential Units, but not to exceed two (2) years from the date of the First Unit Closing.

The right of first refusal granted to the Board of Managers in the By-laws provides the Board with the opportunity to purchase a Unit on the same terms and conditions as those contained in a signed contract of sale between a selling Unit Owner and a purchaser. Thus, while there are no limits in the By-laws as to whom a Unit Owner may sell a Unit (i.e., the By-laws do not mandate sales to occupant owners or prohibit sales to non-occupant owners), the Board of Managers has the authority to exercise its right of first refusal in connection with a particular sale, for such reason as the Board in its discretion deems appropriate. If the Board were, for instance, to exercise its right of first refusal in connection with a proposed sale to a non-occupant purchaser and were the Board thereafter to sell the Unit to an Owner-occupant, the Board could thereby influence occupancy of the Building in favor of occupant Owners. However, were the Board generally to waive its right of first refusal, and should each Unit Owner sell its Unit to the party with whom the Unit Owner has contracted to sell, then the market would determine the composition of the Condominium. In such case the Condominium could, at any given time, contain a relatively even mix of occupant-Owners and non-occupant Owners, more non-occupant Owners than occupant-Owners, or more occupant-Owners than non-occupant Owners. Currently, however, the By-laws do not contain limits on the number of Unit Owners who may own for investment rather than personal occupancy and thus it is possible that at any given time in the operation of the Condominium there may be a substantial percentage of Unit Owners who do not reside in the Building. Sponsor makes

no representation as to how the Board of Managers will choose to manage the Condominium in the future, or what the occupancy or ownership of the Condominium will be at any time.

A Commercial Unit Owner and Storage Unit Owner may sell or lease a Commercial Unit or Storage Unit, as applicable, without being subject to a right of first refusal, but subject to compliance with other requirements in the By-laws. A Parking Unit Owner may sell or lease a Parking Unit to another Unit Owner without being subject to a right of first refusal, but subject to compliance with other requirements in the By-laws

A Unit Owner will be solely responsible for the maintenance and non-structural repair of Owner's Unit and any Limited Common Elements appurtenant thereto, and the Unit Owner may decorate the interior of the Unit as the Unit Owner desires. The cost of insurance for occurrences and personal property in a Unit and the Limited Common Elements appurtenant thereto, if any, shall be borne by the Owner of the particular Unit. The Board of Managers will maintain insurance covering the Common Elements of the Condominium.

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.***"

Pursuant to Section 339-i(1)(iv) of the Condominium Act, the Common Interest allocated to each Unit is based 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. Where a Residential Unit contains an appurtenant terrace, balcony and/or outdoor roof space, approximately 25% of the square foot area of the terrace, balcony and/or outdoor roof space was added to the square foot area of the Unit for the purpose of calculating Common Interest, as more fully described in the Notes to Schedule A found in Part I, Section E of this Plan.

The costs involved in maintaining and operating the General Common Elements (*i.e.*, those Common Elements serving or benefiting the Non-Residential Units and one or more Residential Units) will be shared by both the Residential Unit Owners and the Non-Residential Unit Owners. General Common Elements will include, without limitation, such items as structural columns and sidewalks adjacent to the Property. The costs of maintaining 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." Generally, General Common Expenses will be apportioned between the Residential Unit Owners and the Non-Residential Unit Owners based upon either the aggregate Common Interest attributable to the Residential Units and the Non-Residential Units, or the estimated amount by which a particular expense item benefits or is used by the Unit or the Unit Owner, provided the allocation is fairly attributable to the Unit and reasonable under the circumstances (for instance, the costs of electricity, maintenance and repairs to the Parking Units and the General Common Elements directly and exclusively serving the Parking Units shall be paid and apportioned solely between the Parking Unit Owners, and likewise the costs of electricity, maintenance and repairs to the Storage Units and the Common Elements directly and exclusively serving the Storage Units shall be paid and apportioned solely between the Storage Unit Owners all consistent with RPL §339-m), as provided in the By-laws and as set forth and explained in the proposed operating budget contained in Part I, Section F of the Plan as Schedule B.

4. Offer to Sell

The Plan, including all schedules, amendments and Exhibits A, B, C and D (the "***Exhibits***") filed with the New York State Department of Law, constitutes the entire offer of the Sponsor. Any person interested in purchasing a Unit must apply at the Sales Office for an Offering Plan which may

be obtained for a fee of $250 as more fully described in Part I, Section J of this Plan entitled "Procedure to Purchase". Copies of the Exhibits 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, 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 this Offering Plan and all exhibits thereto are also available for inspection and copying at reasonable fee at the New York State Department of Law, 120 Broadway, 23rd Floor, New York, NY 10271.

Sponsor will endeavor in good faith to sell a majority of the Residential Units at the Project. However, Sponsor has retained the unconditional right to rent rather than sell Residential Units. Sponsor is obligated to and will sell the minimum number of Residential Units required by the Attorney General Regulations to declare this Plan effective (a minimum of fifteen percent (15%) of units offered for sale). Thus, this Plan may not result in the creation of a Condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to Sponsor. Owner-occupants may never gain control and management of the Condominium. Furthermore, the By-laws of the Condominium do not include a provision that after the initial Sponsor voting control period, a majority of the Board of Managers will be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Sponsor may retain control and management of the condominium indefinitely. Sponsor's control and management of the condominium may result in inherent conflicts between owner-occupants and non-resident owners on how the Condominium should be managed because of their different reasons for purchasing a Unit.

Nothing contained herein shall prohibit Sponsor from selling, transferring or conveying Residential Units to Purchaser's who are not purchasing such Residential Units for their occupancy or that of their immediate families. If Sponsor makes a bulk sale of three (3) or more Residential Units to a party who succeeds to the rights and obligations of Sponsor under this Plan, then that successor-sponsor will succeed, without limitation, to Sponsor's right to rent Units under this Plan as described in the preceding paragraph.

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

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 more specific definitions appearing in the Declaration and By-Laws, which appear in Part II of the Plan.

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

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

"***Building***" means the portion of the Improvements containing the Units 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 New York County Office of the Register of The City of New York.

"***Commercial Area***" means the Commercial Units, the Commercial Common Elements if any, and any Limited Common Elements appurtenant to Commercial Units, if any.

"***Commercial Common Elements***" means those Common Elements, if any, located in or servicing exclusively the Commercial Area, as described in the Declaration.

"***Commercial Unit***" means the Non-Residential Unit designated as either NR-1A or NR-1B on Schedule B to the Declaration, together with the Common Interest appurtenant to such Unit, if any.

"***Commercial Units***" means Unit NR-1A and Unit NR-1B as designated on Schedule B to the Declaration, together with the Common Interest appurtenant to such Unit, if any.

"***Commercial Unit Owner***" means an Owner of either Unit NR-1A or Unit NR-1B.

"***Commercial Unit Owners***" means the Owners of Unit NR-1A and Unit NR-1B.

"***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 Charges shall be classified as General, Residential or Non-Residential as more fully described in the Declaration.

"***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, and which Common Elements shall be classified as General, Residential, Non-Residential or Limited.

"***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, which Common Expenses shall be classified as General, Residential or Non-Residential.

"***Common Interest***" (also referred to occasionally as "**percentage of interest in the Common Elements**") 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 the Declaration. The total of all Common Interest percentages appertaining to all Units equals 100%.

"***Condominium***" means the Units and Common Elements comprising the Property. The terms "Condominium" and "Property" are used interchangeably.

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

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

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

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

"***General Common Charges***" means Common Charges payable by all Unit Owners to the Board of Managers for the purpose of meeting General Common Expenses.

"***General Common Elements***" means those portions of the Property other than the Units and other types of Common Elements.

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

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

"***Institutional Lender***" means any domestic or foreign commercial 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, 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 upon which the Improvements are located, as more fully described in the Declaration.

"***Limited Common Elements***" means Common Elements that serve one or more specified Unit(s) and no other Units, and thus are restricted in use to the Owner(s) of that (those) Unit(s), (Limited Common Elements are classified as either Residential Limited Common Elements or Non-Residential Limited Common Elements, if any, as described in the Declaration).

"***Managing Agent***" means any management company or agent engaged by the Board of Managers 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 holding a mortgage of record encumbering a Unit.

"***Non-Residential Area***" means the Non-Residential Units, the Non-Residential Common Elements if any, and any Limited Common Elements appurtenant to Non-Residential Units, if any.

"***Non-Residential Common Charges***" means charges payable by the Non-Residential Unit Owners for the purpose of meeting Non-Residential Common Expenses, if any.

"***Non-Residential Common Elements***" means those Common Elements, if any, located in or servicing exclusively the Non-Residential Area, as described in the Declaration.

"***Non-Residential Common Expenses***" means all costs and expenses, if any, in connection with repair, maintenance, replacement, restoration, operation of, and alteration, addition or improvement to, the Non-Residential Common Elements. Also included as a Non-Residential Common Expense is the Non-Residential Area's pro rata share of General Common Expenses.

"***Non-Residential Limited Common Elements***" means those Limited Common Elements, if any, serving one or more specified Non-Residential Units and no other Units, and restricted in use to the Owner(s) of that (those) Unit(s), as described in the Declaration.

"***Non-Residential Representative***" or ***"Commercial Representative"*** means the individual elected (or if applicable, appointed) by the Commercial Unit Owners to serve on the Board of Managers, which individual shall have oversight and control over maintenance, operation and administration of the Commercial Area, as more fully described in the By-laws (the Non-Residential Area excluding the Commercial Area shall be overseen and controlled by the Board of Managers).

"***Non-Residential Unit***" means a Unit designated as either a Commercial Unit, a Parking Unit or a Storage Unit or as any Unit other than a Residential Unit, on Schedule B to the Declaration, together with the Common Interest appurtenant to such Unit. Two or more Non-Residential Units are referred to as "***Non-Residential Units***."

"***Non-Residential Unit Owner***" means an Owner of a Non-Residential Unit.

"***Offering Plan***" or "***Plan***" shall mean this Offering Plan for the Sale of Condominium Units at Factory House, 42-60 Crescent Street, Long Island City, New York filed by Sponsor with the Department of Law, as this Plan may be amended from time to time.

"***Offering Plan Counsel***" means the law firm of Jacobowitz Law P.C., which firm has been engaged by Sponsor for the purposes of preparing this Offering Plan and the Declaration and By-laws contained herein.

"***Parking Area***" means the Parking Units, and the Parking Units Common Elements, if any.

"Parking Unit" means a Unit designated as a Parking Unit on Schedule B to the Declaration, together with the Common Interest appurtenant to such Unit.

"***Parking Unit Owner***" means an Owner of a Parking Unit.

"***Permitted Encumbrances***" means those encumbrances to title to a Unit which a purchaser by executing a Purchase Agreement, agrees to take title subject to, as itemized in Part I, Section M of this Plan.

"***Permitted Mortgagee***" means a Mortgagee who has satisfied the criteria for a Permitted Mortgagee set forth in Article 8 of the By-laws.

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

"***Project***" means construction of the Improvements substantially in accordance with the Plans and Specifications.

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

"***Purchase Agreement***" means the contract between Sponsor and a Purchaser for the sale and purchase of a Residential Unit, , and if applicable, a Storage Unit and/or Parking Unit.

"***Purchaser***" means the party or parties identified as purchaser under a Purchase Agreement for a Residential Unit, , and if applicable, a Storage Unit and/or Parking Unit.

"***Real Estate Tax Consultant***" means Ben Rottenstein Associates Inc. who has been engaged by Sponsor in connection with an application for real estate tax benefits for the Property.

"***Residential Common Interests***" for a particular Residential Unit means the proportion between the Common Interest allocated to that Residential Unit and the aggregate common interest of all Residential Units. Said proportion is expressed as a numerical percentage. Residential Common Interests is used to determine, among other things, the Residential Common Charges to be paid by a Residential Unit Owner. The total of all Residential Common Interests equals 100%. The Residential Common Interests will be recorded as Schedule B to the Declaration.

"***Residential Area***" means the Residential Units, the Residential Common Elements and Residential Limited Common Elements appurtenant to Residential Units, if any.

"***Residential Common Charges***" means charges payable by Residential Unit Owners for the purpose of meeting Residential Common Expenses.

"***Residential Common Elements***" means those Common Elements located in and/or servicing exclusively, the Residential Area, as more fully described in Article 4 of the Declaration.

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

"***Residential General Common Charges***" means the Residential Area's pro rata share of General Common Expenses.

"***Residential Limited Common Elements***" means those Limited Common Elements serving specifically the Residential Units and no other Units, certain Residential Limited Common Elements are further restricted in use to the Owner of a specific Residential Unit (for example balconies adjacent to and connected to a Residential Unit), as more fully described in Article 4 of the Declaration.

"***Residential Representatives***" means the individuals elected by the Residential Unit Owners to serve on the Board of Managers, which individuals shall have oversight and control over maintenance, operation and administration of the Residential Area, as more fully described in the By-laws.

"***Residential Unit***" means each Unit designated as a Residential Unit on Schedule B to the Declaration, together with the Common Interest appurtenant to each such Unit. Two or more Residential Units are referred to as "***Residential Units***."

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

"***Rules and Regulations***" means the rules and regulations adopted by the Board of Managers pertaining to the use of the Condominium, as same may be 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 and/or leasing of Units.

"***Selling Agent***" means Douglas Elliman, LLC which firm has been engaged by Sponsor to sell the Residential Units under the Plan.

"***Sponsor***" means RDG-Stonecutter 43rd Ave Owner LLC and its designated successors and assigns.

"***Sponsor's Architect***" means Alfredo T. Fredericks, Registered Architect.

"***Sponsor's Closing Counsel***" means Jacobowitz Law P.C. who will represent Sponsor in connection with Unit Closings.

"***Sponsor's Signage Rights***" means Sponsor's exclusive easement to use the Wall Signage Easement Area for the installation, placement, maintenance, service, operation, repair and replacement of one or more commercial signs.

"***Storage Area***" means the Storage Units, and the Storage Units Common Elements, if any.

"***Storage Unit***" means a Unit designated as a Storage Unit on Schedule B to the Declaration, together with the Common Interest appurtenant to such Unit.

"***Storage Unit Owner***" means an Owner of a Storage Unit.

"***Tax Lot Drawings***" means the drawings of the Property, to be certified by Alfredo T. Fredericks, Registered Architect delineating the Units and the Common Elements, approved by the Real Property Assessment Department of the City of New York and filed with the recording of the Declaration, as more fully described in Article 2 of the Declaration.

"***Title Company***" means Prestige Title Agency as agent for First American Title Insurance Company of New York.

"***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, as same may be amended from time to time, together with such Unit's Common Interest. Any two or more Units are collectively referred to as "***Units***."

"***Unit Owner***" or "***Owner***" means any owner of a Unit in fee simple absolute.

"***Wall Signage Easement Area***" means the North wall of the Building that Sponsor, its successors and assigns have an exclusive easement over generally for the purposes of placement, installation, maintenance, service, operation, repair and replacement of one or more signs on the Building.

"***Working Capital Fund***" shall mean the monies collected by the Board of Managers at the closings of Residential Units and Commercial Units under the Offering Plan, equal to two months of the then applicable Common Charges attributable to the Residential Unit or Commercial Unit being purchased.

C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

1. The Property

The Property is located in Long Island City at the corner of Crescent Street and 43rd Avenue. The Property abuts an existing industrial building on the West, and is adjacent to a viaduct and vehicular ramp that serves and connects to the Ed Koch Queensboro Bridge, and has frontage along 43rd Avenue and Crescent Street.

The residential entrance to the Building will be from Crescent Street. Unit NR-1A's entrance will be from 43rd Avenue. Unit NR-1B's entrance will be from Crescent Street. Vehicular access into the parking area and the Parking Units will be from Crescent Street.

The Building contains ten (10) construction floors. The Building will be constructed in accordance with the Zoning Resolution of the City of New York and all other applicable zoning and building laws, regulations, codes and other government requirements.

Construction of the Building is anticipated to be substantially complete in November October 2015. Under Sponsor's current projection, the First Unit Closing is projected to occur on or about November 1, 2015, unless Sponsor is delayed by weather, strikes, lockouts, acts of God, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements, or any other cause over which Sponsor has no direct control. Sponsor makes no warranty or guarantee, however, as to the date of completion of the Building or the date of the First Unit Closing.

2. The Units

Sponsor is constructing thirty seven (37) residential apartments in the Building each a Residential Unit but reserves the right to change the number and configuration as construction progresses, in connection with a Purchaser's request or Sponsor's decision to combine or reconfigure Units, or otherwise. As more fully described in Part I, Section I of the Plan entitled "Changes in Prices and Units" under the subheading "Changes in Units," Sponsor will amend the Offering Plan, and if the Declaration has been recorded, will amend the Declaration as well, if and as appropriate, to reflect the foregoing changes. Sponsor's current plan is to offer the thirty seven (37) Residential Units for sale under the Offering Plan.

There are thirty seven (37) Residential Units and two (2) Commercial Units in the Property. There will only be eleven (11) Parking Units in the parking garage and twenty (20) Storage Units in the Property. The thirty seven (37) Residential Units will be located on the second through tenth floors, the two Commercial Units will be located on the first floor (Unit NR-1A will also be in the cellar floor), the Parking Units will be located on the first floor, and the Storage Units will be located on the cellar floor. Sponsor is also offering the Non-Residential Units for sale. Sponsor reserves the right to retain ownership of the Non-Residential Units in its own name or in the name of a successor, designee or affiliate.

Owners of Residential Units and Commercial Units may purchase a Parking Unit from Sponsor for use of a parking space, however, all Unit Owners will not be able to purchase a Parking Unit or be provided with use of a parking space. Parking Units may be may also be sold to persons other than residents/occupants of the Building or Unit Owners. A Unit Owner is not guaranteed a parking space or a Parking Unit. The Parking Units will be in an indoor parking garage located on the first floor of the Building. A Unit Owner is not guaranteed a parking space or a Parking Unit. Sale of Parking Units is not limited to purchasers or owners of Residential Units and Commercial Units.

The Storage Units will be in an indoor room located on the cellar floor of Building. Owners of Residential Units and Commercial Units may purchase a Storage Unit from Sponsor for use as storage, however, all Unit Owners will not be able to purchase a Storage Unit or be provided with storage outside of their Unit. A Unit Owner is not guaranteed a Storage Unit.

Parking Units and Storage Units will generally be sold on a first come, first served basis except Sponsor, at Sponsor sole discretion, may reserve four Parking Units and four Storage Units for purchase by the purchasers of penthouse Units. A purchaser may also purchase more than one (1) Parking Unit or Storage Unit. Thus, there will not be sufficient Parking Units or Storage Units for all Residential Unit Owners and Commercial Unit Owners and there will be Unit Owners that may not be able to purchase Parking Units or Storage Units and will not be able to park their cars or store their possessions at or in the Property. Parking Units may be sold to persons other than purchasers of Residential Units and Commercial Units.

Parking Unit P6 has been designated as a handicapped parking space and will be the last parking space to be sold unless it has been previously sold to a handicapped person. The purchase of Parking Unit P6 and any subsequent sale, transfer or hypothecation of it, will be subject to the following covenant and restriction which will be placed in the deed unless it is owned by a handicapped person:

"In the event a present or future owner of a Residential Unit or a member of his or her family, is or becomes handicapped and acquires New York City SPI handicap license plates for his or her vehicle, and said Unit Owner is the owner of a Parking Unit, unless the owner of the Parking Unit P6 or a member of his or her family, is handicapped or has handicap license plates for his or her vehicle, said handicapped Residential Unit Owner has the right to demand that the owner of Parking Unit P6 trade the handicapped parking space Parking Unit P6 he/she owns with said handicapped Residential Unit Owner and receive in exchange from said handicapped Residential Unit Owner the Parking Unit he/she currently own.

In the event a present or future owner of a Residential Unit, or member of his or her family, is or becomes handicapped and said Residential Unit Owner does not own a Parking Unit, unless the owner of the Parking Unit P6 or a member of his or her family, is handicapped or has handicap license plates for his or her vehicle, said handicapped Residential Unit Owner has the right to demand that the owner of Parking Unit P6 sell it at the then current fair market value to said handicapped Residential Unit Owner.

All costs and expenses entailed in the transfer of title to the Parking Unit or Parking Units (in the event of a trade), including without limitation, title reports, title insurance, New York City and New York State transfer taxes and recording fees and reasonable attorney fees for both parties and the Condominium shall be borne by the handicapped Residential Unit Owner demanding the transfer of Parking Unit P6.

If the parties cannot agree on the fair market value of the Parking Unit P6 within forty five (45) days, then the parties agree to submit the matter to binding arbitration in accordance with Article 11 of the By-laws."

The owner of Parking Unit P6 must comply with the aforementioned demand upon thirty (30) days' notice. Notice pursuant to this Section shall be delivered by hand delivery, certified or registered mail, return receipt requested or nationally recognized overnight delivery service.

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.

Any alteration work which a Residential Unit Owner desires to undertake in the Unit or the Residential Limited Common Elements appurtenant thereto subsequent to Unit Owner's acquisition of the Unit, must be performed in accordance with the procedures for alterations outlined in the By-laws.

Sponsor, its successor, affiliate and/or designee reserves the right, without prior notice or amendment to the Plan, to use any Unit owned by Sponsor as a sales, business, operation or management office, model apartment or for any other legal purpose consistent with the first class nature of the Building.

New York State Law grants to buyers of certain newly constructed housing units, in buildings of five stories or less, a Housing Merchant Implied Warranty. This statutory warranty requires the home to be free of certain defects. Since the Building is in excess of five stories; Purchasers of Units will not have the benefit of the statutory warranty, and will instead have only the rights expressly provided under this Plan. Sponsor shall not be obligated to correct, repair or replace any defects relating to construction of the Units or the Common Elements or in the installation or operation or any fixtures or appliances, except as expressly set forth in this Plan.

3. 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 Property 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. General Common Elements are expected to include for instance, and without limitation, the sidewalks and all building structural components.

The Common Elements are divided into five categories: (i) General Common Elements (consisting of all the Property except the Units, the Residential Common Elements, the Non-Residential Common Elements, if any, the Commercial Common Elements, if any, and the Limited Common Elements), (ii) Residential Common Elements (consisting of Common Elements that are located in or exclusively serving the Residential Area and/or Residential Unit Owners), (iii) Non-Residential Common Elements, if any, (consisting of Common Elements located in or serving exclusively the Non-Residential Area and/or Non-Residential Unit Owners), (iv) Commercial Common Elements, if any, (consisting of Common Elements located in or serving exclusively the Commercial Area and/or Commercial Unit Owners) and (v) Limited Common Elements (consisting of Common Elements serving only a specified Unit or Units and thus restricted in use to the Owner (or Owners) of that Unit(s)). Generally, each Residential Unit Owner has the right to use and enjoy the Residential Common Elements with all other Residential Unit Owners, and all Unit Owners have the right to use and enjoy the General Common Elements jointly with all other Unit Owners.

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 of those Units and/or other occupants of the Unit. Residential Limited Common Elements include any terrace appurtenant to a Unit, and any pavers, decking, drains, hose bibs and lighting on the terrace. Residential Common Elements are expected to include, for instance, and without limitation, the lobby, hallways, elevator and staircases. General Common Elements are expected to include, for instance, and without limitation, the open areas in the parking garage, exterior yard on the ground floor, and electric and sprinkler rooms. There are not anticipated to be any Non-Residential Limited Common Elements.

The gym/recreational room on the second (2nd) floor of the Building is a Residential Common Element and is for the use and benefit of Residential Unit Owners only (Sponsor shall be under no obligation to supply any exercise equipment, the Board may, in its discretion, purchase and supply fitness equipment which may include treadmill, stairmaster, elliptical, upright bicycle, smith bench press, chin drop, and leg press). The children's area and room on the second (2nd) floor of the Building is for

children's use and is a Residential Common Element and is for the use and benefit of Residential Unit Owners only (Sponsor shall be under no obligation to furnish, supply any toys, games or children's equipment or materials, the Board may, in its discretion, purchase, furnish and supply the children's area and room). The outdoor recreational space on the second floor of the Building (accessible from the gym and children's room) is a Residential Common Element and is for the use and benefit of Residential Unit Owners only. The bike storage room on the cellar of the Building is a Residential Common Element and is for the use and benefit of Residential Unit Owners only (Sponsor shall be under no obligation to supply any of the storage equipment or bike racks, the Board may, in its discretion, purchase, supply and manage the storage equipment or bike racks). Terraces, balconies, and backyards, if any, are a Residential Limited Common Element of the appurtenant Unit.

The Board of Managers has the right under the Condominium Documents to license portions of the Common Elements for the exclusive use of specific Unit Owners for storage purposes or to a particular Unit Owner by reason of that Owner's ownership of a particular Unit or Units, provided such license does not prevent any other Unit Owners access to any usable and otherwise accessible Residential Common Elements such as the outdoor recreational area, gym/recreational area, the bike room or the children's room/area. In the event any license does in fact prevent any other Unit Owner(s) access to any usable and otherwise accessible Residential Common Elements such as the outdoor recreational area, gym/recreational area, the bike room or the children's room/area, the Board shall first obtain the consent of such affected Unit Owner(s) prior to such license.

A detailed description of the Common Elements is contained in Article 4 of the Declaration.

The Common Elements cannot be divided or partitioned except as provided in the Condominium Act. A Unit Owner's interest in the Common Elements cannot be separated from the Unit to which it appertains.

D. LOCATION AND AREA INFORMATION

1. Location

The Building is located in New York City on 42-60 Crescent Street in Long Island City. The Building is in the Hunters Point neighborhood of Queens and is part of Queens Community district number 26. The surrounding neighborhood is comprised in large part of residential apartment buildings, commercial office buildings, industrial warehouse and manufacturing buildings and includes a number of restaurants and stores as well. The Project is not located in the 100-500 Flood Hazard area, per FEMA map number 3604970202F.

2. Transportation

Transportation is convenient and abundant. Bus service is available on 23rd Street, 44th Drive/Hunter Street, 42rd Road/Hunter Street, Jackson Ave/43rd Avenue and Jackson Ave/Queens Plaza South. Subway service is available at Queens Plaza, Queensboro Plaza, and Court Square. Proximity to the Queens-Midtown Tunnel and the Long Island Expressway (the "***LIE***") facilitate easy access out of Long Island City. Entrance and or exit ramps from the LIE are at exit 15 Van Damn Street. The LIE, heading westward, feeds into major bridges and tunnels leading to Manhattan, and heading eastward, can be used to reach Kennedy and LaGuardia Airports and Eastern Long Island.

Car services and taxi service are readily available in this area of Long Island City. In addition, public transportation provided by the New York State Metropolitan Transit Authority ("MTA") is easily accessible from the Building. The location is serviced by MTA New York City Transit's 7, E, N, Q, M, R and G lines. Bus service is presently offered by MTA bus line #103, Q39, Q67 and Q69.

3. Parks, Recreation and Cultural Activities

Hunters Point offers an array of convenience and specialty shops. In addition to a variety of neighborhood restaurants, the Building is within a short distance of the well-known Gantry Plaza State Park. Recreational kayaking is located within blocks of the complex, where kayakers can rent kayaks or partake in kayaking junkets.

PS-1 Contemporary Art Center located at 22-25 Jackson Ave, offers a wide variety of cultural and educational events, including concerts, theatrical and dance performances, cinema and lectures. Socrates Sculpture Park located at 32-01 Vernon Blvd, is an internationally renowned outdoor museum and artist residency program that also serves as a vital New York City park offering a wide variety of public services. The Noguchi Museum, located at 9-01 33rd Road, is housed in thirteen galleries within a converted factory building and encircles a garden containing major granite and basalt sculptures.

4. Educational Facilities

The Building is located in New York City School District No. 30. Nearby Public Schools include PS 150, PS 76, PS 78, PS 84, PS 111, PS 112, PS 166, and PS 235. Private Schools in the area are conveniently located. Colleges, that are located in the borough of Queens, include LaGuardia Community College, Queens College, and St Johns University. No representation is made that Unit Owners or their children will be able to attend any particular school.

5. Medical Facilities

The Building is proximate to many medical facilities, including Elmhurst Hospital Center located at 429 N. York Road.

6. **Religious Facilities**

There are houses of worship of various denominations in the vicinity of the Building.

7. **Municipal Services**

The City of New York will provide water, sanitation, police, and fire services to the Building. The Building is located within the 108th Precinct of the New York City Police Department. The 108th Precinct is located at 5-47th 50th Ave. The New York City Fire Department station closest to the Building is Engine Company No.258, located at 10-40 47th Ave.

8. **Mailing Address**

The mailing address for the Building is 42-60 Crescent Street, Long Island City, New York 11101.

9. **Adjacent Properties**

The Property abuts an existing industrial building on the West (this building is presently used for warehouse and/or manufacturing), and is also adjacent to a viaduct and vehicular ramp that serves and connects to the Ed Koch Queensboro Bridge. Other than as set otherwise set forth in this Plan, Sponsor has no knowledge and has no reason to suspect that a reasonable purchaser would find any present or proposed uses for adjacent and neighboring properties obnoxious.

10. **Zoning and Use**

The Property is in a R7-3 / M1-5 zoning district which permits residential occupancy (Use Group 2) and an accessory parking garage.

SCHEDULE A

Offering Prices and Related Information

Projected First Year Of Condonium Operation

November 1, 2015-October 31, 2016

UNIT	Description	Approx. Total Sq. Footage	Approx. Sq Footage of Terr/Balc/Out door Space	Approx. Interior Square Footage of Unit	OFFERING PRICE	Percentage of Common Interest	Percentage of Residential Common Interest	Estimated Monthly Common Charges	Estimated Annual Common Charges	Estimated Annual Real Estate Taxes with 421-a Benefits	Estimated Annual Real Estate Taxes without 421-a Benefits	Estimated Monthly Real Estate Taxes with 421-a Benefits	Estimated Monthly Real Estate Taxes without 421-a Benefits	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption	Estimated Total Monthly Carrying Charges Without 421 A Tax Exemption
		(1)	(1)	(1)	(2)	(3)	(4)	(5)	(5)	(6)	(6)	(7)	(7)	(8)	(8)
RESIDENTIAL UNITS															
2A	3-Bed	1,317	0	1,317	$1,249,833	2.64%	2.97%	$573	$6,874	$791	$10,077	$66	$840	$639	$1,413
2C	2-Bed	1,088	0	1,088	$999,872	2.18%	2.45%	$473	$5,678	$654	$8,325	$54	$694	$528	$1,167
2D	2-Bed	1,191	0	1,191	$1,094,529	2.38%	2.69%	$518	$6,216	$716	$9,113	$60	$759	$578	$1,277
3A	3-Bed	1,317	0	1,317	$1,270,905	2.64%	2.97%	$573	$6,874	$791	$10,077	$66	$840	$639	$1,413
3C	2-Bed	1,088	0	1,088	$1,017,280	2.18%	2.45%	$473	$5,678	$654	$8,325	$54	$694	$528	$1,167
3D	2-Bed	1,191	0	1,191	$1,113,585	2.38%	2.69%	$518	$6,216	$716	$9,113	$60	$759	$578	$1,277
3E	1-Bed	774	120	654	$639,570	1.37%	1.54%	$297	$3,570	$411	$5,234	$34	$436	$332	$734
3F	1-Bed	782	120	662	$647,210	1.39%	1.56%	$301	$3,612	$416	$5,295	$35	$441	$336	$742
4A	3-Bed	1,317	0	1,317	$1,290,660	2.64%	2.97%	$573	$6,874	$791	$10,077	$66	$840	$639	$1,413
4C	2-Bed	1,088	0	1,088	$1,033,600	2.18%	2.45%	$473	$5,678	$654	$8,325	$54	$694	$528	$1,167
4D	2-Bed	1,191	0	1,191	$1,131,450	2.38%	2.69%	$518	$6,216	$716	$9,113	$60	$759	$578	$1,277
4E	1-Bed	774	120	654	$649,380	1.37%	1.54%	$297	$3,570	$411	$5,234	$34	$436	$332	$734
4F	1-Bed	782	120	662	$657,140	1.39%	1.56%	$301	$3,612	$416	$5,295	$35	$441	$336	$742
5A	3-Bed	1,317	0	1,317	$1,310,415	2.64%	2.97%	$573	$6,874	$791	$10,077	$66	$840	$639	$1,413
5B	1-Bed	626	0	626	$619,740	1.25%	1.41%	$272	$3,267	$376	$4,790	$31	$399	$304	$671
5C	2-Bed	1,088	0	1,088	$1,049,920	2.18%	2.45%	$473	$5,678	$654	$8,325	$54	$694	$528	$1,167
5D	2-Bed	1,191	0	1,191	$1,149,315	2.38%	2.69%	$518	$6,216	$716	$9,113	$60	$759	$578	$1,277
5E	3-Bed	1,557	240	1,317	$1,340,415	2.76%	3.11%	$599	$7,187	$827	$10,536	$69	$878	$668	$1,477
6A	3-Bed	1,317	0	1,317	$1,330,170	2.64%	2.97%	$573	$6,874	$791	$10,077	$66	$840	$639	$1,413
6B	1-Bed	626	0	626	$629,130	1.25%	1.41%	$272	$3,267	$376	$4,790	$31	$399	$304	$671
6C	2-Bed	1,088	0	1,088	$1,066,240	2.18%	2.45%	$473	$5,678	$654	$8,325	$54	$694	$528	$1,167
6D	2-Bed	1,191	0	1,191	$1,167,180	2.38%	2.69%	$518	$6,216	$716	$9,113	$60	$759	$578	$1,277
6E	3-Bed	1,557	240	1,317	$1,360,170	2.76%	3.11%	$599	$7,187	$827	$10,536	$69	$878	$668	$1,477
7A	3-Bed	1,317	0	1,317	$1,349,925	2.64%	2.97%	$573	$6,874	$791	$10,077	$66	$840	$639	$1,413
7B	1-Bed	626	0	626	$638,520	1.25%	1.41%	$272	$3,267	$376	$4,790	$31	$399	$304	$671
7C	2-Bed	1,088	0	1,088	$1,082,560	2.18%	2.45%	$473	$5,678	$654	$8,325	$54	$694	$528	$1,167
7D	2-Bed	1,191	0	1,191	$1,185,045	2.38%	2.69%	$518	$6,216	$716	$9,113	$60	$759	$578	$1,277
7E	3-Bed	1,557	240	1,317	$1,379,925	2.76%	3.11%	$599	$7,187	$827	$10,536	$69	$878	$668	$1,477
8A	3-Bed	1,317	0	1,317	$1,369,680	2.64%	2.97%	$573	$6,874	$791	$10,077	$66	$840	$639	$1,413
8B	1-Bed	626	0	626	$647,910	1.25%	1.41%	$272	$3,267	$376	$4,790	$31	$399	$304	$671
8C	2-Bed	1,088	0	1,088	$1,098,880	2.18%	2.45%	$473	$5,678	$654	$8,325	$54	$694	$528	$1,167
8D	2-Bed	1,191	0	1,191	$1,202,910	2.38%	2.69%	$518	$6,216	$716	$9,113	$60	$759	$578	$1,277
8E	3-Bed	1,557	240	1,317	$1,399,680	2.76%	3.11%	$599	$7,187	$827	$10,536	$69	$878	$668	$1,477
PH-9A	3-Bed	2,610	1,144	1,466	$1,953,510	3.52%	3.95%	$762	$9,144	$1,056	$13,443	$88	$1,120	$850	$1,882
PH-9B	4-Bed	3,246	1,144	2,102	$2,875,600	4.80%	5.40%	$1,041	$12,486	$1,441	$18,348	$120	$1,529	$1,161	$2,570
PH-10C	3-Bed	2,798	1,332	1,466	$2,196,910	3.61%	4.06%	$782	$9,389	$1,084	$13,803	$90	$1,150	$873	$1,933
PH-10D	4-Bed	3,941	1,989	1,952	$3,079,025	4.92%	5.54%	$1,067	$12,806	$1,477	$18,817	$123	$1,568	$1,190	$2,635
subtotal		49,611	7,049	42,562	$45,277,789	88.81%	100.00%	$19,282	$231,335	$26,646	$339,371	$2,221	$28,281	$21,502	$47,563

SCHEDULE A
Offering Prices and Related Information
Projected First Year Of Condonium Operation
November 1, 2015-October 31, 2016

UNIT	Description	Approx. Total Sq. Footage	Approx. Sq Footage of Terr/Balc/Outdoor Space	Approx. Interior Square Footage of Unit	OFFERING PRICE	Percentage of Common Interest	Percentage of Residential Common Interest	Estimated Monthly Common Charges	Estimated Annual Common Charges	Estimated Annual Real Estate Taxes with 421-a Benefits	Estimated Annual Real Estate Taxes without 421-a Benefits	Estimated Monthly Real Estate Taxes with 421-a Benefits	Estimated Monthly Real Estate Taxes without 421-a Benefits	Estimated Total Monthly Carrying Charges Assuming 421-A Tax Exemption	Estimated Total Monthly Carrying Charges Without 421-A Tax Exemption
		(1)	(1)	(1)	(2)	(3)	(4)	(5)	(5)	(6)	(6)	(7)	(7)	(8)	(8)
NON-RESIDENTIAL UNITS															
Commercial Units															
NR-1A	Store w Cellar	2319	N/A	2319	$1,499,850	4.64%	N/A	$418	$5,015	$1,393	$17,744	$116	$1,479	$534	$1,897
NR-1B	Store	1007	N/A	1007	$830,775	2.02%	N/A	$181	$2,178	$605	$7,705	$50	$642	$232	$824
subtotal		3,326	N/A	3,326	$2,330,625	6.66%	N/A	$599	$7,192	$1,998	$25,449	$167	$2,121	$766	$2,720
Parking Units															
P1-2	n/a	324	N/A	324	$140,000	0.65%	N/A	$58	$693	$195	$2,479	$16	$207	$74	$264
P3	n/a	162	N/A	162	$80,000	0.32%	N/A	$29	$346	$97	$1,240	$8	$103	$37	$132
P4	n/a	162	N/A	162	$80,000	0.32%	N/A	$29	$346	$97	$1,240	$8	$103	$37	$132
P5	n/a	162	N/A	162	$80,000	0.32%	N/A	$29	$346	$97	$1,240	$8	$103	$37	$132
P6	n/a	162	N/A	162	$80,000	0.32%	N/A	$29	$346	$97	$1,240	$8	$103	$37	$132
P7	n/a	162	N/A	162	$80,000	0.32%	N/A	$29	$346	$97	$1,240	$8	$103	$37	$132
P8	n/a	162	N/A	162	$80,000	0.32%	N/A	$29	$346	$97	$1,240	$8	$103	$37	$132
P9	n/a	162	N/A	162	$80,000	0.32%	N/A	$29	$346	$97	$1,240	$8	$103	$37	$132
P10	n/a	162	N/A	162	$80,000	0.32%	N/A	$29	$346	$97	$1,240	$8	$103	$37	$132
P11	n/a	162	N/A	162	$80,000	0.32%	N/A	$29	$346	$97	$1,240	$8	$103	$37	$132
P12	n/a	162	N/A	162	$80,000	0.32%	N/A	$29	$346	$97	$1,240	$8	$103	$37	$132
subtotal		1,944	N/A	1,944	$940,000	3.85%	N/A	$346	$4,158	$1,168	$14,874	$97	$1,240	$444	$1,586
Storage Units															
S1	n/a	22	N/A	22	$15,625	0.04%	N/A	$4	$44	$13	$168	$1	$14	$5	$18
S2	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S3	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S4	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S5	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S6	n/a	27	N/A	27	$18,750	0.05%	N/A	$5	$54	$16	$207	$1	$17	$6	$22
S7	n/a	21	N/A	21	$15,625	0.04%	N/A	$4	$42	$13	$161	$1	$13	$5	$17
S8	n/a	21	N/A	21	$15,625	0.04%	N/A	$4	$42	$13	$161	$1	$13	$5	$17
S9	n/a	27	N/A	27	$18,750	0.05%	N/A	$5	$54	$16	$207	$1	$17	$6	$22
S10	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S11	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S12	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S13	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S14	n/a	22	N/A	22	$15,625	0.04%	N/A	$4	$44	$13	$168	$1	$14	$5	$18
S15	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S16	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S17	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S18	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S19	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32	$10	$122	$1	$10	$3	$13
S20	n/a	16	N/A	16	$12,500	0.03%	N/A	$3	$32.28	$10	$122	$1	$10	$3	$13
subtotal		364	N/A	364	$262,500	0.68%	N/A	$61	$734	$219	$2,785	$18	$232	$79	$293
Totals		55,245	7,049	48,196	$48,810,914	100.00%	100.00%	$20,289	$243,420	$30,031	$382,479	$2,503	$31,873	$22,791	$52,162

NOTES TO SCHEDULE A

(1) Reference should be made to the floor plans in Part II of this Plan for the layout of each type of Residential Unit. Purchasers are advised, however, that the dimensions shown on the floor plans in Part II are 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 room count in Schedule A, Sponsor counted each bedroom identified as a bedroom on the Plans and Specifications as one bedroom, and each bathroom containing a toilet, sink and shower facilities as one bathroom. If a bathroom did not contain shower facilities, it was counted as a half-bath. Only the following Residential Units: 3E, 3F, 4E, 4F, 5E, 6E, 7E, 8E, PH-9A, PH-9B, PH-10C and PH-10C have the use of exclusive appurtenant terraces, balconies and/or outdoor roof space, as applicable (which terraces, balconies and/or outdoor roof space are classified as Residential Limited Common Element). In calculating the square foot area of the Residential Unit and Commercial Unit shown on Schedule A, Sponsor measured generally as follows: horizontally from the outside face of the glass and/or face or façade of the exterior walls of the Building to the midpoint of interior demising partitions (drywall or concrete masonry wall) between Units and/or to the midpoint of interior demising partitions (drywall or concrete masonry wall) separating a Unit from corridors, fire stairs, elevators or other Common Elements. Since the square footages listed on Schedule A hereto were not calculated from measurements from the interior surfaces of interior walls, square footages set forth on Schedule A will exceed the useable square footage of the Units. Ceiling heights may vary and may impact the usable area in certain rooms of certain Units. Purchasers should note that the square footage of Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan is within reasonable tolerances and may change due to field conditions and construction variances and tolerances. No such variation will affect a Purchaser's obligations under a Purchaser Agreement or the Plan unless the net square footage area of the Unit is diminished by a material amount. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits are not deducted from measurement of a Unit. Floor area may include columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area. Any Common Element located within a Unit will not be considered a part of such Unit. Sponsor's sole obligation if the net square foot area is diminished by a material amount shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon. In calculating the square foot area of the terrace appurtenant to the Unit, as and if applicable, Sponsor measured from the outside face of parapet walls to the outside face of demising walls between Units and terraces. Storage Units are measured generally as follows: horizontally, from the exterior of one side of the structural framework enclosing the individual storage bin area to the exterior of the other side of the structural framework enclosing the individual storage bin area. Parking Units are measured generally as follows: horizontally, from the painted lines of the parking space. Each Storage Unit and Parking Unit should be physically inspected to determine its actual dimensions and location.

(2) Sponsor reserves the right to decrease the price of any Unit in Column 2 for an individual Purchaser without prior notice or amendment to the Plan. A duly filed amendment to the Plan will be required for all across the board increases or decreases to the prices of all Units. A duly filed amendment to the Plan will be required for any increase in the price of a Unit for an individual Purchaser. The offering price of a Unit is negotiable and may be changed. Thus, the prices paid by Purchasers for similar Units may be different without altering the Common Interest allocated to the Units or the common Charges with respect thereto. See "Changes in Prices and Units" in Part I, Section I of the Plan. In addition to paying the purchase price at closing, Purchasers will be obligated to pay the Transfer Taxes, Mansion Tax (if applicable), title insurance costs and

other title-related closing costs and to contribute a sum equal to two months Common Charges to the Working Capital Fund and reimburse Sponsor's cost in connection with the 421-a real estate tax abatement and certain administrative costs, and pay Sponsor's closing counsel a closing fee for preparation of the closing documents 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.

(3) 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 Where a Unit contains a terrace, balcony and/or outdoor roof space approximately 25% of the square foot area of the terrace, balcony and/or outdoor roof space has been added to the square foot area of the Unit for the purpose of calculating Common Interest. The aggregate Common Interest of all Units equals 100%.

(4) Residential Common Interests is applicable only to Residential Units. The Residential Common Interests for a particular Unit is the proportion between the Common Interest allocated to that Unit and the aggregate Common Interest of all Residential Units. Residential Common Interests is used to determine, among other things, Residential Common Charges to be paid by a Residential Unit Owner. The total of all Residential Common Interests equals 100%.

(5) The estimated Common Charges attributable to each Residential Unit represents the Unit Owner's proportionate share of the expense of operating, maintaining and repairing the Residential Area and the General Common Elements during the first year of Condominium operation. Each Residential Unit's proportionate share of these expenses attributable to the Residential Area is based on the Residential Common Interests attributable to that Unit. The estimated Common Charges attributable to the Non-Residential Units represents the Non-Residential Unit Owner's proportionate share of the expenses of operating, maintaining and repairing the General Common Elements during the first year of Condominium operation, on the basis discussed in the projected operating budget for the Condominium contained in Schedule B of this Plan. All projected costs are for the period beginning November 1, 2015 and ending October 31, 2016. 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, electricity used for lighting, operating the Package Terminal Air Conditioning ("***PTAC***") unit or appliances in the Unit, or debt service on any mortgage loan the Unit Owner obtains to finance the purchase of the Unit.

(6) Sponsor is advised by Real Estate Tax Consultant that in arriving at the assessed valuation for each Unit, the Property first will be assessed as an entirety. This overall assessment will then be apportioned among the Units, each of which will be assigned a tax lot designation upon the recording of the Declaration. The apportionment is anticipated to be based in part, with respect to Units, upon the proportion that the projected selling price for the Unit (*i.e.*, the offering price for the Unit listed in Schedule A), bears to the projected gross sellout price for all Units (*i.e.*, the aggregate offering prices listed in Schedule A) (the "***Proportionate Valuation***"), and in part, for all Units, upon extrinsic indicia of value, such as location, square footage, amenities, income producing potential and where applicable, then existing leases, if any, for the Units. The estimated real estate taxes shown on Schedule A were derived pursuant to the foregoing analysis.

As the City of New York generally assesses property once each year, and as such property assessments generally are announced in January of each year, the actual separate tax assessment by the City of New York of the individual tax lots created upon recording of the Declaration will

depend upon the date on which the Declaration is recorded. A Unit Owner will be responsible only for taxes assessed against his or her Unit, will not be responsible for the payment of taxes on any other Unit and the City of New York will not be authorized to lien a Unit Owner's Unit due to the non-payment of taxes on another Unit Owner's Unit.

As more fully discussed in Part I, Section S of the Plan under the subheading "Real Estate Tax Benefits," Sponsor anticipates, on advice of Real Estate Tax Consultant, but does not represent or warrant, that the Project will be eligible for real estate tax benefits pursuant to Section 421-a of the New York State Real Property Tax Law ("***Section 421-a***"). Sponsor intends to file any and all applications necessary to obtain real estate tax benefits under the Section 421-a Program administered by the New York City Department of Housing Preservation and Development ("***HPD***"). Sponsor does not warranty or guarantee that such benefits shall be granted.

Real Estate Tax Consultant advises Sponsor that pursuant to the laws governing the 421-a Program as presently interpreted by the New York City Real Property Assessment Bureau, each Unit in the Condominium will be subject to a base tax (i.e., the "mini-tax") in each year during the 15-year tax benefit period. This base tax or mini-tax for a Unit will be equal to the Unit's proportionate share of the Property's assessed value for the tax year before construction began, as determined by the New York City Real Property Assessment Bureau, multiplied by the tax rate in effect during each tax year of the tax benefit period. The mini-tax thus will vary directly in relation to changes in the tax rate for a given tax year. The balance of the assessed valuation of each Unit will be subject to an exemption and the amount of exemption decreases by 80% for the 11th year and is further reduced by an additional 20% for each of the succeeding years expires completely at the end of the 15-year period. Thus, at the end of the 15-year period the entire assessed value of a Unit will be subject to taxation.

HPD has established and published updated rules that govern the implementation of the 421-a statutes. These rules can be found in Chapter 6 of Title 28 of the Rules of the City of New York. The Project is located outside of the Geographic Exclusionary Area (as defined by HPD) and is not subject to the affordable units or substantial government assistance limits set forth by HPD and found in Section 6-02(b)(2) and 6-02(c)(10) of the rules of the City of New York, however, the Project is subject to the AV Cap (defined below). One of the recently updated 421-a rules is that only a portion of a Unit's billable exempt assessed value (the "***AV***") is now eligible for the 421-a tax exemption. The value of a Unit above this threshold ("***AV Cap***") is ineligible to receive benefits. Thus, for Units with an exempt AV above this AV Cap, Unit Owners will pay real estate taxes on the portion of AV above the AV Cap, but still receive tax benefits on the portion of AV below the AV Cap. The AV Cap is a limitation on the maximum benefit available to a Unit. The AV Cap limits the maximum AV upon which the exemption is calculated. Units will only receive 421-a benefits on the billable exempt assessed value below the AV Cap. Any AV above this threshold will be ineligible to receive benefits. The AV Cap was originally $65,000 (in August 17, 2008), but increases by 3%, compounded annually, on each taxable status date following August 17, 2008, the first anniversary of the effective date of the applicable New York State law. According to the Real Estate Tax Consultant the first $75,000 in assessed valuation (i.e. AV Cap) over the Property's assessed value for the tax year before construction began will be exempt during the abatement period. Purchasers may obtain more information about the 421-a application process, tax benefits, and requirements associated therewith at http://www.nyc.gov/html/hpd/html/developers/421a.shtml.

In connection with the 421-a, Building service employees do not need to be paid at prevailing wages for the duration of the Building's Section 421- tax abatement since there are fewer than fifty (50) Residential Units in the Condominium. In accordance with the Department of Law's regulations, Sponsor intends that the Building be exempt from the obligation to register the Residential Units as rent stabilized by reason of the Building's condominium status and in the

event prior to consummating this Offering Plan (as defined by the Department of Law), Sponsor enters into any lease for a Residential Unit that is not an Interim Lease (defined herein) or Occupancy Agreement (defined herein), Sponsor will abandon this Offering Plan. In the event Sponsor has not declared this Offering Plan effective (as defined by the Department of Law) within fifteen (15) months from the date of issuance of the final certificate of eligibility from HPD for the 421-a, Sponsor shall register the Residential Units as rent stabilized as the Residential Units become occupied by renters/occupants.

As set forth in greater detail below, the real estate taxes listed here for each respective Unit are based upon the estimated assessed valuation for tax year 2013/2014 (after application of the Section 421-a benefits) with respect to all Units as a group, $233,150 and a projected tax rate of $13.181 per $100 of assessed valuation. This was determined by combining the assessed values for both lots formerly known as Lot 1 and Lot 31 and now the combined lots known as Lot 1. The resulting real estate taxes for the Units as a group, $30,013 are apportioned among the respective Units on Schedule A on the basis of the respective Common Interests of the Units and then divided by twelve (12) to get a monthly real estate tax figure for each Unit. Upon separate assessment of the individual Units, the New York City tax authorities may allocate taxes among the Units in proportion to each Unit's purchase price rather that its Common Interest, and, if so, Units having the same or similar Common Interest percentage interest may pay different real estate taxes and taxes may differ from those set forth on Schedule A. The projections are not warranted or guaranteed. The real estate taxes for future years will vary in accordance with the tax rate, the Property's assessed valuation, the Property's transitional assessed valuation, and the percentage of the assessed valuation then exempt from taxation. Sponsor has not yet applied for a Final Certificate of Eligibility for real estate tax exemption under Section 421-a.

The projected total assessed valuation of the entire Property (all Units) after completion of construction of the Building (assuming construction is completed and a temporary Certificate of Occupancy for all Units in the Building or a Permanent Certificate of Occupancy will be issued for the Building by December 31, 2019) as estimated by Ben Rottenstein Associates Inc. is $2,900,000 for tax year 2015/2016 and the tax rate in effect during the applicable tax year is assumed to be $13.181 per $100 for the entire First Year of Condominium Operation (tax year 2015/2016). Ben Rottenstein Associates Inc., with an address of 147 Prince Street, Brooklyn, NY 11201, are tax benefit consultants retained by Sponsor.

In the opinion of Ben Rottenstein Associates Inc., real estate tax consultant to Sponsor (see "Real Estate Tax Opinion" in Part II of the Plan), assuming certain conditions as set forth therein are satisfied, the Units will be eligible for a partial real estate tax exemption during construction and for a period of 15 years following completion of construction, pursuant to Section 421-a. Under Section 421-a, as presently interpreted by the New York City Department of Finance and as implemented and supervised by the Department of Housing, Preservation and Development ("HPD"), the exemption applies only to the "increase" in a property's assessed valuation above the assessment in the tax year prior to commencement of construction and only up the AV Cap. The following amounts of the "increased" assessment are exempt from taxes during this fifteen (15) year period:

NYC Fiscal Tax Year	Percentage of Increased
(July 1 to June 30)	Assessment Exempt from Taxes
First through 10th tax years-	100%
11th tax year-	80%
12th tax year-	60%
13th tax year-	40%
14th tax year-	20%

The exemption expires at the end of the fifteen (15) year period, at which item the entire assessment will be subject to taxation.

In the opinion of Ben Rottenstein Associates Inc., assuming the granting of the Section 421-a exemption benefits, during the fifteen (15) year period, the Property will be subject to a "Minimum Tax" equal to (i) the Property's prior assessed valuation for the tax year before construction began, which for purposes of estimates on Schedule A, has been assumed to be the actual assessed valuation of the Property for tax year 2013/2014, that is, $227,700, multiplied by (ii) the tax rate in effect during the applicable tax year, which, for the purposes of the estimate on Schedule A is assumed to be $13.181 per $100 for the entire First Year of Condominium Operation. Please see discussion below for the effect of the practice of phasing in assessed valuation increases and decreases (transitional assessed valuation). The real estate taxes set forth on Schedule A in the column(s) setting forth projected real estate taxes with Section 421-a benefits assume that the $227,700 of assessed valuation will be apportioned among the Units in proportion to their respective Common Interests. Upon separate assessment of the Units, there can be no assurance that the New York City tax authorities will apportion the assessed valuation of the Units as a group in proportion to the aggregate Common Interest of the Units as a group. In addition, upon separate assessment of the Units, the New York City tax authorities may allocated taxes among the individual Units in proportion to each Unit's purchase price rather than its Common Interest, and, if so, Units having the same or similar Common Interest percentage interest may pay different real estate taxes and taxes may differ from those set forth on Schedule A. Once any Units are sold, the tax assessor may, effective for the ten (10) following tax years, assess the Units based upon such criteria as it may then be its practice to apply, including, without limitation, the purchase prices at which Units are sold.

Notwithstanding the foregoing, the Minimum Tax which will be paid by a Unit Owner may change for various reasons, including, without limitation, and increase in the applicable tax rate and possible increases in the assessed valuation from time to time attributable solely to the value of the Land. In addition, assessments for local improvements (if any) are not exempt from taxes.

The applicable assessed valuation for the Property for tax year before construction began referred to above might be less than the actual assessed valuation figure of $227,700 referred to above on account of the current practice of the Department of Finance to phase in increases to the actual assessed valuation over a period of five (5) years, resulting in a transitional assessed valuation lower than the actual assessed valuation. Under current practice, increases in a property's "actual" assessed valuation are to be phased in over five (5) years in equal annual increments of 20% by means of a "transitional" assessment. Any further increase in the "actual" assessed valuation during such five (5) year period resulting from a still higher market value is to be similarly phased in over an additional five (5) year period from the tax year of such further increase. In any given year, taxes are payable on the lower of either the "actual" or "transitional" assessment.

Section 421-a and the related regulations promulgated pursuant thereto by New York City provide that up to twelve (12%) percent of the aggregate floor area used for commercial, community facility and accessory use space may be eligible for exemption (floor area used for such purpose, the "Reduction Space") under Section 421-a. If the aggregate floor area of the Reduction Space exceeds twelve percent (12%) (the amount of the excess, the "Excess Space), the tax exemption is to be reduced by an amount equal to the percent of the floor area of the Building represented by the Excess Space. Accessory use space does not include accessory parking located less than twenty-three feet above the curb level.

The projections are not guaranteed. The real estate taxes for any year will vary in accordance with the tax rate, the Property's actual and transitional assessed valuation and the percentage of the assessed valuation then exempt from taxation.

The projections assume:

(i) The Property's real estate tax exemption under 421-a will be in effect starting no sooner than June 1, 2014 (the approximate date of commencement of construction) in the tax year 2013/2014;

(ii) the tax year 2012/2013 will be regarded as the tax year prior to commencement of construction for purposes of determining the Minimum Tax, at which time the actual assessed valuation for the Property was $227,700.

(iii) the tax rate for the Units for tax year 2013/2014 will be the same it was in the tax year 2012/2013, that is, $13.181 per $100 of assessed valuation;

(iv) construction on the site of the Building based on approved new building permits issued by the Department of Buildings of the City of New York was commenced prior to July 1, 2014; and

(iv) the Property's assessed valuation will be apportioned among the individual Units in accordance with their respective Common Interests.

SPECIAL NOTE: If the 421-a tax benefits are never granted, then the real estate taxes payable by the Unit Owners will be substantially higher than the Minimum Tax described herein.

Until the Units are separately assessed, the entire assessment for the Property will be paid by all Unit Owners in proportion to their Common Interests. Assuming the Section 421-a tax benefits are granted and while the Section 421-a tax benefits are in effect and the Units are separately assessed, the real taxes payable by Unit Owners will be reduced to the "Minimum Tax" described above, plus the percentage of the real estate taxes that are phased in during the eleventh through fifteenth years of the partial tax exemption under 421-a.

While the Sponsor will make all reasonable efforts to obtain Section 421-a tax exemption benefits as described in this Plan, no representation or warranty is made as to when or whether the application for Section 421-a tax exemption benefits will be approved or as to the amount of any tax exemption that may actually be received.

Sponsor shall keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, which can result in the reduction or revocation of benefits if proper documentation is not provided. Sponsor shall make all tax benefit documents available to the Condominium Board for inspection and copying for the life of the benefits and file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

On or after the filing and recording of the Condominium Declaration and the issuance of a deed for a Unit, a separate tax lot is to be or will have been created for each Unit in the Condominium. After creation of the separate tax lot for a Unit the local assessor ("assessor") apportions the assessed valuation of the Property to each of the newly created tax lots representing the Units. There can be no assurance that the assessor will apportion the assessed valuation of the Property to a tax lot representing a Unit on the basis of the percentage of Common Interest appurtenant to

the Unit. Moreover, there can be no assurance that there will not be an increase in the tax rate or the assessed valuation of a Unit of the Property as described above on or after such apportionment or for any reason. Such an increase may increase a Unit Owner's real estate taxes above the amounts estimated on Schedule A.

Once a separate tax lot is established for a Unit and apportionment of the assessed valuation of the Property to the newly created tax lot representing the Unit is officially made, a Unit Owner will not be responsible for the payment of real estate taxes assessed against another Unit (unless such real estate taxes are included in common Charges and represent real estate taxes assessed against a Unit which is owned as part of the Common Elements) nor will his Unit be subject to any lien arising out of non-payment of real estate taxes assessed against another Unit (except to the extent provided above in this sentence). However, until separate tax bills are available for each Unit, real estate taxes will be paid by the Condominium as a Common Expense. This means in effect that the real estate taxes for the Property will be apportioned to the Units based on their Common Interests and such proportionate share of the real estate taxes will be assessed against each Unit as part of the common charges. It should be noted that both the tax rate and the assessed valuation of the Property may be changed from time to time.

If real estate taxes are charged to Unit Owners as additional Common Charges for any period with respect to which the Units shall not have been separately assessed, then a Unit Owner's payment of such additional Common Charges shall be in lieu of payment by such Unit Owner to the City of real estate taxes (which otherwise might have been assessed against the Unit as a separate tax lot) for such period. As set forth in the By-laws, after the Units are separately assessed for real estate tax purposes, the Board of Managers as agent of the Unit Owners shall promptly assess any Unit Owners who have underpaid real estate taxes with respect to their Units based on the assessed valuation of such Units and shall likewise reimburse any Unit Owners for overpayment of taxes. Although the Condominium will be obligated to pay the real estate taxes for the Property until the Units are separately assessed, it is possible that purchaser's lender may, nevertheless, require that Purchaser escrow with such lender or real estate taxes for such period.

Sponsor reserves the right both (1) to prosecute any tax certiorari proceedings challenging the assessed valuation of the Property, in the tax year in which the Closing Date takes place and any preceding tax year, in its own name and/or the name of the Condominium, the Condominium Board or the Unit Owners by attorneys selected by Sponsor, and (2) to settle any such proceedings in its sole discretion and without the consent of the Condominium Board or the Unit Owners. After deducting the cost of such proceedings including, without limitation, attorney's and other experts' fees and expenses, any tax refunds obtained, (i) attributable to either any tax year ended prior to the Closing Date, shall be paid to the Sponsor, (ii) attributable to any tax year commencing after the Closing Date, may be retained by the Condominium or the appropriate Unit Owners as the case may be, or (iii) attributable to the tax year in which the Closing date occurs shall be apportioned between the Sponsor and the Condominium as of the Closing Date.

ALTHOUGH IN SPONSOR'S OPINION THE FOREGOING METHOD OF PROJECTING THE REAL ESTATE TAXES APPLICABLE TO EACH UNIT IS REASONABLE, THE FOREGOING ANALYSIS IS NOT A GUARANTY OR WARRANTY THAT SECTION 421-A TAX BENEFITS WILL BE GRANTED, 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 VALUATIONS USED IN THE PROJECTIONS WILL BE THE TAX RATE OR ASSESSED VALUATIONS ADOPTED BY THE CITY OF NEW YORK FOR THE TAX YEARS IN QUESTION.

(7) Although Sponsor anticipates that the Project will receive Section 421-a real estate tax benefits as described in Note 6 above, Sponsor has projected under this Column 7 the estimated allocable taxes that would be attributable to each Unit without the application of any real estate tax benefits in accordance with the analysis set forth in Note 6, in the event that due to unforeseen circumstances no real estate tax benefits are granted to the Property. The estimated tax amounts in this column are based on the numbers provided in Note 6 for tax assessment without the benefit of Section 421-a benefits.

(8) The estimated total carrying charges under Column 8 reflect the sum of estimated monthly Common Charges and estimated monthly real estate taxes both with and without real estate tax benefits.

F. SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION ANTICIPATED TO BEGIN NOVEMBER 1, 2015

INCOME

	RESIDENTIAL UNITS SHARE	NON - RESIDENTIAL UNITS SHARE	TOTAL
GENERAL COMMON CHARGES	$153,735.36	$12,084.64	$165,820.00
RESIDENTIAL COMMON CHARGES	$77,600.00		$77,600.00
TOTAL INCOME	(1B) $231,335.36	(1C) $12,084.64	(1A) $243,420.00

EXPENSES	RESIDENTIAL UNITS SHARE	NON - RESIDENTIAL UNITS SHARE	TOTAL
LABOR (2)	$77,600.00	$0.00	$77,600.00
HEATING AND HOT WATER (3)	$0.00	$0.00	$0.00
UTILITIES (4)	$17,936.95	$1,063.05	$19,000.00
WATER CHARGES AND SEWER RENTS (5)	$31,396.41	$903.59	$32,300.00
REPAIRS MAINTENANCE AND SUPPLIES (6)	$4,440.50	$559.50	$5,000.00
SERVICE CONTRACTS (7)	$15,854.00	$1,166.00	$17,020.00
INSURANCE (8)	$22,202.50	$2,797.50	$25,000.00
MANAGEMENT FEES (9)	$33,041.75	$1,958.25	$35,000.00
LEGAL FEES AND AUDIT FEES (10)	$4,884.55	$615.45	$5,500.00
CONTINGENCY (11)	$1,776.20	$223.80	$2,000.00
RESERVE (12)	$22,202.50	$2,797.50	$25,000.00
TOTAL EXPENSES	$231,335.36	$12,084.64	$243,420.00

FOOTNOTES TO SCHEDULE B

(1A) Total Income: **$243,420.00**

This figure represents the sum of (1) the total annual Residential Common Charges and Residential General Common Charges (defined below) to be levied by the Condominium Board against and collected from the Residential Unit Owners during the First Year of Condominium Operation (see Footnote (1B) below) and (2) the total annual General Common Charges to be levied by the Condominium Board against and collected from the Non-Residential Unit Owners during the First Year of Condominium Operation (see Footnote (1B) below). Generally, the Non-Residential Unit Owners allocable share of the General Common Expenses is 11.19% (thus, generally and except as set forth below, the Non-Residential Units share of General Common Charges of 11.19%) and the Residential Unit Owners allocable share of the General Common Expenses is 88.81% (thus, generally and except as set forth below, Residential Unit Owners share of General Common Charges of 88.81%). As permitted by RPL § 339-m expenses have been specially allocated and apportioned as set forth herein.

The estimate of the annual Common Charges to be collected by the Condominium Board during the First Year of Condominium Operation is based upon the assumption that the First Year of Condominium Operation will be the year from November 1, 2015 – October 31, 2016. The actual first year of operation may be earlier or later than estimated.

(1B) Common Charges Payable by Residential Unit Owners **$231,335.36**

This figure represents the total annual Residential Common Charges and General Common Charges to be levied by the Condominium Board against and collected from all Residential Unit Owners as a group. It is composed of (i) the aggregate of all Residential Common Charges (which are payable only by the Residential Unit Owners, to defray the Residential Common Expenses, including, without, limitation, all expenses incurred in connection with the repair, maintenance, replacement, restoration, and operation of, and any alteration, addition, or improvement to, the Residential Common Elements and Residential Limited Common Elements) and (ii) the aggregate share of the General Common Charges to be levied by the Condominium Board against and collected from the Residential Unit Owners as a group, that is, the product of the aggregate of (i) the Common Interests with respect to all Residential Units and (ii) the Total of the General Common Charges (the "***Residential General Common Charges***"). The General Common Charges will be utilized by the Condominium Board to defray the General Common Expenses, which, include, without limitation, all expenses incurred in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the General Common Elements.

Each Residential Unit Owner's share of the Common Charges payable by the Residential Unit Owners as a group (that is, the Residential Common Charges and Residential General Common Charges) is equal to, for each Residential Unit owned by such Unit Owner, the Percentage of Residential Common Interest attributable to such Unit multiplied by the sum of (1) the Residential Common Charges and (2) the Residential General Common Charges. The "***Percentage of Residential Common Interest***" of each Residential Unit, is set forth on **Schedule A** and is equal to the Common Interest attributable to such Residential Unit, divided by the aggregate of the Common Interests attributable to all the Residential Units.

THE COST OF ELECTRICITY CONSUMED IN OR FOR EACH UNIT SHALL BE PAYABLE BY THE RESPECTIVE OWNER THEREOF DIRECTLY TO THE APPLICABLE UTILITY COMPANY AND IS NOT INCLUDED IN COMMON CHARGES. The projected consumption of electricity in and for each Residential Unit, as well as the estimated cost therefore, during the First Year of Condominium Operation, all as estimated by Alayne Real Estate, Inc., are set forth on **"Schedule B-1, Budget for Individual Energy Costs"** which follows this Schedule B.

(1C) General Common Charges Payable by Non-Residential Units **$12,084.64**

This figure represents the General Common Charges to be levied by the Condominium Board against and collected from the Non-Residential Units and represents the fair and appropriate portion of the General Common Charges attributable to the Non-Residential Unit Owners (as set forth in the footnotes below). The General Common Charges will be utilized by the Condominium Board to defray the General Common Expenses, which include, without limitation, all expenses incurred in connection with repair, maintenance, replacement, restoration, and operation of, and any alteration, addition, or improvement to, the General Common Elements.

Pursuant to N.Y. Real Prop. Law ("RPL") §339-m, common expenses and profits (except as to insurance) must be charged and distributed in accordance with the allocation of Common Interests, unless otherwise permitted in that statute. The RPL authorizes special allocations if the same are authorized by the By-laws and Declaration, and there are special allocations affecting the Non-Residential Units that are more particularly described in Section 3.5 of the Declaration and Section 5.1(a)(ii) of the By-laws. Only certain expense items listed on the budget are treated as General Common Expenses and, accordingly, the Non-Residential Units will have no obligation to pay any share of the expenses set forth in the budget except as expressly set forth in the footnotes that follow. Only certain expense items listed on the budget are treated as General Common Expenses to be shared and contributed to in the proportion of percentage of Common Interests and, accordingly, the Non-Residential Units will have a reduced obligation to pay its share of the expenses set forth in the budget as expressly set forth in the footnotes that follow. For example, the obligation of the Non-Residential Unit Owners to make contributions toward the expenses set forth in the budget shall not include (A) any contributions toward Residential Common Expenses, (B) labor expenses, and (C) heat (due to separate metering of electricity and/or no gas). As further described below, the Common Expenses budget line items from which the Non-Residential Units have not been allocated any expense or a reduced level of expense are as follows: (a) any contributions toward Residential Common Expenses, (b) labor has not been allocated any expense, (c) utilities have a reduced allocation of 50% of the cost of electricity to reflect and only attribute the General Common Elements (and not include electricity associated with the Residential Common Elements), (d) Water and Sewer have a reduced allocation of 75% to reflect the usage of Residential Units to Non-Residential Units (household and residential uses such as cooking, consumption, washing and bathing) until such time as the Commercial Units are submetered (at the discretion and direction of the Board) after which time Water and Sewer will not be allocated any expense for the Non-Residential Units and the Commercial Unit Owners will pay their metered water and sewer costs to the Board, (e) Service Contracts for elevator and trash compactor and the cost or expense, if any, associated with the gym/recreational areas on the 2nd floor of the Building and any other amenity that is part of the Residential Common Elements are not included in the computation and expenses for Non-Residential Units (of which the Non-Residential Unit Owners do not benefit or share in), and (f) Management Fees have a reduced allocation of 50% of the work and contract reflecting the work associated with the General Common Elements (and not including work associated with the Residential Common Elements). The provisions of the Condominium Documents relating to the determination and modification of special allocations may not be amended without the consent of the affected Non-Residential Unit Owners.

(2) **Labor** **$77,600**
(Residential Unit Owners: ($77,600)
(Non-Residential Unit Owners: ($0)

The projected labor expense is based on the projected staff of one (1) part time superintendent and one (1) full time doorman includes estimates of the wages, payroll taxes, insurance and any other benefits payable with respect to such staff. The weekly salary of $600 for the superintendent was estimated as a result of consulting a local super with a description of the part-time duties entailed. The weekly salary of $12.00 per hour for the doorman was estimated by consulting a local doorman This

estimate is based upon the assumption that a superintendents apartment will not be built and used by the employee free of charge as part of his or her salary.

The budget item is based on a 52-week year, yielding total gross wages of approximately [$77,600 ($1,280 x 52 = $66,560 + $10,992 = $77,552), to account for vacation, plus the cost of benefits as set forth below].

The projected staff will be non-union employees and the projected wages meet current minimum wages laws. The level of staffing complies with all current applicable labor laws.

Category of Employee (and Number of such Employees)	Projected Base Weekly Wages for the Period Covered by Schedule B
One Part Time Superintendent	$600
One Full Time Doorman	$680

Estimated payroll taxes, insurance and any other benefits based on such estimated wages are computed as follows:

Item	**Percentage of Wages/Method of Calculation (rates are based on rates in effect as of approximately 1/06)**	**Annual Amount**
FICA—Social Security	(6.2% of each employee's taxable gross income)	$4,811
FICA—Medicare	(1.45% of each employee's wages)	$1,125
State Unemployment Insurance	2.5% of first $8,500 of employee's wages	$415.00
Federal Unemployment Insurance	8% of the first $7,000 of each employee's wages	$1,120
Disability Insurance	Based on current cost of $0.60 per week per employee	$ 60.00
Workers Compensation	4.46% of each employee's wages	$3,461
TOTAL		**$10,992**

Sections 27-2053 and 27-2054 of the Administrative Code of the City of New York provide that janitorial services must be provided in a multiple dwelling of nine (9) or more dwelling units and that the person who performs such janitorial services (other than where janitorial services are performed on a 24-hour-a-day basis in a manner approved by the NYC Department of Housing Preservation and Development ("HPD") must reside in or within a distance of one block or 200 feet from the building, whichever is greater, unless the owner resides in the building. Accordingly, the Condominium Board shall endeavor to hire a part-time superintendent living within the requisite one block or 200 feet from the Building or to retain a 24-hour a day janitorial service in accordance with the requirements of HPD, in the event the Condominium Board is unable to hire such a part-time superintendent there will be a violation of the above statute and code and a notice of violation may be issued by the Department of Housing Preservation against the Building and the Condominium Board. Based upon foregoing, Sponsor can make no representation or warranty that a part-time superintendent living within the required area can or will be hired by the Condominium Board (or at what cost if on can be located) or that the above provisions of the Multiple Dwelling Law and Administrative Code will not be violated during the First Year of Condominium Operation or thereafter. It is possible that the full staff may not be employed until certain Building occupancy levels are achieved. Except as set forth above in this paragraph with respect

to Sections 27-2053 and 27-2054 of the Administrative Code, the projected level of staffing complies with all current applicable housing laws.

(3) Heating & Hot Water: $0
(Residential Unit Owners: $0)
(Non-Residential Unit Owners: $0)

The Building does not have a common heating systems that to provide heat for the Residential Common Elements as well as no common hot water producing equipment. The Residential Units will contain self-contained heating and air conditioning systems which are electric and will be paid for separately by each Residential Unit Owner (each Unit will have separate electric meters). Hot water for the Units will be heated by hot water heaters located in each Residential Unit. The hot water heaters will be operated by electricity. Electricity for providing heat and hot water to each Residential Unit will be separately metered and billed directly to such Unit Owner. The projected cost of electricity for heating and hot water in and for each of the Residential Units and electricity for cooking in each Residential Unit (as well as the projected cost of electricity used in and for each Residential Unit) is set forth in Schedule B-1.

Each Residential Unit shall be separately metered for electric, including for the provision of heat and for cooking purposes and hot water within or for each Residential Unit, and each Unit Owner shall be responsible directly to the electric utility or supplier for the cost of electricity consumed (and delivery thereof) within or for his or her Unit.

(4) Utilities (Electricity) $19,000
(Residential Unit Owners: ($17,936.95)
(Non-Residential Unit Owners: $1,063.05)

This budget item includes the projected cost of electricity for (i) the Residential Common Elements, including, without limitation, lighting of the residential hallways, stairwells, cellar, exterior, lobby and vestibule areas of the Lobby, and operation of the Elevator; (ii) outdoor lighting for the Building and Property (exclusive of any outdoor lighting for individual Units, the cost of which is payable by the respective Owners thereof directly to the utility company); and (iii) exhaust in hallways which are Residential Common Elements or General Common Elements. Each Residential Unit and Commercial Unit shall be separately metered for electricity, including but not limited to lighting, refrigerators, heating, air conditioning, hot water, and dishwashers within or for each Residential Unit, and each Residential Unit Owner and Commercial Unit Owner shall be responsible directly to the utility for the cost of electricity consumed within or for his or her Residential Unit or Commercial Unit. See Schedule B-1 for a projection by Alayne Real Estate, Inc. of the estimated consumption of electricity within and for each Residential Unit Commercial Unit and the estimated cost therefore, during the First Year of Condominium Operation. See Footnote 3 for a discussion of billing for heating and hot water generally and for a projection of the costs of heating and hot water for the Residential Common Elements.

The projected cost of electricity for the items covered by this budget line during the First Year of Condominium Operation is based on an estimate provided by Alayne Real Estate, Inc. estimates (i) based on a quote obtained by Alayne Real Estate, Inc. from Con Edison in of current residential electrical rate of $0.22 per kilowatt hour ("kwh") (ii) a projected consumption of 85,000 kwh. The projection for electricity in accordance with the aforesaid is $18,700 (85,000 kwh times $0.22 per kwh).

Many factors affect the cost of electricity, including, among others, the cost of oil and natural gas used to generate electricity. It is estimated that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity during the First Year of Condominium Operation. However, the figure is no more than an estimate.

As further described in footnote 1(C) above, the Non-Residential Units have been allocated a reduced level of expense for this line item of utilities. The reduced allocation for this line item of utilities is 50% of the cost of electricity to reflect and only attribute the General Common Elements (and not include electricity associated with the Residential Common Elements). The Residential Units' share of this budget item shall be charged by the Condominium Board to the Residential Unit Owners, based upon their respective Percentages of Residential Common Interest. See **"Rights and Obligations of Unit Owners and Condominium Board; Summary of By-Laws"** as of a summary of the provisions of the By-Laws dealing with allocation of the costs of utilities.

(5) Water Charges and Sewer Rents: $32,300
(Residential Unit Owners: $31,396.41)
(Non-Residential Unit Owners: $903.59)

There will be one meter measuring water consumption for the Property. This budget item is based on the Sponsor's estimate (i) a cost factor, based on published costs of $3.58 per one hundred cubic foot for water charges and $5.69 per hundred cubic foot for sewer rents, including all applicable taxes, and (ii) annual water consumption for the First Year of Condominium Operation of 3,478 hundred cubic feet.

The cost of this budget item shall be charged by the Condominium Board to all Unit Owners. The Unit Owners shall pay for this budget line item based upon the respective Common Interest allocated to each of their Units. The budget projection for Water and Sewer is $32,300 (3,478 hundred cubic feet times $3.58 per hundred cu.ft. for water charges plus 3,478 hundred cubic feet times $5.69 per hundred cu.ft. for sewer rents). It is expected that after the First Year of Operation the Commercial Units will be separately sub-metered for water consumption and will pay their metered use of water and sewer rents.

As further described in footnote 1(C) above, the Non-Residential Units have been allocated a reduced level of expense for this line item of water and sewer. The reduced allocation for this line item of water and sewer is 75% to reflect the usage of Residential Units to Non-Residential Units (household and residential uses such as cooking, consumption, washing and bathing) until such time as the Commercial Units are sub-metered (at the discretion and direction of the Board) after which time water and sewer will not be allocated any expense for the Non-Residential Units and the Commercial Unit Owners will pay their metered water and sewer costs to the Board. The Residential Units' share of this budget item shall be charged by the Condominium Board to the Residential Unit Owners, based upon their respective Percentages of Residential Common Interest.

(6) Repairs, Maintenance and Supplies $5,000
(Residential Unit Owners: $4,440.50)
(Non-Residential Unit Owners: $559.50)

This item is intended to cover the projected cost during the First Year of Condominium Operation of normal maintenance of and repairs to the Common Elements and Limited Common Elements, plus the cost of supplying various cleaning supplies and materials, lubricants, bulbs and general and hardware supplies to the Common Elements. It also includes, without limitation, the periodic painting of the lobby and those hallways which are Common Elements. It does not include the cost of repairs (e.g. repairs of appliances), maintenance, painting, decorating, or supplies to individual Units, all of which is the responsibility of the respective Unit Owner nor does it include the cost of any capital repairs to the Property or any part thereof. It also does not include any service or maintenance items which are included in Footnote (7) below (Service Contracts).

The budget projection is based on an estimate provided to Sponsor by the firm of Alayne Real Estate, Inc., 3004 Ave L, Brooklyn, NY, 11210 predicated on its experience managing similar size properties over the last twenty years. The Non-Residential Unit Owners shall be responsible for paying to the Condominium Board their pro rata share of the repairs, maintenance and supplies covered by this item

and attributable only to the General Common Elements (based upon the respective Common Interests allocated to the Non-Residential Units) and not attributable only to the Residential Common Elements. The Residential Unit Owners as a group shall be responsible for paying to the Condominium Board (1) the cost of repairs, maintenance and supplies covered by this item and attributable only to the General Common Elements (their pro rata share based upon the aggregate of the Common Interests allocated to the Residential Units) as well as (2) all of the cost of repairs, maintenance and supplies covered by this item and attributable to the Residential Common Elements and Residential Limited Common Elements (such cost to be allocated among the Residential Unit Owners in accordance with the respective Percentages of Residential Common Interest of their respective Residential Units). The Non-Residential Unit Owners may pay directly the costs of repairs, maintenance, and supplies attributable to the relative Non-Residential Units.

(7) Service Contracts **$17,020**
(Residential Unit Owners: $15,854)
(Non-Residential Unit Owners: $1,166)

The budget amount is for the projected annualized cost of providing items of service and maintenance to the Residential Common Elements, Residential Limited Common Elements and the General Common Elements. The budgeted amount is based on quotes obtained in 2014 for such service and maintenance including exterminating, elevator service and maintenance, gardening, and sprinkler inspection. The Non-Residential Unit Owners shall be responsible for paying to the Condominium Board their share (based upon the respective Common Interests allocated to the Non-Residential Units) of the service contracts for sprinkler, exterminating, fire phone and landscaping of which it benefits (excluding elevator and compactor). The Residential Unit Owners as a group shall be responsible for paying to the Condominium Board (1) the cost of the service contracts attributable to the General Common Elements (their pro rata share based upon the aggregate of the Common Interests allocated to the Residential Units); as well as (2) all of the cost of service contracts covered by this item and attributable to the Residential Common Elements and Residential Limited Common Elements (such cost to be allocated among the Residential Unit Owners in accordance with the respective Percentages of Residential Common Interest of their respective Residential Units).

As further described in footnote 1(C) above, the Non-Residential Units have been allocated a reduced level of expense for this line item of utilities. Service Contracts for elevator and trash compactor and the cost or expense, if any, associated with the gym/recreational areas on the 2nd floor of the Building and any other amenity that is part of the Residential Common Elements are not included in the computation and expenses for Non-Residential Units (of which the Non-Residential Unit Owners do not benefit or share in). The Residential Units' share of this budget item shall be charged by the Condominium Board to the Residential Unit Owners, based upon their respective Percentages of Residential Common Interest.

The estimate for elevator maintenance was provided by Consolidated Elevator and is for an approximate cost of $5,100 per annum, including tax. The sprinkler maintenance and pest control proposals reflect annual and month-to-month service terms, respectively. The projected expenses for sprinkler maintenance, exterminating, fire phone and internet system and landscaping is based on the management experience of Alayne Real Estate, Inc. managing similarly situated properties.

Service Provider	**Projected Annual Cost for the First Year of Condominium Operation**
*Elevator Maintenance	$ 5,100
**Sprinkler Maintenance	$ 1,500
***Exterminating	$ 720
**Fire Phone and Internet System	$ 4,600
***Compactor	$ 1,500

***Landscaping	$ 3,600
Total	**$ 17,020**

*Covers elevator
**Covers General Common Elements
***Covers General Common Elements and Residential Common Elements

(8) Insurance **$25,000**
(Residential Unit Owners: $22,202.50)
(Non-Residential Unit Owners: $2,797.50)

The estimate for the cost of insurance is based on the proposed coverage's and estimated current premiums set forth by Community Brokerage 32-26 Steinway Street Astoria, NY 11103 dated March 28, 2014.

Items Covered	**Amount of Coverage**
1. Building, special form (All Risk, agreed amount which waives co-insurance clause)	$12,000,000
2. General Liability	$1,000.000 ($2,000,000 aggregate)
3. Umbrella	$5,000,000
Premium: $21,990 (plus D&O and Umbrella = approx. $25,000) *DISCLAIMER: The foregoing insurance premium estimate cannot be guaranteed. Because conditions in the insurance marketplace are so volatile, it is not possible to predict with certainty what the premiums will be for the first year of Condominium operation. The cost for Worker's Compensation and New York State Disability are included in the cost projection for Labor in Note 1 above.*	

The above property coverage limits are based upon the respective agreed value replacement cost for the Building (the estimated cost to rebuild, exclusive of the cost of excavating and rebuilding the foundation) under an "agreed amount" clause and, accordingly, the policies will provide waiver of co-insurance. However, the insurer will not be obligated to pay insurance claims in excess of the property coverage limits set forth above for the Building. In the opinion of the Insurance Consultant, the all-risk coverage in the amount set forth above is presently sufficient to rebuild the Building should it be totally destroyed by fire based upon the coverage of $12,000,000 and the projected total square footage of the Building of 72,000 square feet (that is, a replacement cost of approximately $167 per square foot). However, because of the difficulty of estimating replacement costs, because of escalating construction costs and for other reasons, there can be no guarantee that the suggested coverage will yield sufficient proceeds to replace the Building or any portion thereof in the event of a total partial loss, nor is the forgoing intended to take the place of a professional appraiser's estimate in determining replacement cost. In order to safeguard the investment in the Units, in the event of a substantial or total destruction of the Building comprising same, the Condominium Board should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage is sufficient. Additionally, the estimated premiums are subject to change based upon rate changes, market conditions, and reinsurance costs at the time that coverage is actually bound.

The fire, casualty and general liability insurance shall provide: (*1*) that each unit owner is an additional insured party; (*2*) that there will be no cancellation without notice to the board of managers; (*3*)

a waiver of subrogation; (*4*) a waiver of invalidity because of the acts of the insured and unit owners; and (*5*) a waiver of pro-rata reduction if unit owners obtain additional coverage.

This coverage does not include the cost of water damage except to the extent included in a "special form" policy; elevator collision; boiler and machinery; excess liability; auto liability; directors & officers policy or fidelity bond; each of which may be available to the Condominium Board at extra cost.

In addition, this coverage does not include the cost of garage keeper's liability. The Board of Managers may at its sole option maintain or cause to be maintained garage keeper's liability with respect to the operation of the Parking Space Units at the Property. In addition, this coverage does not include the cost of flood insurance since the Project is not located in the 100-500 Flood Hazard area, per FEMA map number 3604970202F.

In addition, this coverage does not include claims for personal injury or property damage resulting from occurrences in Units, nor does it include coverage of the furniture or personal property of the Unit Owners. Therefore, each Unit Owner should consider the desirability of obtaining additional insurance at his or her own cost covering, among other items, (i) fire or casualty losses to the contents of his or her Unit and any replacements, additions, upgraded fixtures and improvements therein, (ii) damage to other personal property; and (iii) liability for personal injury as a result of occurrences in the individuals Units. It is recommended that Unit Owners consult with an insurance broker as to the necessity for, and the desirability of obtaining coverage for one or more of such risks and as to the amount of such coverage.

The quotation is an indication of insurance premiums at current rates. In recent years, premiums of insurance (especially fire liability) have increased substantially. As a result of the events of September 11, 2001, there has been a further increase in insurance premiums. Although the insurance consultant gave its estimate of the insurance premiums after the events of September 11, 2001, there has been considerable volatility in insurance rates since September 11th and such volatility is expected to continue. Accordingly, although based on the quote obtained from the insurance consultant, the insurance projection is currently believed to be reasonable, it is not possible to predict whether insurance coverage for the First Year of Condominium operation (or for future years) will continue to be available at the premiums set forth above or whether such premiums will escalate.

The cost of the above insurance shall be a General Common Expense, to be borne by all Unit Owners in accordance with the respective Common Interests allocated to their respective Units.

At the first Unit closing, Sponsor will cause to be delivered (at the Condominium's expense) a fire and liability binder or policy providing insurance coverage in accordance with the foregoing schedule. If the Condominium does not have sufficient funds available on the date of closing of the First Unit Closing with which to pay any premiums then due on such policies, then the Sponsor will advance such insufficiency and the amount which is advanced by Sponsor shall be paid by the Condominium in the manner provided in "Closing Costs and Adjustments", subsection entitled: "Closing Adjustments between Sponsor and Condominium".

The fire, casualty, and liability insurance to be obtained by the Sponsor as described above shall provide that each Unit Owner is a certificate holder and that there will be no cancellation without notice to the Board.

Notwithstanding anything in this Offering Plan to the contrary, pursuant to both the By-laws and the Condominium Act, the Board of Managers shall have the right to allocate the cost of the Condominium's property insurance premium other than pursuant to Common Interest, should the cost of the Condominium's insurance premium be based in part, specifically on the use to which a particular Unit is put, so that the Unit Owner whose use causes the premium to be higher pays the increased cost.

(9) Management Fees **$35,000**
(Residential Unit Owners: $33,041.75)
(Non-Residential Unit Owners: $1,958.25)

The Managing Agent's fee will be fixed by a management agreement between the Condominium and the managing agent to be entered into by the Condominium Board. The Managing Agent's quoted fee is within the current industry standard range of management fees for condominium buildings of similar size and nature as the Building. The Building may be managed by Alayne Real Estate, Inc. 3004 Ave L, Brooklyn, NY 11210. (Alayne Real Estate, Inc. has delivered the quote for the Management Fee).

As further described in footnote 1(C) above, the Non-Residential Units have been allocated a reduced level of expense for this line item of management fees. The reduced allocation for this line item of management fees is 50% of the management work and contract reflecting the work associated with the General Common Elements (and not including work associated with the Residential Common Elements to reflect and only attribute the General Common Elements. The Residential Units' share of this budget item shall be charged by the Condominium Board to the Residential Unit Owners, based upon their respective Percentages of Residential Common Interest.

(10) Legal fees and Adult Fees **$5,500**
(Residential Unit Owners: $4,884.55)
(Non-Residential Unit Owners: $615.45)

A certified public accountant will be responsible for auditing the Condominium's books and records and preparing the requisite audited financial statements. In addition, the accountant will be responsible for filing federal, state and city income tax returns. The projected accountant's fee of $5,500 is based on a proposal by the firm of Solomon Hirsch Certified Public Accountants, PC, 14 Joan Lane, Monsey, New York 10952 to provide the aforesaid accounting services for a fee of $5,500. Excluded from the proposed fee are: out of pocket expenses, data processing charges, fees for work on any income tax audit and reimbursement of any legal fees it might incur to obtain advice for issues related to any work it might do for the Condominium.

This budget item does not reflect any budgeted funds for legal fees since the condominium is not anticipated to incur substantial legal fees during the first year of condominium operation. In the event it is necessary, the contingency line item below may cover any minor miscellaneous legal matters which may arise during the first year of operation. The cost of this budget item will be borne by all Unit Owners. Unit Owners shall be responsible for this budget line item in accordance with the respective Common Interests allocated to their respective Units.

(11) Contingency **$2,000**
(Residential Unit Owners: $1,776.20)
(Non-Residential Unit Owners: $223.80)

The Contingency provides a fund for possible expenses not included in the projected budget, or possible increases in one or more categories or operating expense beyond the projected amounts. The Contingency shall also cover all Federal and New York City and State income and corporation taxes applicable to the Condominium with respect to the First Year of Condominium Operation. New York City and State income and corporation taxes are projected to be covered by the "minimum" corporation taxes. There can be no assurance that the contingency fund will be sufficient to pay for all of the aforesaid expenses. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners. The cost of this budget item will be borne by all Unit Owners in accordance with the respective Common Interests allocated to their respective Units.

Until the Units are separately assessed for real estate taxes, real estate taxes for the Property shall be paid by the Condominium (although no such payment is provided for in Schedule B) as a General Common Expense and each Unit Owner shall pay additional Common Charges (which are not reflected in the estimated Common Charges for the Unit as set forth in Schedule A) equal to the applicable Unit's pro rata share, based upon the Common Interest of the applicable Unit, of such real estate taxes for the Property for such period. If real estate taxes are charged to Unit Owners as additional Common Charges for any period with respect to which the Units shall not have been separately assessed, then a Unit Owner's payment of such additional Common Charges shall be in lieu of payment by such Unit Owner to the City of real estate taxes (which otherwise might have been assessed against the Unit as a separate tax lot) for such period. As set forth in the By-laws, after the Units are separately assessed for real estate tax purposes, the Board of Managers as agent of the Unit Owners shall promptly assess any Unit Owners who have underpaid real estate taxes with respect to their Units based on the assessed valuation of such Units and shall likewise reimburse any Unit Owners for overpayment of taxes. Although the Condominium will be obligated to pay the real estate taxes for the Property until the Units are separately assessed, it is possible that Purchaser's lender may, nevertheless, require that Purchaser escrow with such lender for real estate taxes for such period.

(13) Reserve **$25,000**
(Residential Unit Owners: $22,202.50)
(Non-Residential Unit Owners: $2,797.50)

The reserve fund provides a fund for possible overages in the budget including but not limited to categories provided in footnotes 1-12. There can be no assurance that the Reserve fund will be sufficient to pay for all of the aforesaid expenses. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners. The cost of this budget item will be borne by all Unit Owners in accordance with the respective Common Interests allocated to their respective Units.

NOTE - Tax Exempt Status Under Section 528 of Internal Revenue Code.

The Condominium may not satisfy the requirement that at least 85% of the floor area of the Building will be used for residential purposes (as a result of the commercial areas within the Building). As a result, the Condominium Board may not be able to elect the favorable tax treatment available under Section 528 of the Internal Revenue Code. Accordingly, the Condominium may be subject to income taxes on the excess of the Common Charges and investment income over the expenses of operating the Condominium (See "Counsel's Tax Opinion Letter").

It should be noted that the Condominium would, even if permitted to make an election under Section 528 of the Code, still be required to pay the minimum New York State and City corporation taxes, as well as income tax on any taxable income it may receive. For this purpose, "taxable income" is defined as the excess, if any, of (a) the gross income for the taxable year (other than "exempt function income" as defined below) over (b) the deductions allowed by the Code which are directly connected with the production of such gross income (excluding "exempt function income") computed with certain modifications provided in Section 528. "Exempt function income" is defined as any amount received as membership dues, fees or assessments from owners of condominium housing units. Income such as interest earned as cash deposits would not be exempt function income. See "Income Tax Deductions to Unit Owners and Tax Status of Condominium" and "Counsel's Tax Opinion Letter.

General

IN THE OPINION OF THE SPONSOR'S EXPERT THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATE EXPENSES FOR THE YEAR OF OPERATION COMMENCING

NOVEMBER 1, 2015. THE FOREGOING SCHEDULE HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE COMMON CHARGES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULE, AND IT IS LIKELY THAT THE ACTUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE WILL VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE.

If the actual date of commencement of condominium operation differs by more than six (6) months from the budget year projected in the Plan, as same may be amended, the Plan will be amended to include a revised budget disclosing current projections. If such revised budget exceeds the original budget by twenty-five percent (25%) or more, Sponsor will offer Purchasers the right, for a period of at least fifteen (15) days from the delivery to the Purchaser of the amendment to the Plan, to rescind their Purchase Agreements and have their Deposit refunded.

Sponsor reserves the right (but shall have no obligation) to cause the Condominium Board to reduce the Common Charges payable by the Unit Owners (including Sponsor) during the First Year of Condominium Operation (and during part or all of any further period in which Sponsor controls the Board) to reflect the actual expenses incurred by the Condominium. Sponsor makes no representation that any savings in operating expenses or reduction in Common Charges will in fact occur.

The foregoing projected budget may be modified prior to the commencement of, or during, Condominium operation to add or increase one or more items of operating expense. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners. The Residential Unit Owners, Commercial Unit Owners, Parking Unit Owner and Storage Unit Owners will share this cost based on the type of cost involved, as described above.

ALAYNE REAL ESTATE
3004 AVE L
BROOKLYN, NY 11210
718-421-3400

July 2, 2014

Investment Protection Bureau
Real Estate Financing Section
New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271

RE: The Factory Condominium
42-60 Crescent Street
LIC, NY 11101

Ladies and Gentlemen:

UNIT	SQ FT	KWH USAGE/.22	PRICE ELEC	HCF USG/$9.29	PRICE WATER	TOTAL	MONTHLY
2A	1,317	23262	$5,117.65	94	0.00	$5,117.65	$426.47
2C	1,088	19217	$4,227.79	94	0.00	$4,227.79	$352.32
2D	1,191	21037	$4,628.04	94	0.00	$4,628.04	$385.67
3A	1,317	23262	$5,117.65	94	0.00	$5,117.65	$426.47
3C	1,088	19217	$4,227.79	94	0.00	$4,227.79	$352.32
3D	1,191	21037	$4,628.04	94	0.00	$4,628.04	$385.67
3E	654	11552	$2,541.34	94	0.00	$2,541.34	$211.78
3F	662	11693	$2,572.43	94	0.00	$2,572.43	$214.37
4A	1,317	23262	$5,117.65	94	0.00	$5,117.65	$426.47
4C	1,088	19217	$4,227.79	94	0.00	$4,227.79	$352.32
4D	1,191	21037	$4,628.04	94	0.00	$4,628.04	$385.67
4E	654	11552	$2,541.34	94	0.00	$2,541.34	$211.78
4F	662	11693	$2,572.43	94	0.00	$2,572.43	$214.37
5A	1,317	23262	$5,117.65	94	0.00	$5,117.65	$426.47
5B	626	11057	$2,432.54	94	0.00	$2,432.54	$202.71
5C	1,088	19217	$4,227.79	94	0.00	$4,227.79	$352.32
5D	1,191	21037	$4,628.04	94	0.00	$4,628.04	$385.67
5E	1,317	23262	$5,117.65	94	0.00	$5,117.65	$426.47
6A	1,317	23262	$5,117.65	94	0.00	$5,117.65	$426.47
6B	626	11057	$2,432.54	94	0.00	$2,432.54	$202.71
6C	1,088	19217	$4,227.79	94	0.00	$4,227.79	$352.32

ALAYNE REAL ESTATE
3004 AVE L
BROOKLYN, NY 11210
718-421-3400

6D	1,191	21037	$4,628.04	94	0.00	$4,628.04	$385.67
6E	1,317	23262	$5,117.65	94	0.00	$5,117.65	$426.47
7A	1,317	23262	$5,117.65	94	0.00	$5,117.65	$426.47
7B	626	11057	$2,432.54	94	0.00	$2,432.54	$202.71
7C	1,088	19217	$4,227.79	94	0.00	$4,227.79	$352.32
7D	1,191	21037	$4,628.04	94	0.00	$4,628.04	$385.67
7E	1,317	23262	$5,117.65	94	0.00	$5,117.65	$426.47
8A	1,317	23262	$5,117.65	94	0.00	$5,117.65	$426.47
8B	626	11057	$2,432.54	94	0.00	$2,432.54	$202.71
8C	1,088	19217	$4,227.79	94	0.00	$4,227.79	$352.32
8D	1,191	21037	$4,628.04	94	0.00	$4,628.04	$385.67
8E	1,317	23262	$5,117.65	94	0.00	$5,117.65	$426.47
PH-9A	1,466	25894	$5,696.64	94	0.00	$5,696.64	$474.72
PH-9B	2,102	37127	$8,168.04	94	0.00	$8,168.04	$680.67
PH-10C	1,466	25894	$5,696.64	94	0.00	$5,696.64	$474.72
PH-10D	1,952	34478	$7,585.16	94	0.00	$7,585.16	$632.10
		KWH USAGE/.25					
COMMON AREA	12716	85000	$18,700.00	3478	32,310.62	$51,010.62	$4,250.89
NON RESIDENTIAL UNITS							
NR 1A	2318	40943	$9,007.38		0.00	$9,007.38	$750.61
NR 1B	1007	17787	$3,913.04		0.00	$3,913.04	$326.09

Please note that the above estimates are subject to rate change, governmental surcharges, fuel adjustment charges or credits and municipal, M.T.A. and sales tax factors. An increase in the cost of a ccf of gas, kilowatt hour of electricity, and HCF of water is a real near-term possibility. Actual billed costs for gas, electricity, and water may vary substantially due to varying usage habits, family size and personal lighting, cooking heating and cooling preferences and needs.
Sincerely,

Alayne Real Estate by

Abraham Davies

SCHEDULE B-1

Each individual Residential Unit and each Commercial Unit will be separately metered for electricity. Thus, each Unit Owner will be obligated to pay the bill for electricity consumed in a Unit directly to the utility company. It should be noted that the Units and the Building will not be served with natural gas. No representation or guaranty is made that a particular Residential Unit Owner's or Commercial 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 Unit Owners and rate fluctuations.

The primary source of heating and air conditioning for Residential Units will be by means of incremental through-the-wall Package Terminal Air Conditioning (PTAC) units, which are operated electrically. Accordingly, a portion of a Residential Unit Owner's electricity bill will reflect costs associated with operating the PTAC unit. Commercial Units shall have a HVAC system. Each Commercial Unit shall have (1) HVAC unit installed and a portion of a Commercial Unit Owner's electricity bill will reflect costs associated with operating the HVAC unit.

The projections in this Schedule B-1 are for electric costs associated with lighting, appliances (including, without limitation, range, oven, dishwasher, refrigerator, microwave, washer and dryer, and the PTAC units) and are based upon estimates prepared by Alayne pursuant to letter dated June 3, 2014 at 17.66 KWH/sq. ft./year and $2.19 per square foot, based on Con Edison rate of $.22/KWH.

It is not possible to predict how closely the budgeted figure will reflect the actual cost of heat and hot water during the first year of condominium operation, in part because such costs will vary with the level of consumption and the price per kilowatt hour. Consumption of electricity for heat also will be affected by the weather. It is not possible to predict how closely the budgeted amount will reflect the actual cost of water and sewer during the first year of condominium operation, as the cost will vary with the level of consumption and price per cubic foot.

H. THE NON-RESIDENTIAL UNITS

As described earlier in this Plan, the Condominium will contain thirty three (33) Non-Residential Units comprised of (i) two (2) Commercial Units (NR-1A and NR-1B) that are located on the 1st floor, (ii) eleven (11) Parking Units in the parking garage located on the 1st floor, and (iii) twenty (20) Storage Units located in the cellar.

The Commercial Units are initially expected to be used for retail, offices, food, or any other legally permitted use (including, without limitation, office, retail, manufacturing, industrial, restaurant (food related), healthcare, saleroom, school (including children's nursery, gym or the like). The Parking Units are expected to be used for parking. The Storage Units are expected to be used for Storage. However, Sponsor does not warrant or guarantee that any of the Non-Residential Units will be used for the purposes stated above. The Commercial Unit Owners will be permitted to use the Commercial Units for any use permitted by law and the Declaration and By-laws.

The Commercial Units may be sold to a purchaser prior to the issuance of a temporary certificate of occupancy in accordance with the terms of the purchase agreement negotiated by Sponsor and any purchaser of the applicable Commercial Unit. The Owner of any Commercial Unit may subdivide, combine or alter its Commercial Unit, and may use the Commercial Unit for any purpose permitted by law or under the Declaration and By-laws. Sponsor expressly reserves the right for itself or any later owner of the Commercial Unit(s) to subdivide, combine or alter each of the Commercial Units, at the Owner's sole discretion, and to amend the Declaration accordingly. Sponsor expressly reserves the right for itself to subdivide, combine or alter each of the Parking or Storage Units, at Sponsor's sole discretion, and to amend the Declaration accordingly. No assurance, representation or warranty, is given that any of the owners, tenants, occupants or users of the Commercial Units will not be objectionable to Residential Unit Owners or other parties. The uses of the Commercial Units may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control. Sponsor makes no representation or guaranty as to when or for what purpose the Commercial Unit will be occupied and open for business.

The allocation of Common Expenses to the Non-Residential Units 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, generally has been based on the anticipated benefit to and usage by the Non-Residential Unit Owners of the particular item of expense, though for certain expenses, as described in the Notes to Schedule B, the allocation was based on Common Interest attributable to the Non-Residential Units. Sponsor has obtained an opinion from an expert and independent third party, contained in Part II of the Plan, that the allocation of Common Expenses to the Non-Residential Units contained in the projected first year's operating budget is sufficient to cover the expenses fairly attributable to the Non-Residential Units.

As set forth in the By-laws of the Condominium, the Board of Managers has the right to allocate Common Expenses between the Residential Units and the Non-Residential Units based on the estimated amount by which a particular expense item benefits or is used by the Residential Units and/or the Non-Residential Units, provided the allocation is fairly attributable to the Residential Units and/or Non-Residential Units, as applicable. Thus, subject to the provisions herein and in the By-laws the Board will have the right to allocate Common Expenses between the Non-Residential Unit Owners and the Residential Unit Owners on the basis of benefit from or usage of a particular item of expense in years subsequent to the first year of Condominium operation.

Pursuant to N.Y. Real Prop. Law ("RPL") §339-m, common expenses and profits (except as to insurance) must be charged and distributed in accordance with the allocation of Common Interests, unless otherwise permitted in that statute. The RPL authorizes special allocations if the same are authorized by the By-laws and Declaration, and there are special allocations affecting the Non-Residential

Units that are more particularly described in Section 3.5 of the Declaration and Section 5.1(a)(ii) of the By-laws and the Budget in Section F of this Plan. In particular, the Common Expenses budget line items from which the Non-Residential Units have not been allocated any expense or a reduced level of expense are described in the Budget in Section F of this Plan are as follows: (a) Labor has not been allocated any expense, (b) Utilities have a reduced allocation of 50% of the cost of electricity to reflect and only attribute the General Common Elements (and not include electricity associated with the Residential Common Elements), (c) Water and Sewer have a reduced allocation of 75% to reflect the usage of Residential Units to Non-Residential Units (household and residential uses such as cooking, consumption, washing and bathing) until such time as the Commercial Units are submetered (at the discretion and direction of the Board) after which time Water and Sewer will not be allocated any expense for the Non-Residential Units and the Commercial Unit Owners will pay their metered water and sewer costs to the Board, (d) Service Contracts for elevator and trash compactor and the cost or expense, if any, associated with the gym/recreational areas on the 2nd floor of the Building and any other amenity that is part of the Residential Common Elements are not included in the computation and expenses for Non-Residential Units (of which the Non-Residential Unit Owners do not benefit or share in), and (e) Management Fees have a reduced allocation of 50% of the work and contract reflecting the work associated with the General Common Elements (and not including work associated with the Residential Common Elements). The provisions of the Condominium Documents relating to the determination and modification of special allocations may not be amended without the consent of the affected Non-Residential Unit Owners.

If the Non-Residential Unit Owners object to any allocation of Common Expenses between the Residential Units and the Non-Residential Unit imposed by the Board, and the dispute cannot be resolved by the Board members, the dispute shall be submitted to Arbitration in accordance with Article 11 of the By-laws.

A Non-Residential Unit Owner has certain rights that differ from the rights of the Residential Unit Owners. For instance, a Non-Residential Unit Owner will not be subject to a right of first refusal by the Board of Managers upon the sale or lease of said Owner's Non-Residential Unit. A Commercial Unit Owner may make non-structural additions, alterations or improvements in said Owner's Commercial Unit, change the layout of the Commercial Unit, subdivide, combine or alter the Unit(s) and reapportion Common Interest previously allocated to the Commercial Units among the newly created Commercial Units, without the consent of the Board of Managers. In Sponsor's opinion the foregoing rights will not have a material adverse impact on the Condominium should a Commercial Unit Owner exercise these rights, because the Commercial Unit Owners are still subject to various restrictions, including without limitation, compliance with applicable law and regulation, that will function as a protection to the Condominium.

Sponsor is offering the Non-Residential Units for sale on terms to be negotiated by Sponsor and a purchaser. In connection with its offer of the Non-Residential Units, Sponsor reserves the right to subdivide, alter or combine any or all of the Non-Residential Units and to offer one or more than one of each type (or any other type) of Non-Residential Unit for sale. Sponsor also reserves the right to retain ownership of the Non-Residential Units in its own name or in the name of a successor, designee or affiliate, and not to sell or offer to sell such Units.

As described earlier in this Plan, the Condominium will contain eleven (11) Parking Units. The Parking Units shall only be used for parking of vehicles. Vehicular access to the Parking Space Units is from Crescent Street. Building residents may enter and access the parking area containing the Parking Units from the Building (by elevator or stairway from the Residential Area lobby), as well as from the vehicular entrance on Crescent Street. Access from the parking area (i.e. Parking Units) into the Building will be restricted to Building residents and occupants. However, Sponsor does not warrant or guarantee that the Parking Units will be used for the purposes stated above. Parking Units may be used only for the parking of vehicles, and in no event shall any item (or any flammable or explosive item)

other than an operating vehicle be left, parked or used in a Parking Unit. Sponsor expressly reserves the right to subdivide, combine, or alter the Parking Units at Sponsor's sole discretion.

As described earlier in this Plan, the Condominium will contain twenty (20) Storage Units. The Storage Units will be storage lockers and shall only be used for storage. The Storage Units are on the cellar/basement level of the Building. Building residents may enter and access the storage area containing the Storage Units from the Building (by elevator or stairway from the Residential Area lobby). However, Sponsor does not warrant or guarantee that the Storage Units will be used for the purposes stated above. Storage Units may be used only for the storage of personal effects of Unit residents and occupants, and in no event shall any food or other perishable item, or any flammable or explosive item, be stored in a Storage Unit. Sponsor expressly reserves the right to subdivide, combine, or alter the Storage Units at Sponsor's sole discretion. Vehicular access to Parking Units and access by pedestrians who are not Building residents is from Crescent Street.

A Residential Unit Owner or Commercial Unit Owner who also owns a Storage Unit, must sell or otherwise convey title to the Storage Unit no later than the time of sale of the last Residential Unit or Commercial Unit owned by that Residential Unit Owner or Commercial Unit Owner, as ownership of a Residential Unit or Commercial Unit is a pre-requisite to ownership of a Storage Unit. Sale need not necessarily be to the party purchasing the selling Residential Unit or Commercial Unit, and the Storage Unit may be sold instead to another Residential Unit Owner or Commercial Unit Owner in the Building. Sale of a Storage Unit, whether to another Residential Unit Owner or Commercial Unit Owner in the Building or in conjunction with sale of the Residential Unit or Commercial Unit to an outside offeror, shall be subject to the right of first refusal requirement described in the By-laws.

The owner(s) of a Commercial Unit shall have easements for (i) the installation, maintenance, repair and replacement of flues, vents, air-conditioning, heating, ventilating, water and other mechanical lines and fixtures and equipment on the exterior walls, and (ii) for access to any equipment that services a Commercial Unit and which is located in the Residential Areas. The Commercial Unit Owners and/or its tenants shall have an easement to erect, maintain and replace one (1) or more signs on the Property permitted by law for the purpose of advertising the operation of any business conducted therein. Any such signs shall be of reasonable size, dimension, character and color and shall not be located so as to unduly disturb the aesthetics of the Building. The condenser for the HVAC unit for Unit NR-1A will be located in the exterior Common Element and behind the Building on the North side of the Property. The Owner of Unit NR-1A shall have an easement (a) underneath its HVAC condenser for the installation, placement, maintenance, repair and replacement of its HVAC condenser (b) through the Common Elements for access to its HVAC Condenser for its installation, placement, maintenance, repair and replacement. The condenser for the HVAC unit for Unit NR-1B will be located in the parking in the Building. The Owner of Unit NR-1B shall have an easement (a) underneath its HVAC condenser for the installation, placement, maintenance, repair and replacement of its HVAC condenser (b) through the Common Elements for access to its HVAC Condenser for its installation, placement, maintenance, repair and replacement.

Owners of Residential Units and Commercial Units may purchase a Parking Unit from Sponsor for use of a parking space, however, all Unit Owners will not be able to purchase a Parking Unit or be provided with use of a parking space. Parking Units may be may also be sold to persons other than residents/occupants of the Building or Unit Owners. A Unit Owner is not guaranteed a parking space or a Parking Unit. The Parking Units will be in an indoor parking garage located on the first floor of the Building. A Unit Owner is not guaranteed a parking space or a Parking Unit. Sale of Parking Units is not limited to purchasers or owners of Residential Units and Commercial Units.

The Storage Units will be in an indoor room located on the cellar floor of Building. Owners of Residential Units and Commercial Units may purchase a Storage Unit from Sponsor for use as

storage, however, all Unit Owners will not be able to purchase a Storage Unit or be provided with storage outside of their Unit. A Unit Owner is not guaranteed a Storage Unit.

Parking Units and Storage Units will generally be sold on a first come, first served basis except Sponsor, at Sponsor sole discretion, may reserve four Parking Units and four Storage Units for purchase by the purchasers of penthouse Units. A purchaser may also purchase more than one (1) Parking Unit or Storage Unit. Thus, there will not be sufficient Parking Units or Storage Units for all Residential Unit Owners and Commercial Unit Owners and there will be Unit Owners that may not be able to purchase Parking Units or Storage Units and will not be able to park their cars or store their possessions at or in the Property. Parking Units may be sold to persons other than purchasers of Residential Units and Commercial Units.

Parking Unit P1-2 can accommodate two (2) regular sized vehicles and spaces front to back but the vehicle closer to the lobby (on the western side of Parking Unit P1-2) shall only have access to and from the garage entrance without another vehicle in Parking Unit 1-2 blocking or impeding its access. Parking Unit P6 has been designated as a handicapped parking space and will be the last parking space to be sold unless it has been previously sold to a handicapped person. The purchase of Parking Unit P6 and any subsequent sale, transfer or hypothecation of it, will be subject to the following covenant and restriction which will be placed in the deed unless it is owned by a handicapped person:

"In the event a present or future owner of a Residential Unit or a member of his or her family, is or becomes handicapped and acquires New York City SPI handicap license plates for his or her vehicle, and said Unit Owner is the owner of a Parking Unit, unless the owner of the Parking Unit P6 or a member of his or her family, is handicapped or has handicap license plates for his or her vehicle, said handicapped Residential Unit Owner has the right to demand that the owner of Parking Unit P6 trade the handicapped parking space Parking Unit P6 he/she owns with said handicapped Residential Unit Owner and receive in exchange from said handicapped Residential Unit Owner the Parking Unit he/she currently own.

In the event a present or future owner of a Residential Unit, or member of his or her family, is or becomes handicapped and said Residential Unit Owner does not own a Parking Unit, unless the owner of the Parking Unit P6 or a member of his or her family, is handicapped or has handicap license plates for his or her vehicle, said handicapped Residential Unit Owner has the right to demand that the owner of Parking Unit P6 sell it at the then current fair market value to said handicapped Residential Unit Owner.

All costs and expenses entailed in the transfer of title to the Parking Unit or Parking Units (in the event of a trade), including without limitation, title reports, title insurance, New York City and New York State transfer taxes and recording fees and reasonable attorney fees for both parties and the Condominium shall be borne by the handicapped Residential Unit Owner demanding the transfer of Parking Unit P6.

If the parties cannot agree on the fair market value of the Parking Unit P6 within forty five (45) days, then the parties agree to submit the matter to binding arbitration in accordance with Article 11 of the By-laws."

The owner of Parking Unit P6 must comply with the aforementioned demand upon thirty (30) days' notice. Notice pursuant to this Section shall be delivered by hand delivery, certified or registered mail, return receipt requested or nationally recognized overnight delivery service.

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 increase or 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 and not directed at an individual purchaser. 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. 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 O 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 and Residential Common Interests 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. Changes made by Sponsor pursuant to the foregoing will be disclosed in an amendment to the Plan, and if the Declaration has been recorded, the Declaration will be amended accordingly, as and if appropriate to reflect such changes as well.

Notwithstanding the foregoing, except for changes necessitated by site conditions, no material change in size, dimension, floor space, Common Interest or layout will be made to a Unit for which a Purchase Agreement has been executed and delivered to Sponsor without the consent of the Purchaser, unless the Purchaser has defaulted under said Purchase Agreement, was notified of the default and failed to cure said default as provided for in the Purchase Agreement, and Sponsor has terminated the Purchase Agreement. It should be noted in this regard that 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 Purchase Agreement, by virtue of a minor inaccuracy or error in the floor plans.

Sponsor represents that no material change will be made in the size of Residential Units, their respective percentage of interest in the Common Elements, or in the amount or quality of Common Elements except by amendment to the Plan. No change will be made in the number of Residential Units offered under this Plan without filing an amendment disclosing such change. In the event that the Declaration has already been filed at the time of any of the foregoing changes, 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 by the Declaration or by the By-laws. Sponsor represents that no material change will be made in the size and no material adverse change will be made in the quality of Common Elements except by amendment to the Plan and with the prior consent of all Purchasers directly affected by such change.

Subject to the provisions of the balance of this paragraph, no material change will be made in size, layout or Common Interest of a Unit for which a Purchase Agreement has been entered into and pursuant to which the Purchaser is not in default, without the prior consent of the Purchaser. In this regard, if Purchaser fails to object in writing within five (5) business days after consent is requested, Purchaser shall be deemed to have consented to the change. 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, and if these changes are necessary and unavoidable 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 Purchase Agreement and a reasonable time within which to exercise this right, and if rescission is exercised, will receive back the Deposit made thereunder together with interest earned thereon.

Sponsor and any other Commercial Unit Owner shall have the right to make alterations in and to their Units in accordance with the Declaration and By-laws.

A Unit Owner of any two or more Units, which Units are serviced or benefited by any General Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, to the extent permitted by law and with the consent of the Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such General Common Element as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of General Common Interests shall be made, provided such Unit Owner agrees, at its sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such General Common Element for so long as such Unit Owner exercises such exclusive right of use, and (b) restore such General Common Element to its original condition, reasonable wear and tear excepted, after such Unit Owner ceases to exercise such exclusive right of use. Sponsor and the Unit Owner of any such Units which are Unsold Units (as defined and used by the Attorney General) shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board. Notwithstanding the above, if a Unit Owner transfers or conveys its Units to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

Unit PH-10D is serviced and benefited by a General Common Element hallway and corridor adjacent and appurtenant to Unit PH-10D that serves and provides access to only Unit PH-10D. Thus, to the extent permitted by law and without the consent of the Board the owner of Unit PH-10D and/or Sponsor may have the exclusive right of use of such General Common Element as if it were a part of such Unit PH-10D (including the right to enclose such portion of the hallway and corridor that provides access to only Unit PH-10D) and no amendment to the Declaration nor reallocation of General Common Interests shall be made, provided the owner of Unit PH-10D agrees, at its sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such General Common Element for so

long as the owner of Unit PH-10D exercises such exclusive right of use, and (b) restore such General Common Element to its original condition, reasonable wear and tear excepted, after the owner of Unit PH-10D ceases to exercise such exclusive right of use. Notwithstanding the above, if the owner of Unit PH-10D transfers or conveys Unit PH-10D to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

J. PROCEDURE TO PURCHASE

Generally

Sponsor will endeavor in good faith to sell a majority of the Residential Units at the Project. However, Sponsor has retained the unconditional right to rent rather than sell Residential Units. Sponsor is obligated to and will sell the minimum number of Residential Units required by the Attorney General Regulations to declare this Plan effective (a minimum of fifteen percent (15%) of units offered for sale). Thus, this Plan may not result in the creation of a Condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to Sponsor. Owner-occupants may never gain control and management of the Condominium. Furthermore, the By-laws of the Condominium do not include a provision that after the initial Sponsor voting control period, a majority of the Board of Managers will be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Sponsor may retain control and management of the condominium indefinitely. Sponsor's control and management of the condominium may result in inherent conflicts between owner-occupants and non-resident owners on how the Condominium should be managed because of their different reasons for purchasing a Unit.

Any person interested in purchasing a Residential Unit at Factory House Condominium, must apply at the Sales Office or to the Sponsor for the Offering Plan. Upon receipt of the Plan, the potential purchaser must tender a check in the amount of $250 payable to "RDG-Stonecutter 43rd Ave Owner LLC" as a deposit for the Offering Plan. The deposit is a non-binding expression of interest and does not constitute a reservation or obligation. The deposit will be fully refunded, without interest, upon return of the Plan (in good condition) to Selling Agent, within ten (10) days after recipient's receipt of the Plan, or upon execution of a Purchase Agreement, whichever is earlier. However, if within the 10-day period following receipt of the Plan the recipient does not execute a Purchase Agreement and does not return the Offering Plan, the $250 deposit becomes non-refundable and may be retained by Sponsor. Copies of this Offering Plan and all exhibits thereto are also available for review at the New York State Department of Law, 120 Broadway, 23rd Floor, New York, NY 10271.

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

A potential purchaser generally shall be permitted to execute a Purchase Agreement after having had a period of at least three (3) business days to review the Plan and all filed amendments thereto. A Purchaser who executes a Purchase Agreement and deposits the requisite Deposit without having the opportunity to review the Offering Plan for three (3) business days, shall have the right to rescind the Purchase Agreement and receive back the Deposit check tendered to Sponsor within five (5) days after the execution of the Purchase Agreement, provided Purchaser's written notice of rescission is personally delivered to Sponsor by the end of the fifth calendar day after execution of the Purchase Agreement or mailed (certified and return receipt requested) to Sponsor and post marked within the five (5) day period.

A Purchaser entering into a Purchase Agreement or for a Residential Unit plus a Storage Unit and/or Parking Unit, shall be required to make a Deposit equal to ten percent (10%) of the aggregate purchase price for the Unit at time of signing in accordance with the terms of the Purchase Agreement. If Purchaser comprises two or more parties, all parties comprising Purchaser shall execute and deliver simultaneously with the Purchase Agreement, a statement designating one of the parties to receive the interest earned on the Deposit. Form W-9 or Form W-8, as applicable, for Purchaser or the designated interest-recipient, as applicable, must be executed and delivered simultaneously with the Purchase Agreement as well.

Within twenty (20) business days after delivery by Purchaser to Selling Agent of an executed Purchase Agreement, together with the required Deposit, Sponsor will either accept the Purchase Agreement and cause to be returned to Purchaser a fully executed counterpart thereof, or reject the Purchase Agreement and refund the Deposit tendered (without interest). Sponsor reserves the right to request thorough identification and financial information concerning prospective purchasers, subject to limitations imposed by law. The Purchase Agreement will not be binding upon Sponsor until a copy executed by or on behalf of Sponsor is delivered 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 a Purchase Agreement for any Unit, or to refuse to accept and execute a Purchase Agreement or Purchase Agreements (as the case may be) for more than one Unit to any one person or entity. As set forth in the Condominium Documents, Sponsor also reserves the right without prior notice or prior amendment to the Plan, to hold 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 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 Units to Purchasers for occupancy. Parking Units and Storage Units will generally be sold on a first come, first served basis except Sponsor, at Sponsor sole discretion, may reserve four (4) Parking Units and four (4) Storage Units for purchase by the purchasers of penthouse Units. A purchaser may also purchase more than one (1) Parking Unit or Storage Unit. Parking Units may be sold to persons other than purchasers of Residential Units and Commercial Units.

Purchasers may apply for financing to purchase a Unit. However, the Purchase 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 Purchase Agreement. If Purchaser fails to close under the Purchase Agreement as required, Purchaser will be in default under the Purchase Agreement and may forfeit the Deposit paid under the Purchase Agreement, plus all interest earned thereon, as liquidated damages.

The form of Purchase 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 Purchase 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.

As set forth in the Purchase Agreement, the risk of loss with respect to a Unit under contract to be sold remains with Sponsor until the earlier of Purchaser's possession of the Unit under an interim lease, use and occupancy agreement or otherwise, or Purchaser's closing under the Purchase Agreement.

Purchasers agree that all confidential information and documents relating to the Unit or the sale thereof furnished to, or otherwise made available for review by, a Purchaser or its agents or other representatives by Sponsor or its agents or representatives shall (except for disclosure to a Purchaser's attorneys, accountants and lenders) be kept strictly confidential and shall not, without the prior written consent of Sponsor, be disclosed by Purchaser in any manner whatsoever in whole or in part. The aforementioned provisions shall in no event apply to information which is a matter of public record and shall not prevent a Purchaser from complying with applicable laws requiring disclosure. Purchasers shall covenant and agree not to communicate any terms or any other aspect of a Purchase Agreement and the transactions contemplated therein to any person or entity.

Purchasers must covenant and agree that (i) neither Purchaser, nor any individual or entity who owns any direct or indirect interest in or controls a Purchaser, either directly or indirectly, currently is identified on the OFAC List (maintained by the United States Treasury Department, Office of Foreign Assets Control and accessible through the internet website www.treas.gov/ofac/t11sdn.pdf) or is any other person with whom a U.S. Person may not conduct business or transactions by prohibition of Federal law or Executive Order of the President of the United States, or is in violation of any legal requirements relating to anti-money laundering or anti-terrorism, including, without limitation, the requirements of the Uniting and Strengthening America by Providing Appropriate Tools to Intercept and Obstruct Terrorism Act of 2001, U.S. Public Law 107-56, and the related regulations issued thereunder, including temporary regulations, all as amended from time to time.

Escrow Account

Newman Law P.C., with an address at 377 Pearsall Avenue, Suite C, Cedarhurst, New York 11516, telephone number (516) 545-0343, shall serve as escrow agent ***("Escrow Agent")***. Sponsor will cause all cash Deposits received from Purchasers, directly or through Sponsor's agents or employees, to be delivered to Escrow Agent to be held in escrow in accordance with this Plan. Escrow Agent has designated the following attorneys to serve as signatories: Evan Newman, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent will, upon receipt from Sponsor or Selling Agent of deposit funds paid by a Purchaser together with a copy of a completed Purchase Agreement and all required ancillary documents executed by Purchaser (the "***Deposit***"), deposit the funds in Purchaser's name in a special segregated interest-bearing sub-account of a master attorney trust account entitled "Newman Law P.C. Escrow Account for "Factory House" (the "***Escrow Account***") maintained by Escrow Agent at Chase Bank, N.A. (the "***Escrow Bank***") at the Escrow Bank's branch located at 446 Central Avenue, Cedarhurst, NY or at such other lending institution in which the firm elects to maintain its attorney trust account. Consistent with the foregoing, unless and until Escrow Agent is provided with a complete original Form W-9 (or applicable Form W-8 if necessary) 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 Deposit), the Deposit funds may not be deposited in the Escrow Account. Thus Purchaser must deliver Form W-8 or Form W-9 executed by Purchaser or the designated interest-recipient, as applicable, together with the Purchase Agreement and Deposit check and the interest-recipient designation form, if applicable, before, at Sponsor's option, the Purchase Agreement will be deemed completed by Purchaser.

All Deposits received from Purchaser on account of the purchase price shall be in the form of checks, wire transfers, or other instruments, and shall be made payable to "Newman Law P.C. as escrow agent – Factory House". The Escrow Account will be an interest-bearing account. Subject to the foregoing, 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 for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. All interest earned thereon shall be paid to or credited to the Purchaser at closing. Sponsor makes no representations regarding the interest which will be paid on the Deposits. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

(i) Subject to the conditions discussed in this paragraph, in accordance with the regulations of the Federal Deposit Insurance Corporation ("***FDIC***"), deposits at Escrow Bank in Purchaser's name should be covered by FDIC insurance to a maximum of $250,000 per deposit. Any

deposit in excess of $250,000 will not be insured. Sponsor and Purchasers are advised that the FDIC advises consumers 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 a Purchaser already has or opens an account at Escrow Bank in the same name in which the Deposit is deposited, and should the Escrow Bank fail and the FDIC insurance be called upon, the funds in that account will be aggregated with the Deposit 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 that the FDIC will insure any depositor'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 Deposit (or any other funds maintained by Purchaser in Escrow Bank) or if the FDIC insures only a portion thereof.

(ii) Acceptance of the Deposit by Sponsor or Selling Agent and the placement of the Deposit by Escrow Agent into the Escrow Account, shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and Sponsor executes a duplicate thereof and delivers the Purchase Agreement to Purchaser or Purchaser's attorney in accordance with the terms of the Plan. If a Purchaser tenders a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser.

(iii) The Purchase Agreement reflecting the foregoing, is attached to the Plan as Schedule 3. The escrow provisions are included in Paragraph 23 of the Purchase Agreement, which must be executed by the Escrow Agent.

(iv) The Escrow Agent or Sponsor is obligated to send notice to the Purchaser or Purchaser's attorney once the Deposit is placed in the Escrow Account, confirming the Deposit. If neither the Purchaser or Purchaser's attorney receive notice of such deposit within fifteen (15) business days after tender of the Deposit, Purchaser may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser or Purchaser's attorney.

(v) Escrow Agent's or Sponsor's notice that the Deposit had been deposited will not mean that the purchaser has been approved as a Purchaser or that the Purchase Agreement has been signed by Sponsor. It simply means the check has been deposited.

(vi) All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h. . Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

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

(viii) The Escrow Agent shall release the Deposit if so directed:

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

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

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

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

(x) The Sponsor shall not object to the release of the Deposit to:

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

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

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

(xii) If the Escrow Agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the new escrow account. The Escrow Agent is authorized to act as escrow agent, and its rights and obligations hereunder shall remain in effect unless and until its agency is canceled by either: (a) written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law (Purchasers with Purchase Agreements shall be deemed to have consented); or (b) the resignation of Escrow Agent, which shall not take effect until Escrow Agent is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law and notice is given to Purchasers with Purchase Agreements of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor; or (c) all Units offered by Sponsor pursuant to the Plan have been sold and no Deposits of Purchasers remain in the Escrow Account. Upon cancellation or resignation of the duties of Escrow Agent as described herein, Escrow Agent shall deliver the Deposits held by Escrow Agent and the Purchase Agreements to the successor escrow agent.

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

(xiv) Sponsor has agreed to compensate Escrow Agent for services rendered by its attorneys and paralegals and expenses incurred by Escrow Agent in connection with the Purchase Agreement and the revisions to this Section of the Plan, including, without limitation, disputes arising with respect to the Deposit in connection with Escrow Agent's duties hereunder.

(xv) Sponsor has agreed to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising in connection with the Purchase Agreement or the performance or non-performance of Escrow Agent's duties under the Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in the Purchase Agreement. This indemnity includes, without limitation, disbursements and attorney's fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself. Escrow Agent shall not be liable to a Purchaser or Sponsor for any error in judgment, mistake of fact or law or for any act or omission on Escrow Agent's part, including, without limitation, any act or omission which permits a Purchaser to rescind a Purchase Agreement, unless taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in the Purchase Agreement. The indemnities contained in this paragraph shall survive and continue after Escrow Agent's duties have been canceled or terminated.

(xvi) The Escrow Agent will be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Deposit or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Deposit and continues as Escrow Agent. The Escrow Agent may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to the Escrow Agent in respect of any action taken or omitted in good faith by the Escrow Agent hereunder in accordance with the opinion of such counsel.

(xvii) The Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under the Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof. Sponsor agrees that Sponsor and its agents, including any selling agents shall deliver the Deposit received by them to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Deposit by Purchaser. Sponsor agreed that it will not interfere with Escrow Agent's performance of its duties and obligations herein and as otherwise required in GBL §§ 352-(e)(2-b) and 352-h and the New York State Department of Law's regulations.

Any interest earned on the Deposit funds will be paid to Purchaser at or following Purchaser's closing. Upon Purchaser's permitted rescission of a Purchase Agreement or upon termination of a Purchase Agreement pursuant to agreement with Sponsor, interest earned on the Deposit shall be paid as Sponsor and/or Sponsor and Purchaser, as applicable, shall direct. Upon Sponsor's abandonment of the Plan, interest, if any, earned on the Deposit, shall be paid to Purchaser.

Subject to the foregoing, in the event of an uncured default by Purchaser, the Deposit plus interest earned thereon, may be retained by Sponsor as liquidated damages.

Pre-Closing Inspection of Unit

Sponsor will advise Purchaser of a date and time prior to the Original Scheduled Closing Date (defined below) when Purchaser may inspect the Unit. Purchaser may not inspect the Unit until Sponsor has notified Purchaser that the Unit is ready for inspection. Purchaser shall attend such inspection with Sponsor's representative, and shall, together with Sponsor's representative, complete, date and sign an Inspection Statement, a form provided by Sponsor (the "***Inspection Statement***") at the

conclusion of the inspection. If, however, during the inspection Purchaser notes certain incomplete items that Sponsor, through its inspection representative, agrees to complete, repair or replace (the "***Punchlist Items***"), these items shall be itemized on a list attached to the Inspection Statement (the "***Punchlist***") which Punchlist must be initialed by Sponsor's representative and signed and dated by both Sponsor's representative and Purchaser to be binding on Sponsor. Punchlist Items are typically items that will not prevent or substantially interfere with Purchaser's use and occupancy of the Unit.

Purchaser's failure to attend the inspection appointment as described above, or to sign and deliver the completed Inspection Statement and/or Punchlist, shall not excuse Purchaser from paying the balance due at closing. No discussion of Punchlist Items is to take place at the Closing itself.

To the extent Sponsor agrees to attend to items on the Punchlist, Sponsor will make reasonable efforts to have these items attended to within a reasonable time period following closing provided Purchaser permits Sponsor access to do so, as set forth in the Inspection Statement. That is, if Purchaser fails to provide access to the Unit 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, Sponsor shall have no further obligation to complete that Punchlist Item.

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. 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 the Punchlist Items.

The Units are being sold in the condition described in Part II of the Plan entitled "Description of Property and Specifications" and Sponsor will not have any obligation to make any repairs, alterations or improvements except as expressly provided therein.

Closings

As set forth elsewhere in this Plan, 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 November 1, 2015. If the actual date of the First Unit Closing differs by twelve (12) months or more from the projected commencement date for the first year of Condominium operation set forth in the Plan as same may be amended, Sponsor will offer Purchasers the right, for a period of at least fifteen (15) days, to rescind their Purchase Agreements and have their Deposits refunded.

After the Plan has been declared effective as described in Part I, Section L of the Plan, Purchasers will be given at least thirty (30) days' prior written notice of their closing. 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 do so, if Purchaser specifically waives the 30-day notice provision. The Original Scheduled Closing Date will be a date at least ten (10) days after an amendment disclosing that the Plan has been declared effective has been accepted for filing by the Department of Law. The notice of closing will remind Purchasers that the balance of the purchase price is due at closing and will provide information as to the amount of the payment and/or adjustment of Common Charges and real estate taxes for the month in which title closes due to Closing as well. Closings will be held at the offices of Sponsor's Closing Counsel, Jacobowitz Law P.C., 377 Pearsall Avenue, Suite C, Cedarhurst, New York 11516.

If a Purchaser is buying a Storage Unit and/or Parking Unit as well as a Residential Unit or Commercial Unit, the closing of all Units must occur simultaneously. The Commercial Units may be sold to a purchaser prior to the issuance of a temporary certificate of occupancy in accordance with the

terms of the purchase agreement negotiated by Sponsor and any purchaser of the applicable Commercial Unit.

At the time of closing each Purchaser will be required to pay the New York City Real Property Transfer Tax (NYC RPT) and Reporting/Filing Fees (RP-5217), the New York State Real Estate Transfer Tax and the Mansion Tax (TP-584), if any, with respect to the Unit (Purchasers should be aware that if a Purchaser purchases more than one (1) residential unit, the Purchaser may have to pay the higher commercial or bulk sale rate rather than the lower residential rate on the New York City Real Property Transfer Tax). Payment of these taxes customarily is a seller's obligation absent a contractual provision to the contrary. Accordingly, New York City and New York State take the position that the amount of tax paid by Purchaser is additional consideration upon which the tax must be paid. Thus the purchase price will be "grossed up" to include the amount of tax paid by Purchaser when the amount of tax due is calculated. The Purchase Agreement also provides that, in addition to other closing costs, the Purchaser of each Residential Unit pay (a) the sum of two thirds (2/3) of one percent (1%) of the sales price of their respective Residential Unit to Sponsor for Sponsor's costs in connection with obtaining 421-a real property tax exemption benefits (irrespective of whether or not the tax benefits are obtained) as well as to cover certain administrative and project costs and expenses of Sponsor; (b) a sum equal to two months Common Charges in connection with establishment of the Working Capital Fund; and (c) the sum of $2,500 to Sponsor's attorneys for legal and other fees and expenses in connection with processing the sale of the Unit and (d) $275 to Sponsor's attorney for preparation of the NYC "ACRIS" Transfer Tax forms required by NYC.

At closing, the balance of the purchase price for the Unit 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 any one Sponsor designates or directs). Alternatively, at Purchaser's request, Sponsor will cooperate to facilitate wire transfers of the balance of the purchase price due at closing.

At closing Sponsor will provide Purchaser with a FIRPTA certification. If Purchaser is financing the purchase, Purchaser's lender's attorneys shall be obligated to file Form 1099S and to provide a copy thereof to Sponsor at the closing.

At the time of closing each Purchaser will be required to sign a power of attorney to the Board of Managers in the form contained in Part II of the Plan.

A Purchaser who fails to pay the balance due under the Purchase Agreement on the Original Scheduled Closing Date or any permitted adjournment thereof, or fails to honor any other obligation under the Purchase Agreement will be in default under the Purchase Agreement. Sponsor shall notify any such Purchaser of Purchaser's default in writing, shall specify the reason Purchaser is in default and shall grant Purchaser a period of at least thirty (30) days within which to cure said default. **SPONSOR RESERVES THE RIGHT TO MAKE TIME OF THE ESSENCE WITH RESPECT TO PURCHASER'S OPPORTUNITY TO CURE ANY DEFAULT WITHIN THE SPECIFIED CURE PERIOD. AFTER THE SPECIFIED CURE PERIOD EXPIRES, IF PURCHASER'S DEFAULT REMAINS UNCURED, SPONSOR MAY TERMINATE THE PURCHASE AGREEMENT, RETAIN PURCHASER'S DEPOSIT (INCLUDING ANY ADDITIONAL DEPOSIT THAT PURCHASER MAY HAVE MADE IN CONSIDERATION OF SPONSOR'S GRANTING AN ADJOURNMENT OF THE CLOSING AS DESCRIBED BELOW) TOGETHER WITH INTEREST EARNED THEREON (IF ANY) AS LIQUIDATED DAMAGES, AND SELL THE UNIT TO ANOTHER PURCHASER AS IF THE PURCHASE AGREEMENT HAD NEVER BEEN MADE.**

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 made at closing (and described in "Closing Costs and Adjustments" in Part I, Section N of the Plan) 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 derived by (a) multiplying the purchase price for the Unit(s) being purchased by 16%, (b) dividing that product by 365, and (c) multiplying the resulting amount by the number of days the closing is delayed, beginning with the Original Scheduled Closing Date and ending with the actual closing date. In addition, Sponsor reserves the right to make time of the essence with respect to Purchaser's obligation to close on a rescheduled closing date requested by Purchaser to which Sponsor consents. 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 the agreed-upon adjourned closing date. Sponsor reserves the right to waive any or all of the provisions of this paragraph.

If Purchaser requests more than one adjournment of the Original Scheduled Closing Date, or if Purchaser requests an adjournment of the Original Scheduled Closing Date in excess of thirty (30) days, Sponsor shall have the right to require that as a condition of the adjournment Purchaser must deposit an additional payment in the amount of up to five (5%) percent of the purchase price for the Unit(s) being purchased into escrow with the Escrow Agent, which additional payment shall be deemed part of and shall be handled in the same manner as the Deposit already paid by Purchaser. Sponsor also shall have the unilateral right to make time 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 the Purchase Agreement and retain Purchaser's Deposit and any additional Deposit made pursuant to this paragraph, and all interest earned thereon, as liquidated damages.

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

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

Purchase Agreements are not assignable without Sponsor's consent, which consent may be withheld for any reason or no reason. In addition, prior to closing of title to a Unit, a Purchaser may not advertise or otherwise offer, promote, or publicize the availability of such Unit for sale or lease. Violations of either of the two foregoing provisions shall be considered defaults under the Purchase Agreement. After the closing for so long as Sponsor owns any Residential Units, but not to exceed two (2) years from the date of the First Unit Closing, a Purchaser may not advertise, or otherwise offer, promote or publicize the availability of such Unit for sale or lease at prices lower than those being advertised or promoted by Sponsor for similar unsold Residential Units.

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

K. INTERIM LEASES AND USE AND OCCUPANCY AGREEMENTS

Sponsor reserves the right, both before and after the recording of the Declaration of Condominium, and prior to the closing of title to a particular Unit, to enter into, at Sponsor's sole discretion, (i) a lease for said Unit (an "***Interim Lease***") or (ii) a use and occupancy agreement for the Unit (an "***Occupancy Agreement***") with a prospective Purchaser who has executed a Purchase Agreement and paid the requisite Deposit, for such rent or occupancy fee, as applicable, and on such conditions as may be agreed to between Sponsor and Purchaser. Any such lease Interim Lease or Occupancy Agreement may provide that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the Interim Lease or Occupancy Agreement will constitute a default under the Interim Lease or Occupancy Agreement entitling Sponsor, at its sole option, to immediately terminate the Interim Lease or Occupancy Agreement and the Purchaser must vacate the Unit within seven (7) days of the uncured default. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any Interim Lease or Occupancy Agreement with respect to the Unit which is the subject of the Purchase Agreement, including but not limited to payment of rent or occupancy fee as and when due, will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to immediately terminate such Purchase Agreement and exercise any remedies provided therein.

Before Sponsor may utilize a default under an Interim Lease to declare a default under a Purchase Agreement, Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser, unless Purchaser has vacated the Unit.

The Interim Lease or Occupancy Agreement shall terminate upon Purchaser's default thereunder and Purchaser shall be obligated to vacate the Unit upon the effective termination date of the Interim Lease or Occupancy Agreement.

L. EFFECTIVE DATE

Sponsor may declare the Plan effective when executed Purchase Agreements for at least 15% of the Residential Units offered under the Plan (i.e., Purchase Agreements for at least six (6) Residential Units) have been accepted by Sponsor from bona fide Purchasers, including investors, and executed by Sponsor, although Sponsor will not be obligated to declare the Plan effective at that time. Sponsor will not be obligated to declare the Plan effective, unless and until Sponsor has received, accepted and executed Purchase Agreements for 80% of the Residential Units offered hereunder (i.e., Purchase Agreements for thirty (30) Residential Units).

The Plan will not be declared effective based on Purchase Agreements (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or that has not been waived, or (ii) with any Purchaser who is Sponsor or is a principal of Sponsor or is related to Sponsor or to any principal of Sponsor 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, or (iii) signed by Purchasers who have not been afforded the protections required by 13 NYCRR § 20.3(o)(15).*

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

Notification of effectiveness will be by amendment to this Plan or by written notice to all Purchasers (by personal service of notice on every purchaser or by commencement of service by mail stating that this Plan is declared effective). 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 for filing an amendment incorporating the notice of declaration 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 Purchase Agreements for 80% of the Residential Units offered hereunder. Within ten (10) business days after abandonment, all Deposit monies paid by Purchasers who are not then in default under their Purchase Agreements (or who did not previously default under their Purchase Agreements and forfeit their Deposits), shall be refunded to them in full with interest, if any has been earned thereon. 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.

Once Sponsor declares the Plan effective or executed Purchase Agreements for 80% of the Residential Units have been received and accepted by Sponsor, the Plan may not be abandoned for any reason other than (i) title defects which cannot be cured without litigation or which can be cured only by incurring expenditures in excess of Two Hundred Thirty Thousand and 00/100 ($230,000) Dollars in the aggregate, or (ii) substantial damage to or destruction of the Building by fire or other casualty which

---

* This provision requires, as expressly set forth in the Purchase Agreement itself, that Purchaser shall be given (i) at least three (3) business days to review the Plan and all amendments thereto prior to signing a Purchase Agreement, or (ii) an opportunity for seven (7) days after signing a Purchase Agreement to rescind the Purchase Agreement.

can be cured only by Sponsor incurring expenditures in excess of Two Hundred Thirty Thousand and 00/100 ($230,000) Dollars or (iii) a taking of all or any material part of the Property in condemnation proceedings or eminent domain. Except as set forth in the preceding sentence, there will be no obligation of Sponsor to incur any expense or engage in litigation to cure title defects or obtain consents to prevent abandonment of the Plan after it has been declared effective.

The First Unit Closing shall not occur until this Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

M. TERMS OF SALE / CLOSING OF TITLE TO UNITS

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

The closing date for each Unit will be set by Sponsor and will be at least ten (10) days after an amendment reflecting that Sponsor has declared the Plan effective 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 personal property or fixtures located in a Unit, if any, on the date the Purchase Agreement for that Unit is executed, which are owned by Sponsor, are included in the sale to Purchaser unless expressly excluded in the Purchase Agreement. Notwithstanding the foregoing, furnishings and other personal property in a Unit used as a model apartment are not included in the sale of that Unit unless the Purchase Agreement expressly and specifically provides they are included.

Purchaser shall be given an opportunity to inspect the Unit prior to closing as discussed in Part I, Section J of the Plan under the subheading "Pre-Closing Inspection of Unit." Any work remaining to be done in the Unit pursuant to the Plan and/or the Purchase Agreement, which Sponsor agrees to complete, shall be itemized on an "Inspection Statement," the form of which is contained in Part II of the Plan, signed by both Sponsor and Purchaser.

Sponsor will not close title to a Unit under a Purchase Agreement unless the Unit is covered by at least a temporary certificate of occupancy. The Department of Law requires that Purchaser may not close or take title to a Unit until the Unit is covered by at least a temporary certificate of occupancy, even if Purchaser desires to close title prior to issuance of a temporary certificate of occupancy covering the Unit. If a temporary or permanent certificate of occupancy has been issued for a Unit, the Purchaser will be obligated to accept title to the Unit without abatement of the purchase price or provision for escrow (other than as specifically stated herein), despite incomplete construction of (i) minor details of the Unit, (ii) other Units, (iii) the Common Elements, or (iv) Limited Common Elements, customarily left incomplete until after occupancy of the Unit.

Purchasers are advised that newly constructed and newly renovated buildings in New York City are 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 TCOs. Certificates of Occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that a property is safe for occupancy, but that not all construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell a condominium unit. 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 commencing Unit closings when some or all of the Units are covered by a TCO rather than a FCO. In accordance with the below, Sponsor will use commercially reasonable efforts to extend each TCO received prior to expiration thereof and ultimately to obtain the FCO for the Building within two (2) years from the date of the First Unit Closing. However, Sponsor make no representations or guaranties that the DOB will issue the FCO within such two (2) year period. Notwithstanding the foregoing, Sponsor is obligated to obtain the FCO for the Building, and shall exercise commercially reasonable efforts to obtain the FCO within such two (2) year period while keeping the TCO current. Unit Owners and the Board of Managers shall be obligated to and must

cooperate with Sponsor and refrain from obstructing Sponsor in these undertakings, in Sponsor's dealing or working with DOB, and in Sponsor's efforts in renewing TCOs and obtaining the FCO. As described in greater detail in the Plan, Sponsor will maintain sufficient funds in escrow to address the anticipated costs of obtaining the FCO. Purchasers should note that the TCO may lapse for reasons outside of Sponsor's control or responsibility. In the absence of a FCO or TCO it is unlawful to reside in or rent a Unit and it will be difficult for Unit Owners or Purchasers to obtain financing or transfer clear title and ownership to a successive purchaser.

The construction loan encumbering the Property will be paid in increments out of the proceeds of sale of closings of individual Units as they occur and thus it is anticipated that the construction loan will remain a lien upon a Unit until the Unit is sold and closed. In order that the Unit to be closed may be conveyed free and clear of the lien of the construction loan as required under this Plan, the construction lender will 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 Unit remains with Sponsor until the earlier of Purchaser's closing of title to the Unit or Purchaser's possession of the Unit. In the event of Loss prior to closing to a Unit under contract (i.e. fully signed Purchase 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.

In the event of Loss to a Unit under contract prior to closing and the election (or obligation) of Sponsor to restore and rebuild the Unit, the Purchase Agreement for that Unit shall remain in full force and effect, Purchaser will not be entitled to reject title or receive a credit or abatement in 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 Unit under contract prior to closing and the election of Sponsor not to restore or rebuild the Unit, or if the Loss occurs after the Declaration has been recorded and the Unit Owners do not elect to rebuild or repair the Condominium or elect to terminate the Condominium, in either case in accordance with the Declaration and By-laws, then the Purchase Agreement for that Unit shall be deemed canceled and of no force and effect. In such event Sponsor shall return to Purchaser all sums deposited by Purchaser under the Purchase 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 be in default under the Purchase Agreement (beyond any applicable cure period), Sponsor may retain all deposits made by Purchaser under the Purchase Agreement, together with interest earned thereon, as and for 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 $230,000, also as set forth in Part I, Section L.

In the event of Loss to the Property which occurs after the recording of the Declaration, if the Unit Owners elect to restore or rebuild the Condominium in accordance with the By-laws, Sponsor will be obligated to repair or rebuild Units it then owns, to the extent required pursuant to, and in

accordance with, the By-laws. However, Sponsor will not be required to repair or restore Common Elements, as that task will be the responsibility of the Board of Managers under the By-laws.

The First Unit Closing is expected to occur on or about November 1, 2015, concurrently with or after the occurrence of the following events:

1. Issuance of a permanent certificate of occupancy for the Building, or if same has not yet been issued, then a temporary certificate of occupancy covering the Unit to be closed 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.

2. Recording or filing, as applicable, of the Declaration, By-laws and Tax Lot Drawings.

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 (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 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 (to the extent available) for equipment and appliances installed by Sponsor in the Unit, and the assignment to the Board of Managers of any warranties (to the extent available and assignable) with respect to all equipment and appliances and heating, plumbing and roofing installed in Common Elements.

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 Prestige Title Agency as agent for First American Title Insurance Company of New York insuring that the Condominium was validly formed pursuant to the Condominium Act and that the 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. 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;

(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 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 required by law, ordinance, regulation, zoning resolution or administrative agency, to be 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 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 (as defined herein);

(i) Any lien, encumbrance or lis pendens as to which any Title Insurance Company authorized or licensed to issue title insurance in New York 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) Easements for ingress and egress for construction, installation, operation, and maintenance of municipal service facilities and utilities;

(k) Any Interim Lease or Occupancy Agreement with Purchaser for such Unit and any other leases, licenses, tenancies and occupancies permitted by the Purchase Agreement for such Unit;

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

(m) All other covenants, restrictions, easements and agreements recorded against the Property before or after execution of the Purchase Agreement;

(n) Building restrictions, zoning and historic designations and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted;

(o) Revocability of licenses for vault space, if any, under the sidewalks and streets;

(p) Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended certificate of occupancy for the Building or any part of same;

(q) Encroachments of stoops, areas, cellar steps or doors, trim, copings retaining walls, bay windows, balconies, sidewalk, elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations;

(r) Leases, licenses and service, maintenance, employment and concessionaire agreements, if any, of other Units or portions of the Common Elements;

(s) The lien of any unpaid Common Charges, real estate taxes, water charge or sewer rent, or vault charges, provided the same are adjusted at the Closing of Title;

(t) The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that the Sponsor shall pay all such assessments due prior to the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date;

(u) Any declaration or other instrument affecting the Property which the Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building;

(v) Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes;

(w) Any violation against the Property (other than the Unit) and any violation which is the obligation of the Condominium Board, or another Unit owner to correct;

(x) Any certificate of occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes;

(y) Any encumbrances, covenant, easement, agreement, restriction, lien or violation against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Plan, as the same may be updated from time to time prior to the Closing;

(z) Any agreement or instrument affecting the Property which the Sponsor deems necessary or appropriate relating to the Condominium, which does not prevent the use of the Unit for dwelling purposes or materially adversely affect the Unit;

(aa) Covenants and Restrictions in Liber 2350 cp 244;

(bb) Certification of Parties in Interest Pursuant to Zoning Lot Subdivision C dated 02/17/2014 recorded 03/17/2014 in CRFN 2014000091350;

(cc) Zoning Lot Description and Ownership Statement made by RDG- Stonecutter 43rd Ave Owner LLC, dated 02/19/2014 executed by Joseph Palumbo and recorded on 03/17/2014 in CRFN 2014000091351; and

(dd) Real Estate Taxes to be allocated to each condominium unit.

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.

N. CLOSING COSTS AND ADJUSTMENTS

At closing, each Purchaser shall be required to pay certain costs and expenses. 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 Prestige Title Agency as agent for First American Title Insurance Company of New York (the "***Title Company***"), and are based (as are all of the following items), on rates and charges in effect as of June 2014 which are subject to change 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 pay the premium therefor which will vary depending upon the purchase price. Title insurance rates are set by the New York Board of Title Underwriters and filed with the New York State Department of Insurance. The insurance rates quoted are those in effect as of June 2014 and are subject to any increase approved by the New York State Department of Insurance.

(b) The premium for title insurance varies depending upon the amount of insurance purchased. The current rate for fee title insurance alone (*i.e.*, no mortgage title insurance) is approximately $6.67 per thousand for the first $50,000 of fee title insurance, and approximately $5.43 for each additional $1,000 dollars or fraction thereof up to and including $100,000, and approximately $4.36 for each additional $1,000 dollars or fraction thereof up to and including $500,000, and approximately $3.98 for each additional $1,000 dollars or fraction thereof up to and including $1,000,000, and approximately $3.66 for each additional $1,000 dollars or fraction above $1,000,000 up to and including $5,000,000.

(c) The premium for title insurance varies depending upon the amount of insurance purchased. The current rate for mortgage title insurance is approximately $5.55 per thousand for the first $50,000 of mortgage title insurance, and approximately $4.54 for each additional $1,000 dollars or fraction thereof up to and including $100,000, and approximately $3.64 for each additional $1,000 dollars or fraction thereof up to and including $500,000, and approximately $3.31 for each additional $1,000 dollars or fraction thereof up to and including $1,000,000, and approximately $3.05 for each additional $1,000 dollars or fraction thereof up to and including $5,000,000. Purchasers should note that if a Purchaser elects to obtain mortgage title insurance simultaneously with a policy for fee title insurance (mortgage title insurance likely will be required if Purchaser is obtaining a mortgage loan to finance the purchase), the premium for the mortgage policy will be discounted and reduced at the "simultaneous rate".

(d) As an example of how the foregoing rates would be applied, consider the following: If a Purchaser of a Residential Unit priced at $630,970 obtained a mortgage loan of $504,776, the mortgage title insurance would cost $2,585 and fee title insurance would cost $638, resulting in a total expenditure of $3,223 for mortgage and fee title insurance.

(e) Sponsor makes no representation regarding insurance available from insurers other than from the Title Company. Purchasers may order title insurance by contacting Prestige Title Agency at (212) 651-1200. If a Purchaser elects to obtain title insurance through an abstract company (regardless of the title company through which the abstract company is insuring) or through a title company other than the Title Company, Sponsor shall not be obligated to cause Purchaser's title company (if other than Prestige Title Agency) to omit any exception to title if Prestige Title Agency is willing to insure Purchaser's title without such exception or against enforcement of such exception. Purchasers should note no additional charges will be levied or assessed by Sponsor against a Purchaser should a Purchaser use a title insurance company other than Prestige Title Agency as agent for First American Title Insurance Company of New York.

(f) While Purchaser will be free to select a title company of his/her choice, Sponsor's obligation to deliver title to the Unit as provided above will be deemed satisfied if the Title Company is prepared to insure such title subject to those title exceptions permitted under this Plan.

(g) Purchasers who use a title company other than the Title Company are advised that in the event there is a delay in the closing of title to a Unit due to clearance of title issues or otherwise as a result of Purchaser utilizing a title company other than Prestige Title Agency, in addition to all other rights and remedies available to Sponsor, Purchaser will be responsible for the additional closing costs as set forth in the Purchase Agreement.

(h) Purchasers are advised that the quoted rates for title insurance in this section are issued by the Title Company, the rates may be discounted from usual rates because the existing title insurance on the property is "prior eligible insurance" enabling purchasers of condominium units from the original seller (*i.e.*, from Sponsor), to receive a discount on their unit owner's title policy.

2. **Recording Fees**

Purchaser will be required to pay fees for recording the Unit deed, the power of attorney in favor of the Board of Managers, and any mortgage Purchaser obtains to finance the purchase of the 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 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 $275 per document plus $5 per page and a $50 service charge for each instrument recorded.

3. **Transfer Taxes**

(a) Under the Purchase 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.

(b) (i) Under the Purchase Agreement, Purchaser also will be required to pay the New York City Real Property Transfer Tax (the "***RPT Tax***") applicable to the transaction. The RPT Tax rate currently is 1% of the consideration for the Unit for individual residential condominium units priced at $500,000 or less and 1.425% of the consideration for the Unit for individual residential condominium units priced at more than $500,000. The RPT Tax rate currently is 1.425% of the consideration for Non-Residential Units priced at $500,000 or less and 2.625% of the consideration for Non-Residential Units priced at more than $500,000. Purchaser shall also be required to pay the $125 administrative and filing/reporting charge for filing the RP-5217 Tax Return (and any other administrative fee or filing charges as the City of New York may impose). Purchaser shall also be required to pay $275 to Sponsor's attorney for preparation of the NYC "ACRIS" Transfer Tax forms required by NYC in connection with the NYC RPT, TP-584 and RP-5217.

(ii) Purchasers are advised that the City of New York Department of Finance takes the position that if more than one residential condominium unit is purchased simultaneously by the same purchaser and if such units have not been physically combined into a single unit prior to the closing, the transaction is no longer the sale of an "individual" residential unit. Characterization of the transaction as the sale of an "individual" residential unit is a prerequisite to the application of the tax rates described in the previous paragraph. If the transaction is not the sale of an

individual residential unit, higher RPT Tax rates apply. Specifically, the City of New York takes the position that when more than one residential condominium unit is purchased simultaneously by the same purchaser, the tax rates for individual residential condominium units no longer apply and the applicable rates 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. Although the City of New York appears to have taken the position that it will not aggregate the purchase prices of units transferred by separate deeds to the same purchaser at different times for purposes of determining if the rate applicable to sales aggregating $500,000 or more will apply, Purchasers are advised that such position could change at any time.

(c) 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 Purchase Agreement, that the purchaser pays the Transfer Taxes, the purchase price for the Unit 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, and then adding this aggregate tax amount to the purchase price listed in the contract of sale 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.

(d) 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.

(e) Purchasers are advised that the consideration paid for a Storage Unit and/or Parking Unit may be deemed by the applicable New York taxing authorities as additional consideration for the Residential Unit or Commercial Unit being purchased and thus may be aggregated with the Purchase Price for the Residential Unit or Commercial Unit for the purpose of computing Transfer Taxes and the Mansion Tax.

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 THE NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE TAKES THE POSITION FOR PURPOSES OF DETERMINING IF THE MANSION TAX IS DUE AND PAYABLE, THAT CONSIDERATION INCLUDES NOT ONLY THE PURCHASE PRICE FOR THE RESIDENTIAL UNIT LISTED IN THE PURCHASE AGREEMENT, BUT ALSO THE AGGREGATE OF ANY TRANSFER TAXES PAYABLE BY PURCHASER UNDER THE PURCHASE AGREEMENT. THUS, FOR INSTANCE, A RESIDENTIAL UNIT PRICED AT $985,000 UNDER A PURCHASE 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 MILLION.** Purchasers of Residential Units where the consideration (including the purchase price itself plus the aggregate Transfer Taxes payable by Purchaser) is $1 million or more, thus 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**

(a) 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.

(b) Purchasers obtaining mortgage loans also will be obligated to pay mortgage recording tax. The mortgage recording tax rate in New York City (for Residential Units) 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 mortgage recording tax rate in New York City (for Commercial Units) currently is 2.05% of the mortgage amount for mortgages of less than $500,000, and 2.8% 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 Non-Residential mortgage recording tax rate of 2.80% will apply.

(c) 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. Purchaser will be required to pay to Sponsor an amount equal to the amount of credit Purchaser receives. This payment to Sponsor is to reimburse Sponsor for mortgage tax previously paid on mortgages encumbering the Property, which prior payment is the basis for Purchaser's credit. 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. Purchaser shall not 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 the reduced amount of mortgage tax to be paid by Purchaser (i.e., the portion of the mortgage tax for which statutory credit is not available), will not exceed the amount that Purchaser otherwise would have been required to pay as the full unabated mortgage recording tax. Alternatively, Sponsor may require, in its sole discretion, that if Purchaser finances the purchase of a Unit with a purchase money loan secured by a mortgage (the "Mortgage"), Purchaser must cause the lender making such loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Mortgage as determined by Sponsor. Upon such assignment, the Mortgage will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor will be solely entitled to the benefits of the mortgage tax credit, which Purchaser receives as a result of such assignment. Accordingly, at the closing, Purchaser will pay to Sponsor an amount equal to the mortgage recording tax savings resulting from such exemption.

(d) 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 may collect escrows for real estate taxes 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**

(a) 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 other occupancy agreement, rent or other occupancy fee also will be adjusted as of the closing date.

(b) If a Residential Unit closes during the 2015/2016 tax year (i.e., the tax year running from July 1, 2015 to June 30, 2016), it is probable the Unit will not be separately assessed for real estate taxes for the 2015/2016 tax year by that Unit's closing date and that Section 421-a tax benefits will not yet be formally in place. However, even if the Section 421-a tax benefits are not yet formally in place, the adjustment for real estate taxes will be based on an estimated "assessment" obtained by multiplying the portion of the "mini-tax" assessment for that year attributable to the Residential Area (i.e., as if the Section 421-a benefits were in place), by the ratio that each Unit's offering price, as set forth in Schedule A in this Offering Plan, bears to the aggregate offering prices for all Residential Units offered under this Plan (i.e., the "Proportionate Valuation"), and multiplying that Unit "assessment" by the then current tax rate. If the Unit closes in the 2016/2017 tax year (i.e., the tax year running from July 1, 2016 to June 30, 2017), and if the Unit has not been separately assessed for the 2016/2017 tax year by the closing date, and if the Section 421-a tax benefits are not yet in place, the assessment will be estimated and tax adjustments collected in the same manner as for 2015/2016 using the 2016/2017 tax rate. That is, adjustments for real estate taxes for closings occurring in tax year 2005/2006 and 2006/2007 will be based on the "mini-tax" assessment as if Section 421-a tax benefits were in place. The tax amount for the adjustment will be based on the amount in the column of Schedule A entitled "Estimated Taxes with 421-a" for both tax years. Sponsor will pay the full tax amount due and will have the right to apply for and retain a refund for overpayment of taxes once the 421-a benefits are formally in place, as they are anticipated to be retroactive to include tax years 2015/2016 and 2016/2017.

(c) If separate assessments have not been made prior to the closing of title to a Unit, the Board of Managers will collect from each Purchaser at closing an amount equal to the Unit Owner's estimated proportionate share of the real estate taxes projected to be due for the entire Property for the half of the tax year next commencing after the 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, and as if Section 421-a benefits were then in effect. If the tax assessor indicates that more than one half of a tax year may elapse before the Units are individually assessed, the Board of Managers shall collect at closing Purchaser's proportionate share of taxes for the upcoming half as described above. With respect to the balance of the estimated taxes, the Board shall collect monthly escrows from Unit Owners with their Common Charges 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 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, Sponsor shall deposit with the Board of Managers Sponsor's proportionate share of the Property tax bill allocable to the Units Sponsor then owns, based on the allocation method described above. The Board of Managers will pay all taxes allocable to Units not owned by Sponsor, at the time such taxes are due and will pay the taxes allocable to Sponsor's Units from the payment made by Sponsor for such purpose.

(d) If the actual taxes due for any period for which the Board of Managers collected funds are higher than the amount collected, the Board of Managers shall pay the difference and shall bill Purchasers 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 sells and conveys those Units. If any Unit Owner, including without limitation, 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 by the Board of Managers, the Board shall pay the tax bill and return to Purchasers their 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. Thus, if the Units are separately assessed with payments to commence during a period for which the Board of Managers holds real estate tax funds, the Board will return the funds to each Owner and the Owner will pay said Unit Owner's own tax bill.

7. **Closing Counsel Fees**

(a) Sponsor's Closing Counsel (i.e., Jacobowitz Law P.C.), will serve as Escrow Agent for Deposits and will coordinate, prepare for, and attend Unit closings on behalf of Sponsor. Each Purchaser shall make a payment toward Sponsor's closing fees to Sponsor's Closing Counsel, for each Unit purchased, in accordance with the following schedule:

(b) $2,500 basic closing fee if the closing is held at Closing Counsel's offices at 377 Pearsall Avenue, Suite C, Cedarhurst, New York 11516; plus

(c) $275 for preparation of the NYC "ACRIS" Transfer Tax forms required by NYC; plus

(d) $750 additional closing fee for each Parking Unit or Storage Unit purchased with and closed simultaneous with a Residential Unit or Commercial Unit (the basic closing fee in (b) above will apply to the stand alone purchase and closing of any Parking Unit or Storage Unit); plus

(e) $600 travel fee if Purchaser closes at a location in Brooklyn, Queens or Manhattan other than at the offices of Sponsor's Closing Counsel (closings may not be scheduled to occur outside Brooklyn, Queens or Manhattan); plus

(f) $250 for the first adjournment granted at Purchaser's request from the date set as the Original Scheduled Closing Date pursuant to the Purchase Agreement and $250 for each subsequent adjournment agreed to thereafter by Sponsor at Purchaser's request; plus

(g) $1,000 for each assignment of the Purchase Agreement requested by Purchaser and agreed to by Sponsor (at Sponsor's sole discretion); plus

The costs in 7(a) - (g) are cumulative to the extent applicable to an individual closing or an individual Unit.

8. **Working Capital Contribution**

Purchaser shall also be required to pay at closing an amount equal to two months' Residential Common Charges attributable to each Residential Unit being purchased, of which $500 may be used to reimburse Sponsor for monies that Sponsor may have deposited into the Working Capital Fund upon establishment of the Condominium and the balance of which will be paid to the Condominium to serve as part of the Working Capital Fund as well, as described in Part I, Section T of this Plan. The Working Capital Fund shall be used to pay for items in the Residential Area budget which will be payable prior to the time that sufficient monthly Residential Common Charges have accrued to pay these items, also as described in Part I, Section T of the Plan.

9. **Reimbursement of Section 421-a and administrative Costs**

Each Purchaser of a Unit and will be required to deliver and pay Sponsor the sum of two thirds (2/3) of one percent (1%) of the sales price of their respective Unit to Sponsor for Sponsor's costs in connection with obtaining 421-a real property tax exemption benefits (irrespective of whether or not

the tax benefits are obtained) as well as to cover certain administrative and project costs and expenses of Sponsor.

10. **Professional Fees**

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

11. **Penalties 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 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 derived by (a) multiplying the purchase price for the Unit by 16%, (b) dividing that product by 365, and (c) multiplying the resulting amount by the number of days the closing is delayed, beginning with the Original Scheduled Closing Date and ending with 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.

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

12. **Sample Closing Costs**

Application of the foregoing closing costs to a Residential Unit 3F priced at $630,970 where the Purchaser borrows 80% in a mortgage and delivers the remaining 20% in cash/equity, does not purchase a Parking Unit or Storage Unit, closes timely at Sponsor's counsel's office, and uses the Title Company as Purchaser's title insurance company, would be approximately as follows:

Fee Title Insurance	$	2,585
Mortgage Title Insurance	$	638
Mortgage Recording Tax	$	6,688
NYC RPT Tax	$	9,156
NYS Real Estate Transfer Tax	$	2,570
RP-5217 & Filing Fee	$	125
Recording Fees (Est)	$	800
Acris E-Tax Form Preparation	$	275
Counsel Fee Payment	$	2,500
Working Capital Contribution	$	602
Section 421-a & Admin Reimbursement	$	4,165
Total	$	30,104

O. RIGHTS AND OBLIGATIONS OF SPONSOR

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

1. **Generally**

(a) Sponsor has closed upon its financing for construction of the Project. Sponsor believes that the existing and anticipated financing for construction of the Project, together with other funds to which Sponsor has access, will be sufficient to complete construction of the Condominium. Before the First Unit Closing under this Plan, 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 to be recorded prior to recordation of the deed to the Unit, or Sponsor shall have provided sufficient security to the Title Company such that the Title Company will be willing to insure the Unit without exception for such lien. The construction lender will release each Unit from the lien of the construction loan upon the payment by Sponsor to the construction lender of the "release amount". There is no minimum required Sponsor sales or leases by the construction lender before releases are provided by the construction lender for Units sold and closed.

(b) Sponsor shall complete the Project in substantial accordance with all applicable codes and 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. Sponsor will not significantly change the size, number or location of Units, their respective percentage of interest in the Common Elements, or the amount or quality of Common Elements, except as more specifically provided in "Changes in Prices, and Units" in Part I, Section I.

(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 Sponsor has closed title to the first Residential Unit on a temporary certificate of occupancy, Sponsor shall attempt to obtain a permanent certificate of occupancy within two (2) years after closing of title to the first Residential Unit, subject, however, to construction delays caused by weather, strikes, lockouts, acts of god, shortages of or inability to obtain, materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements, actions by Unit Owners or tenants of Unit Owners, or any other cause over which Sponsor has no control, but in any event, before expiration of applicable partial or temporary certificates of occupancy, as same may be renewed, replaced or extended.

(d) In the event any closing of title to a Residential Unit occurs after issuance of a temporary certificate of occupancy covering the Unit but before the issuance of a permanent Certificate of Occupancy covering the Unit, all Deposits received from the Purchaser of said Unit shall continue to be held in the Escrow Account, unless Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy, in which case the sum exceeding the amount so certified by the Sponsor's engineer or architect may be released to Sponsor from the Escrow Account on the Unit closing date. Notwithstanding the foregoing, Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount certified by the architect or engineer to be necessary to obtain the permanent certificate of occupancy for the Unit and the Deposit and funds may be released to Sponsor from the Escrow Account on the Unit closing date. In the event Sponsor desires to post a bond pursuant to this paragraph, prior to posting such bond Sponsor will file an amendment to the Plan disclosing same. In the event Sponsor desires to post a bond pursuant to this paragraph, prior to posting such bond Sponsor will file an amendment to the Plan disclosing same. It should be noted that this paragraph is inserted

pursuant to law and regulation and is subject to change in case of revision or amendment to such law and/or regulation.

(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 issued by the Title Company, promptly after Sponsor has received actual notice that any such liens are filed.

(f) 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 Unit Owners, except with respect to claims arising out of the acts, omissions or representations of Sponsor, as limited in this Plan.

(g) 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.

(h) Sponsor shall deliver a set of "as-built" plans for the Project to the Board of Managers at the time Sponsor surrenders control of the Board of Managers.

(i) Sponsor will pay all Common Charges for Units it owns (once Common Charges are assessed and collected as described below), as well as assessments that may be imposed by the Board of Managers on Units 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 rental proceeds, 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 furnished to secure Sponsor's obligations under this Offering Plan, including but not limited to Sponsor's obligations to pay Common Charges or real estate taxes for Units it owns or to complete construction after the First Unit Closing and obtain a permanent certificate of occupancy. All obligations of Sponsor pertaining to the General or Limited Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners.

(j) Once the Board of Managers has made a determination to assess and collect Common Charges (which point may arise after the First Unit Closing under this Plan, in the sole discretion of the Board of Managers as set forth in the By-laws), Sponsor shall pay all Common Charges and special assessments with respect to Units owned by Sponsor, until these Units are sold to Purchasers. However, 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. 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 General 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. If Sponsor decides by its exercise of the Board to delay collection of Common Charges after the Condominium commences operations (i) Sponsor will disclose in an amendment to the Plan prior to the commencement date of collection of Common Charges, (ii) there will not be an assessment of Unit Owners for expenses anticipated in the projected budget for

first year operation in Schedule B herein when the first Common Charges are collected, and (iii) during such delay period (i.e. between the commencement of Condominium Operations and the commencement date of collection of Common Charges) Sponsor will continue to update the Condominium's budget, fund the Contingency Fund set forth in the projected budget for first year operation in Schedule B herein and fund the costs for the Buildings' actual insurance and operation expenses during such delay period. 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, lease proceeds and/or reserves Sponsor maintains for these purposes. Purchasers are advised, however, that as is typical under offering plans for new construction condominium projects in New York City, no bond or other security will be posted by Sponsor to secure payment of these obligations.

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

(l) 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.

(m) 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. Sponsor will use reasonable efforts 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. 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, operational, management and sales and leasing office(s) and personnel on the Property, to post signs, and to conduct other activities connected with promotion, sales, leasing, operating and managing; 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 subparagraph (m)(i) above, it is expressly provided and understood that Sponsor and its agents, employees, successors, contractors and affiliates, shall have the right to use portions of the Building (including Common Elements) as construction, sales, operations, management and promotion offices as model apartments and for other purposes related to completion of construction of the Building and the sale, operation, management and leasing. Such right to use said facilities for such purposes shall continue until the last Unit is sold and closed. Neither the Board of Managers nor the Residential Representatives may 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.

(n) Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants an exclusive easement to use the North wall of the Building as part of the Wall Signage Easement Area for the installation, placement, maintenance, service, operation, repair and replacement of one or more commercial signs (the "***Easement Signs***"). Sponsor, its designees, successors and assigns shall have the sole right to receive and retain all revenues, rents, income and profits arising from such sign(s) in such locations. Sponsor's Signage Rights have no expiration date and accordingly, Sponsor shall retain and may continue to exercise such rights for the installation and

operation of sign(s) and the like even after such time as Sponsor may have sold all of the Units in the Building. Without the consent of the Board of Managers, any Unit Owner or any mortgagee with respect to any Unit, Sponsor may file one or amendments ("***Signage Unit Amendment***") to the Plan and the Declaration and Tax Lot Drawings providing for the creation of a separate condominium unit and tax lot ("***Signage Unit***") consisting of the Wall Signage Easement Area or any portion thereof as may be determined by Sponsor. Whether or not the Signage Unit shall be created or a Signage Unit Amendment shall be filed, Sponsor may assign and convey by deed or otherwise all or any portion of its rights with respect to the Wall Signage Easement Area, including, without limitation, easements and related rights (and to any other easement rights in favor of Sponsor as set forth in the Declaration or the By-laws) and any assignee or grantee (and successors thereto) shall also have the right to re-assign and re-convey such rights. Sponsor is retaining Sponsor's Signage Rights for the potential commercial value of such rights. Since the limited areas constituting the Wall Signage Easement Area are for the exclusive use of Sponsor, its designees, successors and assigns and not the Condominium, Sponsor, its designees, successors and assigns and not the Condominium shall have the right to realize upon the commercial value and profits from leasing or using such areas for the installation and operation of sign(s) in such areas, which exclusive use shall not end upon Sponsor's sale of all Units in the Building.

(o) A registered architect or licensed professional engineer shall certify that the Tax Lot Drawings filed with the Declaration are an accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of the Building.

(p) 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. As the Building contains ten (10) construction floors, this statute is not applicable. Sponsor shall not be obligated to correct or cause to be corrected any latent or patent defects in construction of a Residential Unit or the Common Elements, or in the installation or operation of any mechanical equipment therein. However, 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 Building (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. In order for Sponsor to consider bringing the defect to the attention of the General Contractor, Sponsor must be notified in writing (i) by the Unit Owner to whom Sponsor sold a Residential Unit, within one (1) month following the closing of the sale of the Unit to the Unit Owner if the defect concerns that Residential Unit (or if Sponsor permits occupancy of the Unit by a Purchaser under an interim lease, then within one (1) month after the commencement date of the interim lease), or (ii) by the Board of Managers, within the 3-month period following the first Residential Unit closing, if the defect concerns the Common Elements. If Sponsor is not notified within these time periods, Sponsor shall not have any obligation to consider causing remediation of the problem. 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.

Sponsor and/or its General Contractor, and/or the pertinent contractor or subcontractor, in its or their sole discretion, shall select the method of correcting any defect to be corrected under this subparagraph (o). On three (3) days' 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 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.

Sponsor shall be deemed to have discharged any commitment it may have made or be deemed to have made with respect to curing defects, if (i) Sponsor is not notified of the defect, or (ii) the Unit Owner, Purchaser or Board, 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, 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 General Contractor or architect or engineer, in its sole discretion.

Notwithstanding the foregoing, 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 warranties or other undertakings (however denoted) from manufacturers, contractors, materialmen, or others, are delivered and/or assigned to either a Unit Owner, the Residential Representatives or the Board of Managers. Also, Sponsor's undertaking to correct defects as described above, runs only to Unit Owners who have purchased a Unit from Sponsor. It does not run to Owners who purchased Units on resale by other Unit Owners.

In addition, in no event shall Sponsor be responsible for any condition resulting from normal wear and tear or natural deterioration or from the normal shifting or settling of the Building, or for any defects of insubstantial nature, including but not limited to partial or total death of any landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking due to weather, door warpage, tile, marble and granite grouting, separation in joints of tile, marble, granite or wood flooring, floor levels, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any consequential damage resulting from settlement or normal plumbing, heating and air conditioning noises, or carpet discoloration and stretching. In addition, Sponsor shall not be responsible for paint touch-ups, or for repair of chips, mars, breaks or other defects in window sashes, electric fixtures, interior painted surfaces, sinks, tubs, bowls, bidets (if any), cabinets, countertops, vanity tops and bases, doors, mirrors, hardware, flooring or appliance cabinets, unless notified of any such defect therein prior to closing of title to the Unit in question or the leasing of the Unit to the Purchaser thereof and Sponsor agreed to repair such items. Sponsor has no obligation to make any repair to the Units or the Common Elements, except as expressly set forth in this Offering Plan. Nothing contained herein 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). The issuance of a permanent certificate of occupancy for the Building shall be deemed presumptive evidence that the Building and Unit have been fully completed in accordance with the Plan and the Plans and Specifications.

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.

Notwithstanding anything to the contrary in the foregoing discussion, both Unit Owners and 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 construction in accordance with this Plan.

(q) Sponsor will deliver to the Purchaser upon the closing of title and will assign or deliver to the Board of Managers upon the recording of the Declaration, as applicable, assignable warranties, if any, of manufacturers and subcontractors relating to heating, electrical work, plumbing, and appliances, as well as bonds relating to the Unit or the Common Elements respectively, if any. Sponsor undertakes to do the above only to the extent that warranties are actually made by such

manufacturers and subcontractors and only to the extent such warranties and bonds are available and/or assignable.

(r) Sponsor will pay or cause to be paid all expenses in connection with the sale of Units owned by Sponsor (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.

(s) Sponsor reserves the right, without amendment to the Plan, to negotiate the price of a Unit, aspects of the transaction related to price, any other terms of the Plan or Purchase 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 a Purchase 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.

(t) 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 nine (9) or more Residential Units or twenty five percent (25%) or more 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 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.

(u) 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."

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

2. **Interim Leases and Use and Occupancy Agreements**

As described in Part I, Section K of this Plan, Sponsor reserves the right, both before and after the recording of the Declaration of Condominium, and prior to the closing of title to a particular Unit, to (i) enter into a lease (an "***Interim Lease***") or (ii) a use and occupancy agreement (an "***Occupancy Agreement***"), for the Unit with a prospective Purchaser who has executed a Purchase Agreement and paid the requisite Deposit, for such rent or occupancy fee and on such conditions as may be agreed to between Sponsor and Purchaser. Any such Interim Lease or Occupancy Agreement may provide that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the Interim Lease or Occupancy Agreement will constitute a default under the Interim Lease or Occupancy Agreement entitling Sponsor, at its sole option, to immediately terminate the Interim Lease or Occupancy Agreement. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any Interim Lease or Occupancy Agreement with respect to the Unit which is the subject of the Purchase Agreement, including but not limited to payment of rent or occupancy fee as and when due, will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to immediately terminate such Purchase Agreement and exercise any remedies provided therein.

Before Sponsor may utilize a default under an Interim Lease to declare a default under a Purchase Agreement, Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee/Purchaser, unless lessee/Purchaser has vacated the Unit.

The Interim Lease or Occupancy Agreement shall terminate upon lessee/Purchaser's default thereunder and lessee/Purchaser shall be obligated to vacate the Unit upon the effective termination date of the Interim Lease or Occupancy Agreement.

3. **Leasing and Use of Unsold Units**

Sponsor reserves the additional 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 a Purchase Agreement is not then outstanding, and to later offer that Unit for sale. In the event a previously leased Residential Unit subsequently is sold and conveyed to a Purchaser, Sponsor shall advise Purchaser that the Unit previously was occupied, Sponsor shall not be obligated in any way to decorate, refurbish or repair such Unit and Sponsor's undertaking in subparagraph (o) of Section O(1) shall not be applicable. Sponsor shall also have the right to lease all or any part of the Non-Residential Units on such terms and conditions as Sponsor and tenants may agree upon.

Sponsor will endeavor in good faith to sell a majority of the Residential Units at the Project. However, notwithstanding the foregoing, and notwithstanding anything to the contrary contained in this Offering Plan, Sponsor retains the unconditional right to rent rather than sell Residential Units. Sponsor is obligated to and will sell the minimum number of Residential Units required by the Attorney General Regulations to declare this Condominium Plan effective (a minimum of fifteen percent (15%) of units offered for sale). This plan may not result in the creation of a Condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to the Sponsor, thus, owner-occupants may never gain control and management of the Condominium. The Sponsor may retain control and management of the Condominium indefinitely. Sponsor's control and management of the Condominium may result in inherent conflicts between owner-occupants and non-resident owners on how the Condominium should be managed because of their different reasons for purchasing a Residential Unit.

* * * *

All rights accruing to Sponsor under the foregoing provisions of this Section O shall also accrue to an affiliate, successor 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 two (2) persons designated by Sponsor identified in Part I, Section R of the Plan. 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 five (5) member Board of Managers shall be established. As set forth in Part I, Section R of the Plan and in the By-laws, of the five (5) members, four (4) shall be appointed or elected by the Residential Unit Owners to serve as the Residential Representatives and one (1) shall be appointed by the Commercial Unit Owners to serve as the Non-Residential Representative. While Sponsor, its affiliate, designee or successor owns Residential Units representing at least 25% in Residential Common Interests, Sponsor, its affiliate, designee or successor may appoint a majority of the Residential Representatives of the Board of Managers. However, after the earlier of (i) conveyance of title to Residential Units representing 76% in Residential Common Interests, or, (ii) provided Sponsor has conveyed title to Residential Units representing at least 51% in Residential Common Interests, the 5th annual anniversary of the First Unit Closing, Sponsor may not appoint a majority of the Residential Representatives. While Sponsor, its affiliate, designee or successor owns (i) Residential Units representing less than 25% but at least 10% in Residential Common Interests, Sponsor, its affiliate, designee or successor may appoint two (2) members of the Residential Representatives, and (ii) Residential Units representing less than 10% in Residential Common Interests but at least one Residential Unit, Sponsor shall have the right to appoint one (1) of the members of the Residential Representatives.

Subject to one or more reasonable extensions of such period that Sponsor may determine, the first annual meeting of Unit Owners shall be called by Sponsor within approximately sixty (60) days after the earlier of (i) conveyance of title by Sponsor to no less than 51% of the Residential Units established upon the recording of the Declaration, or (ii) the second annual anniversary date of the First Unit Closing under this Plan.

At each annual meeting of Unit Owners, Sponsor shall be entitled to vote for non-Sponsor Unit Owners nominated for election to the Board in accordance with Sponsor's ownership of Units and the number of votes attributable to such Units.

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.

Whenever Sponsor (or the Commercial Unit Owners) shall have the right under the Declaration and By-laws to appoint more than one member of the Board, Sponsor (or the Commercial Unit Owners) may appoint one individual to represent all of Sponsor's (or the Commercial Unit Owner's, as applicable) Board appointees, and that individual shall have the same rights and votes as would have been available to Sponsor (or the Commercial Unit Owners) had Sponsor (or the Commercial Unit Owners) appointed separate members of the Board.

When in accordance with the By-laws the number of Sponsor-appointed Board members is to decrease as a result of Sponsor's decreased ownership of Residential Units, the Sponsor-appointed Board member(s) shall step down at the end of his or her (or their) term, as applicable, or at such earlier date as Sponsor may direct. Likewise, when Sponsor no longer owns any Residential Units, Sponsor's appointee to the Board shall step down at the end of his or her term (or at such earlier date as Sponsor shall direct). A successor to a departing Sponsor-designee to the Board shall be elected by the Residential

Unit Owners at an annual meeting, or at a special meeting of the Unit Owners, as the timing of the departure shall dictate, for a term of one or two years, as determined by the Residential Representatives, to insure that terms of not more than two (2) members of the Residential Representatives expire in any one year. See Part I, Section R of this Plan for a summary of the term of the members of the Board of Managers.

Sponsor, as an owner of a majority of the Residential Units, may retain control and management of the condominium indefinitely. Sponsor's control and management of the Condominium may result in inherent conflicts between owner-occupants and non-resident owners on how the Condominium should be managed because of their different reasons for purchasing a Unit. Purchasers are advised that this Plan may not result in the creation of a Condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to Sponsor. Owner-occupants may never gain control and management of the Condominium. Furthermore, the By-laws of the Condominium do not include a provision that after the initial Sponsor voting control period, a majority of the Board of Managers will be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals.

Until Sponsor conveys title to all Residential Units offered under the Plan, but for no longer than a period of time ending on the sooner of (a) provided Sponsor has conveyed title to Residential Units representing at least 51% in Residential Common Interests, the 5th annual anniversary of the First Unit Closing or (b) the date as of which the Residential Units owned by Sponsor comprise less than 25% in Residential Common Interests, neither the Residential Representatives nor the Board of Managers may without the prior written consent of Sponsor (i) make or permit to be made any addition, alteration or improvement to the General Common Elements, Residential Common Elements, Non-Residential Common Elements, if any, or Limited Common Elements appurtenant to Residential 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 to the extent the existing reserves are insufficient), (iv) amend the Declaration or By-laws so as to affect Sponsor adversely in any way, or (v) increase the number of employees from those described in Schedule B to this Plan. However, consent 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, or (c) to remedy any work order of an insurer. Subject to the foregoing, Sponsor shall have the right to withhold its consent to any of the foregoing actions.

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

Sale or Lease of Units by Unit Owners

Each Residential Unit Owner, Parking Unit Owner and Storage Unit Owner will have the right to sell or lease said Owner's Residential Unit, Parking Unit, or Storage Unit, as applicable, 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. With respect to the sale of a Residential Unit, Parking Unit or Storage Unit, as applicable, the right of first refusal procedure requires that the Unit Owner provide the Board of Managers with either a copy of the contract or the name and address of a purchaser from whom the Unit Owner has received an offer to buy the Unit which the Unit Owner intends to accept, together with the terms of the offer, identification and general financial information concerning the potential purchaser (excluding a credit check and/or background search). Within twenty (20) days after the Board of Managers has received notice of the proposed sale plus all required information (i.e., within twenty (20) days after the application to the Board is complete), the Board of Managers shall accept the offer on the same terms offered by the proposed purchaser or waive its right to do so. If the Board elects to purchase the Unit, the Board shall close on such purchase within sixty (60) days after giving notice of its election to purchase. If the Board waives its right of first refusal, 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. The By-laws should be reviewed for additional details about the sale of a Residential Unit, Parking Unit or Storage Unit and the steps to be followed in connection with the Board's right of first refusal.

(a) A Residential Unit Owner or Commercial Unit Owner who also owns a Storage Unit, must sell or otherwise convey title to the Storage Unit no later than the time of sale of the last Residential Unit or Commercial Unit owned by that Residential Unit Owner or Commercial Unit Owner, as ownership of a Residential Unit or Commercial Unit is a pre-requisite to ownership of a Storage Unit. Sale of such a Storage Unit need not necessarily be to the party purchasing the selling Residential Unit or Commercial Unit Owner's Unit, and the Storage Unit may be sold instead to another Residential Unit Owner or Commercial Unit Owner. Sale of a Storage Unit in conjunction with sale of the Residential Unit or Non-Residential Unit to an Outside Offeror as described above, shall be subject to the right of first refusal requirement described above. Sale of a Storage Unit to another Residential Unit Owner or Commercial Unit Owner in the Building shall not be subject to the right of first refusal requirement described above. Storage Units may not be sold, conveyed, or transferred to a purchaser that is not already a Unit Owner except in conjunction with the sale of a Residential or Commercial Unit in accordance with the By-laws.

Parking Units may be sold to, owned and leased by persons other than purchasers or owners of Residential Units and Commercial Units. Thus, the right of first refusal set forth above shall apply to the sale or lease of a Parking Unit. Notwithstanding anything herein to the contrary, the sale or lease of a Storage Unit or Parking Unit to an existing Residential Unit Owner or Commercial Unit Owner will not be subject to a right of first refusal by the Board of Managers and such sale or lease shall not be subject to any review by the Board of Managers.

Each Residential Unit Owner, Parking Unit Owner and Storage Unit Owner will have the right to lease said Owner's Residential Unit, Parking Unit, or Storage Unit, as applicable, subject to a right of first refusal held by the Board of Managers, a lease term of 12 months, and other conditions, procedures and requirements contained in the By-laws, including, without limitation the right of the Board of Managers pursuant to an amendment to the Condominium Act to collect rent payments from the tenant of a Residential Unit, Parking Unit, or Storage Unit, as applicable, that has been leased by a non-occupant Unit Owner if the Unit Owner is in arrears in paying Common Charges. The amendment to the Condominium Act is summarized below. Notwithstanding the foregoing, if a Residential Unit, Parking

Unit, or Storage Unit, as applicable, is owned by an institution, corporation, or other business entity, the Owner of that Unit may enter into a lease for that Unit with an employee of the Unit Owner without such lease being subject to the right of first refusal by the Board, provided, however, that (i) at least fifteen (15) business days in advance of the commencement date of the lease the Unit Owner provides the Board with a copy of the lease or the name of the tenant, position of employment for which tenant is engaged by the Unit Owner and the period of time such engagement is scheduled to last, and (ii) the lease has a term of twelve (12) months or such other lease term as the Board shall then be requiring for leased Residential Units. All other conditions and provisions set forth in the By-laws required to be incorporated into leases between Residential Unit Owners and their tenants shall be applicable to such entity/employee leases as well.

Storage Units may not be leased except in conjunction with the lease of a Residential or Commercial Unit, and then only to the tenant to whom the Residential or Commercial Unit is leased.

Sales and leases of Units by Sponsor shall not be subject to a right of first refusal by the Board, and leases by Sponsor shall not be subject to any minimum or maximum lease 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 of a Residential Unit, Storage Unit and/or Parking Unit, as applicable, the Board of Managers 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.

Section 339-kk to the Real Property Law ("***RPL 339-kk***") confers certain rights upon condominium boards of managers. RPL 339-kk provides in pertinent part as follows:

(i) 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."

(ii) 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.

(iii) 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.

(iv) 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.

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

(vi) 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

In the event the Board of Managers desires to exercise its right of first refusal to acquire a Residential Unit, Storage Unit and/or Parking Unit offered for sale by a Residential Unit Owner, Parking Unit Owner or Storage Unit Owner, as applicable, or to acquire a Unit at a foreclosure sale, the Board may pay for the Unit from working capital it maintains for the Condominium, or the Board may levy an assessment against Residential Unit Owners or the Board may borrow money secured by a mortgage against the Unit being acquired, all as more fully set forth in the By-laws. The Board will be obligated to pay the Common Charges and real estate taxes assessed against any such 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 Unit owned by the Board of Managers on behalf of all Residential Unit Owners, shall be applied as the Board of Managers in its discretion, shall determine, but shall not in any event be applied to benefit the Non-Residential Unit Owners.

The Board of Managers shall not exercise its right of first refusal to purchase or lease any Unit or agree to purchase a Unit at a foreclosure sale, without the prior approval of a majority in number and Residential Common Interests of Residential Unit Owners.

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 Nonpayment of Common Charges

The Board of Managers, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges and other assessments, including without limitation, electricity charges and/or water charges attributable to the Unit, if applicable. These liens will be subordinate only to liens for past due and unpaid real estate taxes, and all sums unpaid on a first mortgage of record.

Any lien for unpaid Common Charges 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 it owns.

Assessment and Termination of Liability of Unit Owners for Common Charges

The Board of Managers will prepare its projected operating budget and projections of General Common Expenses and Residential Common Expenses for the operation of the General Common Elements and Residential Common Elements of the Condominium and furnish same to the Unit Owners from time to time and at least once a year.

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. 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 a general operating reserve, for a 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 by the Board of Managers or its designee, corporate or otherwise, of any Unit which is to be sold at a foreclosure or other judicial sale. General Common Expenses shall also include other items stated in the Declaration or the By-laws to be General Common Expenses.

General Common Expenses will be apportioned between the Residential Unit Owners, Commercial Unit Owners, Parking Unit Owners and Storage Unit Owners based upon either the aggregate Common Interest attributable to the Residential Units, the Commercial Units, Parking Units and Storage Units, or the estimated amount by which a particular expense item benefits or is used by the Unit or the Unit Owner, provided the allocation is fairly attributable to the Unit and reasonable under the circumstances (for instance, the costs of electricity, maintenance and repairs to the Parking Units and the General Common Elements directly and exclusively serving the Parking Units shall be paid and apportioned solely between the Parking Unit Owners, and likewise the costs of electricity, maintenance and repairs to the Storage Units and the Common Elements directly and exclusively serving the Storage Units shall be paid and apportioned solely between the Storage Unit Owners), as provided in the By-laws and as set forth above in Section F of the Plan (addressing allocations of expenses between General Common Expenses and Residential Common Expenses). Alternatively, with the prior consent of the Non-Residential Representative, the allocation of General Common Expenses may be made on the basis of Common Interest. In no event, however, shall the Non-Residential Unit Owners be required to pay any portion of any costs attributable exclusively to the operation and maintenance of the Residential Area and in no event shall the Residential Unit Owners be required to pay any portion of any costs attributable exclusively to the operation and maintenance of the Non-Residential Area. Insurance costs generally shall be allocated based on Common Interest, subject to the Board's right to allocate this cost differently, in accordance with the By-laws and the Condominium Act. Pursuant to N.Y. Real Prop. Law ("RPL") §339-m, common expenses and profits (except as to insurance) must be charged and distributed in accordance with the allocation of Common Interests, unless otherwise permitted in that statute. The RPL authorizes special allocations if the same are authorized by the By-laws and Declaration, and there are special allocations affecting the Non-Residential Units that are more particularly described in Section 3.5 of the Declaration and Section 5.1(a)(ii) of the By-laws and the Budget in Section F of this Plan.

Neither the General Common Charges nor Residential Common Charges will include decoration of any Units or portions thereof or payments required pursuant to the terms of any Unit Owner's mortgage.

Each Unit Owner will be responsible to open an electricity account and to pay electricity costs attributable to Unit Owner's Unit 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, provided, however, that Sponsor pays the balance of the basic operating costs (exclusive of reserves) of the Condominium after application of the Working Capital Fund for that purpose, until Common Charges are imposed by the Board of Managers. Accordingly, it is possible that Unit Owners who have closed title to their Units may be billed and responsible for paying electricity 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 or other party acquiring title to a Unit through foreclosure or by deed in lieu of foreclosure shall be liable for unpaid Common Charges and other assessments for up to six (6) months of the Unit's Common Charges and assessments accrued before acquisition of title to the Unit plus the fees and costs relating to the cost of collecting the unpaid Common Charges and assessments.

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 General Common Elements will be made by the Board of Managers and the cost thereof will be a General Common Expense, and (c) in or to the Residential Common Elements will be made by the Residential Representatives and charged to the Residential Unit Owners as a Residential Common Expense.

Notwithstanding the foregoing, the inside and outside surfaces of any and all exterior windows located in or appurtenant to a Unit are to be cleaned by the Unit Owner at the Unit Owner's expense. Outside surfaces of windows must be cleaned from the inside of the Unit. Broken window glass or window frames in a Residential 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, the Residential Representatives, or either of their agents, in which case replacement shall be made by the Board or Residential Representatives, as applicable, at its sole cost and expense.

In addition, in order to preserve the architectural harmony of the façade of the Building, all 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.

Entrance doors to Residential Units from common corridors and doors accessing Residential Units from appurtenant terraces, are Residential Common Elements. Pursuant to such designation, Residential Unit Owners shall not be permitted to alter the doors, or the type or number of locks on the doors to their Residential Units, without the prior consent of the Board of Managers. Locks for doors to Residential Units from common corridors and from terraces shall belong to the Owner of the

Unit. Locks on Storage Units shall belong to the Owner of the Storage Unit. In accordance with the Rules and Regulations, each Residential Unit Owner must always maintain a current set of keys for all Residential Unit and Storage Unit locks with the Board of Managers or the Managing Agent.

The Board of Managers and agents and contractors of the Board, and the Residential Representatives and agents and contractors of the Residential Representatives, shall have a right of access to any Unit for the purpose of making inspections or for the purpose of correcting any condition originating in said Owner's 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.

A Unit Owner of any two or more Units, which Units are serviced or benefited by any General Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, to the extent permitted by law and with the consent of the Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such General Common Element as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of General Common Interests shall be made, provided such Unit Owner agrees, at its sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such General Common Element for so long as such Unit Owner exercises such exclusive right of use, and (b) restore such General Common Element to its original condition, reasonable wear and tear excepted, after such Unit Owner ceases to exercise such exclusive right of use. Sponsor and the Unit Owner of any such Units which are Unsold Units (as defined and used by the Attorney General) shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board. Notwithstanding the above, if a Unit Owner transfers or conveys its Units to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

Unit PH-10D is serviced and benefited by a General Common Element hallway and corridor adjacent and appurtenant to Unit PH-10D that serves and provides access to only Unit PH-10D. Thus, to the extent permitted by law and without the consent of the Board the owner of Unit PH-10D and/or Sponsor may have the exclusive right of use of such General Common Element as if it were a part of such Unit PH-10D (including the right to enclose such portion of the hallway and corridor that provides access to only Unit PH-10D) and no amendment to the Declaration nor reallocation of General Common Interests shall be made, provided the owner of Unit PH-10D agrees, at its sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such General Common Element for so long as the owner of Unit PH-10D exercises such exclusive right of use, and (b) restore such General Common Element to its original condition, reasonable wear and tear excepted, after the owner of Unit PH-10D ceases to exercise such exclusive right of use. Notwithstanding the above, if the owner of Unit PH-10D transfers or conveys Unit PH-10D to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

Insurance on Individual Units

Each Unit Owner is required to carry, at Unit Owner's own expense, property 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 Residential Limited Common Element appurtenant thereto, and liability insurance with respect to occurrences in or about the Unit and any Residential Limited Common Element appurtenant thereto, in accordance with the By-laws. A current copy of each insurance

policy must be maintained by the Unit Owner with the Board of Managers or the Managing Agent at all times.

Additions, Alterations and Improvements by Unit Owners

No Residential Unit Owner may make any addition, alteration or improvement to a General Common Element, a Residential Common Element or a Limited Common Element except as provided otherwise in the By-laws. No Residential Unit Owner shall make any structural addition, alteration, repair or improvement in said Owner's Unit or in or on any Limited Common Element appurtenant thereto without the prior written approval of the Board of Managers. 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 adequately insured and must provide a satisfactory certificate of insurance prior to commencing work.

In order to preserve the architectural harmony of the facade of the Building, minimize the possibility of unsightly or obstructed views from the other terraces and Residential Units and promote the safety of those on lower terraces, as well as on the street below, each Residential Unit Owner having the exclusive use of a terrace will be required to obtain the approval of the Board of Managers before altering, decorating, installing an awning on or over, landscaping, or painting the same. The Board of Managers may grant or withhold such approval in its sole discretion.

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. The first annual meeting of all Unit Owners shall be called by Sponsor within approximately 90 days after the earlier of (i) conveyance of title by Sponsor to no less than fifty one (51%) percent of Residential Units offered under this Plan, or (ii) the second anniversary date of the First Unit Closing under this Plan, subject to Sponsor's right to call the first annual meeting at an earlier date, in accordance with the By-laws. At all such annual meetings the Commercial Unit Owners shall elect or appoint the Non-Residential Representative and the Residential Unit Owners shall elect or appoint members who shall serve as the Residential Representatives.

Compliance with By-laws and Rules and Regulations

Rules and Regulations concerning the use of the Common Elements may be promulgated and amended from time to time by the Board of Managers, provided that copies of such Rules and Regulations are furnished to each Unit Owner prior to the time that they become effective. The initial Condominium Rules and Regulations are contained in Part II of the Plan.

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.

R. BOARD OF MANAGERS/RIGHTS AND OBLIGATIONS OF RESIDENTIAL REPRESENTATIVES AND BOARD OF MANAGERS/SUMMARY OF BY-LAW PROVISIONS

Residential Representatives and 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 two (2) persons designated by Sponsor. These individuals are Joseph Palumbo and Joseph C. Escarfullery, all of whom are principals of Sponsor. The first annual meeting shall be called by Sponsor within approximately sixty (60) days after the earlier of (i) conveyance of title to no less than 51% of Residential Units under this Plan, or (ii) the second annual anniversary date of the First Unit Closing. The Board of Managers installed at the first annual meeting of Unit Owners shall consist of five (5) individual persons, four (4) of whom shall be elected or appointed by the Residential Unit Owners and shall function as the Residential Representatives of the Board of Managers and one (1) of whom shall be appointed by the Commercial Unit Owners as the Non-Residential Representative to the Board of Managers.

The term of office of members of the Residential Representatives of the Board of Managers elected at the first annual meeting of Unit Owners shall be two (2) years for two (2) members, and one year for two (2) members, or until their respective successors are elected or appointed. The two (2) candidates receiving the highest number of votes shall serve the two-year terms, and the two (2) candidates receiving the next highest number of votes shall serve the one-year terms. Thereafter at all annual meetings, candidates will be elected for two-year terms. Sponsor's appointees to the Residential Representatives shall serve one-year terms while they are members of the Residential Representatives. The term of office of the Non-Residential Representative 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 Declaration or By-laws to provide otherwise, an amendment Sponsor will not propose or support while it controls the Board. Members of the Residential Representatives of the Board of Managers other than appointees of Sponsor, shall be Unit Owners or spouses or domestic partners (as defined in the Declaration) of Unit Owners (in the case of individual Unit Owners) or shall be the designee of a Permitted Mortgagee of a Unit. In the case of partnership Unit Owners or mortgagees, the Board member shall be a general partner of such partnership (and, if the general partner is a corporation or partnership, shall be an officer, director, shareholder or partner of such corporate or partnership general partner, as applicable). In the case of corporate Unit Owners or mortgagees, the Board member shall be an officer, director or shareholder of such corporation. In the case of limited liability company Unit Owners or mortgagees, the Board member shall be a member of such company or a principal of a member of the company. In the case of fiduciary Owners or mortgagees, the Board member shall be the fiduciary or officer of such fiduciary. 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 Residential Unit Owners (i.e., spouses, partners, domestic partners, etc.), only one person per Unit may be a member of the Board of Managers. The Non-Residential Representative need not be a Non-Residential Unit Owner, but must be the elected or appointed representative of the Commercial Unit Owners. To be authorized to vote as a Board member, a Unit Owner must not be in default of any payment of Common Charges and other assessments.

Notwithstanding the foregoing, the proposed By-laws of the Condominium currently provide that at the end of the period of Sponsor control of the Residential Representatives of the Board of Managers, a majority of the Residential Representatives 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 must be "owner-occupants") and are unrelated to Sponsor

and its principals. Sponsor makes no representations as to how or if this provision of the By-laws will be implemented or enforced by the Board of Managers.

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 Residential Unit Owners or all Unit Owners, any one or more members of the Residential Representatives, 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 Residential Representatives member may then and there or thereafter be elected by the Residential Representatives 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 Residential Representatives appointed by Sponsor, its designee, affiliate or successor may be removed by Sponsor, its designee, affiliate or successor without notice, for any reason, and by a majority of the Residential Unit Owners, with notice and for cause.

The Non-Residential Representative to the Board may be removed by the Commercial Unit Owners without notice for any reason, and by the Residential Unit Owners with notice and for cause.

Any member of the Board whose removal has been proposed, shall be given the opportunity to be heard at the meeting (except for Sponsor-appointed members of the Residential Representatives or a Sponsor-appointed Non-Residential Representative being removed by Sponsor, 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.

Similarly, only the Commercial Unit Owners shall have the right to designate a replacement for a Non-Residential Representative who has been removed from the Board by either the Residential Unit Owners or the Commercial Unit Owners.

Powers and Duties of the Board of Managers and Residential Representatives

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 Residential Representatives shall have the powers and duties necessary for the administration of the affairs of the Residential Area. In this capacity, the Residential Representatives may take all such actions and make all such determinations pertaining to the Residential Area, insofar as said determinations and tasks affect only the Residential Area and do not adversely affect the Non-Residential Units. Determinations and tasks affecting the Parking Units or Storage Units shall be administered and managed by the Board of Managers and not by either the Residential Representatives or the Non-Residential Representative alone.

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. Regular meetings of the Residential Representatives shall be held at such time and place as shall be determined from time to time by a majority of the members of the Residential Representatives.

As more fully set forth in the By-laws, all determinations required to be made by the Board of Managers, the Residential Representatives, or the Non-Residential Representative as applicable, shall be by majority of votes cast at any meeting at which a quorum is present. Each member of the Board shall be entitled to cast one vote for each item to be voted upon by the Board. Likewise, at all meetings of the Residential Representatives or Non-Residential Representative, each member shall be

entitled to cast one vote for each item to be voted upon by the Residential Representatives or Non-Residential Representative. The majority of the votes cast at a meeting at which a quorum is present shall constitute the decision of the Residential Representatives, the Non-Residential Representative and of the Board of Managers, as applicable.

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 (or as the Residential Representatives or as a Non-Residential Representative, as applicable) 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, the Residential Representatives or the Non-Residential Representative or out of the aforesaid indemnity in favor of the members of the Board of Managers, the Residential Representatives and the Non-Residential Representative, shall be limited to the Unit Owner's proportionate share of the total liability, based on the Unit Owner's Common Interest. However, if such liability pertains only to the Residential Area, then liability shall be limited to such Unit Owner's proportionate share of the total liability based on Residential Common Interests.

Votes of Unit Owners

At each meeting of all Unit Owners, each Unit Owner shall be entitled to cast one vote, either in person or by proxy, for every .1% of Common Interest attributable to said Owner's Unit(s), for each item voted upon.

At each meeting of Residential Unit Owners, each Residential Unit Owner, voting in person or by proxy, shall be entitled to cast one vote for each .1% of Residential Common Interests attributable to said Owner's Residential Unit(s), for each item voted upon.

Repair or Restoration after Fire or Other Casualty

Damage to or destruction of any portion of the Building as a result of fire or other casualty shall be promptly repaired and reconstructed by the Board of Managers as nearly as practicable to the condition it was in before the casualty using the proceeds of property insurance and/or other funds for that purpose, subject to various conditions as 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 Instruments 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 at least (a) Unit Owners representing at least 80% in number of Units and in Common Interest affirmatively determine not to proceed with repair or restoration, and (b) at least fifty one percent (51%) of the Permitted Mortgagees consent 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 number and Common Interest of Units with the consent of at least fifty one

percent (51%) of the Permitted Mortgagees. In the event such 80% vote and consent of at least fifty one percent (51%) of the Permitted Mortgagees is achieved, the Property 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 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 and mortgages on the Unit Owner's Unit in the order of priority of such liens and mortgages.

Procedure to Review Real Estate Tax Assessments

The Board of Managers has the power to act as agent on behalf of any Unit Owner who has given written authorization to the Board of Managers to be the Unit Owner's agent, to petition or apply to the real estate tax assessment agency board of review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of 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.

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 may assess Common Charges for accumulation of reserves as more fully set forth in the By-laws.

Amendments

Subject to certain exceptions, including, among others, exceptions regarding the rights of Sponsor and Permitted Mortgagees, the Declaration or By-laws may be amended, modified, supplemented or deleted by an affirmative vote of 80% in number and in Common Interest of the Unit Owners at a meeting of Unit Owners duly held for such purpose, as more fully described in the Declaration and the By-laws. However, no provision of the By-laws or the Declaration which materially impairs or prejudices the rights and priorities of Permitted Mortgagees may be amended without the consent of at least fifty one percent (51%) of the Permitted Mortgagees, which consent shall not be unreasonably withheld, delayed or conditioned.

* * * * *

The foregoing summary is not intended to be a complete discussion of the By-laws or Declaration. It is simply an introduction to the By-laws and Declaration reproduced in Part II, which should be carefully reviewed in full by all Unit Owners.

S. TAX STATUS OF CONDOMINIUM, INCOME TAX DEDUCTIONS TO UNIT OWNERS, REAL ESTATE TAXES AND REAL ESTATE TAX BENEFITS

The following discussions concerning the tax status of the Condominium and income tax deductions to Unit Owners are based on Sponsor's Counsel's Opinion contained in Part II of the Plan, which should be reviewed by Purchasers for a fuller more comprehensive understanding of the income tax considerations affecting their purchase. The discussion of real estate tax benefits is based on Sponsor's Real Estate Tax Consultant's Opinion also contained in Part II of the Plan, which also should be reviewed by purchasers.

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 on Units owned and leased 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.

If 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, if 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 in question 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 non-residential units.

The aggregate square foot area of the Residential Units relative to the square foot area of all Units in the Condominium, represents in excess of 85% of the total square foot area of all Units in the project. Accordingly, it is anticipated that at least for the first year of Condominium operation, the Condominium will be able to elect to be exempt pursuant to Section 528.

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. Thus, with the exception of the projected first year of Condominium operation, Sponsor's Counsel 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 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 is elected, the Condominium's income tax liability, if any, will be limited. If at the time any such tax were determined finally to be due, the Board of Managers did not have sufficient funds in its accounts to pay such taxes, the Board of Managers could levy a special assessment against the Unit Owners or increase Common Charges to pay such taxes, as well as to pay any interest and penalties that may be assessed and due in connection therewith. Some or all of any such special assessment might itself be taxable income to the Condominium, and thus might be subject to tax as well.

2. **Income Tax Deductions to Residential Unit Owners**

A Unit Owner will own a Unit in fee simple and each Unit will be a separate tax lot for real estate tax purposes. Therefore, each Unit Owner will be liable for any real estate taxes assessed against its Unit. Each Unit Owner may mortgage its Unit(s), 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 Newman Law P.C., ("***Sponsor's 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 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 Counsel's opinion in Part II of this Plan.

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.

Purchasers should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of $1,000,000), plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of those limitations would not be deductible.

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 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 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 Sponsor's 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 (which is based on the Opinion of Sponsor's Counsel in Part II of the Plan), 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.

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, 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.

Submission of the Declaration and Tax Lot Drawings to the New York City Real Property Assessment Bureau 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 often depends upon the date the Plan is declared effective, as typically the submission is not made until that time, but may in fact be made earlier. 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, 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 and Purchasers' responsibilities for contributing their proportionate share of same, are included in Part I, Section N of this Plan, entitled "Closing Costs and Adjustments."

4. Real Estate Tax Benefits

Sponsor has retained Ben Rottenstein Associates Inc. as Real Estate Tax Consultants to file any and all applications necessary to obtain real estate tax benefits for the Property ("***Real Estate Tax***

Benefits") pursuant to Section 421-a. Sponsor has applied for the Section 421-a Benefits as more fully discussed in Real Estate Tax Consultant's Section 421-a opinion in Part II of the Plan. Sponsor will use its best efforts to obtain the Real Estate Tax Benefits pursuant to Section 421-a.

Real Estate Tax Consultant's opinion regarding the Property's eligibility for Real Estate Tax Benefits and regarding the Property's projected post-completion assessed valuation, are contained in Part II of this Plan. This opinion should be carefully reviewed by Purchasers, as it forms the basis for the following summary of the issues.

Under the applicable provisions of the Section 421-a program, 100% of the increased assessed value of a property resulting from the improvement thereon (*i.e.*, the assessed value above the pre-construction assessed value) is exempt from taxation during construction (not to exceed three years), and for two (2) years following the earlier of (i) the taxable status date immediately following completion of construction or (ii) the third anniversary of commencement of construction. Following expiration of the period of 100% exemption, the exemption declines to 80% of the increased assessed value for the next year, 60% for the next year, 40% for the next year and 20% for the last year. At the end of this 15-year tax benefit period, real estate taxes are based on the full assessed valuation of the property and the tax rate then in effect, without the benefit of any exemption.

These percentages of exemption would be reduced to the extent that above ground commercial space and accessory use space (which is more fully defined in the Section 421-a Rules and Regulations) exceeds 12% of the aggregate floor area of the Building.

Real Estate Tax Consultant advises Sponsor that pursuant to the laws governing the 421-a Program as presently interpreted by the New York City Real Property Assessment Bureau, each Unit in the Condominium will be subject to a base tax (i.e., the "mini-tax") in each year during the 15-year tax benefit period. This base tax or mini-tax for a Residential Unit will be equal to the Unit's proportionate share of the Property's assessed value for the tax year before construction began, as determined by the New York City Real Property Assessment Bureau, multiplied by the tax rate in effect during each tax year of the tax benefit period. The mini-tax thus will vary directly in relation to changes in the tax rate for a given tax year.

HPD has established and published updated rules that govern the implementation of the 421-a statutes. These rules can be found in Chapter 6 of Title 28 of the Rules of the City of New York. The Project is located outside of the Geographic Exclusionary Area (as defined by HPD) and is not subject to the affordable units or substantial government assistance limits set forth by HPD and found in Section 6-02(b)(2) and 6-02(c)(10) of the rules of the City of New York, however, the Project is subject to the AV Cap (defined below). The value of a Unit above the AV Cap is ineligible to receive benefits. Thus, for Units with an exempt AV above this AV Cap, Unit Owners will pay real estate taxes on the portion of AV above the AV Cap, but still receive tax benefits on the portion of AV below the AV Cap. The AV Cap is a limitation on the maximum benefit available to a Unit. The AV Cap limits the maximum AV upon which the exemption is calculated. Units will only receive 421-a benefits on the billable exempt assessed value below the AV Cap. Any AV above this threshold will be ineligible to receive benefits. The AV Cap was originally $65,000 (in August 17, 2008), but increases by 3%, compounded annually, on each taxable status date following August 17, 2008, the first anniversary of the effective date of the applicable New York State law. According to the Real Estate Tax Consultant the first $75,000 in assessed valuation (i.e. AV Cap) over the Property's assessed value for the tax year before construction began will be exempt during the abatement period. Purchasers may obtain more information about the 421-a application process, tax benefits, and requirements associated therewith at http://www.nyc.gov/html/hpd/html/developers/421a.shtml.

In connection with the 421-a, Building service employees do not need to be paid at prevailing wages for the duration of the Building's Section 421- tax abatement since there are fewer than

fifty (50) Residential Units in the Condominium. In accordance with the Department of Law's regulations, Sponsor intends that the Building be exempt from the obligation to register the Residential Units as rent stabilized by reason of the Building's condominium status and in the event prior to consummating this Offering Plan (as defined by the Department of Law), Sponsor enters into any lease for a Residential Unit that is not an Interim Lease (defined herein) or Occupancy Agreement (defined herein), Sponsor will abandon this Offering Plan. In the event Sponsor has not declared this Offering Plan effective (as defined by the Department of Law) within fifteen (15) months from the date of issuance of the final certificate of eligibility from HPD for the 421-a, Sponsor shall register the Residential Units as rent stabilized as the Residential Units become occupied by renters/occupants.

In 2012/2013, the tax year prior to commencement of construction, the Property had an assessed value of $227,700. Accordingly, if a Final Certificate of Eligibility under Section 421-a is issued for the Project, the taxable assessed valuation of the Property should be $227,700 for the period of construction, up to thirty-six months, and for the first two years following completion of construction.

As the Property is anticipated to receive Section 421-a benefits, the tax amount for the projected first year of Condominium operation, even though the year may span two tax years, is anticipated to be the "mini-tax." That is, the real estate taxes are based upon the estimated assessed valuation for tax year 2013/2014 (after application of the Section 421-a benefits) with respect to all Units as a group, $233,150 and a projected tax rate of $13.181 per $100 of assessed valuation. This was determined by combining the assessed values for both lots formerly known as Lot 1 and Lot 31 and now the combined lots known as Lot 1. Of this assessed value Real Estate Tax Consultant estimates that approximately 88.81% will be attributable to the Residential Units. Using a residential tax rate of 13.18% (which is the tax rate promulgated by the City of New York), Real Estate Tax Consultant anticipates that approximately $26,646 in taxes will be attributable to the Residential Area during the projected first year of Condominium operation and that this amount will be allocated among the Residential Units by the City of New York based on the method described in Note 6 to Schedule A of this Offering Plan.

If, however, Section 421-a benefits are not granted, the total tax due on the Property upon completion would be based on an assessment of a post-construction, completed Building. The following discussion reflects Real Estate Tax Consultant's analysis of the post-completion assessed value and the estimated taxes that would be payable if Section 421-a benefits were not granted to the Property.

Real Estate Tax Consultant estimates that the total assessment for the entire Property for the 2012/2013 tax year will be $382,249. Based on the 13.18% tax rate, Real Estate Tax Consultant estimates that the real estate taxes for the Residential Area for the 2012/2013 tax year at approximately $339,371 exclusive of any Section 421-a benefits that may apply.

The projected total assessed valuation of the entire Property (all Units) after completion of construction of the Building (assuming construction is completed and a temporary Certificate of Occupancy for all Units in the Building or a Permanent Certificate of Occupancy will be issued for the Building by December 31, 2019) as estimated by Ben Rottenstein Associates Inc. is $2,900,000 for tax year 2015/2016 and the tax rate in effect during the applicable tax year is assumed to be $13.181 per $100 for the entire First Year of Condominium Operation (tax year 2015/2016).

Following the First Unit Closing under the Plan, Sponsor will make available to the Board of Managers for inspection, upon the Board's reasonable advance request, and during reasonable building hours, copies of all documents filed by Sponsor in connection with its application for the Real Estate Tax Benefits. These documents will be available for copying by the Board of Managers at the Board's expense, for the duration of the life of the tax benefits. However, should Sponsor determine, in Sponsor's sole discretion, to prepare, at Sponsor's sole expense, a complete set of all documents filed by Sponsor in connection with its application for the Real Estate Tax Benefits, and should Sponsor thereafter deliver such set of documents to the Board of Managers and have receipt of same acknowledged by the

Board of Managers or its Managing Agent, if any, prior to expiration of the period of tax benefits, Sponsor shall have no further obligation to make these documents available for copying by the Board of Managers for the duration of the life of the Real Estate Tax Benefits.

Notwithstanding the foregoing, neither Sponsor, Real Estate Tax Consultant, nor Sponsor's Counsel make any warranty, guaranty or representation as to the assessed value of the Property or any Unit therein during or after completion of construction, as to whether Real Estate Tax Benefits under the Section 421-a program will be granted, the tax rate that will be applied by the City of New York, or as to the amount of real estate tax that will be assessed against any Units or the amount of real estate taxes payable at any time by an Owner of a Unit. In the event Real Estate Tax Benefits are not finally granted or are granted and revoked, each Unit Owner will be responsible for the entire real estate taxes assessed against said Owner's 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.

T. WORKING CAPITAL AND RESERVE FUND

1. Working Capital Fund

Sponsor may deposit with the Condominium at or before the First Unit Closing, a sum equal to $500 upon recording the Condominium Declaration for use as working capital by the Condominium (the "***Working Capital Fund***"). This Working Capital Fund will be used to pay for Common Expenses of the Condominium payable during the period when Common Charges are not yet being collected by the Board and/or during the time that Common Charges are being collected but prior to the time that sufficient Common Charges have accrued to pay these items. Each Purchaser of a Residential Unit and Commercial Unit shall be required to pay at closing of title an amount equal to two months' Common Charges attributable to each Residential Unit or Commercial Unit being purchased. Of this sum, $500 will be payable to Sponsor to reimburse Sponsor for the payment made by Sponsor to the Working Capital Fund on account of that Residential Unit or Commercial Unit, and the balance shall be paid to the Condominium for use as part of the Working Capital Fund as well. From and after such time as the Board has determined to commence the collection of Common Charges, and while Sponsor controls the Board, the Working Capital Fund will not be applied by the Board to effectuate a reduction in Common Charges.

Sponsor shall not be obligated to make any payments into the Working Capital Fund.

No representation is made that the Working Capital Fund will be sufficient to accomplish the purpose set forth above, or other purposes as determined by the Board of Managers in its discretion.

2. Reserve Fund

The Condominium Budget for the first year of operation in the Plan (Schedule B) includes a line item for a reserve fund in the amount provided in the Budget (the "***Reserve Fund***"). The Reserve Fund will not be funded by Sponsor, and will be funded and collected every year from the Unit Owners in the Common Charges. The Reserve Fund is to be used for capital repairs and replacements of Common Elements. No representation is made that the Reserve Fund will be adequate for future expenses including repairs and replacements of Common Elements. During the period Sponsor is in control of the Board of Managers, the reserve fund will not be used to reduce the Common Charges.

* * * *

NEITHER THE DEPARTMENT OF LAW NOR ANY GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND OR THE RESERVE FUND. IF ADDITIONAL FUNDS ARE REQUIRED, IT MAY BE NECESSARY TO INCREASE COMMON CHARGES OR MAKE SPECIAL ASSESSMENTS AGAINST UNIT OWNERS.

U. AGREEMENTS BINDING ON THE CONDOMINIUM

The discussion in this Section U summarizes agreements, other documents and regulations which may 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, documents and regulations 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

The Board of Managers expects to enter into a Management Agreement with Alayne Real Estate, Inc. located at 3004 Avenue L, Brooklyn NY 11210, effective as of the First Unit Closing.

The Management Agreement shall have a term of no longer than one year, and thereafter shall automatically be renewed from month to month unless terminated by either party on at least thirty (30) days prior notice. The fee payable to the Managing Agent under the Management Agreement shall be approximately $35,000 per annum, payable in monthly installments in advance.

The major duties to be handled and services to be provided by the Managing Agent include, without limitation, the following: hiring, subject to prior approval of the Board of Managers, appropriate personnel to maintain the Condominium, processing applications for sales and rentals of 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, etc.

The Board of Managers may be obligated to indemnify and hold the Managing Agent harmless from any liability for damages, costs and expense for injury to any persons or property in, about and in connection with the Agent's performance of its management activities under a Management Agreement, unless such injury is caused by the Agent's own negligence, willful misconduct, illegal actions, fault or failure to comply with its obligations.

The Management Agreement may be terminated by the Board for cause or in the event of a breach of a material provision of the Management Agreement by the Managing Agent upon thirty (30) days' written notice, provided however, that in an emergency or in an instance where the notice of termination will cause material loss or injury to the Board or the Building, the Board may immediately terminate the Management Agreement upon written notice. Pursuant to the Management Agreement the Managing Agent may not assign any of its rights or obligations under the Management Agreement without the prior written consent of the Board except to an entity that is majority owned and operated by the present principals of the Managing Agent.

The foregoing is only a summary of certain aspects of the Management Agreement. Purchasers are urged to review the draft Management Agreement in its entirety, a copy of which is contained in the Exhibits submitted to the Department of Law, for further information about its terms.

Signage Easement

Sponsor, its designees, successors and assigns shall have an exclusive easement to use the North wall of the Building as part of the Wall Signage Easement Area for the installation, placement, maintenance, service, operation, repair and replacement of one or more commercial signs. Sponsor, its designees, successors and assigns shall have the sole right to receive and retain all revenues, rents, income and profits arising from such sign(s) in such locations. In no event shall the Board of Managers install or

approve the installation of any signage in or on the Wall Signage Easement Areas, which areas are exclusively for the use of Sponsor and/or its designee and their respective successors and assigns.

Easement

The Commercial Unit Owner and/or its tenants shall have an easement to erect, maintain and replace one (1) or more signs on the Property permitted by law for the purpose of advertising the operation of any business conducted therein. The condenser for the HVAC unit for Unit NR-1A will be located in the exterior Common Element and behind the Building on the North side of the Property. The Owner of Unit NR-1A shall have an easement (a) underneath its HVAC condenser for the installation, placement, maintenance, repair and replacement of its HVAC condenser (b) through the Common Elements for access to its HVAC Condenser for its installation, placement, maintenance, repair and replacement. The condenser for the HVAC unit for Unit NR-1B will be located in the parking in the Building. The Owner of Unit NR-1B shall have an easement (a) underneath its HVAC condenser for the installation, placement, maintenance, repair and replacement of its HVAC condenser (b) through the Common Elements for access to its HVAC Condenser for its installation, placement, maintenance, repair and replacement.

Lot Line Window Requirements

The North wall of the Building is constructed on the boundary of the Property and the property adjacent to the Property. Accordingly, there are windows built into the north wall of the Building that are considered a "lot line window." Characterization of a window as a lot line window generally means that depending on the proximity and height of the improvements on the adjacent properties, the lot line window is required by law to be protected against fire occurring in the improvements on the adjacent lots in a manner satisfactory to the Department of Buildings. Such fire protection can include sealing the window completely, sprinklering it, using glass block instead of ordinary window glass, or using windows made of steel with wire glass. Unit PH-9B contains a lot line window. Because of its characterization as a lot line window and its proximity to existing structures, the lot line window in Unit PH-9B on the northern façade of the Building is fully sprinklered.

The foregoing discussion regarding lot line windows is not a representation or warranty that current law and regulation regarding same will remain the same, nor what effect a change in law or regulation would have on lot line windows in the Building.

Unit Owners of Units having lot line windows will be obligated to comply with any and all legal requirements to fire-protect their lot line windows in the event of construction on adjacent lots requiring same. The responsibility for fire-protecting a particular lot line window, should same be required, would, however, belong to the Board of Managers, which responsibility the Board of Managers would be obligated to undertake and pay as a General Common Expense. Unit Owners with lot line windows requiring such fire-protection will be required to permit the Board of Managers access into their Unit to implement such work.

V. IDENTITY OF PARTIES

Sponsor

Sponsor, RDG-Stonecutter 43rd Ave Owner LLC, is a Delaware limited liability company with its principal place of business and office c/o Rising Developers Group LLC, 5-04 50th Avenue, Long Island City and State of New York 11101.

Sponsor was formed in Delaware on July 8, 2013 and authorized to do business in New York on July 11, 2013.

The sole member of Sponsor is RDG-Stonecutter 43rd Ave LLC and the manager of Sponsor is RDG-Stonecutter Managing Member LLC. Sponsor is a joint venture which is compromised (through subsidiaries) of Rising Developers Group LLC ("***RDG***") and Stonecutter Capital Management LLC ("***Stonecutter***"). RDG-Stonecutter Managing Member LLC is managed by (a) RDG of which Joseph Palumbo, Jr., Joseph C. Escarfullery, Moshe Jacobowitz, Esq. and Charlie Wong are principals and which maintains an office at 5-04 50th Avenue, Long Island City, New York 11101, and (b) Stonecutter of which Scott Zucker and Robert Kunzweiler are principals and which maintains an office at 101 5th Avenue, 10th Floor, New York, NY 10003.

The principals of RDG have extensive knowledge and experience in the real estate industry having acquired and managed residential and commercial properties in the Long Island City area for over 20 years. The principals and members of RDG do not have any prior felony convictions. The principals of RDG have not had any prior bankruptcies, convictions, injunctions and judgments that may be material to the Plan and that occurred within fifteen years of the submission of the Plan. Joseph Palumbo, Jr. has also successfully developed and constructed the nearby condominium buildings known as JP Galaxy Condominium (5-03 50th Avenue) and Prestige Condominium (50-01 5th Street). Joseph Palumbo, Jr. and Joseph Escarfullery have also successfully developed and constructed the nearby condominium building known as Solarium Condominium (5-43 48th Avenue). Moshe Jacobowitz, Esq. is a real estate attorney with a practice focused on sophisticated real estate transactions and developments. Moshe has practiced at leading New York and national law firms and has represented many real estate developers and development projects in his career from boutique projects to trophy commercial and residential properties. Charlie Wong has many years of experience and expertise in the construction industry. Charlie Wong is a founder of and leads KITA Management, Inc., a general construction company.

The principals and members of RDG have successfully owned managed and operated a number of residential and commercial real estate properties over the tri-state area for many years and have been active real estate investors and operators.

Stonecutter is a real estate investment management company founded in 2012 by Scott Zucker and Robert Kunzweiler. Based in New York City, Stonecutter's principals bring their collective base of relationships and deal making prowess to real estate transactions. The principals and members of Stonecutter do not have any prior felony convictions. The principals of Stonecutter have not had any prior bankruptcies, convictions, injunctions and judgments that may be material to the Plan and that occurred within fifteen years of the submission of the Plan.

Sponsor has not previously taken part in any offerings of cooperative interests in real estate in or from the State of New York. Joseph Palumbo, Jr. has participated in the conversion of the property located at (a) 5-03 50th Avenue, Long Island City to condominium ownership named JP Galaxy Condominium, (b) 50-01 5th Street, Long Island City to condominium ownership named Prestige Condominium and (c) 5-43 48th Avenue, Long Island City to condominium ownership named Solarium Condominium. JP Galaxy Condominium has had all Residential Units sold and transferred from and by

the sponsor under its offering plan. To date, Prestige Condominium has had a majority of Residential Units sold and transferred from and by the sponsor under its offering plan. Solarium Condominium has had all Residential Units sold and transferred from and by the sponsor under its offering plan. The post-closing amendment for JP Galaxy was accepted by the Department of Law on May 20, 2007. The post-closing amendment for Solarium was accepted by the Department of Law on December 16, 2010.

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

Attorneys for Sponsor

Sponsor retained the law firm of Jacobowitz Law P.C., located at 377 Pearsall Avenue, Suite C, Cedarhurst, New York 11516 and 1430 Broadway, Suite 1630, New York, NY 10018, to represent Sponsor in connection with this Plan. Moshe Jacobowitz, Esq. was responsible for preparation of this Plan. Moshe Jacobowitz is a member and principal of RDG and has an interest in the Sponsor. Jacobowitz Law P.C. also will serve as Closing Counsel for Sponsor and will represent Sponsor in connection with Unit closings. The firm of Newman Law P.C. shall serve as the Escrow Agent; Evan Newman, Esq. of Newman Law P.C. has no interest in the Sponsor.

Consultant for Sponsor

Sponsor retained the firm of Ben Rottenstein Associates Inc. located at 147 Prince Street, Brooklyn, NY 11201, to apply for real estate tax abatement and exemption benefits for the Property. This firm furnished the Real Estate Tax Consultant's Opinion found in Part II of the Plan.

Architect

Alfredo T. Fredericks, Registered Architect is the Project architect and is a firm that is independent of and unaffiliated with Sponsor. Alfredo T. Fredericks, Registered Architect located at 97-04 23rd Avenue, East Elmhurst, New York 11369 has practiced architectural work in the City and the State of New York for a number of years and has completed a number of residential and mixed use projects in New York City.

Engineers

ASKEN Engineering & Construction Services is the Project engineer and is a firm that is independent of and unaffiliated with Sponsor. ASKEN Engineering & Construction Services located at 156 Teaneck Road, Ridgefield Park, NJ 07660 has practiced engineering work in the City and the State of New York for a number of years and has completed a number of residential and mixed use projects in New York City.

General Contractor

The General Contractor for the Project is KITA Management, Inc. located at 10-61 Jackson Avenue, Long Island City, NY 11101 is a general construction company formed to create new building developments and custom carpentry and millwork. The staff of KITA Management, Inc.

possesses in the aggregate in excess of 25 years of formal training and work experience within the construction and millwork industry. KITA Management, Inc. affiliates also constructed JP Galaxy Condominium, Prestige Condominium and Solarium Condominium.

Selling Agent

The Selling Agent for the offering plan is Douglas Elliman, LLC or Douglas Elliman Real Estate a licensed real estate broker in the State of New York, with an office at 575 Madison Avenue, New York, NY. The Agent at Douglas Elliman Real Estate responsible for the project is Rick Rosa. Mr. Rosa specializes in Manhattan and Long Island City properties and has assembled a bi-lingual team of real estate experts to service clients. Mr. Rosa has many years' experience brokering real estate transactions in the New York and Long Island City areas. The Agent at Douglas Elliman Real Estate does not have any prior felony convictions and has not had any prior bankruptcies, convictions, injunctions and judgments that may be material to the Plan and that occurred within fifteen years of the submission of the Plan. The Selling Agent is wholly independent of and unaffiliated with Sponsor. Its only relationship with Sponsor is a contractual one to serve as Selling Agent for this Plan.

Managing Agent

The Condominium will be initially managed by the firm of Alayne Real Estate, Inc. located at 3004 Avenue L, Brooklyn NY 11210. Said company, which is independent of and unaffiliated with Sponsor, has experience in excess of ten (10) years managing residential properties and condominiums, among them the nearby properties JP Galaxy Condominium and Prestige Condominium. Alayne Real Estate, Inc. has also provided certain utility projections for the projected operating budget in connection with this offering plan. The principals and members of the Managing Agent do not have any prior felony convictions and have not had any prior bankruptcies, convictions, injunctions and judgments that may be material to the Plan and that occurred within fifteen years of the submission of the Plan.

W. REPORTS TO UNIT OWNERS

All Unit Owners will be entitled to receive annually from the Board of Managers copies of:

(1) 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);

(2) An annual financial statement (which annual financial statement shall be certified by a certified public accountant while Sponsor is in control of the Board of Managers) within six (6) months after the end of each fiscal year; and

(3) 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 Residential Unit Closing. Copies of all documents filed in connection with the recording of the Declaration shall be delivered to the Board of Managers at the time Sponsor turns over control of the Board to non-Sponsor Unit Owners.

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. The Property that is the subject of this Offering Plan was not the subject of any prior offering.

Sponsor has not prior to the date of this offering plan (a) entered into any contracts or agreements, written or oral, for the sale or transfer of the units offered in this Plan, and (b) taken any deposits or advances of funds in connection with the reservation, sale or transfer of units offered in this Plan prior to acceptance of the plan by the Department of Law. 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, 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 their Purchase Agreement. Any Purchaser who exercises such right to rescind will receive back Purchaser's Deposit together with interest that may have been earned thereon subject, however, to Sponsor's right to condition return of the Deposit to a Purchaser who resides in the Unit under an Interim Lease, to the Purchaser's vacating and surrendering possession of the Unit.

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, Section 1 of this Plan accurately summarizes the general nature of the systems, materials, equipment, appliances and fixtures to be contained in the Building on completion of construction and Sponsor hereby adopts said Description of Property and Specifications. Sponsor represents that to the best of its knowledge, it has no knowledge of material and substantial defects in the Building that need or require major repairs except as otherwise set forth in this Plan. The Description of Property and Specifications was prepared by Alfredo T. Fredericks, Registered Architect and is included in the Plan with the consent of that firm.

RDG-STONECUTTER 43RD AVE OWNER LLC
SPONSOR

[PAGE INTENTIONALLY BLANK]

OFFERING PLAN

FACTORY HOUSE CONDOMINIUM

42-60 CRESCENT STREET
LONG ISLAND CITY, NEW YORK

PART II

[PAGE INTENTIONALLY BLANK]

THE FACTORY CONDOMINIUM

A. LOCATION AND USE OF PROPERTY

1. Address:	42-60 Crescent Street Long Island City, NY 11101 Borough of Queens
2. Block / Lot No.:	Block 429 / Lot 1
3. Zoning District:	R7-3 / M1-5 (Special Long Island City Hunters Point District)
4. Permissible Occupancy/Use:	Occupancy and Use Group as per New York City Zoning Resolution and Building Code: Residential J-2/Use Group 2A Commercial M/Use Group 6 Parking Garage S-2/Use Group 2B
5. Landmark Status:	None

B. STATUS OF CONSTRUCTION

1. Class of Construction:	The building will be classified as Class 1-B (Non-Combustible) and will conform to all applicable regulations of the Building Code of the City of New York 2008 ("Building Code"). The plans were filed under the New Building application number 420875431 with the New York City Department of Buildings.
2. Status of Construction:	The construction plans were approved by the Department of Buildings on April 30, 2014. Construction will commence in June 2014. The project is located in an R7-3 / M1-5 (Special Long Island City Hunters Point District) zoning district. It was reviewed and approved in accordance with the Quality Housing Program, Article 2, Chapter 2 of the Zoning Resolution of New York City. Therefore, the building is in compliance in that it: (a) is compatible with existing neighborhood scale and character; (b) provides on-site recreation space to meet the needs of its occupants; and (c)promotes the security and safety of the residents.

3. Certificate of Occupancy: After completion of construction the developer will apply for a Certificate of Occupancy for the Building from the New York City Department of Buildings ("Department of Buildings"). A temporary Certificate of Occupancy will be issued prior to occupancy.

4. Permits & Description: The project is designed under the New York City Building Code 2008, and Title 26 of the American with Disabilities Act pertaining to handicap accessibility requirements. The first Local Law 11 report is required to be filed in the year 2020 (7th Cycle) and will be the responsibility of the Condominium Association.

1. Size:

The total lot size is:	9,266 square feet.
The total gross square feet above grade:	68,426 square feet
The total gross square feet below grade:	3,866 square feet

2. Number & Use of Buildings: There will be One (1) building constructed on Block 429 / Lot 1 (the "Building"). There will be a total of Seventy Condominium Units, of which Thirty-Seven Units will be Residential Units, Two Units will be Commercial Units, Eleven Units will be Parking Units and Twenty Units will be Storage Units for a total of Thirty Three Non-Residential Units.

The Building located at 42-60 Crescent Street will be a new Ten (10) Story Mixed Use, residential & commercial building. The Building as a whole will contain Thirty-Seven (37) Residential Units located from the 2nd floor to the 10th floor, & Thirty Three Non-Residential Units comprised of Two (2) Commercial Units (NR-1A and NR-1B) located on the 1st floor, Eleven (11) Parking Units in the parking garage located on the 1st floor, and Twenty Storage Units located in the Cellar. Total Condominium Units will be Seventy in the Building. A Gym and Kid's playroom will be located on the 2nd floor for the use of all Residential Unit Owners. The Cellar will contain a bike storage room for all residential Unit Owners.

3. Streets: The site is located on the corner of 43rd Avenue & Crescent Street. The site contains 50'-0" street frontage on 43rd Avenue and 134'-6" street frontage on Crescent Street. The streets on 43rd Avenue & Crescent Street are paved with asphalt topping and are in good condition. The streets are owned and maintain by the City of New York. Street lighting, fabricated in aluminum, is provided by the City of New York. There is One (1) street light located in front of the Building on Crescent Street side. All street lighting are in good working condition. A catch basin is located fifty feet (50') from west of the property line. The catch basin is in working order and the cover is fabricated in metal.

4. Sidewalk & Ramps:

The sidewalk & curb will be replaced by a new concrete sidewalk and curb. The sidewalk will be poured concrete at 3,500 psi. The sidewalk will be pitched to drain to the public street. Sidewalks providing access to the building will be free from tripping hazards and ponding. The Condominium Association will be responsible for maintaining the sidewalks per the requirements of the Department of Transportation (DOT).
There are no vaults beneath the sidewalk, existing or to be constructed. New sidewalks and curb cuts will be NYC and ADA compliant. There are existing curb aprons at the corners which were installed by DOT for accessibility. The project was filed and approved with the DOT on 2/13/2014.
Right of Egress from any adjacent neighbors will not be required.

C. UTILITIES

1. Electricity:

Electricity will be provided by Consolidated Edison Company ("Con Edison"), a regulated company. The total electricity consumed for the Residential Common area portion shall be master metered by Con Edison. Each Residential Unit's electricity shall be separately metered, using Electronic Computerized Metering for each Residential Unit's charges and payable by each Unit Owner directly to Con Edison. The electricity consumed in the Residential Common Elements of the building will be metered by the Con Edison Master Meter, and the cost of the same will be borne by the Residential Unit Owners as a Residential Common Expense. The Commercial Units will be separately metered by Con Edison and paid for by the Owners of the Commercial Units or their tenants. Finally, the electricity consumed in the public areas of the building (including the exterior ornamental lighting, in the parking garage, in the storage room, and other General Commons Elements will be Master Metered and borne by all of the Unit Owners as a General Common Expense.

2. Gas:

There will be no gas provided for in the Building. The Building will be completely serviced by electricity.

All appliances / heating / cooling in building will be serviced by electricity: Cooking, Heat, AC, Water Heater, Washer-Dryer.

3. Water & Sewer:

The Building water and sewer service will be provided by the City of New York. There will be One (1) 6"combined sewer service to the Crescent Street main for storm water and sanitary plumbing piping according to engineered load requirements.

The Engineer has designed the Building for Two (2) water supply lines: One (1) for the domestic water (3" supply) and one (1) for fire protection (6" supply). These water supply lines will enter the Building from Crescent Street. There will be a single meter for domestic water service, and a single meter for fire service. The cost of water and sewer charges for the entire building will be paid by the Condominium Board and borne by all Unit Owners in accordance with the Common Interest allocated to their respective Units.

4. Telephone: The Building's telephone service will be provided by individual subscription with a minimum of two (2) phone jacks per Units. It will be the Residential & Commercial Unit Owner's responsibility to provide telephones and arrange for the telephone service for his or her Unit.

5. Cable Television: The Building's FIOS television service will be provided by a local company. Each Residential & Commercial Unit Owner will obtain FIOS television service from Verizon FIOS. Each Residential & Commercial Unit Owner who desires to obtain such service or services will be required to pay Verizon for activating the wiring in his/her Unit and for installing the appropriate receptacles. Thereafter, the Residential & Commercial Unit Owner will be required to pay a monthly service charge to the FIOS company, which will vary depending upon the service subscribed to by the Unit Owner.

6. Data Transmission: The Building's Residential & Commercial Units will be pre-wired for "high-speed Internet access (CAT 5 and RG6U wiring)". All charges with the respect to utilizing this service will be paid separately by the owner of such Units.

7. Drains: The Building's roof areas will be provided with cast iron retention roof drains which will discharge into the Building's storm drains.

8. Refuse: The Building shall have municipal trash collection for the Residential Units. In accordance with NYC laws, the Commercial Units will arrange for private carting of their trash.

D. SUBSOIL CONDITIONS

1. According to soil borings the site is covered by a layer of "moist dark brown/white/gray sand with traces of clay/stone/fine gravel" ranging from ground level (0') to five feet (5') in depth. There are layers of "moist/dry brown sand with traces of clay & fine gravel/stone/rocks/silt" from five feet (5') to seven feet (7') in depth. There are layers of "NX Rock core" from seventeen feet (17') to twenty-two feet (22'). Individual concrete wall footings are designed to bear on a 3-ton capacity soil. The slab-on-grade and perimeter foundation wall up to street level are poured concrete.
2. There is no evidence of moisture, seepage, or ground water infiltration. There is also no evidence of flooding, mudslides, or erosions.
3. The site is not located in the 100-500 Flood Hazard area, per FEMA map number 3604970202F
4. There will be a perforated pipe, gravity sub-grade drainage system around the perimeter of the foundation of the building, piped to the storm drainage system.
5. There will be 2" thick polystyrene insulating drainage board around the perimeter of the building to negate ad-freezing stresses at foundation walls.
6. Finished grades will be sloped to drain water away from the foundation walls of the building.
7. The site is in Zone 4, as shown on the 2013 NYC evacuation map. No excavation order is in effect for this zone.

E. LANDSCAPE AND ENCLOSURE

1. Streetscape:	The Building shall have Five (5) new trees to be planted on Crescent Street and Two (2) new trees to be planted on 43rd Avenue.
2. Grass Cover:	The Building will have no grass cover.
3. Fencing:	The Building has no fencing.
4. Gates:	None
5. Garden Wall:	None
6. Retaining Wall:	None
7. Display Pools & Fountains:	None

F. BUILDING SIZE & OCCUPANCY

1. Total Height:	The Building's total height to the main roof is 100'-0". Each floor to ceiling height will be 9'-4", with dropped ceilings as required to conceal piping, ducts or wiring.
2. Cellar:	The Building shall have a partial Cellar 9'-3" in depth below grade.
3. Number of Floors:	The Building shall have One (1) floor below grade and Ten (10) floors above grade. Two (2) Commercial Units (NR-1A and NR-1B) will be located on 1st floor along with a parking garage with Eleven (11) Parking Units. Thirty-Seven (37) Residential Units will be located on the 2nd floor to the 10th floor. Mechanical Rooms, bike room & a storage room with Twenty Storage Units will be located in the Cellar. The lobby will be located on the 1st floor. A Recreational Gym and kid's playroom will be located on the 2nd floor. Refer to Exhibit #2.
4. Equipment Rooms:	The Building's floor to ceiling height of the Elevator Machine Room located on the roof of bulkhead is 8'-0".
5. Parapet Heights:	The Building parapet height from the finished roof surface will be 3'-6" minimum which is comprised of 2'-4" high masonry and additional 2'-0" high aluminum railing secured to the coping.
6. Occupancy:	The Building is designed with Thirty-Seven (37) Residential, Two (2) Commercial, Twelve (12) Parking and Twenty Storage Condominium Units. Residential Units will be located on the 2nd floor through the 10th floor. Non-Residential Units will be located on the 1st floor and cellar. Commercial Units along with the Twelve (12) Parking Units will be located on the 1st floor. Gym and kid's playroom will be located on the 2nd floor. The storage room with Twenty Storage Units will be located in

the cellar. Four (4) of the Thirty-Seven (37) Residential Units will have their own private terraces and/or roof-top terraces. Refer to Exhibit #2 for floor plan information.

G. STRUCTURAL SYSTEM

1. Foundation:

The structural engineer has designed the Building's structural system to be 8" nominal concrete masonry bearing walls. The floors will be 8" pre-cast concrete planks. Steel beams and columns will also be used for support. The foundation walls shall be reinforced concrete supported on concrete footings and steel bar reinforcement.

Foundation walls will be waterproofed with an emulsion type damproofing substrate, 2 coat applications.

2. Wall Construction:

The Building's base interior wall material will be 8" nominal concrete masonry units that conform to ASTM C90. This is required for fire protection and/or bearing. The minimum R-value of the exterior wall is 19. All North, South, East, and partial West exterior wall finishes shall be Brick and Stone that will be secured to 8" concrete masonry units. A partial West exterior wall will be finished in Exterior Insulation Finish System (EIFS) and/or Stucco that will be adhered to 8" concrete masonry units. All exterior walls will contain rigid insulation with an R-19 value. All interior walls will contain fiberglass insulation with an R-13 value.

The total exterior wall mass, which includes double glazed windows as described in #3 below, shall minimize exterior noise transmission. Apartment demising walls are constructed of double metal wall studs with mineral fiber insulation. The required interior sound rating of 50 STC is required by the NYC Building Code

The first Local Law 11 report is required to be filed in the year 2020 (7th Cycle) and will be the responsibility of the Condominium Association.

There will not be a centralized flue in this building because each apartment will have its own heat from PTAC units, and hot water heaters with individual flues that exhaust through the exterior wall. Heating is as described in Section K, Heating. There will be a rubbish chute as described in #6 below. No fireplaces will be provided in this building.

3. Windows:

The Building's windows shall be double-hung aluminum windows. All double-hung windows will have a screen mounted on the outside. Windows will vary in sizes. The design criteria will comply with performance requirements of the AAMA/NWWDA 101/I.S.2, for performance class, with a Structural Test Pressure of 82.5 PSF; positive and negative (D.H.) 50 PSF. Air Infiltration is 0.06 CFM/ft. All windows shall be 1" insulated low E glass with argon gas panels, with each pane being ¼" with ½" air space. The manufacturer to be used shall be "Master Architectural Metal & Glass Inc." or an approved equivalent.

Windows will sit on top of a 4" pre-cast concrete sill. The lintel above the window will be a steel tube. All windows will be caulked to prevent infiltration from weather.

The Building will have "Lot line" windows facing the North and on the North wall. One lot line window is in Unit PH9B. Fire Protection drawings will depict that each lot line window will have a sprinkler head adjacent the window according to the Building and Fire Code. The lot line windows may be covered should an adjacent building be altered.

4. Landmark Status: None

5. Parapets and Coping: The Building parapet assembly consists of Two (2) types: Parapet wall #1 will be Brick or Stone veneer, concrete masonry back-up, with stone coping and aluminum railing. This will be constructed on North, South, East and partial West sides of the building. Parapet wall #2 will be EIFS and/or Stucco finish with concrete masonry back-up, stone coping and aluminum railing to be used on a partial West Side of building. The Building parapet height from the finished roof surface will be 3'-6" minimum which is comprised of 2'-4" high masonry wall and stone coping and additional 2'-0" high aluminum railing secured to the coping.

6. Trash Compactor: The Building shall have one trash compactor and rubbish chute, (aluminum-coated, 0.080 thickness, cold-rolled conforming to ASTM-A463A, Type I with not less than T1-40 coating) with explosion vents and metal flashing collars.

7. Balconies & Terraces: The Building balconies will have aluminum railings, and terraces will have masonry, stone copings and aluminum railings. Exterior railings do not pose a safety risk since there are vertical balustrades spanning top and bottom horizontal rails. Doors to balconies and terraces will be aluminum, with double-glazed insulated glass. Thermal breaks, where provided, shall be made of substantially rigid, low thermal conductive polyamide or polyurethane.

GFI receptacle and energy efficient exterior lighting will be provided for each unit balcony and/or terrace.

Balcony and Terrace floor construction will be concrete. Terrace finish floors will be recyclable rubber pavers. Balcony finish flooring is designed to be concrete with a waterproofing compound. All balconies are required by the zoning resolution to remain open as designed and approved.

Exterior metals (including fasteners) shall be corrosion resistant or protected against corrosion.

There will be perimeter edge drip slots recessed into the concrete slabs.

8. Exterior Entrance:

The Building's main entrance door on 1st floor of Crescent Street will be a double door with aluminum hinges. The door frames will be double-glazed insulated glass door with aluminum frame. Thermal breaks, where provided, shall be made of substantially rigid, low thermal conductive polyamide or polyurethane. The main entrance door locks to be an "Adam Rite" lock set.

Exterior entrances shall be built free of tripping hazards and ponding. The paving area at the exterior doors will be sloped away from the entrance to the curb and street, satisfying the specific drainage requirement at doors.

Exterior entrances will comply with the New York City Building Code and ADA relative to handicapped accessibility. Doors will be minimum 3' wide and have maximum ½" high thresholds. There will be pull hardware at the door located at the accessible height.

The Building's mailboxes will be located in the Lobby Corridor and will be aluminum recessed front-loading type that shall comply with current United States Postal Service regulations.

9. Lighting:

All Building lighting in corridors and lobby shall be energy compliant according to the latest New York City Energy Conservation Construction Code.

10. Service Entrance:

The Building's service entrance door will be located on the Crescent Street side of the Building. The door will be a single hinged door. The door shall be double-glazed insulated glass door with aluminum frame. Lock set for service door to be "Adam Rite" lock set. All services will use the main lobby entrance to the building to access the elevator.

All service entrances will be adequately lit with fluorescent lights while in conformance to the latest energy code requirements.

The paving area at the exterior doors will be sloped away from the entrance to the curb and street, satisfying the specific drainage requirement at doors.

Metals shall be corrosion resistant or protected against corrosion.

11. Skylight:

None.

12. Bulkheads:

The Building's main elevator machine room, elevator shaft, and the stair bulkhead will be constructed from 8" nominal concrete masonry units with EIFS Finish. There will be Two (2) Bulkhead windows 3'x3' and another One (1) 3'x4'.

The Building's Residential bulkhead that is on the roof and above is the outdoor Limited Common Element for Unit PH-10D and will be constructed with metal studs, Humitek drywall and 8" nominal concrete masonry with EIFS finish. There will also be One (1) Bulkhead window 3'x4'.

13. Roof & Roof Structure:

The Building's main roof above the 10th floor will consist of 8" concrete planks supported on steel beams with an 8" concrete masonry block parapet enclosure of a height that will extend to the required minimum height of 3'-6". Unit Owners of PH-10C and PH-10D will utilize their specified roof deck of the main roof located above 10th floor. The remaining part of main roof will be building space.

There are Two (2) steel staircases on the main roof.

The Building's 9th floor roof will consist of 8" concrete planks supported on steel beams and 8" concrete masonry block with a parapet of a height that will extend to the required minimum height of 3'-6" above finish roof. Unit Owners of PH-9A, and PH-9B will utilize their specified roof deck on the 9th floor roof.

The Building's 2nd floor roof terrace will consist of 8" concrete planks supported on steel beams and 8" concrete masonry block with a parapet of a height that will extend to the required minimum height of 3'-6" above finish roof. The 2nd floor roof will be utilized by the residents of the building as recreational space.

The Building's main roof roofing system will be a Built-Up Roof Assembly (BUR) with an R-Value of R-39. The roof assembly shall be manufactured by Firestone. Roof is comprised of six (6) plies with tapered insulation starting with a roofing primer. Second: 2-ply membrane with hot asphalt. Third: tapered foam insulation followed by 2-ply membrane with hot asphalt on top of insulation. Fourth: 2-ply torch down rubber roof. Final: Aluminum coating paint applied on complete roof area. The roof will be covered with recyclable rubber roof pavers.

Roof flashing will be as follows: base flashing, fluid-applied waterproofing membrane, stainless steel counter-flashing and neoprene drain flashing.

Special Risk Statement: The Sponsor is not providing a No Dollar Limit (NDL) Manufacturer's Warranty for the new roof. The absence of a NDL manufacturer's warranty may indicate that the roof membrane and appurtenances were not inspected for compliance with the manufacturer's specifications for installation. As such, premature deterioration & replacement of the roof membrane may be anticipated and therefore should be budgeted for.

There is no roof mounted equipment, and no dunnage is required.

The Building's stair and elevator bulkhead will be constructed of 4"concrete on metal deck supported on steel beams. The roof will be a BUR with an R-Value or R-39.

All exterior metals, including fasteners, shall be corrosion resistant or protected against corrosion.

No rooftop mounted equipment will be installed.

All rooftop areas used by residents comply with the building codes as it relates to 42" high handrails. There was no restriction on the area provided for resident roof access. Total percentage of area provided for resident roof access is 38% of the building footprint, located in various areas and dimensions on the 9th and 10th floors.

14. Garage Entrance: The Building will have the garage entrance located on Crescent Street.

15. Drains: The Building shall have approximately Fourteen (14) new roof/terrace drains. Six (6) Roof Drains will be installed on the main roof, Four (4) Roof Drains will be installed on the 9th floor roof terrace and Four (4) Roof Drains will be installed on the 2nd floor roof terrace. All Roof Drains to be retention drains. There shall be Two (2) Area Drains located on the 1st floor parking garage. There will be Four (4) Floor Drains located in cellar Mechanical Rooms. All will be constructed of cast iron with grating as required by the City of New York.

16. Fire Escape: None

17. Yards & Court: The building was approved and complies with all required yards as dictated in the NYC Zoning resolution.

18. Interior Stairs: The Building shall have Two (2) main egress stairs. Each egress stair will be enclosed with a minimum two-hour fire-rated 6" concrete masonry unit wall, fully grouted. Stair construction will be steel stairs fabricated with poured concrete fill on tread and platform. Painted handrails will be provided.

There will be emergency lighting in exits stairs.

19. Interior Doors & Frame: The Building's entry doors and frames to condominium Units shall be 1 ½-hour fire-rated self closing, painted hollow metal doors with a peephole, and will meet the New York City Building Code. Unit interior doors as well as closet doors will be 1 ¾" thick and 7'-0" high solid core wood doors with metal frames. The saddles at the entrance and bathrooms shall be stone.

The Building's public stair, refuse, & mechanical room doors and frame will be 1 ½ -hour fire-rated self closing, painted hollow metal doors.

20. Elevator:

The Building will have One (1) new passenger / service elevator servicing the entire building, and no separate service elevators. The elevator will have a capacity of 2500 lbs. and a speed of 350 F.P.M. The elevator will have a maximum of (15) person capacity. The type of operating system is "selective collective automatic operation" or equivalent. The elevator type of controls will be variable voltage. The elevator shall serve all residential floors of the building. The elevator will be an electric traction type located overhead. The motor for the elevator is an AC Motor manufactured by Magil. The elevator will have power single automatic slide doors. The residential elevator machine room will be located in the roof bulkhead above the stair bulkhead.

Lighting for elevator to be 4x4 strip lighting. Alarm safety system for elevator to be "Emergency Lights, Emergency Bell, Telephone with auto dial", per NYC Building Code RS 18.1.

The Elevator manufacturer is intended to be Hollister Whitney. The Elevator cab's manufacturer is intended to be Park Avenue Cab.

21. Elevator Cabs:

The Building's elevator cab will have interior finish walls in baked enamel on stainless steel panels. The entrance columns will be stainless steel. Accessories will include rear handrail, protection pad buttons, pads, ventilating grilles, threshold plate, indirect lighting, certificate frame and emergency exit in accordance to code requirements.

The Board will enter into an elevator maintenance contract for the elevator, and will provide for 24 hour/7 day week coverage.

H. AUXILIARY FACILITIES

1. Refuse Disposal:

The Building's refuse chute doors shall be located in the trash room in the main corridors on floors 2 thru 10, with the exception of the Cellar and First floor. The trash compactor will be provided by Metropolitan Trash Compactor. The trash compactor will have a capacity of 1,500lbs per hour at average density of 125lbs/cu yd. The system is Hydraulic powered by 220 volts electric motor.

Once processed, the building's refuse will be stored in the Trash Compactor Room until it is brought to street level for carting by the New York City Department of Sanitation. The chute and compactor shall comply with the requirements of the New York City Department of Buildings.

2. Laundry Rooms:

The Building shall have no communal laundry room. There will be a washer/dryer located in each Residential Unit. The washer/dryer shall be located in the mechanical room of all Residential Units. All washer/dryers will be an electric combination unit. No exhaust duct or gas will be required for these washer/dryers units (these dryers will be vent-less).

3. Bicycle Storage

There will be a bicycle storage room of 693 square feet, as required by the NYC Zoning resolution. The room is enclosed in concrete masonry walls and concrete slab on grade.

I. PLUMBING AND DRAINAGE

1. Water Supply:

The Building is engineered for One (1) new 3" domestic copper water supply and One (1) new 6" copper fire service. Water supply and shut-off valves shall be located in the sprinkler room of the Cellar. Potable water shall be supplied via New York City public water system. There will be one (1) single meter for all Residential & Non-Residential Units and common areas for domestic service & one (1) single meter for fire service. The system will have One (1) RPZ (Reduced Pressure Zone valve) from Wilkins model #975 located in the cellar.

All hot and cold water piping shall be insulated throughout with 1" fiberglass insulation.

The Building shall have (1) domestic water booster pump for the domestic water. A "Hydrant Flow Test" was taken on the water pressure for the Building and the results of the test had 61 pounds of pressure per square inch based on 500 gallons of water per minute.

2. Fire Protection System:

The engineered Fire Protection drawings require that the Building must be sprinkled throughout via a wet system in accordance with New York City Building Code. A dedicated 4" sprinkler riser combination stand pipe is located in the stair enclosure. A 2" drain riser will be provided as per code. One (1) Siamese connection will be provided on Crescent Street. Water for the system is provided through a 6" water service connected to the city main on Crescent Street. Sprinkler heads are to be Reliable Sprinkler Company Model 'G' or equivalent in concealed pendant, sidewall or upright configuration as required meeting space conditions.

The Building shall have hard-wired smoke and carbon monoxide detectors in each bedroom and living room within the Residential Units.

3. Tanks/Enclosures:

None

4. Sanitary Sewage System:

The plumbing is designed for the Building's sanitary drainage to be connected to the public street combined sewer. Sanitary Piping shall be no-hub cast iron. The entire Building from cellar floor to roof is connected to the city sewer main. The SD-1 and 2 application was filed and approved by the Department of Environmental Protection.

Sewage pumps will be dedicated to the cellar plumbing fixtures, and floor drains. Pumps will be duplex, submersible type, with 4" discharge pipes fitted with check and gate valves. The discharge pipe will be connected on the street side of the sanitary house trap.

5. Permits Required:

Demolition- issued 5/16/2014
Demolition – Construction Fence issued 1/6/2014
ALT Type 2 - SOE (issued 6/19/2014)
New Building – Construction Fence (issued 6/19/2014)

6. Storm Drainage System:

The plumbing design will require that the Building's storm water shall be collected by means of a series of roof-mounted retention drains and cast iron no-hub piping system that will be located in the building interior, and disposed of into the public combined sanitary and storm water system.

The storm drainage system will be gravity type connected to the on site storm sewer. No pumps are proposed.

The SD-1 and 2 application was filed and approved by the Department of Environmental Protection.

J. HEATING

1. Distribution:

The Engineer has designed the building's Residential Units to have heat provided by an Amana Packaged Terminal Air Conditioner Unit (PTAC). PTAC units will be a combination Heating & Air Conditioning Unit. Amana brand or equal PTAC units have an EER of up to 12.8 (on heat pumps, a COP of up to 3.6) to keep energy consumption to a minimum.

Engineering drawings specify that the Building's Commercial Units shall have (2) heat units provided. Commercial Unit NR-1A shall have (1) 6-Ton unit, model #PEFY-P72NMHSU-E, 80,000 BTU/H or equal. Commercial Unit NR-1B shall have (1) 3-Ton unit, model #PEFY-P36NMAU-E2, 40,000 BTU/H or equal.

Domestic hot and cold water shall be distributed to each of the Residential & Commercial Units by means of type "L" copper pipe distribution system. Hot and cold-water piping shall be insulated, as necessary, with fiberglass pipe insulation with a thickness that conforms to the NY State Energy Conservation Code. The domestic hot water heaters shall be operated with electric supplied by Con Edison.

Internal and base ambient temperatures where calculated for the Building between 50 to 80 BTU per square foot. The standard industry calculation is 30 to 35 BTU per square foot. Each heating unit is controlled by a thermostat which is set by the Residential & Commercial Unit Owners for the desired temperatures for each room.

2. Misc. spaces:

All toilets are to be ventilated with a toilet exhaust fan. Each interior toilet exhaust fan will be 50 CFM minimum, and all fans shall be exhausted through the exterior of the building.

There shall be fresh air intake vent on the wall of the elevator machine room.

K. GAS SUPPLY

The Building will have no gas service.

L. AIR CONDITIONING AND VENTILATION

Thru the wall Amana or equal Air Conditioning / Heating PTAC Units will be supplied for all Residential Units. (See HEATING above)

Engineering drawings specify that Commercial Units shall have HVAC cooling system. Each Commercial Unit shall have (1) HVAC unit installed. Unit NR-1A shall have (1) 6-Ton HVAC unit, 72,000 BTU/H. Unit NR-1B shall have (1) 3-Ton HVAC unit, 36,000 BTU/H. The condenser for the HVAC unit for Unit NR-1A will be located in the exterior Common Element and behind the Building on the North side of the Property. The Owner of Unit NR-1A shall have an easement (a) underneath its HVAC condenser for the installation, placement, maintenance, repair and replacement of its HVAC condenser (b) through the Common Elements for access to its HVAC Condenser for its installation, placement, maintenance, repair and replacement. The condenser for the HVAC unit for Unit NR-1B will be located in the parking garage in the Building. The Owner of Unit NR-1B shall have an easement (a) underneath its HVAC condenser for the installation, placement, maintenance, repair and replacement of its HVAC condenser (b) through the Common Elements for access to its HVAC Condenser for its installation, placement, maintenance, repair and replacement. All HVAC units will be within the boundaries of the Project site.

Internal and base ambient temperatures where calculated for the Building between 50 to 80 BTU per square foot. The standard industry calculation is 30 to 35 BTU per square foot. Each air conditioning unit is controlled by a thermostat which is set by the Residential & Commercial Unit Owner for the desired temperatures for each room. The engineer attests that PTAC units have integral drainage within the units where condensate naturally evaporates. The units are inserted within the exterior masonry wall and have elastomeric flashing and silicone sealant around the PTAC perimeter and wall penetration.

All toilets are to be ventilated with a toilet exhaust fan. Each interior toilet and kitchen exhaust will be 50 CFM minimum, and all fans shall be exhausted through the exterior of the building.

M. ELECTRICAL AND INTERCOMMUNICATION SYSTEMS

Engineering drawings specify that the Building's main electrical service shall enter the Building underground from Crescent Street. The service is engineered to have a capacity of 2,400 amps, 3-phase (3-800 amps Main S.S. 208/220 Volts 3-phase). Electrical risers to each Residential & Commercial Unit will be 200 amps 3-phase with 3/0 wire. There will be an average of Twenty (20) Circuits per Residential Unit. The wiring shall be by protected circuits in accordance with the New York City Electrical Code. There shall be Two (2) meter rooms, which shall contain all electrical meters. Forty-One (41) electrical meters will be provided for the Building. Two (2) meters shall serve the Commercial Units. Thirty-Seven (37) meters shall serve the Residential Units. One (1) meter shall serve as the Public Lights & Power ("PLP"). One (1) Meter shall serve the Elevator. All Residential & Commercial Units will have a 3-phase 200 amp service. One (1) meter (PLP) shall serve the common areas, gym, kid's room, parking garage, storage room, bike room and trash compactor room, measuring electricity consumed in those areas. One (1) meter shall serve the elevator. The cost associated with the PLP meter and elevator meter shall be payable by the Condominium Board and which cost shall be borne by the Residential Unit Owners.

Arc Fault Circuit Interrupters and Ground Fault Circuit Interrupters shall be provided as per latest applicable NEC requirements.

Tamper-Resistant receptacles shall be provided for children's play areas.

Three-way switches will be installed where required.

There shall be video surveillance system at the building entrance, garage, and building perimeter. Manufacturer and mode of operation will be determined by Management and Condominium Association.

Each unit will be provided with an audio/video intercom station to provide 2 way communication between each unit and the lobby.

N. PUBLIC AREA LIGHTING

The street entrance of the Building shall be provided with energy efficient light fixtures. The lighting of the lobby, corridors and stairs will be provided with recessed ceiling fixtures with adequate illumination.

O. RECREATION FACILITIES- See Section Z5

P. **GARAGE AND PARKING AREA**

The Building shall have Twelve (12) unattended parking spots that comprise Eleven Parking Condominium Units (Parking Unit 1-2 includes two parking spots) located on the 1st floor. Parking Unit P6 has been designated as a handicapped accessible parking space. Parking Unit P1-2 can accommodate two (2) regular sized vehicles and spaces front to back but the vehicle closer to the lobby (on the western side of Parking Unit P1-2) shall only have access to and from the garage entrance without another vehicle in Parking Unit 1-2 blocking or impeding its access. The garage will be fully sprinklered throughout as per code. There are Two (2) floor drains throughout the garage for proper drainage. The garage flooring and walls shall be concrete unpainted. Lighting will be outdoor fluorescent wall mounted lighting.

Q. **POOLS**

None

R. PERMITS CERTIFICATE AND VIOLATIONS

The Building is being constructed under the Department of Buildings new building application number 420875431. Special and Progress inspections will be performed by:

Regional Testing Corp
Construction Materials Testing Lab
1150 Close Avenue
Bronx, New York 10472

1. Permits and Inspections to be obtained/completed:

- New Building Permit (Department of Buildings)
- Demolition Permit (Department of Buildings)
- Plumbing & Sprinkler Permit (Department of Buildings)
- Fence Permit (Department of Buildings)
- Elevator Permit (Department of Buildings)
- Builders Pavement Plan Permit (Department of Transportation)
- Electrical Permit (Department of Buildings)
- Sidewalk Closing (Department of Transportation)
- Crane (Cranes & Derrick & Department of Transportation)
- Tree Planting (Parks & Recreation)
- Container (Department of Transportation)
- Equipment in Street (Department of Transportation)

2. Special and Progress Inspections:

   - Structural Steel Welding
   - Structural Steel-Erection and Bolting
   - Concrete Cast-in-Place
   - Concrete Pre-Cast
   - Masonry
   - Soil Site Preparation
   - Mechanical Systems
   - Excavation Sheeting and Shoring
   - Site Storm Drainage Disposal and Detention
   - Sprinkler System
   - Stand Pipe System
   - Heating System
   - Fire-Stop
   - Seismic Isolation System
   - Footing and Foundation
   - Frame Inspection
   - Energy Code Compliance
   - Concrete Test Cylinders TR-2
   - Concrete Mix Design TR-3

S. UNIT INFORMATION

3. The Building will contain Thirty-Seven (37) Residential Units, Two (2) Non-Residential Units, Twelve (12) unattended parking spots for Twelve cars that comprise Eleven (11) Parking Condominium Units (Parking Unit 1-2 includes two parking spots) and Twenty (20) Storage Units. Below is how the Units are broken down by floors.

   - Cellar: Twenty (20) Storage Units.
   - 1st Floor: Two (2) Commercial Units / Eleven (11) Parking Units.
   - 2nd Floor: Three (3) Residential Units.
   - 3rd Thru 4th Floor: Five (5) Residential Units on each floor.
   - 5th Thru 8th Floor Five (5) Residential Units on each floor.
   - 9th Floor: Two (2) Residential Units.
   - 10th Floor: Two (2) Residential Units.

Finish schedule for Typical Residential Units:

Space	Floor	Walls	Base	Ceiling
Unit Foyer/Hallway	WD	GWB	TILE	GWB
Living/Dining Room	WD	GWB	TILE	GWB
Bedrooms	WD	GWB	TILE	GWB
Kitchen	WD	GWB	TILE	GWB
Bathrooms	TILE	GWB/TILE	TILE	GWB
Closet	WD	GWB	TILE	GWB
Washer/Dryer	TILE	GWB	TILE	GWB

Note: All Wood Flooring shall be Mazama #10082298, Acacia wood species, solid hardwood floor- 3/4" x 4" planks installed over thin foam underlayment.

Bathroom Fixtures:

Fixture	Manufacturer	Model No.
Lavatory	Vigo	VG09008109K1
Water Closet	ToTo	CST416M
Shower	CUSTOM	CUSTOM
Tub	Kohler	K-1123-LA
Sink Faucet	Grohe	32-138
Shower Head	Delta	T17253
Shower Head/Spout	Delta	T17453

Kitchen Appliances & Fixtures:

Appliance	Manufacturer	Model No.
Dishwasher (Stainless Steel)	Whirlpool (or equal)	WDT790SAYM
Microwave Hood (Stainless Steel)	Whirlpool (or equal)	WMC30516AS
30" Electric Range Cook-Top	Whirlpool (or equal)	G9CE3065XS
30" Electric Single Wall Oven	Whirlpool (or equal)	WOS92EC7AS
36" Refrigerator (Stainless Steel)	Whirlpool (or equal)	WRS965CIAM
28" Kitchen Sink (Stainless Steel)	Vigo	VG15006
Kitchen Faucet	Kraus	KEF-14701
Kitchen Cabinetry	CUSTOM	

Kitchen Appliances & Fixtures for Units on 9th & 10th Floor Penthouse:

Appliance	Manufacturer	Model No.
Dishwasher (Stainless Steel)	Miele (or equal)	G4286SCSF
Microwave Hood (Stainless Steel)	Viking (or equal)	VCWH53648SS
36" Electric Range Cook-Top	Viking (or equal)	RVEC3365BSB
30" Electric Single Wall Oven	Viking (or equal)	VESO1302SS
36" Refrigerator (Stainless Steel)	Viking (or equal)	VCFF236SS
28" Kitchen Sink (Stainless Steel)	Vigo	VG15006
Kitchen Faucet	Kraus	KEF-14701
Kitchen Cabinetry	CUSTOM	

Other Appliances:

Appliance	Manufacturer	Model No.
Washer/Dryer	LG (or equal)	WM3677HW
AC/Heating Unit (PTAC)	Amana (or equal)	PTH153B50AM

Finish Schedule of spaces other than Residential Units:

Space	Floor	Walls	Base	Ceiling
Ground Floor Lobby	TILE	BRICK/GWB	BRICK	GWB
Corridors	TILE	BRICK/GWB	BRICK	GWB
Service Entrance	TILE	GWB	TILE	GWB
Stairs	CONC /P	CMU/P	NONE	GWB
Trash Room/Refuse	TILE	CMU/P	TILE	GWB
Electrical/Gas Room	CONC/P	CMU/P	NONE	CONC
Sprinkler Room	CONC/P	CMU/P	NONE	CONC
Elevator Room	CONC/P	CMU/P	NONE	CONC

T. NO ASBESTOS

As per Labor Law Section 900 no asbestos-containing materials may be installed in any construction in New York City.

U. VIOLATIONS

None

V. CONSTRUCTION SCHEDULE

4. Construction will commence in June 2014 and is anticipated to be completed in 16 months approximately October, 2015.

W. SAFETY & WARNING DEVICES

5. Smoke detectors and carbon monoxide detectors are provided inside the bedrooms and living rooms in all Residential Units, as required by code. Area smoke detectors are installed in all electrical and mechanical equipment rooms as required by code. Smoke detectors are installed in all elevator lobbies for activation of elevator recall to main floor level as required by code.

X. SPECIAL RISKS

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

The Building and Units will include double hung windows that do not have any child safety or window guards. Unit Owners must notify the Board of Managers and the Managing Agent in writing when a Child or Children Ten (10) years or younger lives or resides (even temporarily) in a Residential Unit. Each Residential Owner shall install at such Residential Owner's expense, the required Window Guards in all windows in the Residential Unit and shall not remove them until permitted by law in any event, without the full knowledge of the Board of Managers and Managing Agent. According to NYC HPD, Residential Unit Owners have a responsibility to ensure that window guards are properly installed.

The Building and Property are facing on its north side a viaduct and vehicular ramp that serves and connects to the Queensboro Bridge. The viaduct and/or ramp are within fifteen (15) feet from the Property. Consequently, some sound from the viaduct and/or ramp is noticeable in the vicinity of the Property.

Sponsor has retained a signage easement area on the North wall of the Building for the possible future placement of commercial signage.

Y. DOCUMENTS TO BE TRANSFERRED TO THE CONDOMINIUM MANAGEMENT

The Sponsor attests to the transfer of the following to the Condominium Management:
*Operations and Maintenance manuals for mechanical equipment installed.
*Roof Warranty.
*Final As-built drawings: Architectural, Structural, Mechanical, Electrical, and Plumbing.
*Note: Unit Owners shall obtain warranties for unit appliances and other equipment installed within the unit.

Z. ADDITIONAL INFORMATION REQUIRED

1. Floor plans for each line or Type of Unit Plans are reflected in Part II Section 2. Floor-to-ceiling heights of Units: Cellar Floor shall be 9'-3". 1st floor thru 10th Floor shall be 9'-4". Except in certain areas with dropped ceilings such as bathroom, kitchen, and mechanical rooms in Residential and Commercial Units, closet, hallway, and corridors. All dimensions are approximate and subject to normal construction variance and tolerances.

2. For approximate total area of each Unit refer to Unit Plans and Schedule A. Any floor plan or sketch shown to a prospective Purchaser is only an approximate of the dimensions of the Unit. Square footage of the Residential Units as calculated herein reflects the area measured horizontally from the outside face of the glass and/or face or façade of the exterior walls of the Building to the midpoint of interior demising partitions (drywall or concrete masonry wall) between Units and/or to the midpoint of interior demising partitions (drywall or concrete masonry wall) separating a Unit from corridors, fire stairs, elevators or other Common Elements. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits are not deducted from measurement of a Unit. Floor area may include columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the
3. available floor area. Any Common Element located within a Unit will not be considered a part of such Unit. The Commercial Units shall consist of similarly defined areas as for the Residential Units.

4. The square footage of the terraces as calculated herein and in the Unit floor plans set forth in Part II of the Plan reflect the area measured from outside face wall on the Unit side of such terrace to outside of the parapet wall and/ or outside edge of concrete floor slab of the terrace. The square footage of the balconies as calculated herein and in the Unit floor plans set forth in Part II of the Plan reflect the area measured from the outside face on the Unit side of such balcony to outside edge of the concrete floor slab of the balcony. These measurements exceed the usable net floor area of such balcony.

5. Recreational facilities will be provided on 2nd floor for the gym and kids playroom and 2nd floor outside roof top area. The Building superintendent will maintain and keep the recreational areas and the recreational rooftop clean. There will be carpet in the kids playroom and recyclable rubber floor mats in the gym. All walls will be painted gypsum wall board. All equipment and safety padding in these rooms shall be selected by the Management and the Condominium

Association. Rooms will be adequately ventilated and lit because they have recessed ceiling lights, operable windows and PTAC units

6. The foregoing constitutes a true, correct and complete description by our firm of the Property located at 42-60 Crescent Street, Long Island City, New York 11101.

7. We consent to the inclusion of this report in the Condominium Offering Plan for the property.

REGISTERED ARCHITECT
ALFREDO T. FREDERICKS
016963
STATE OF NEW YORK

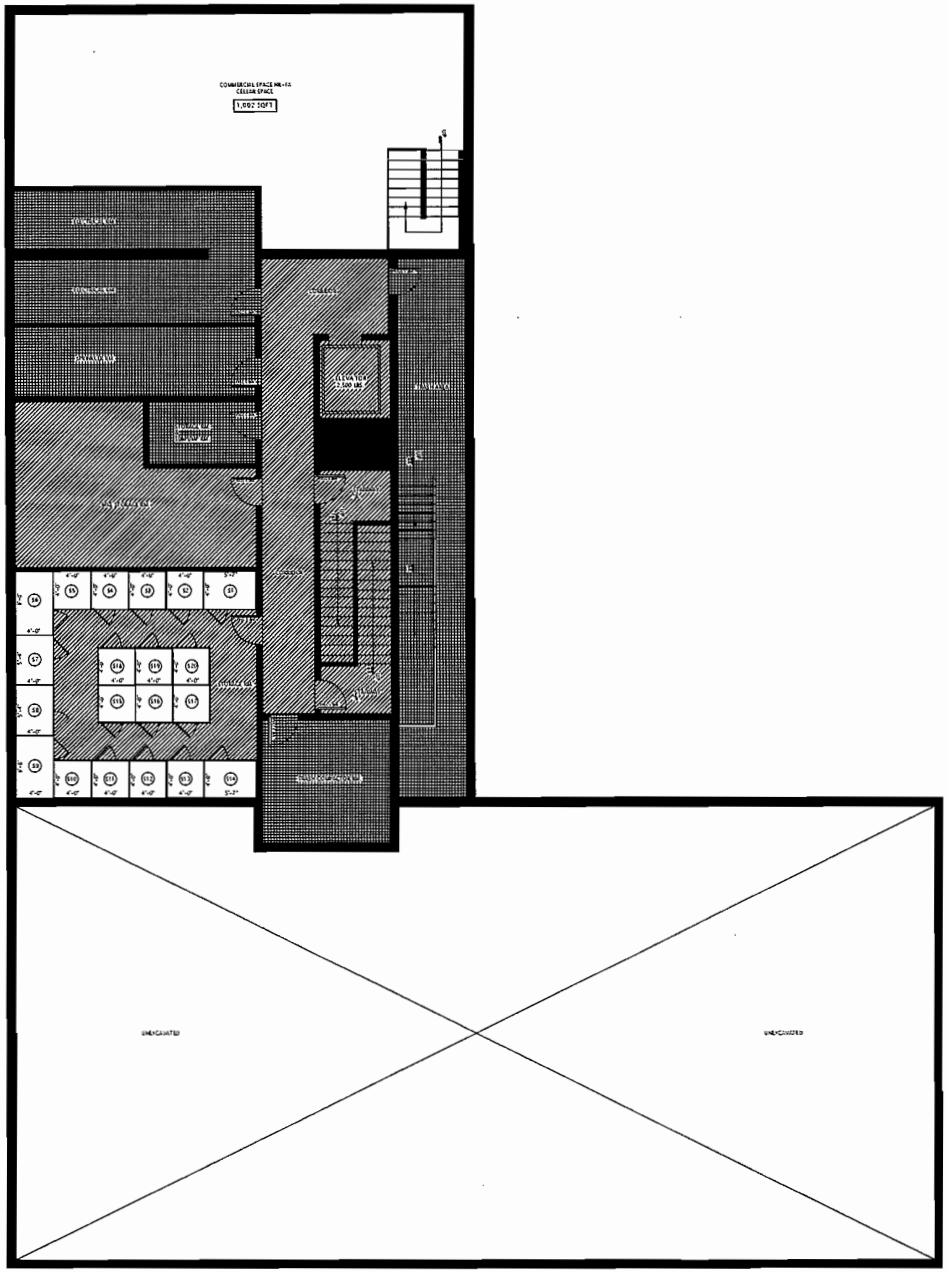
By: _____
Alfredo T. Fredericks, Registered Architect

All dimensions are approximate and subject to normal construction variance 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.

JANICE EDWARDS
Notary Public - State of New York
NO. 01ED6270155
Qualified in Kings County
My Commission Expires 10/15/16

2/4/15

[PAGE INTENTIONALLY BLANK]



LEGEND

GENERAL COMMON AREA

RESIDENTIAL COMMON AREA

RESIDENTIAL LIMITED COMMON AREA

DIMENSIONS OF UNIT:

EACH UNIT CONSISTS OF THE AREA MEASURED AS FOLLOWS (a.) HORIZONTALLY FROM THE OUTSIDE FACE OF THE GLASS AND/OR OUTSIDE FACE OF THE EXTERIOR WALLS OF THE BUILDING TO THE MIDDLE OF THE GWB INTERIOR PARTITIONS BETWEEN UNITS AND/OR TO THE MIDDLE OF THE CMU INTERIOR PARTITIONS SEPARATING A UNIT FROM CORRIDORS, FIRE STAIRS, ELEVATORS OR OTHER COMMON ELEMENTS. (b.) VERTICALLY FROM THE AREA ENCLOSED BY THE UNEXPOSED SURFACE OF THE GYPSUM WALLBOARD, PLASTER OR OTHER MATERIAL FORMING THE CEILING OF THE HIGHEST STORY LEVEL OF THE UNIT TO THE UPPER SURFACE OF THE SUBFLOOR OF DOORS WITHIN THE UNIT WHICH OPEN EITHER ONTO COMMON ELEMENTS OR THE EXTERIOR OF THE PROPERTY. THE UNIT SHALL BE DEFNED BY THE EXPOSED FACE OF THE COMMON SIDE OF SUCH DOOR.

DECLARANT:
NAME: ROG-STONECUTTER 43RD AVE OWNER, LLC.
ADDRESS: 5-04 50TH AVENUE. LIC, NY 11101

STATE OF NEW YORK
COUNTY OF: QUEENS

THIS IS TO CERTIFY THAT THIS IS AN ACCURATE COPY OF A PORTION OF THE PLANS OF THE BUILDING AS FILED WITH AND APPROVED BY THE DEPARTMENT OF BUILDINGS, CITY OF NEW YORK, AN FULLY AND FAIRLY DEPICTS THE LAYOUT, LOCATION, DIMENSIONS OF THE UNITS AS BUILT.

SWORN TO BEFORE ME THIS
_____DAY OF _____,20_____

TAX LOT CERTIFICATION:

THE UNIT OESIGNATION AND THE TAX LOT NUMBERS SHOWN BEFORE CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE REAL PROPERTY ASSESSMENT BUREAU OF THE CITY OF NEW YORK, BOROUGH OF _____, DATE:_____

SURVEYOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL: 718.458.9688

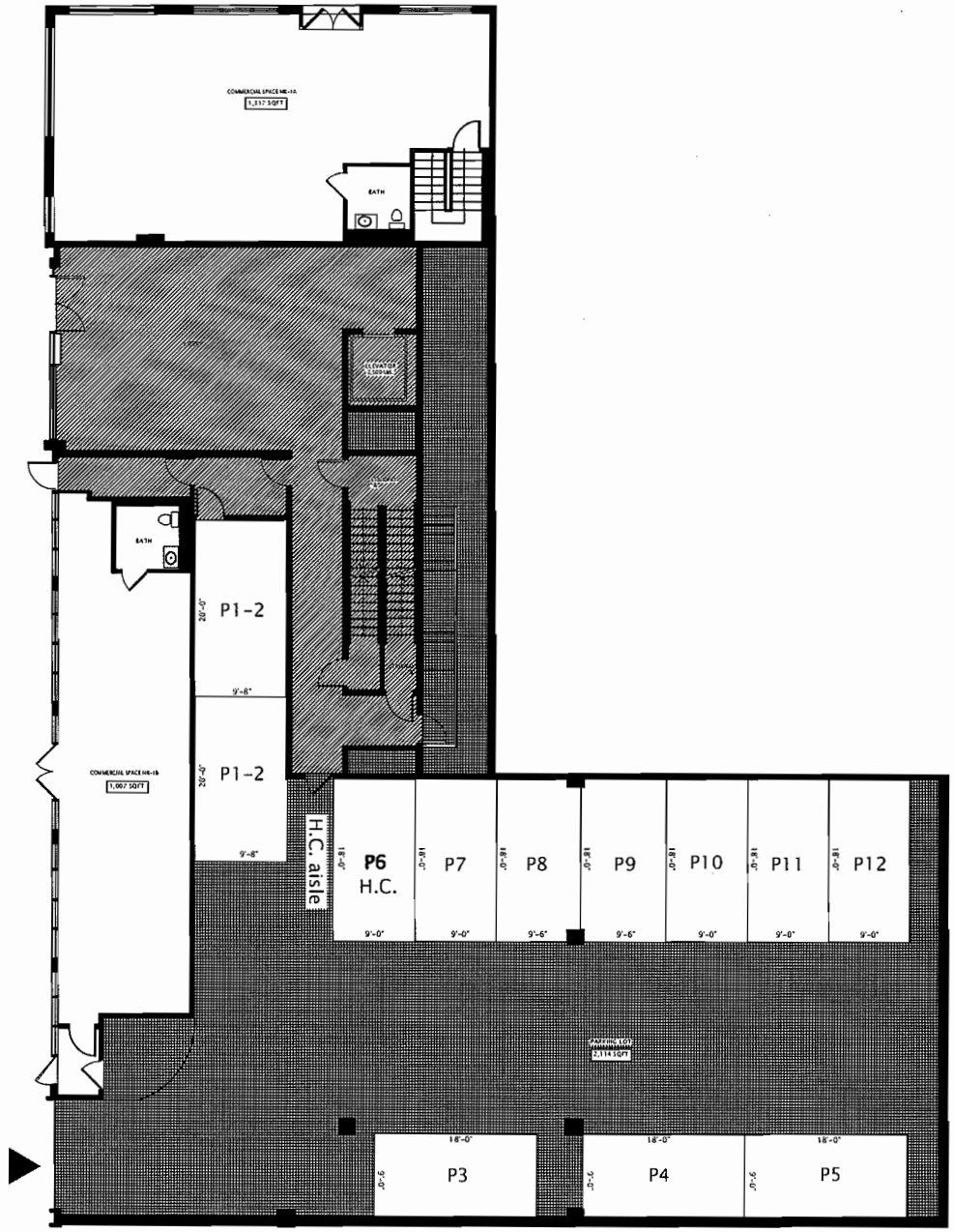
SEAL & SIGNATURE (P.E. or R.A.)

CELLAR FLR.
FLOOR PLAN

PROJECT LOCATION:
NAME: THE FACTORY
ADDRESS: 42-60 CRESCENT STREET
LIC, NEW YORK 11101
OWNER: ROG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY: ICE
PROJECT NO: 1000
SCALE:
DATE:

A-1



LEGEND

- GENERAL COMMON AREA
- RESIDENTIAL COMMON AREA
- RESIDENTIAL LIMITED COMMON AREA

DIMENSIONS OF UNIT:

EACH UNIT CONSISTS OF THE AREA MEASURED AS FOLLOWS (a.) HORIZONTALLY FROM THE OUTSIDE FACE OF THE GLASS AND/OR OUTSIDE FACE OF THE EXTERIOR WALLS OF THE BUILDING TO THE MIDDLE OF THE GWR INTERIOR PARTITIONS BETWEEN UNITS AND/OR TO THE MIDDLE OF THE CMU INTERIOR PARTITIONS SEPARATING A UNIT FROM CORRIDORS, FIRE STAIRS, ELEVATORS OR OTHER COMMON ELEMENTS. (b.) VERTICALLY FROM THE AREA ENCLOSED BY THE UNEXPOSED SURFACE OF THE GYPSUM WALLBOARD, PLASTER OR OTHER MATERIAL FORMING THE CEILING OF THE HIGHEST STORY LEVEL OF THE UNIT TO THE UPPER SURFACE OF THE SUBFLOOR OF DOORS WITHIN THE UNIT WHICH OPEN EITHER ONTO COMMON ELEMENTS OR THE EXTERIOR OF THE PROPERTY. THE UNIT SHALL BE DEFNED RY THE EXPOSED FACE OF THE COMMON SIDE OF SUCH DOOR.

DECLARANT:

NAME: RDG-STONECUTTER 43RD AVE OWNER, LLC.
ADDRESS: 5-04 50TH AVENUE. LIC, NY 11101

STATE OF NEW YORK
COUNTY OF QUEENS

THIS IS TO CERTIFY THAT THIS IS AN ACCURATE COPY OF A PORTION OF THE PLANS OF THE BUILDING AS FILED WITH AND APPROVED BY THE DEPARTMENT OF BUILDINGS, CITY OF NEW YORK, AN FULLY AND FAIRLY DEPICTS THE LAYOUT, LOCATION, DIMENSIONS OF THE UNITS AS BUILT.

SWORN TO BEFORE ME THIS
_____DAY OF _____,20_____

TAX LOT CERTIFICATION:

THE UNIT DESIGNATION AND THE TAX LOT NUMBERS SHOWN BEFORE CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE REAL PROPERTY ASSESSMENT BUREAU OF THE CITY OF NEW YORK, BOROUGH OF _____ DATE _____

SURVEYOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL. 718.458.9668

SEAL & SIGNATURE (P.E. or R.A.)

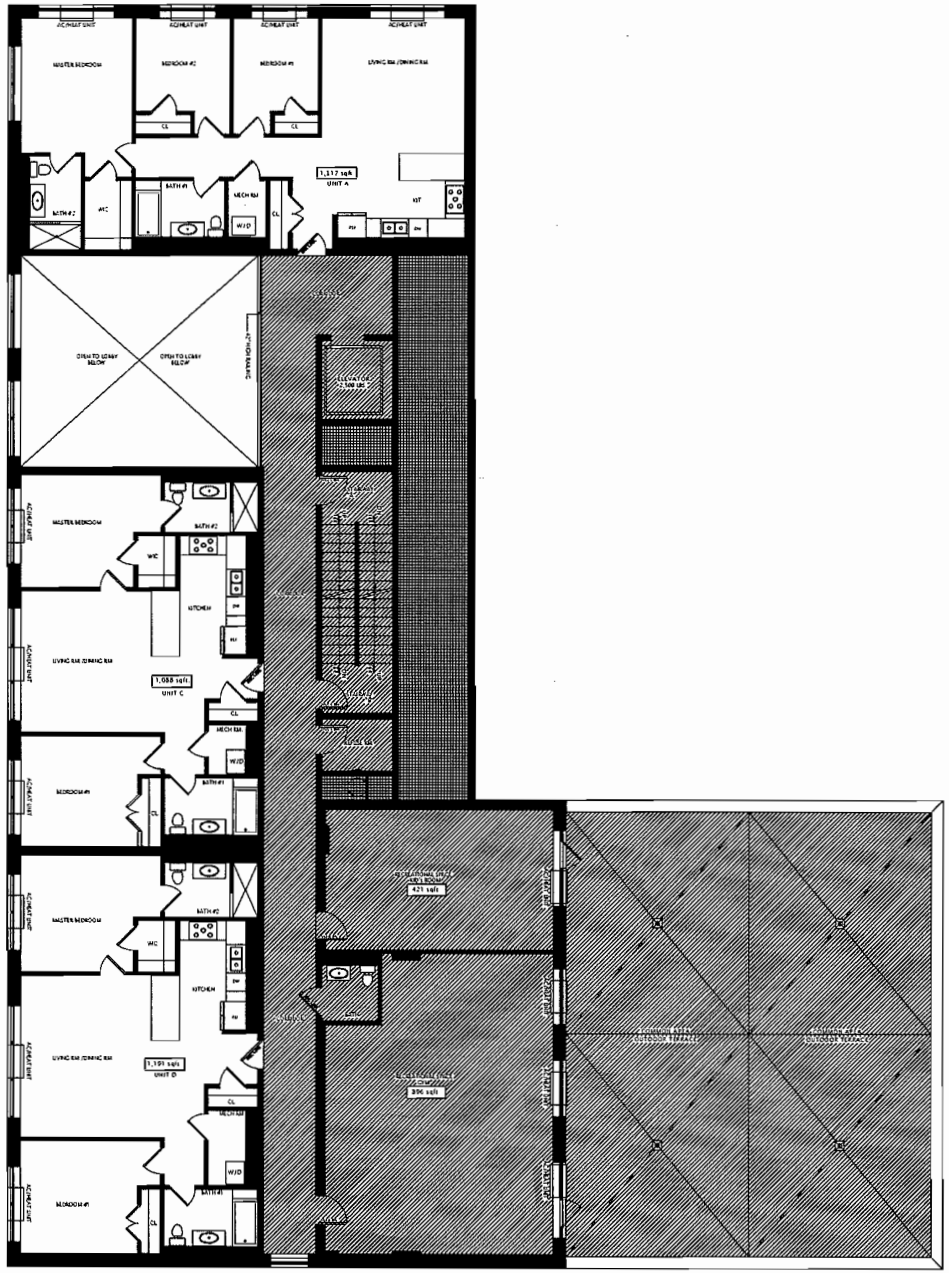
FIRST FLOOR FLOOR PLAN

PROJECT LOCATION:
NAME THE FACTORY
ADDRESS 42-60 CRESCENT STREET
LIC, NEW YORK 11101
OWNER RDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY ICF
PROJECT NO 1000
SCALE
DATE

A-2

135



LEGEND

GENERAL COMMON AREA

RESIDENTIAL COMMON AREA

RESIDENTIAL LIMITED COMMON AREA

DIMENSIONS OF UNIT:

EACH UNIT CONSISTS OF THE AREA MEASURED AS FOLLOWS (a.) HORIZONTALLY FROM THE OUTSIDE FACE OF THE GLASS AND/OR OUTSIDE FACE OF THE EXTERIOR WALLS OF THE BUILDING TO THE MIDDLE OF THE GWB INTERIOR PARTITIONS BETWEEN UNITS AND/OR TO THE MIDDLE OF THE CMU INTERIOR PARTITIONS SEPARATING A UNIT FROM CORRIDORS, FIRE STAIRS, ELEVATORS OR OTHER COMMON ELEMENTS. (b.) VERTICALLY FROM THE AREA ENCLOSED BY THE UNEXPOSED SURFACE OF THE GYPSUM WALLBOARD, PLASTER OR OTHER MATERIAL FORMING THE CEILING OF THE HIGHEST STORY LEVEL OF THE UNIT TO THE UPPER SURFACE OF THE SUBFLOOR OF DOORS WITHIN THE UNIT WHICH OPEN EITHER ONTO COMMON ELEMENTS OR THE EXTERIOR OF THE PROPERTY. THE UNIT SHALL BE DEFINED BY THE EXPOSED FACE OF THE COMMON SIDE OF SUCH DOOR.

DECLARANT:
NAME: RDG-STONECUTTER 43RD AVE OWNER, LLC.
ADDRESS: 5-04 50TH AVENUE. LIC, NY 11101

STATE OF NEW YORK
COUNTY OF QUEENS

THIS IS TO CERTIFY THAT THIS IS AN ACCURATE COPY OF A PORTION OF THE PLANS OF THE BUILDING AS FILED WITH AND APPROVED BY THE DEPARTMENT OF BUILDINGS, CITY OF NEW YORK, AN FULLY AND FAIRLY DEPICTS THE LAYOUT, LOCATION, DIMENSIONS OF THE UNITS AS BUILT.

SWORN TO BEFORE ME THIS
_____DAY OF _____,20_____

TAX LOT CERTIFICATION:

THE UNIT DESIGNATION AND THE TAX LOT NUMBERS SHOWN BEFORE CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE REAL PROPERTY ASSESSMENT BUREAU OF THE CITY OF NEW YORK, BOROUGH OF _____ DATE _____

SURVEYOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
57-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL: 718.458.5668

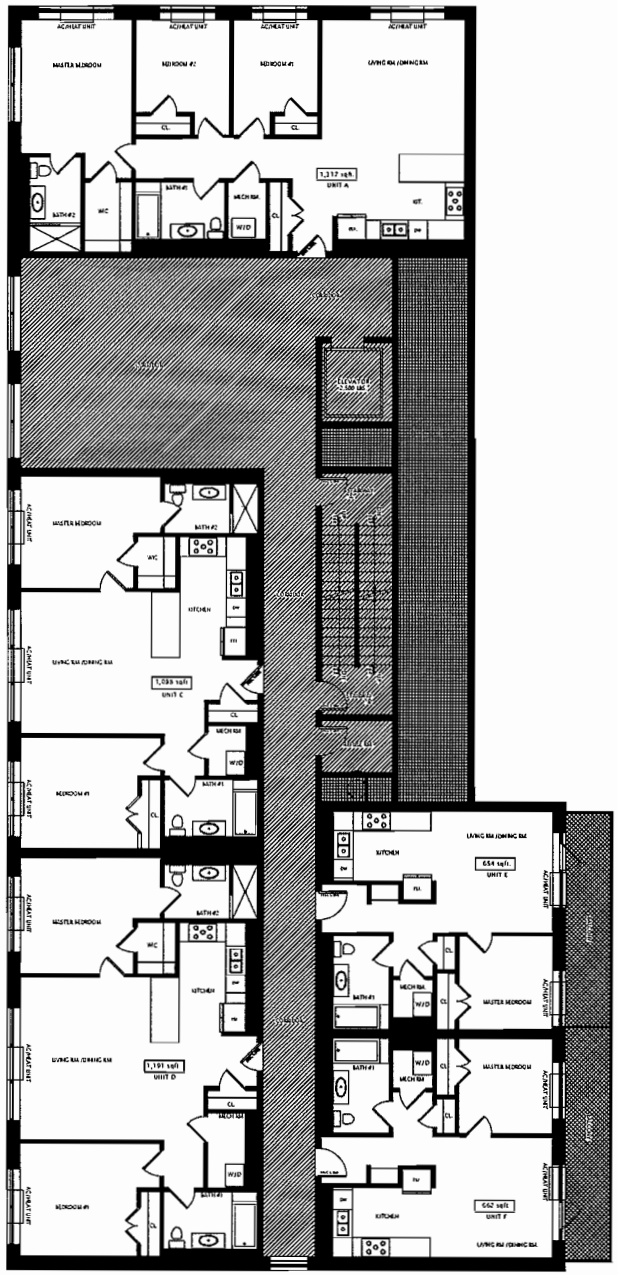
SEAL & SIGNATURE (P.E. or R.A.)

SECOND FLOOR FLOOR PLAN

PROJECT LOCATION:
NAME THE FACTORY
ADDRESS 42-60 CRESCENT STREET
LIC, NEW YORK 11101
OWNER RDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY ICF
PROJECT NO 1000
SCALE
DATE

A-3



LEGEND

- GENERAL COMMON AREA
- RESIDENTIAL COMMON AREA
- RESIDENTIAL LIMITED COMMON AREA

DIMENSIONS OF UNIT:

EACH UNIT CONSISTS OF THE AREA MEASURED AS FOLLOWS (a.) HORIZONTALLY FROM THE OUTSIDE FACE OF THE GLASS AND/OR OUTSIDE FACE OF THE EXTERIOR WALLS OF THE BUILDING TO THE MIDDLE OF THE GWB INTERIOR PARTITIONS BETWEEN UNITS AND/OR TO THE MIDDLE OF THE CMU INTERIOR PARTITIONS SEPARATING A UNIT FROM CORRIDORS, FIRE STAIRS, ELEVATORS OR OTHER COMMON ELEMENTS. (b.) VERTICALLY FROM THE AREA ENCLOSED BY THE UNEXPOSED SURFACE OF THE GYPSUM WALLBOARD, PLASTER OR OTHER MATERIAL FORMING THE CEILING OF THE HIGHEST STORY LEVEL OF THE UNIT TO THE UPPER SURFACE OF THE SUBFLOOR OF DOORS WITHIN THE UNIT WHICH OPEN EITHER ONTO COMMON ELEMENTS OR THE EXTERIOR OF THE PROPERTY. THE UNIT SHALL BE DEFNED BY THE EXPOSED FACE OF THE COMMON SIDE OF SUCH DOOR.

DECLARANT:
NAME: RDG-STONECUTTER 43RD AVE OWNER, LLC.
ADDRESS 5-04 50TH AVENUE. LIC, NY 11101

STATE OF NEW YORK
COUNTY OF QUEENS

THIS IS TO CERTIFY THAT THIS IS AN ACCURATE COPY OF A PORTION OF THE PLANS OF THE BUILDING AS FILED WITH AND APPROVED BY THE DEPARTMENT OF BUILDINGS, CITY OF NEW YORK, AN FULLY AND FAIRLY DEPICTS THE LAYOUT, LOCATION, DIMENSIONS OF THE UNITS AS BUILT.

SWORN TO BEFORE ME THIS
_____DAY OF _____20_____

TAX LOT CERTIFICATION:

THE UNIT DESIGNATION AND THE TAX LOT NUMBERS SHOWN BEFORE CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE REAL PROPERTY ASSESSMENT BUREAU OF THE CITY OF NEW YORK, BOROUGH OF _____ DATE: _____

SURVEYOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL.: 718.458.8668

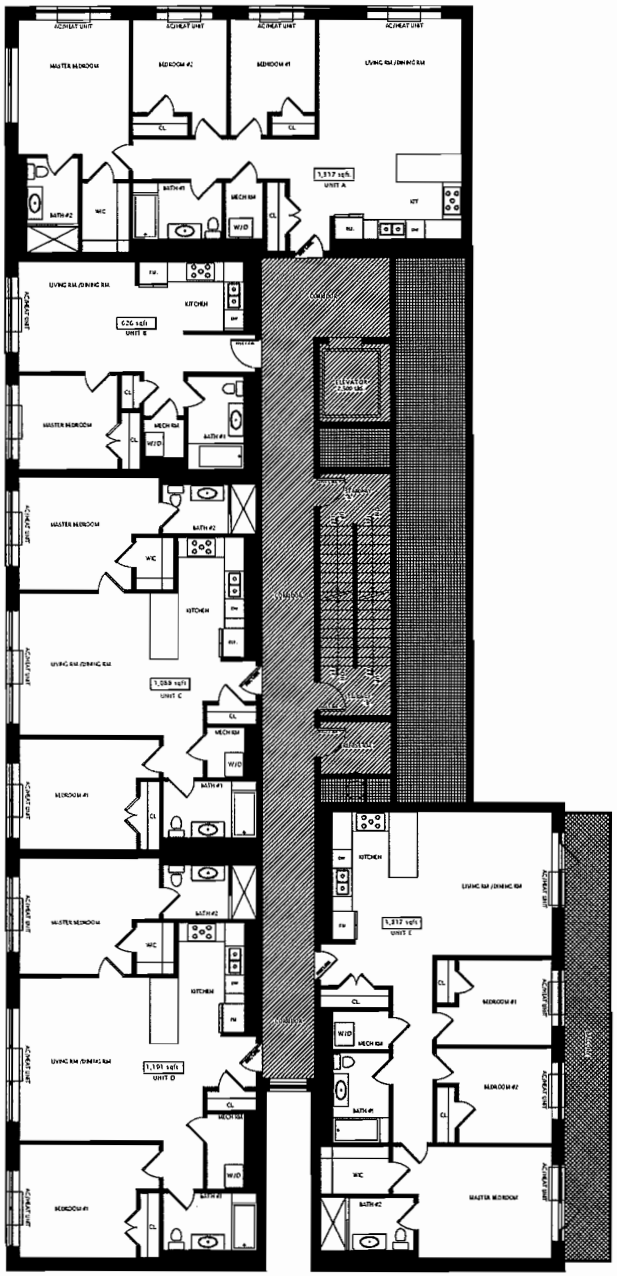
SEAL & SIGNATURE (P.E. or R.A.)

THIRD & FOURTH FLOOR
FLOOR PLAN

PROJECT LOCATION:
NAME: THE FACTORY
ADDRESS: 42-60 CRESCENT STREET
LIC, NEW YORK) 1101
OWNER: RDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY: ICF
PROJECT NO.: 1000
SCALE
DATE

A-4



LEGEND

- GENERAL COMMON AREA
- RESIDENTIAL COMMON AREA
- RESIDENTIAL LIMITED COMMON AREA

DIMENSIONS OF UNIT:

EACH UNIT CONSISTS OF THE AREA MEASURED AS FOLLOWS (a.) HORIZONTALLY FROM THE OUTSIDE FACE OF THE GLASS AND/OR OUTSIDE FACE OF THE EXTERIOR WALLS OF THE BUILDING TO THE MIDDLE OF THE CMU INTERIOR PARTITIONS BETWEEN UNITS AND/OR TO THE MIDDLE OF THE CMU INTERIOR PARTITIONS SEPARATING A UNIT FROM CORRIDORS, FIRE STAIRS, ELEVATORS OR OTHER COMMON ELEMENTS. (b.) VERTICALLY FROM THE AREA ENCLOSED BY THE UNEXPOSED SURFACE OF THE GYPSUM WALLBOARD, PLASTER OR OTHER MATERIAL FORMING THE CEILING OF THE HIGHEST STORY LEVEL OF THE UNIT TO THE UPPER SURFACE OF THE SUBFLOOR OF DOORS WITHIN THE UNIT WHICH OPEN EITHER ONTO COMMON ELEMENTS OR THE EXTERIOR OF THE PROPERTY. THE UNIT SHALL BE DEFINED BY THE EXPOSED FACE OF THE COMMON SIDE OF SUCH DOOR.

DECLARANT:
NAME RDG-STONECUTTER 43RD AVE OWNER, LLC.
ADDRESS 5-04 50TH AVENUE. LIC, NY 11101

STATE OF NEW YORK
COUNTY OF QUEENS

THIS IS TO CERTIFY THAT THIS IS AN ACCURATE COPY OF A PORTION OF THE PLANS OF THE BUILDING AS FILED WITH AND APPROVED BY THE DEPARTMENT OF BUILDINGS, CITY OF NEW YORK, AN FULLY AND FAIRLY DEPICTS THE LAYOUT, LOCATION, DIMENSIONS OF THE UNITS AS BUILT.

SWORN TO BEFORE ME THIS
_____DAY OF _____,20_____

TAX LOT CERTIFICATION:

THE UNIT DESIGNATION AND THE TAX LOT NUMBERS SHOWN BEFORE CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE REAL PROPERTY ASSESSMENT BUREAU OF THE CITY OF NEW YORK, BOROUGH OF _____, DATE: _____

SURVEYOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL.: 718.458.9668

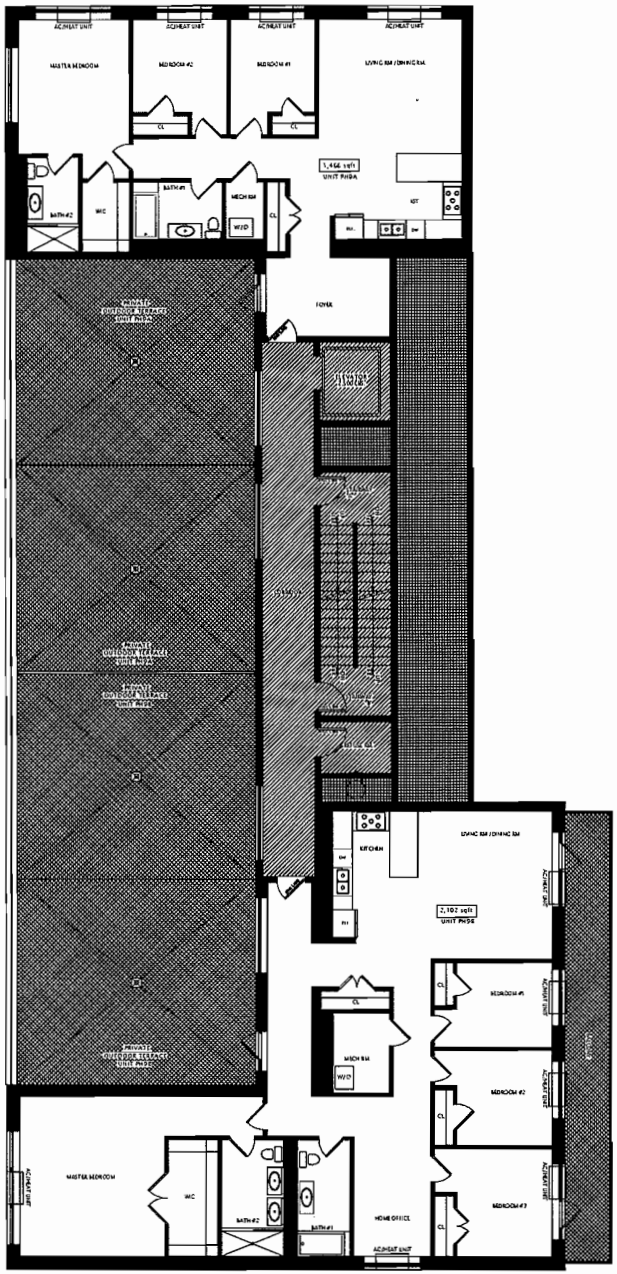
SEAL & SIGNATURE (P.E. or R.A.)

FIFTH THRU EIGHT FLR.
FLOOR PLAN

PROJECT LOCATION:
NAME: THE FACTORY
ADDRESS: 42-80 CRESCENT STREET
LIC, NEW YORK 11101
OWNER: RDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY: ICF
PROJECT NO: 1000
SCALE:
DATE:

A-5



LEGEND

GENERAL COMMON AREA

RESIDENTIAL COMMON AREA

RESIDENTIAL LIMITED COMMON AREA

DIMENSIONS OF UNIT:

EACH UNIT CONSISTS OF THE AREA MEASURED AS FOLLOWS (a.) HORIZONTALLY FROM THE OUTSIDE FACE OF THE GLASS AND/OR OUTSIDE FACE OF THE EXTERIOR WALLS OF THE BUILDING TO THE MIDDLE OF THE GWB INTERIOR PARTITIONS BETWEEN UNITS AND/OR TO THE MIDDLE OF THE CMU INTERIOR PARTITIONS SEPARATING A UNIT FROM CORRIDORS, FIRE STAIRS, ELEVATORS OR OTHER COMMON ELEMENTS. (b.) VERTICALLY FROM THE AREA ENCLOSED BY THE UNEXPOSED SURFACE OF THE GYPSUM WALLBOARD, PLASTER OR OTHER MATERIAL FORMING THE CEILING OF THE HIGHEST STORY LEVEL OF THE UNIT TO THE UPPER SURFACE OF THE SUBFLOOR OF DOORS WITHIN THE UNIT WHICH OPEN EITHER ONTO COMMON ELEMENTS OR THE EXTERIOR OF THE PROPERTY. THE UNIT SHALL BE DEFINED BY THE EXPOSED FACE OF THE COMMON SIDE OF SUCH DOOR.

DECLARANT:
NAME: RDG-STONECUTTER 43RD AVE OWNER, LLC.
ADDRESS: 5-04 50TH AVENUE, LIC, NY 11101

STATE OF NEW YORK
COUNTY OF: QUEENS

THIS IS TO CERTIFY THAT THIS IS AN ACCURATE COPY OF A PORTION OF THE PLANS OF THE BUILDING AS FILED WITH AND APPROVED BY THE DEPARTMENT OF BUILDINGS, CITY OF NEW YORK, AN FULLY AND FAIRLY DEPICTS THE LAYOUT, LOCATION, DIMENSIONS OF THE UNITS AS BUILT.

SWORN TO BEFORE ME THIS
_____DAY OF _____,20_____

TAX LOT CERTIFICATION:

THE UNIT DESIGNATION AND THE TAX LOT NUMBERS SHOWN BEFORE CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE REAL PROPERTY ASSESSMENT BUREAU OF THE CITY OF NEW YORK, BOROUGH OF _____, DATE _____

SURVEYOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL: 718.458.9668

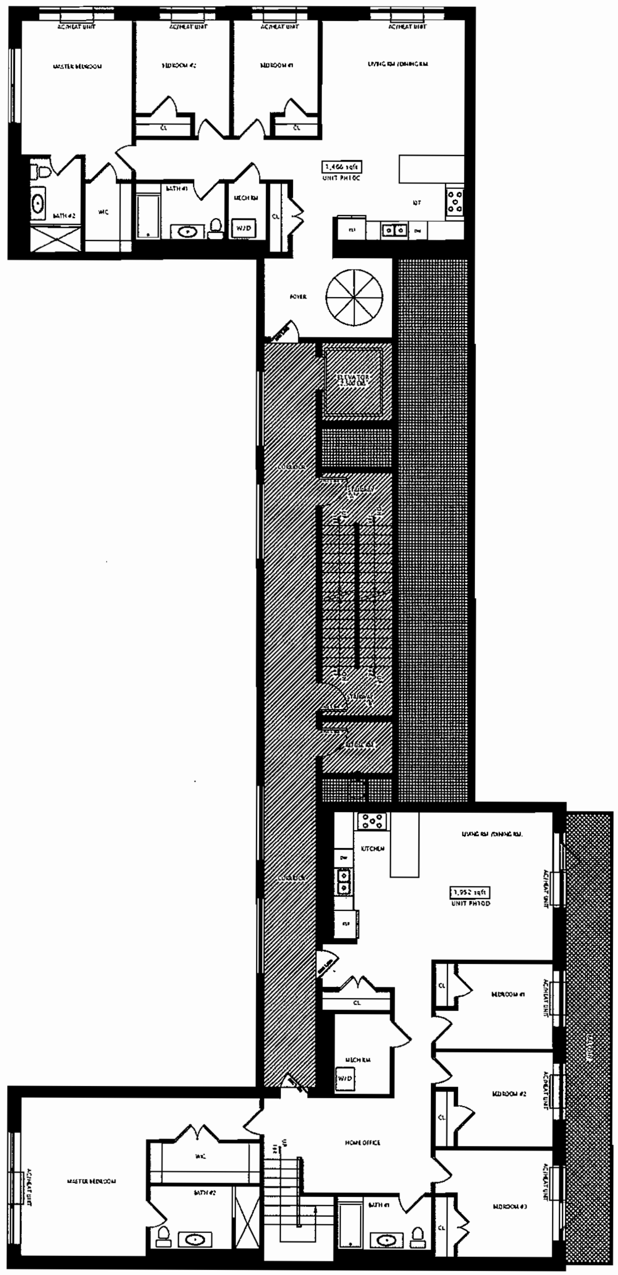
SEAL & SIGNATURE (P.E. or R.A.)

NINTH FLOOR
FLOOR PLAN

PROJECT LOCATION:
ISSUE: THE FACTORY
ADDRESS: 42-60 CRESCENT STREET
LIC, NEW YORK 11101
OWNER: RDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY: JC'S
PROJECT NO: 1000
SCALE:
DATE:

A-6



LEGEND

- GENERAL COMMON AREA
- RESIDENTIAL COMMON AREA
- RESIDENTIAL LIMITED COMMON AREA

DIMENSIONS OF UNIT:

EACH UNIT CONSISTS OF THE AREA MEASURED AS FOLLOWS (a.) HORIZONTALLY FROM THE OUTSIDE FACE OF THE GLASS AND/OR OUTSIOE FACE OF THE EXTERIOR WALLS OF THE BUILOING TO THE MIDDLE OF THE GWB INTERIOR PARTITIONS BETWEEN UNITS AND/OR TO THE MIDDLE OF THE CMU INTERIOR PARTITIONS SEPARATING A UNIT FROM CORRIDORS, FIRE STAIRS, ELEVATORS OR OTHER COMMON ELEMENTS. (b.) VERTICALLY FROM THE AREA ENCLOSED BY THE UNEXPOSED SURFACE OF THE GYPSUM WALLBOARO, PLASTER OR OTHER MATERIAL FORMING THE CEILING OF THE HIGHEST STORY LEVEL OF THE UNIT TO THE UPPER SURFACE OF THE SUBFLOOR OF OOORS WITHIN THE UNIT WHICH OPEN EITHER ONTO COMMON ELEMENTS OR THE EXTERIOR OF THE PROPERTY. THE UNIT SHALL BE DEFNED BY THE EXPOSED FACE OF THE COMMON SIDE OF SUCH DOOR.

DECLARANT:

NAME RDG-STONECUTTER 43RD AVE OWNER, LLC.
ADDRESS: 5-04 50TH AVENUE. LIC, NY 11101

STATE OF NEW YORK
COUNTY OF: QUEENS

THIS IS TO CERTIFY THAT THIS IS AN ACCURATE COPY OF A PORTION OF THE PLANS OF THE BUILDING AS FILED WITH AND APPROVED BY THE DEPARTMENT OF BUILDINGS, CITY OF NEW YORK, AN FULLY AND FAIRLY DEPICTS THE LAYOUT, LOCATION, DIMENSIONS OF THE UNITS AS BUILT.

____

SWORN TO BEFORE ME THIS
_________DAY OF ____________20_____

TAX LOT CERTIFICATION:

THE UNIT DESIGNATION AND THE TAX LOT NUMBERS SHOWN BEFORE CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE REAL PROPERTY ASSESSMENT BUREAU OF THE CITY OF NEW YORK, BOROUGH OF _____________ DATE ____________

____
SURVEYOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL: 718.458.9668

SEAL & SIGNATURE (P.E. or R.A.)

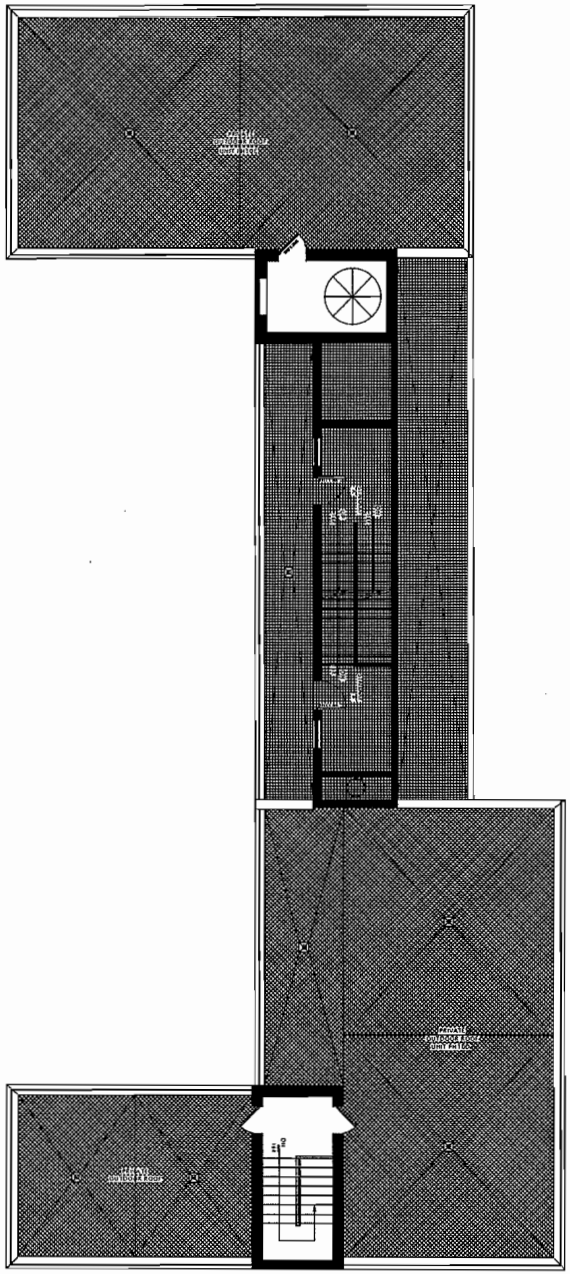
TENTH FLOOR
FLOOR PLAN

PROJECT LOCATION:
NAME: THE FACTORY
ADDRESS: 42-60 CRESCENT STREET
LIC, NEW YORK 11101
OWNER: RDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY: ICF
PROJECT NO: 1000
SCALE:
DATE:

A-7

140



LEGEND

- GENERAL COMMON AREA
- RESIDENTIAL COMMON AREA
- RESIDENTIAL LIMITED COMMON AREA

DIMENSIONS OF UNIT:

EACH UNIT CONSISTS OF THE AREA MEASURED AS FOLLOWS (a.) HORIZONTALLY FROM THE OUTSIDE FACE OF THE GLASS AND/OR OUTSIDE FACE OF THE EXTERIOR WALLS OF THE BUILDING TO THE MIDDLE OF THE GWB INTERIOR PARTITIONS BETWEEN UNITS AND/OR TO THE MIDDLE OF THE CMU INTERIOR PARTITIONS SEPARATING A UNIT FROM CORRIDORS, FIRE STAIRS, ELEVATORS OR OTHER COMMON ELEMENTS. (b.) VERTICALLY FROM THE AREA ENCLOSED BY THE UNEXPOSED SURFACE OF THE GYPSUM WALLBOARD, PLASTER OR OTHER MATERIAL FORMING THE CEILING OF THE HIGHEST STORY LEVEL OF THE UNIT TO THE UPPER SURFACE OF THE SUBFLOOR OF DOORS WITHIN THE UNIT WHICH OPEN EITHER ONTO COMMON ELEMENTS OR THE EXTERIOR OF THE PROPERTY. THE UNIT SHALL BE DEFNED BY THE EXPOSED FACE OF THE COMMON SIDE OF SUCH DOOR.

DECLARANT:
NAME RDG-STONECUTTER 43RD AVE OWNER, LLC.
ADDRESS 5-04 50TH AVENUE. LIC, NY 11101

STATE OF NEW YORK
COUNTY OF: QUEENS

THIS IS TO CERTIFY THAT THIS IS AN ACCURATE COPY OF A PORTION OF THE PLANS OF THE BUILDING AS FILED WITH AND APPROVED BY THE DEPARTMENT OF BUILDINGS, CITY OF NEW YORK, AN FULLY AND FAIRLY DEPICTS THE LAYOUT, LOCATION, DIMENSIONS OF THE UNITS AS BUILT.

SWORN TO BEFORE ME THIS
_____DAY OF _____,20_____

TAX LOT CERTIFICATION:

THE UNIT DESIGNATION AND THE TAX LOT NUMBERS SHOWN BEFORE CONFORM TO THE OFFICIAL TAX LOT NUMBERS SHOWN ON THE TAX MAPS OF THE REAL PROPERTY ASSESSMENT BUREAU OF THE CITY OF NEW YORK, BOROUGH OF _____, DATE:_____

SURVEYOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL.: 718.458.9668

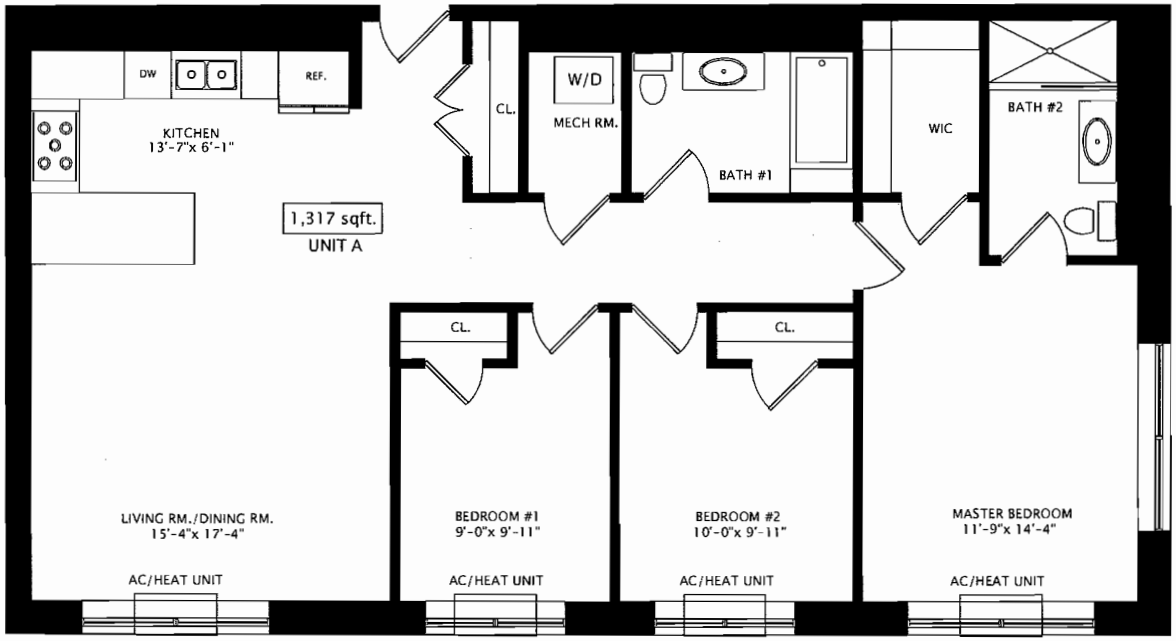
SEAL & SIGNATURE (P.E. or R.A.)

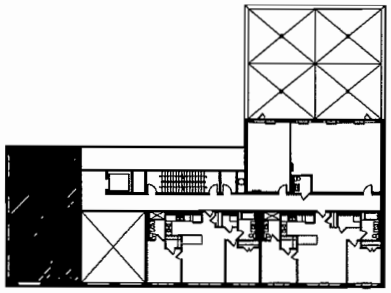
ROOF FLOOR PLAN

PROJECT LOCATION:
NAME THE FACTORY
ADDRESS 42-40 CRESCENT STREET
LIC, NEW YORK 11101
OWNER RDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY ICE
PROJECT NO: 1000
SCALE
DATE

A-8





UNIT 2A THRU 8A

1,317 SQFT. = INTERIOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL: 718.458.9668

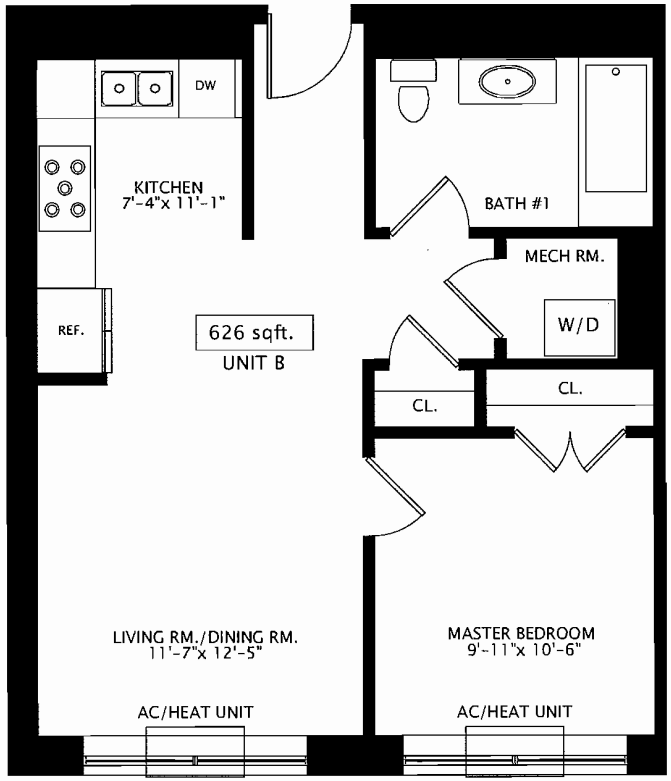
SEAL & SIGNATURE (P.E. or R.A.)

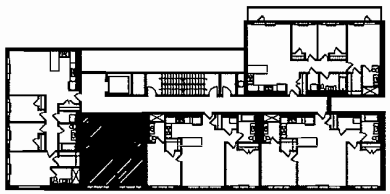
UNIT 2A THRU 8A

PROJECT LOCATION:
NAME: THE FACTORY
ADDRESS: 42-60 CRESCENT STREET
LIC, NEW YORK 11101
OWNER: RDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY: ICE
PROJECT #: 111
SCALE:
DATE:

A-9





UNIT 5B THRU 8B

626 SQFT. = INTERIOR

142

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL: 718.458.9668

SEAL & SIGNATURE (P.E. or R.A.)

UNIT 5B THRU 8B

PROJECT LOCATION:

NAME: THE FACTORY

ADDRESS: 42-60 CRESCENT STREET

LIC, NEW YORK 11101

OWNER: RDG-STONECUTTER 43RD AVE OWNER LLC

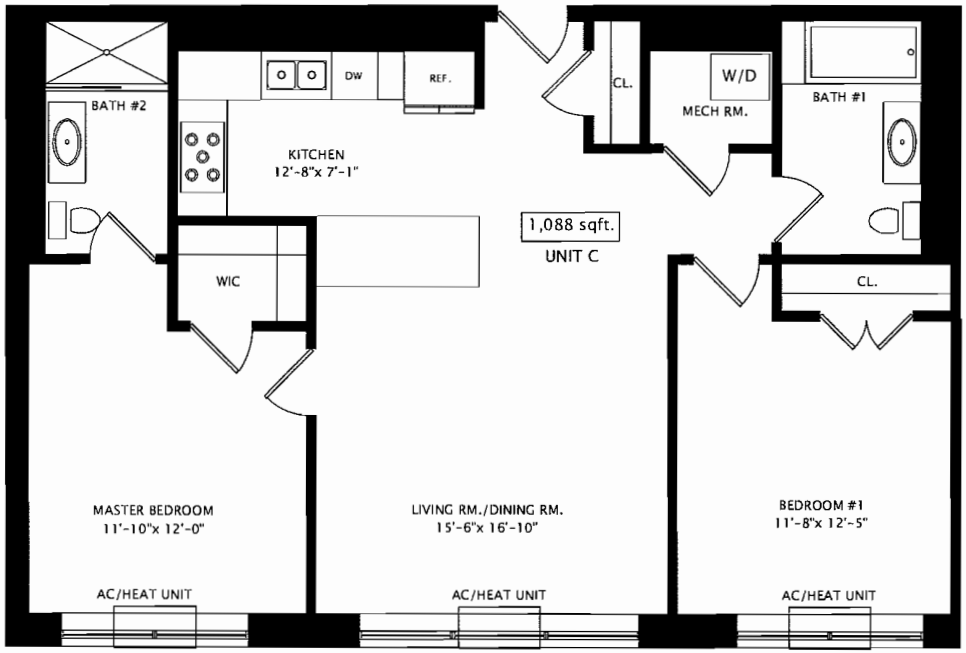
DRAWN BY: ICF

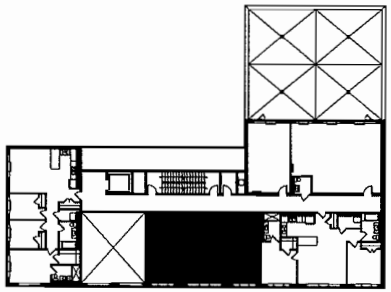
PROJECT NO: 111

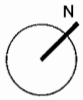
SCALE:

DATE:

A-10







UNIT 2C THRU 8C

1,088 SQFT. = INTERIOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL.: 718.658.9668

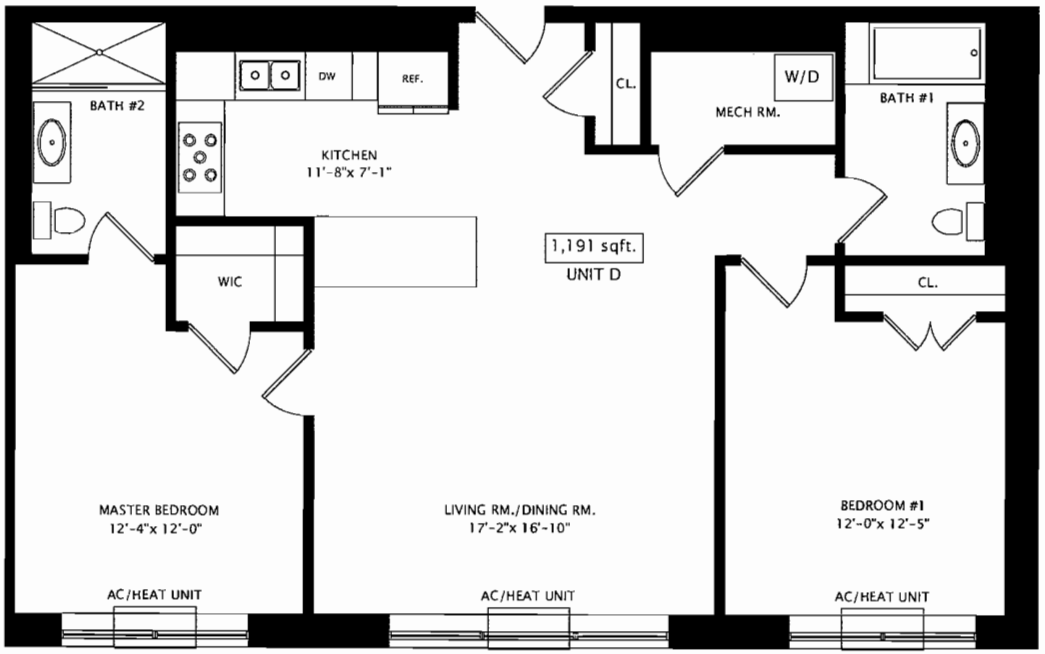
SEAL & SIGNATURE (P.E. or R.A.)

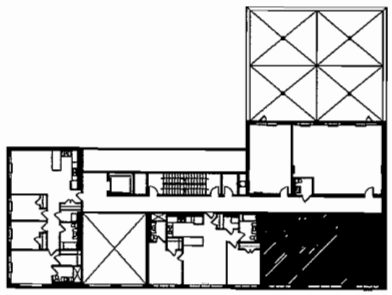
UNIT 2C THRU 8C

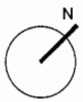
PROJECT LOCATION:
NAME: THE FACTORY
ADDRESS: 42-60 CRESCENT STREET
LIC, NEW YORK 11101
OWNER: BDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY: JCF
PROJECT NO.: 111
SCALE:
DATE:

A-11







UNIT 2D THRU 8D

1,191 SQFT. = INTERIOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 229th AVENUE * EAST ELMHURST, NY 11369
TEL: 718.458.9668

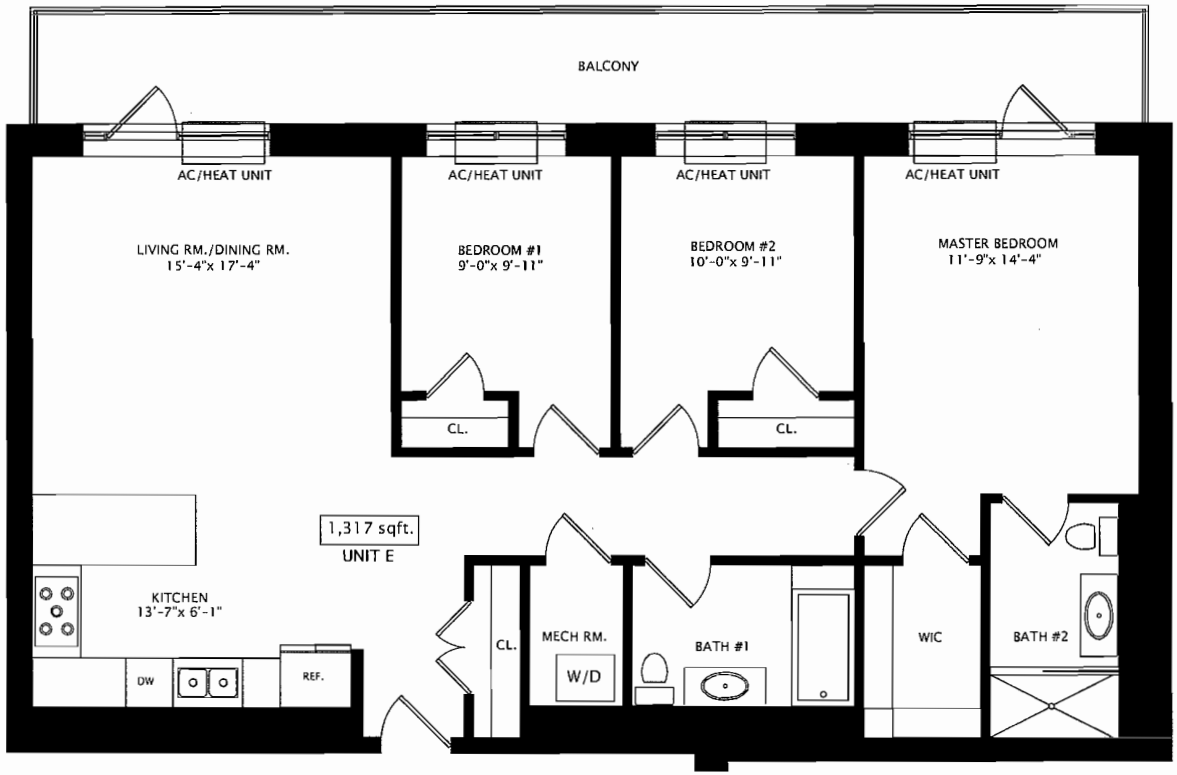
SEAL & SIGNATURE (P.E. or R.A.)

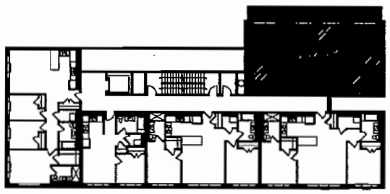
UNIT 2D THRU 8D

PROJECT LOCATION:
NAME: THE FACTORY
ADDRESS: 42-60 CRESCENT STREET
LIC, NEW YORK 11101
OWNER: RDG-STONEGUTTER 43RD AVE OWNER LLC

DRAWN BY: ICF
PROJECT NO: 111
SCALE:
DATE:

A-12





N

UNIT 5E THRU 8E

1,317 SQFT. = INTERIOR
240 SQFT. = EXTERIOR

145

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL: 718.458.9668

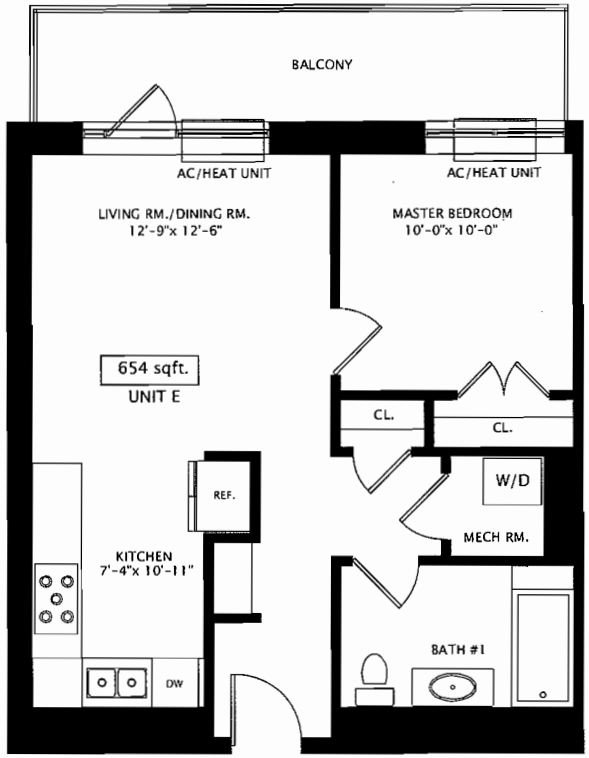
STAMP & SIGNATURE (P.E. or R.A.)

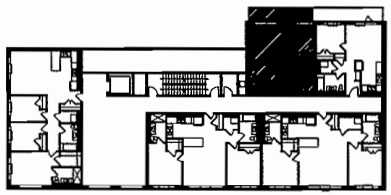
UNIT 5E THRU 8E

PROJECT LOCATION:
NAME: THE FACTORY
ADDRESS: 42-60 CRESCENT STREET
LIC, NEW YORK 11101
OWNER: EDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY: JCF
PROJECT NO: 111
SCALE:
DATE:

A-13





UNIT 3E THRU 4E

654 SQFT. = INTERIOR
120 SQFT. = EXTERIOR

146

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL.: 718.458.9668

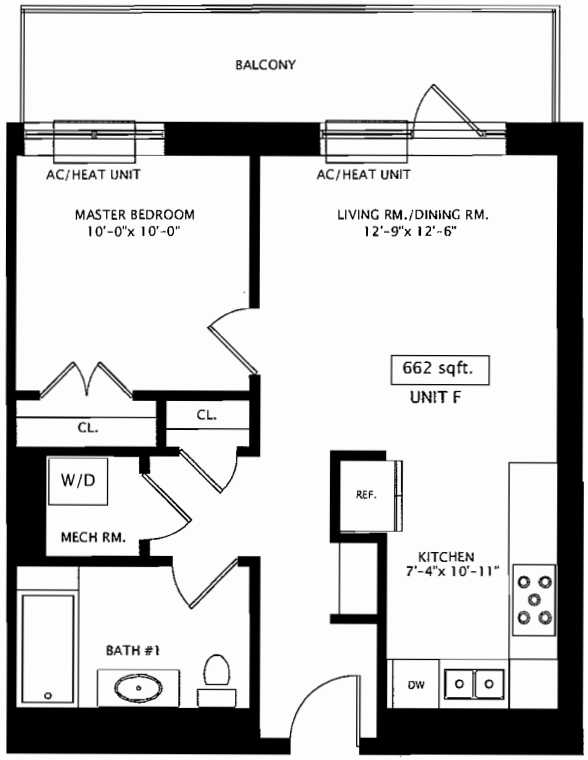
SEAL & SIGNATURE (P.E. or R.A.)

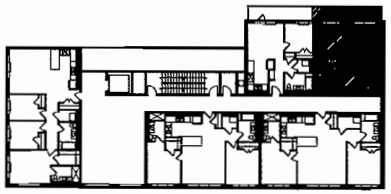
UNIT 3E THRU 4E

PROJECT LOCATION:
NAME THE FACTORY
ADDRESS 42-40 CRESCENT STREET
LIC, NEW YORK 11101
OWNER RDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY ICF
PROJECT NO 111
SCALE:
DATE

A-14





N

UNIT 3F THRU 4F

662 SQFT. = INTERIOR
120 SQFT. = EXTERIOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL: 718.458.9668

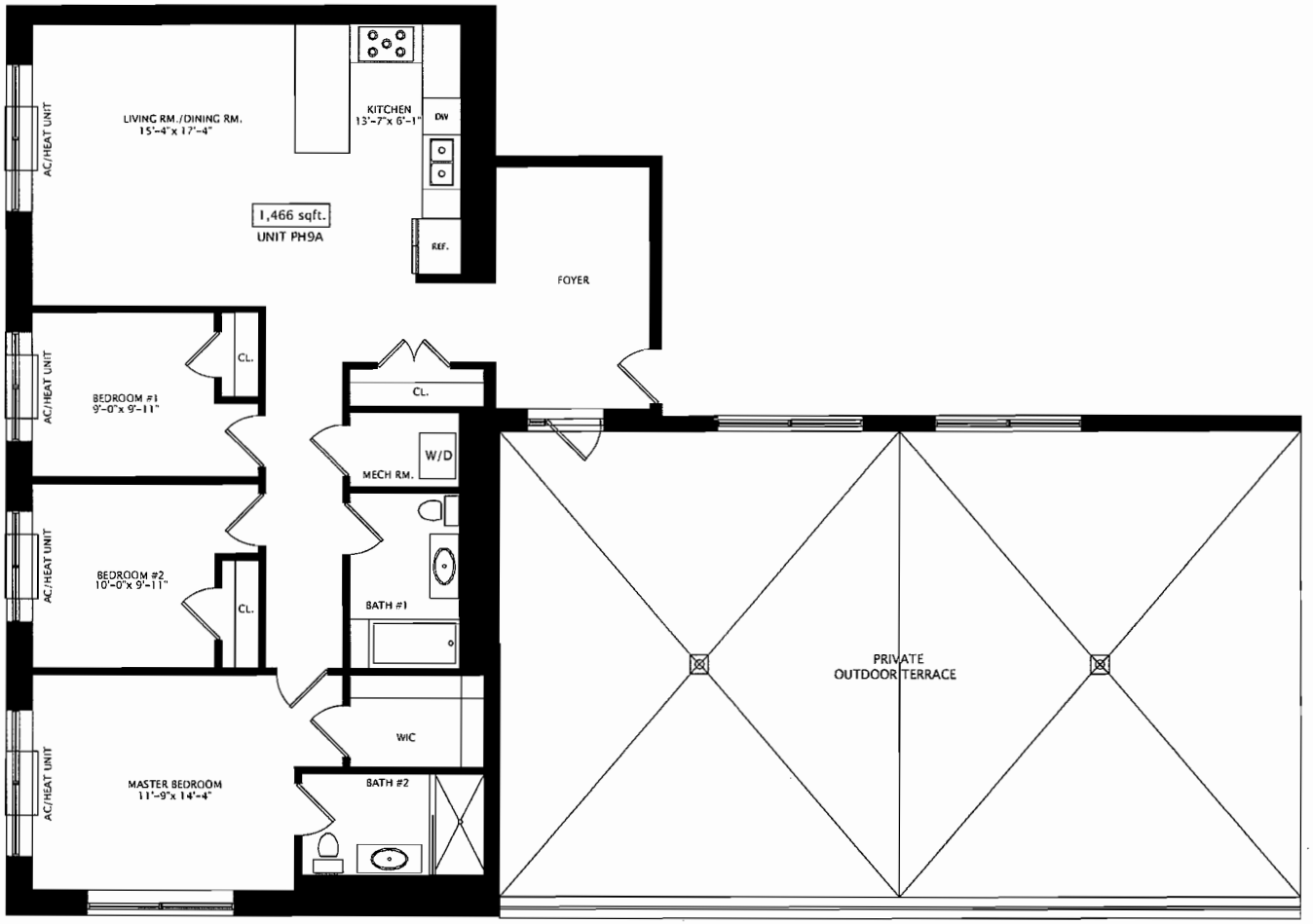
SEAL & SIGNATURE (P.E. or R.A.)

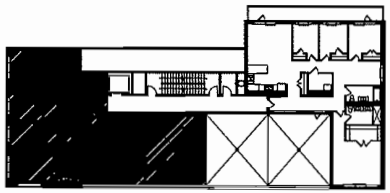
UNIT 3F THRU 4F

PROJECT LOCATION:
NAME THE FACTORY
ADDRESS 42-60 CRESCENT STREET
LIC, NEW YORK 11101
OWNER RDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY JC6
PROJECT NO. 111
SCALE
DATE

A-15





N

UNIT-PH9A

1,466 SQFT. = INTERIOR
1,144 SQFT. = EXTERIOR

148

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL: 718.458.9668

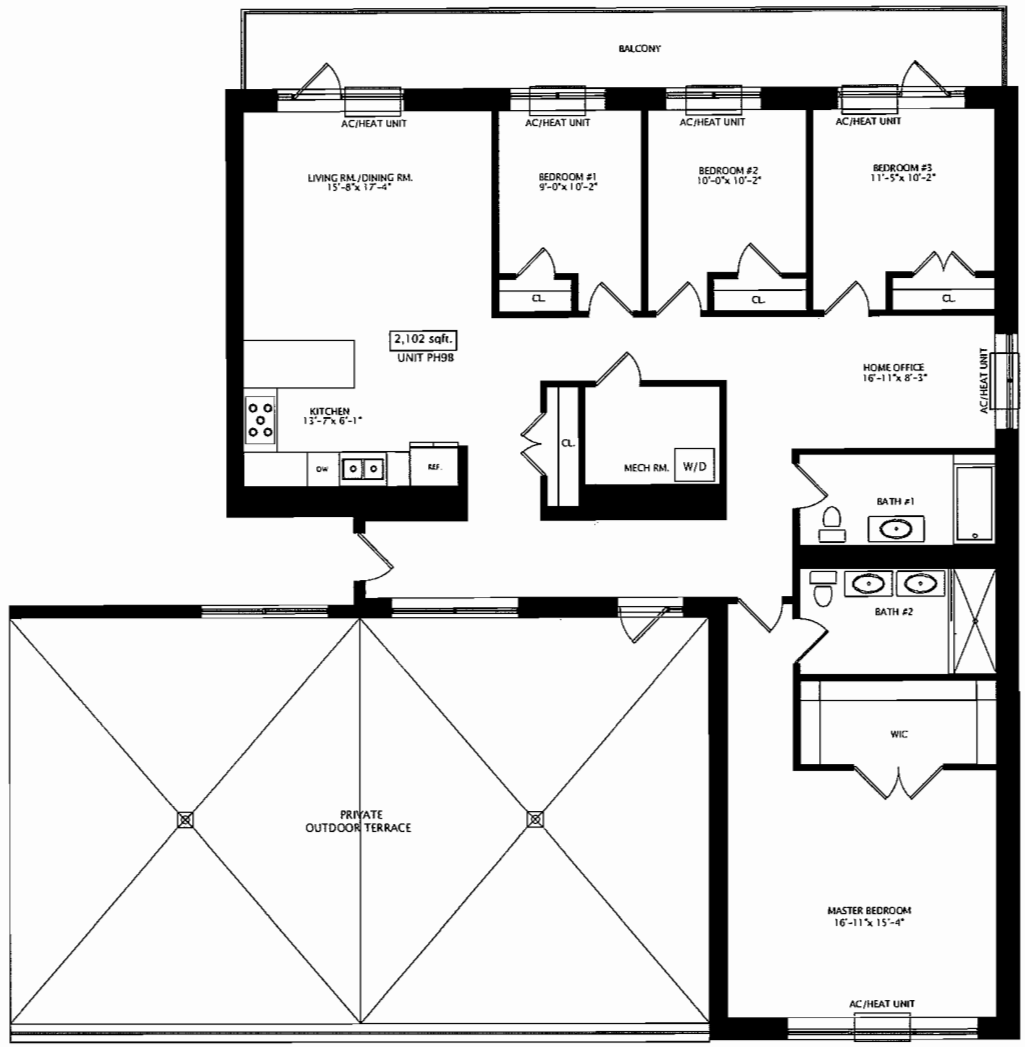
SEAL & SIGNATURE (P.E. or R.A.)

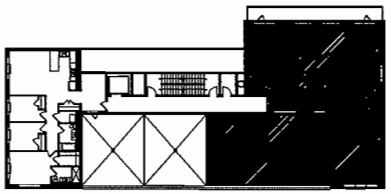
UNIT-PH9A

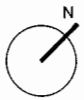
PROJECT LOCATION:
NAME: THE FACTORY
ADDRESS: 42-40 CRESCENT STREET
LIC, NEW YORK 11101
OWNER: RDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY: ICF
PROJECT NO: 111
SCALE
DATE

A-16







UNIT-PH9B

2,102 SQFT. = INTERIOR
1,384 SQFT. = EXTERIOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL.: 718.458.9668

SEAL & SIGNATURE (P.E. or R.A.)

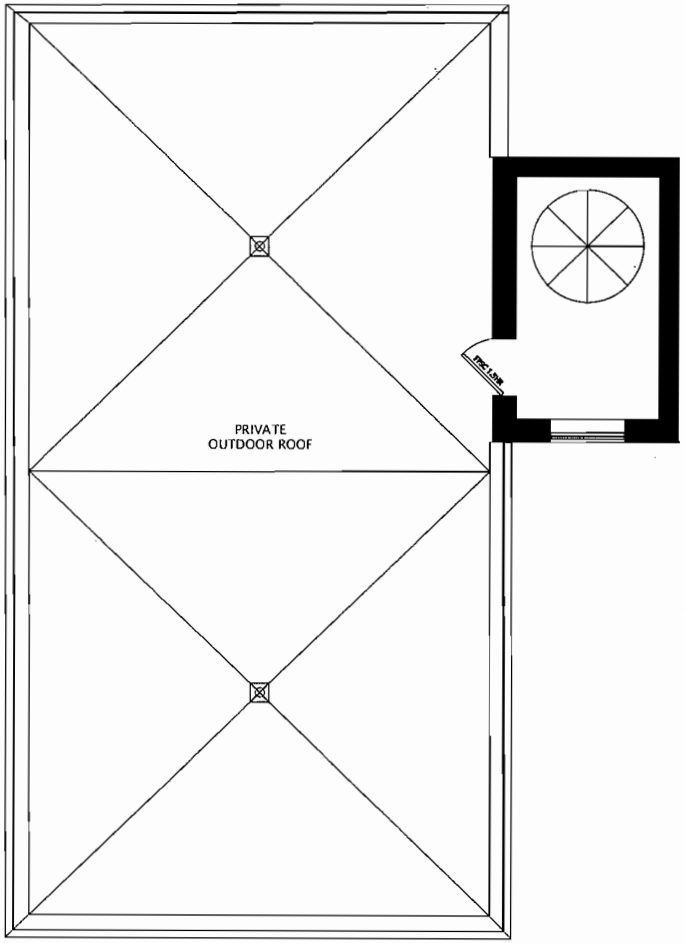
UNIT-PH9B

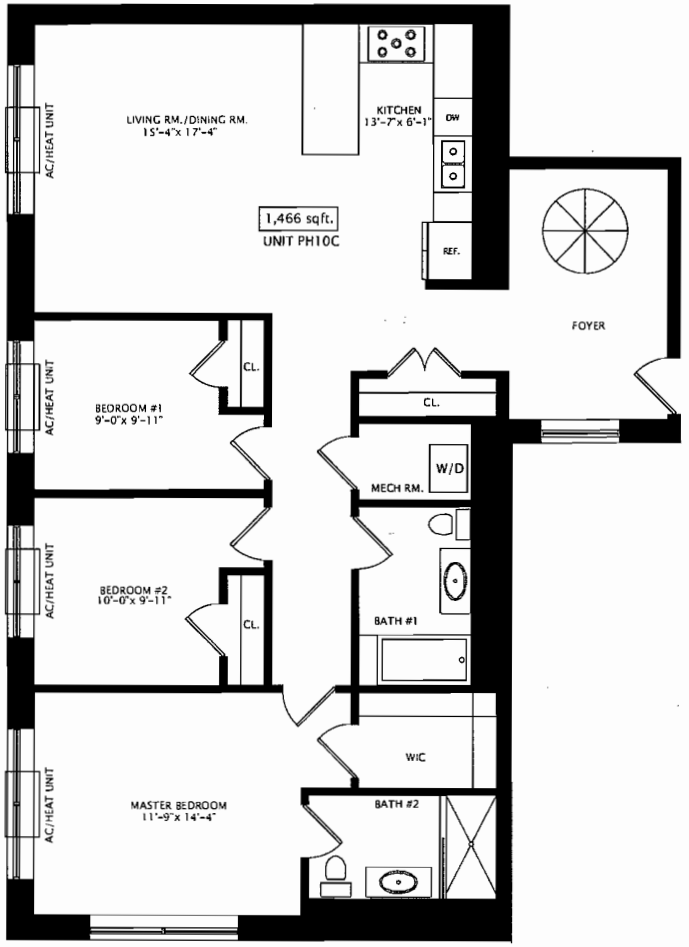
PROJECT LOCATION:
NAME: THE FACTORY
ADDRESS: 42-60 CRESCENT STREET
LIC, NEW YORK 11101
OWNER: RIDC-STONECUTTER 43RD AVE OWNER LLC

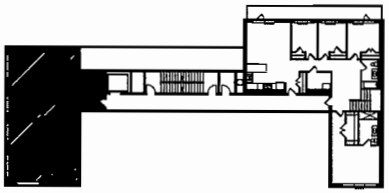
DRAWN BY: ICF
PROJECT NO: 111
SCALE:
DATE:

A-17

150







UNIT – PH10C

1,466 SQFT. = INTERIOR
1,332 SQFT. = EXTERIOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL: 718.458.9688

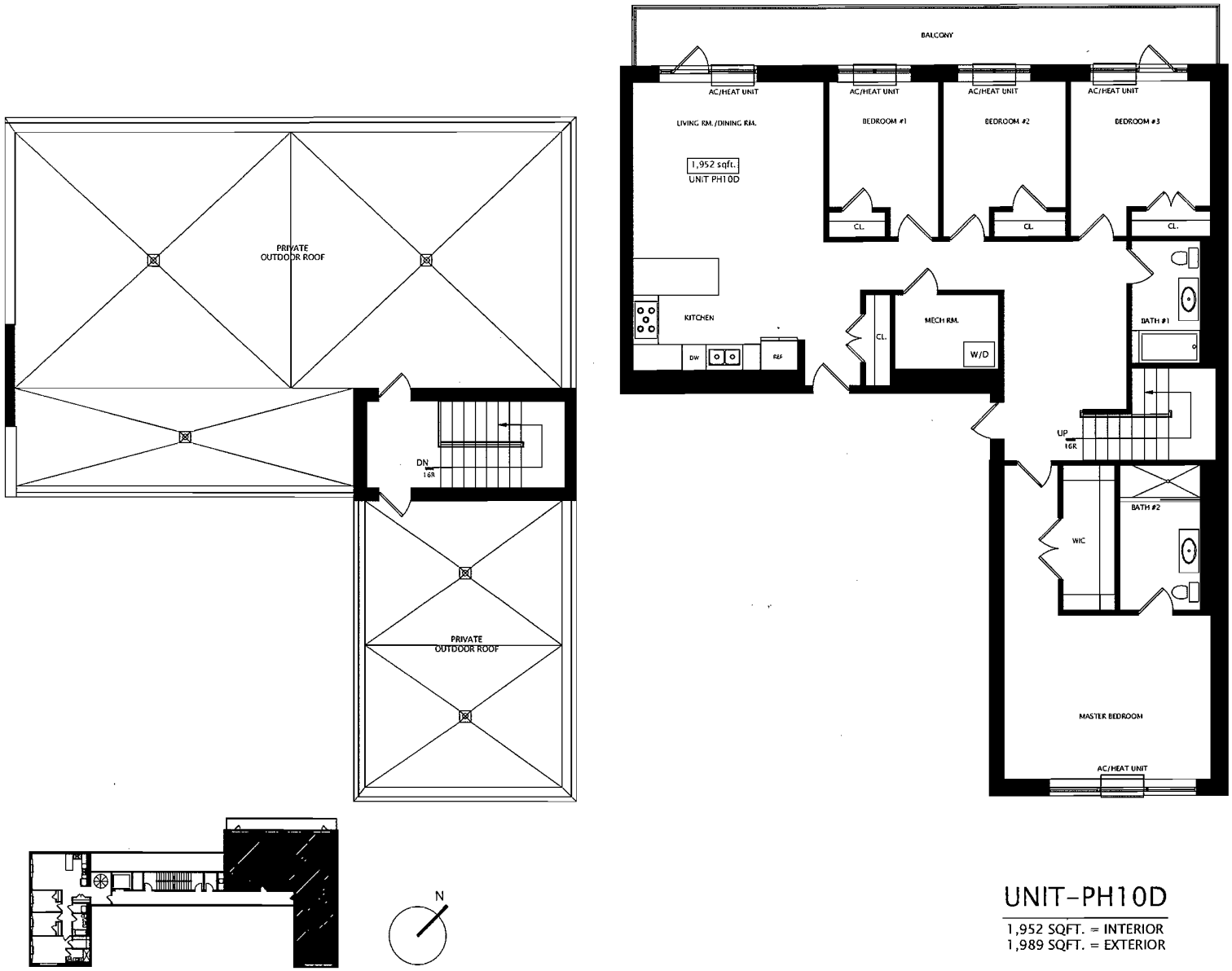
SEAL & SIGNATURE (P.E. or R.A.)

UNIT - PH10C

PROJECT LOCATION:
NAME: THE FACTORY
ADDRESS: 42-80 CRESCENT STREET
LIC, NEW YORK 11101
OWNER: EDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY: ICF
PROJECT NO: 111
SCALE:
DATE:

A-18



UNIT-PH10D

1,952 SQFT. = INTERIOR
1,989 SQFT. = EXTERIOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL.: 718.458.9668

SEAL & SIGNATURE (P.E. or R.A.)

UNIT-PH10D

PROJECT LOCATION:

NAME: THE FACTORY

ADDRESS: 42-80 CRESCENT STREET

LIC, NEW YORK 11101

OWNER: RDG-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY: ICF
PROJECT NO.: 111
SCALE:
DATE:

A-19

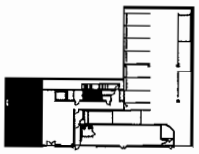
152

COMMERCIAL SPACE NR-1A
CELLAR SPACE
1,002 SQFT.

UP

COMMERCIAL SPACE NR-1A
1,317 SQFT.

BATH



N

UNIT-NR-1A

1,317 SQFT. = INTERIOR
1,002 SQFT. = CELLAR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE • EAST ELMHURST, NY 11369
TEL. 718.458.9668

SEAL & SIGNATURE (P.E. or R.A.)

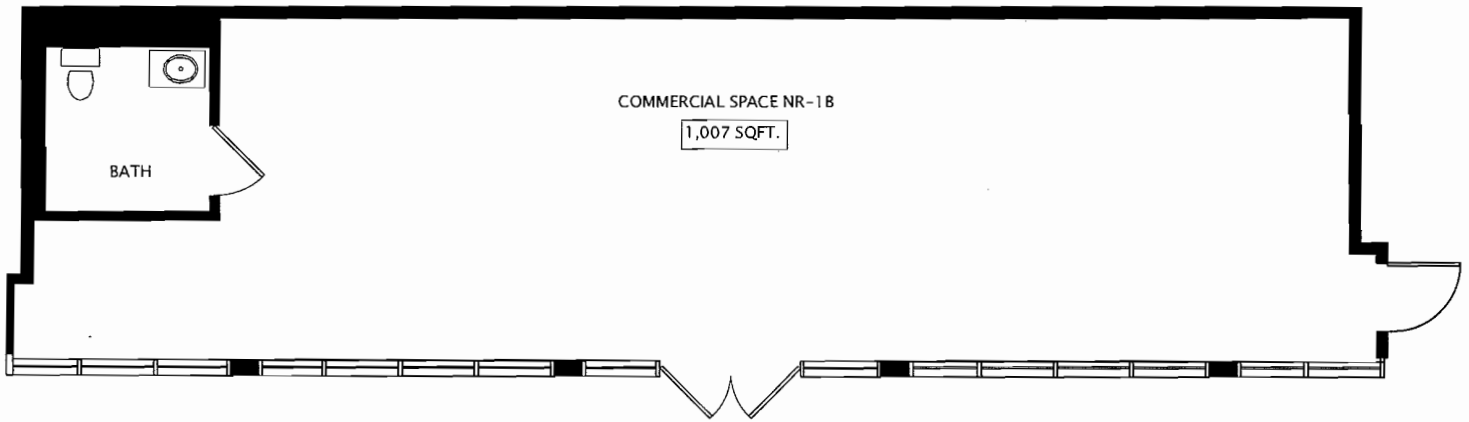
UNIT-NR-1A

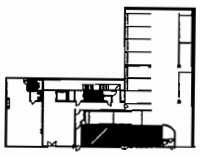
PROJECT LOCATION:
NAME THE FACTORY
ADDRESS 42-60 CRESCENT STREET
LIC, NEW YORK 11101
OWNER NIDO-STONECUTTER 43RD AVE OWNER LLC

DRAWN BY ICF
PROJECT NO. 111
SCALE
DATE

A-20

153





UNIT – NR-1B

1,007 SQFT. = INTERIOR

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-44 23RD AVENUE * EAST ELMHURST, NY 11369
TEL.: 7185589688

SEAL & SIGNATURE (P.E. or R.A.)

UNIT - NR-1B

PROJECT LOCATION:

NAME: THE FACTORY

ADDRESS: 42-60 CRESCENT STREET

LIC, NEW YORK 11101

OWNER: RIDGSTONECUTTER 43RD AVE OWNER LLC

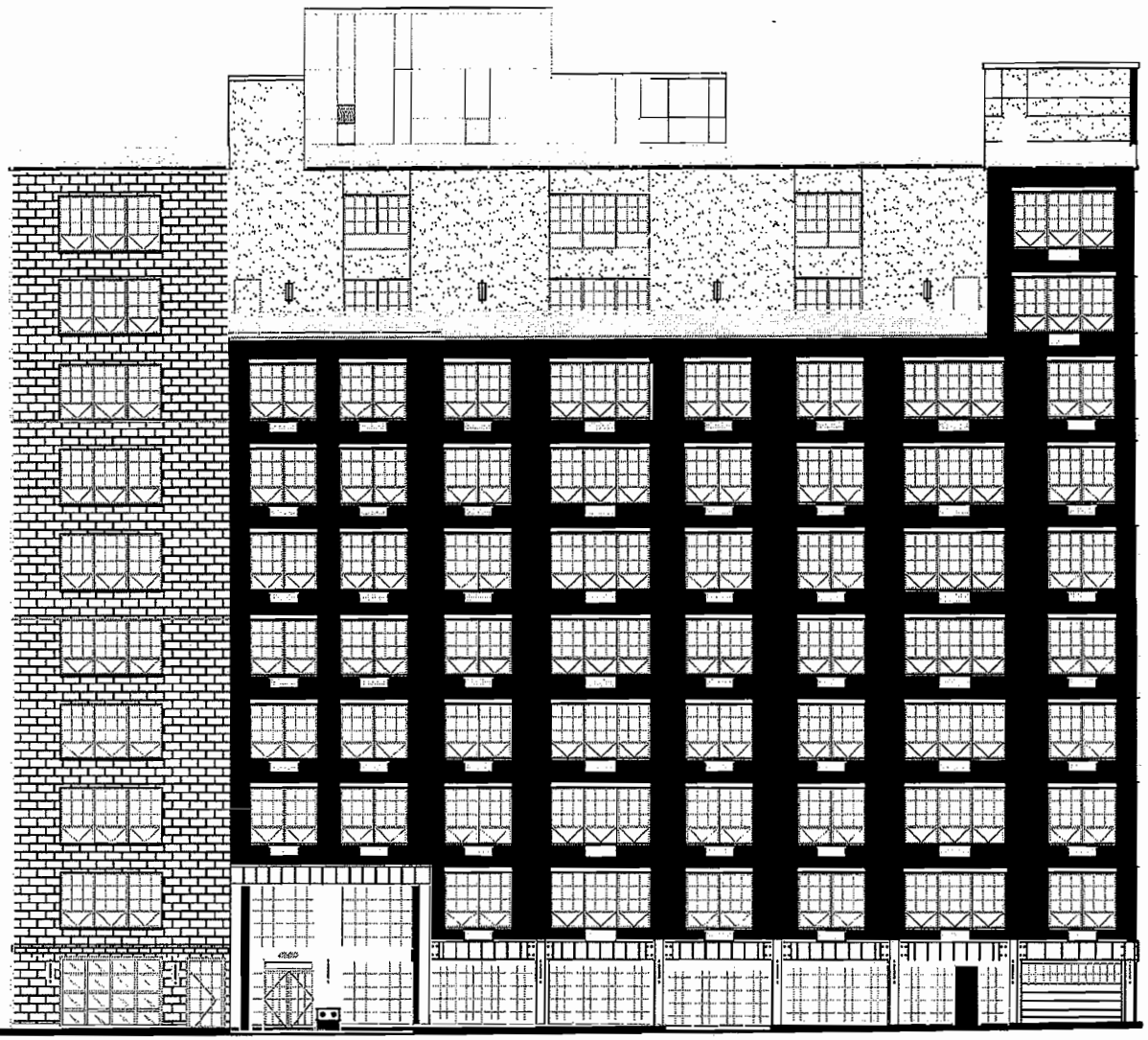
DRAWN BY: ICF

PROJECT NO: 111

SCALE:

DATE:

A-21



CRESCENT STREET ELEVATION (EAST)

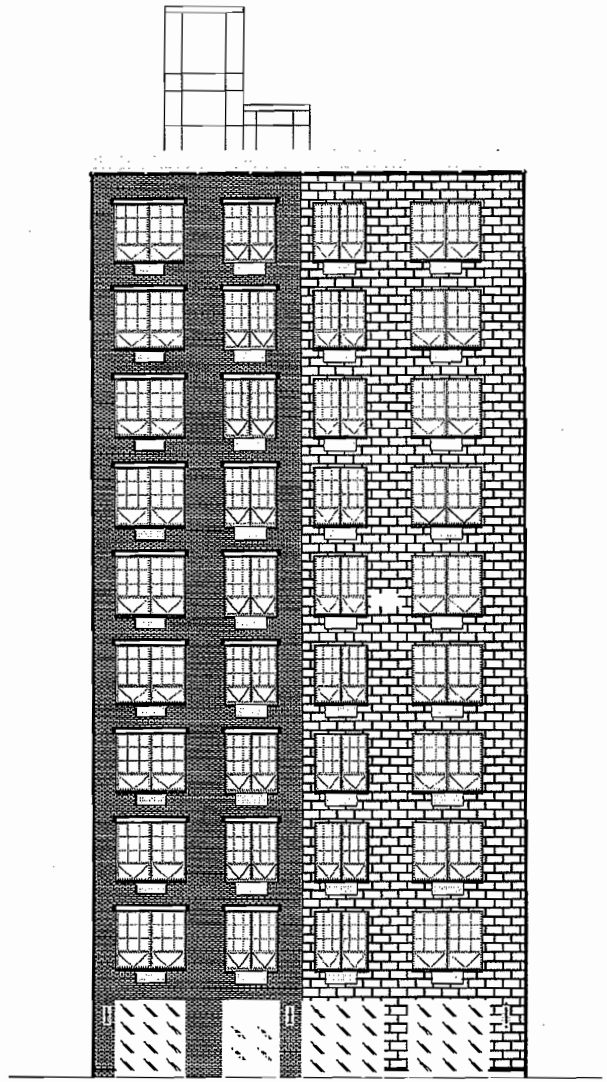
ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL: 718.458.9668

SEAL & SIGNATURE (P.E. or R.A.)

EAST ELEVATION

PROJECT LOCATION:
THE FACTORY
10-60 CRESCENT STREET
LIC, NEW YORK 11101
RDG-STONECUTTER 43RD AVE OWNER LLC

A-22



43RD AVENUE ELEVATION (SOUTH)

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL.: 718.458.5668

SEAL & SIGNATURE (P.E. or R.A.)

SOUTH ELEVATION

PROJECT LOCATION:

THE FACTORY

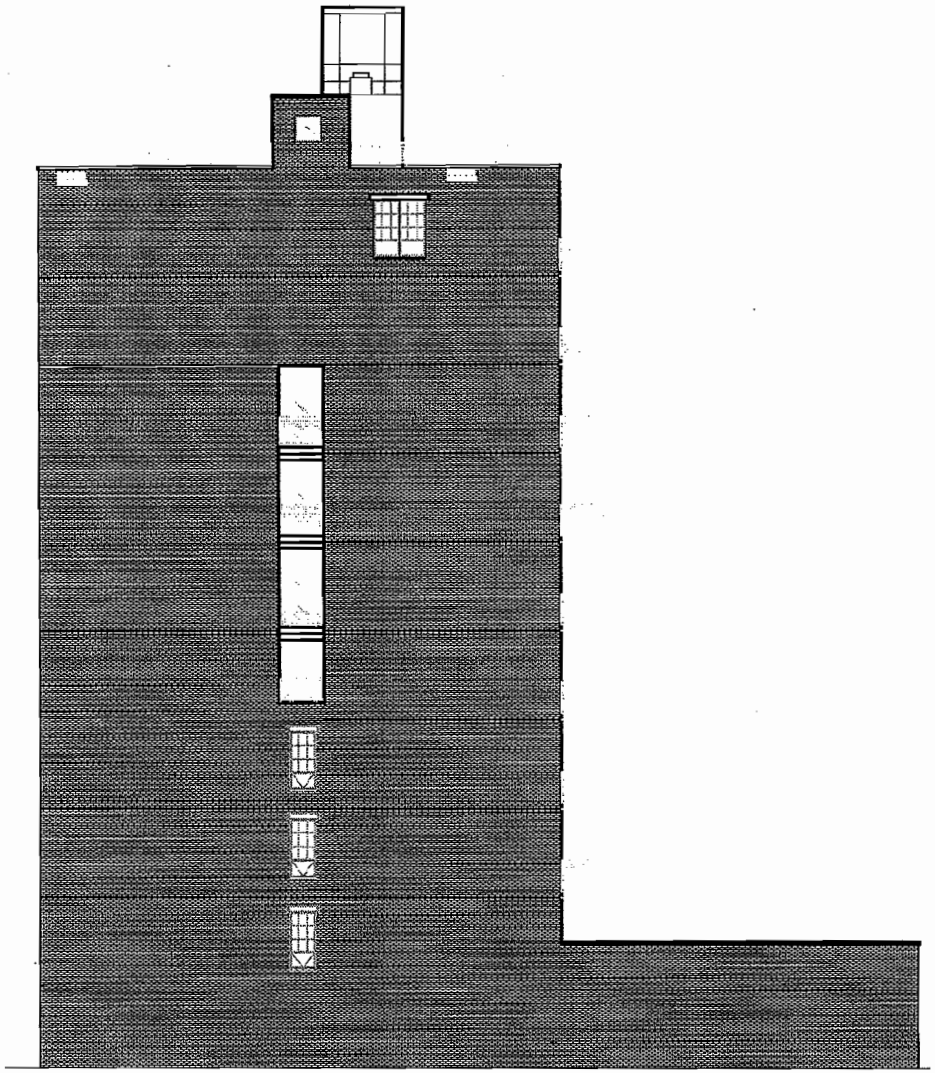
42-60 CRESCENT STREET

LIC, NEW YORK 11101

RDC-STONECUTTER 43RD AVE OWNER LLC

A-23

156



SIDE ELEVATION (NORTH)

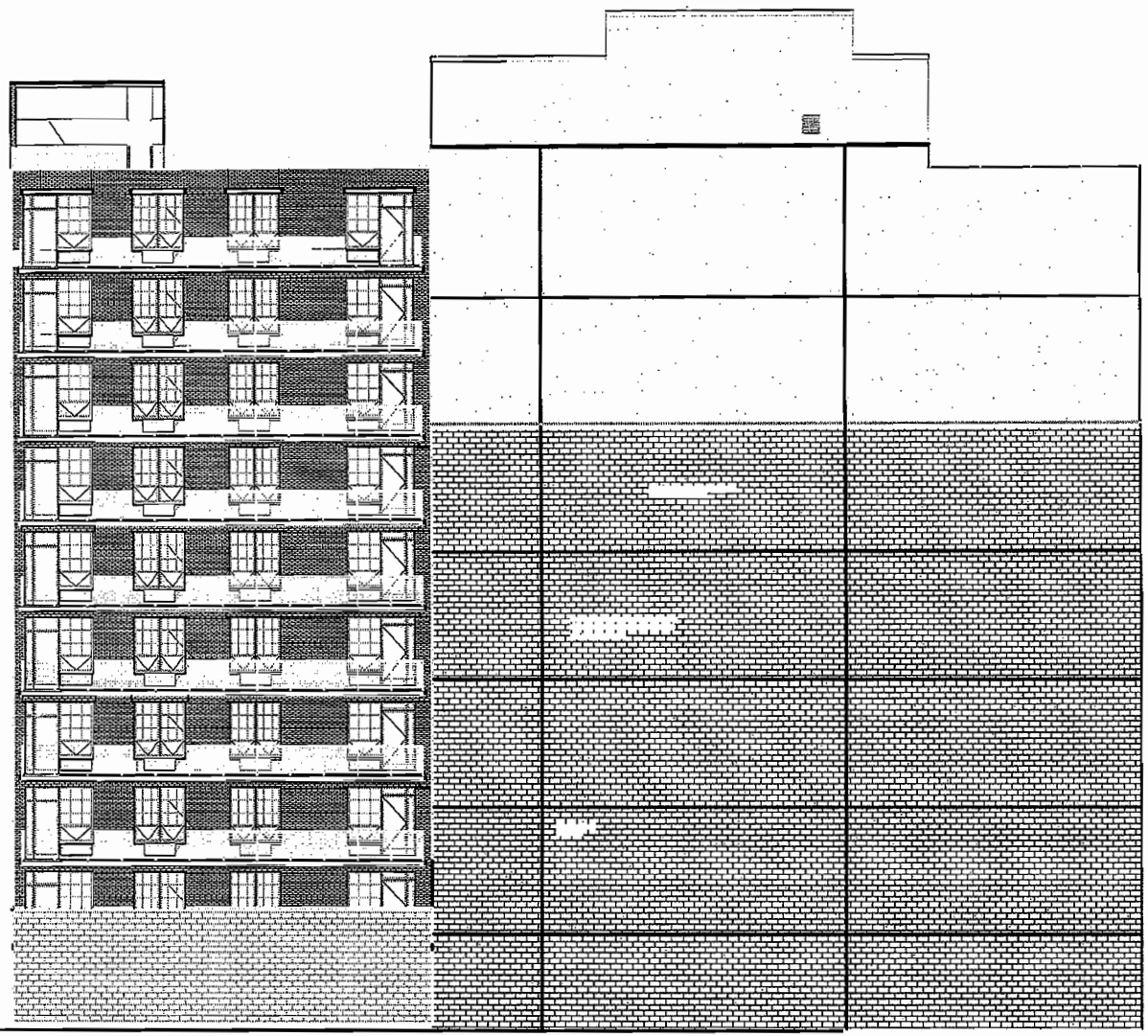
ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL: 718 458 5668

SEAL & SIGNATURE (P.E. or R.A.)

NORTH ELEVATION

PROJECT LOCATION:
THE FACTORY
52-60 CRESCENT STREET
LIC, NEW YORK 11101
BDG-STONEHUTTER 43RD AVE OWNER LLC

A-24



BACK ELEVATION (WEST)

ALFREDO T. FREDERICKS * REGISTERED ARCHITECT
97-04 23RD AVENUE * EAST ELMHURST, NY 11369
TEL.: 718.658.9668

SEAL & SIGNATURE (P.E. or R.A.)

WEST ELEVATION

PROJECT LOCATION:

THE FACTORY

42-50 CRESCENT STREET

LIC. NEW YORK 11101

RDG-STONECUTTER-ORD AVE OWNER LLC

A-25

[PAGE INTENTIONALLY BLANK]

3. FORM OF PURCHASE AGREEMENT

FACTORY HOUSE CONDOMINIUM

42-60 CRESCENT STREET
LONG ISLAND CITY, NEW YORK

AGREEMENT, dated as of _____, 201__, between RDG-Stonecutter 43rd Ave Owner LLC, having an office address of c/o Rising Developers Group LLC, 5-04 50th Avenue, Long Island City, New York 11101 (hereinafter "**Sponsor**"), and _____, residing at/having an office 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	**Attorney Information**
Purchaser's Telephone No.: _____	Name:_____
Purchaser's email: _____	Address:_____
Purchaser's email: _____	Email:_____
Purchaser's Social Security No.: _____	Telephone:_____
Purchaser's Social Security No.: _____	Fax:_____

RESIDENTIAL UNIT PURCHASE PRICE $_____

DEPOSIT (10% OF PURCHASE PRICE) $_____

BALANCE DUE AT CLOSING $_____

RESIDENTIAL UNIT NO. _____
RESIDENTIAL UNIT GENERAL COMMON INTEREST _____

PARKING UNIT PURCHASE PRICE (if applicable) $_____

DEPOSIT (10% OF PURCHASE PRICE) $_____

BALANCE DUE AT CLOSING $_____

PARKING UNIT NO. _____
PARKING UNIT GENERAL COMMON INTEREST _____

STORAGE UNIT PURCHASE PRICE (if applicable) $_____

DEPOSIT (10% OF PURCHASE PRICE) $_____

BALANCE DUE AT CLOSING $_____

STORAGE UNIT NO. _____
STORAGE UNIT GENERAL COMMON INTEREST _____

1. **Receipt of Documents.**

(a) Purchaser represents that Purchaser received a copy of the Offering Plan for the Factory House Condominium, 42-60 Crescent Street, Long Island City, New York (the "**Condominium**") and any and all filed amendments thereto (collectively, the "**Plan**" or "**Offering Plan**"), at least three (3) business days prior to signing this Agreement and has read said Offering Plan.

(b) If Purchaser executed this 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 Deposit (defined below) within seven (7) days after the execution of this Agreement, provided written notice of rescission is personally delivered to Sponsor by the end of the seventh calendar day after the execution of this Agreement by Purchaser or is mailed to Sponsor at the Sales Office and postmarked within the seven (7) day period.

(c) 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.

2. **Agreement to Purchase.**

a. Purchaser agrees to purchase from Sponsor, the Unit(s) listed above together with its appurtenant undivided Common Interest (collectively, the "**Unit**"), for the Purchase Price shown above (the "Purchase Price"). Purchaser hereby is delivering to Selling Agent Purchaser's check drawn on a New York bank for the deposit or down payment shown above (the "Deposit"), made payable to "Newman Law P.C., as escrow agent", and when Sponsor signs this Agreement Sponsor will be acknowledging receipt of Purchaser's check, subject to collection.

b. All sums paid on account of this Agreement and the reasonable expense of the examination of title to the Unit actually incurred by Purchaser (but not exceeding $300), will become liens thereon, but such liens shall not continue after an uncured default by Purchaser under this Agreement.

3. **Agreement to Be Bound by the Condominium Documents.**

a. Purchaser agrees to be bound by the Offering Plan for the Condominium and the proposed Declaration (and the exhibits attached thereto), 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.

b. Purchaser understands that one of the provisions of the Declaration and the By-laws attached thereto to which Purchaser will be bound is that Purchaser may not sell the Unit without prior notice to the Condominium Board and the Board's waiver of the Board's right of first refusal.

c. 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.**

a. Sponsor represents that prior to the First Unit Closing Sponsor will record or cause to be recorded the Declaration and all exhibits thereto, which will be substantially in the form and substance of such documents contained in the Plan. Sponsor agrees that any changes to such documents will not substantially adversely affect Purchaser; if they will substantially adversely affect Purchaser, Purchaser will be given an opportunity to rescind this Agreement, pursuant to a filed amendment to the Plan.

b. In the event the Unit is substantially completed and a temporary or permanent certificate of occupancy covering the Unit is issued, Purchaser shall be obligated to close title to the Unit once Sponsor notifies Purchaser that Sponsor has declared the plan effective (as described in the Offering Plan), and recorded the Declaration. If Purchaser has inspected the Unit as described in ¶ 13 of this Agreement and has noted certain punch-list items which Sponsor has agreed to attend to, Purchaser shall still be obligated to close if there is a temporary or permanent certificate of occupancy covering the Unit. Unfinished items specified on an Inspection Statement the form of which is included in Part II of the Plan, will be completed by Sponsor within a reasonable period of time following the closing of title to the Unit, weather permitting, subject to force majeure delays and subject to Purchaser's provision of access to the Unit to Sponsor and/or Sponsor's contractors and/or agents. The issuance of a permanent certificate of occupancy for the Building shall be deemed presumptive evidence that the Building and Unit have been fully completed in accordance with the Plan and the Plans and Specifications.

c. Purchaser understands 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 for those described in the Plans and Specifications, and to make modifications in layout or design, from those set forth in the Plans and Specifications, all as described in the Offering Plan.

5. **Closing of Title.**

a. Sponsor will notify Purchaser in writing at least thirty (30) days in advance of closing to tell Purchaser the date, time and place of closing. Said date shall be referred to herein as the "**Original Scheduled Closing Date.**" The written notice will not state a date sooner than ten (10) days after an amendment to the Plan declaring the Plan effective has been accepted for filing by the Attorney General. Sponsor will be entitled, at no expense or liability to Sponsor, to reasonable adjournments in the closing of title in the event of delay because of weather conditions, strikes or materials shortages, delays in inspections and reports thereon, delays in processing of required documents by applicable governmental agencies, or due to any other reasons whatsoever.

b. If Purchaser is not ready to close title at the Original Scheduled Closing Date, any adjournment granted by Sponsor at Purchaser's request will be, at Sponsor's discretion, upon the conditions that (i) all adjustments shall be made as of the Original Scheduled Closing Date, and (ii) at closing, Purchaser shall pay Sponsor, by unendorsed personal certified check or bank check drawn on a bank that is a member of the New York Clearinghouse Association, an amount derived by (A) multiplying the Total Purchase Price for the Unit by 16%, (B) dividing that product by 365, and (C) multiplying the resulting amount by the number of days that the closing is delayed (beginning with the Original Scheduled Closing Date and ending with the actual closing date). The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the Original Scheduled Closing Date. However, the provisions shall apply to any postponements by Purchaser, of an agreed-upon adjourned closing date.

c. PURCHASER UNDERSTANDS THAT IF PURCHASER REQUESTS MORE THAN ONE ADJOURNMENT OF THE ORIGINAL SCHEDULED CLOSING DATE OR IF PURCHASER REQUESTS AN ADJOURNMENT OF THE ORIGINAL SCHEDULED CLOSING DATE IN EXCESS OF THIRTY (30) DAYS, SPONSOR SHALL HAVE THE RIGHT UNILATERALLY TO MAKE TIME

OF THE ESSENCE WITH RESPECT TO PURCHASER'S OBLIGATION TO CLOSE ON ANY RESCHEDULED CLOSING DATE TO WHICH SPONSOR CONSENTS. THIS MEANS THAT IF PURCHASER FAILS TO CLOSE ON THE RESCHEDULED CLOSING DATE FOR ANY REASON WHATSOEVER, SPONSOR HAS THE RIGHT TO TERMINATE THIS PURCHASE AGREEMENT AND RETAIN PURCHASER'S DEPOSIT TOGETHER WITH ANY INTEREST EARNED THEREON, AS LIQUIDATED DAMAGES. Nothing herein shall be construed to require Sponsor to grant any adjournment.

d. 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 Purchaser's 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 prior to or simultaneously with the closing and that Sponsor may pay and discharge any such liens upon the Unit, out of the monies to be paid by Purchaser at the time of closing.

e. If title to the Unit is to be conveyed by Sponsor to a corporation, a partnership, a limited liability company, a trust, an estate, an unincorporated association, an organization, a syndicate, a joint venture, a government (or any mission, department or agency thereof), or any other entity, Purchaser shall provide Sponsor with documents evidencing the formation of the entity purchasing the Unit, together with a resolution, consent or other indication of authority, authorizing (i) the purchase of the Unit, (ii) the execution of the documents required to be signed by Purchaser in connection with the conveyance of the Unit, and (iii) the use of Purchaser's funds to pay the purchase price and closing costs. Notwithstanding the foregoing, before any such conveyance to a government or any mission, department or agency thereof shall be valid and effective, Purchaser shall enter into an agreement with the Board of Managers, on terms reasonably acceptable to the Board and its counsel, in which Purchaser (i) agrees to a specified arrangement for service of process, (ii) waives, with respect to the Unit Owner 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 or the Residential Representatives or Non-Residential Representatives, as applicable, and (iii) permits execution and enforcement of any judgment obtained by the Board of Managers or any of its committees, all as more fully described in the By-laws.

6. **Delivery of Deed; Payment of Taxes and Fees.**

a. On the 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 under the Condominium Act.

b. 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 Balance Due at Closing as shown above, drawn on a New York bank to the order of Sponsor, or to any other person(s) or entity(ies) Sponsor directs.

c. Purchaser shall pay the New York State Real Estate Transfer Tax (i.e., the deed documentary stamps), and the New York City Real Property Transfer Tax and any and all administrative filing fees imposed by New York City (including, without limitation the RP-5217 filing fee) or New York State in connection with filing the tax returns for such Transfer Taxes due upon conveyance of the deed, all as fully described in the Plan. In addition, Purchaser shall pay the Mansion Tax (i.e. 1% of the Purchase Price) if the Purchase Price including the aggregate New York State Real Estate Transfer Tax and New York City Real Property Transfer Tax is greater than $1,000,000, 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.

d. 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 and as set forth herein as Schedule A attached hereto and made a part hereof, as Prestige Title Agency as agent for First American Title Insurance Company of New York will approve and insure for mortgage and/or fee title insurance. Fee title insurance, if ordered by Purchaser, shall be purchased at Purchaser's own cost and expense. When Sponsor gives Purchaser the deed to Purchaser's Unit, Purchaser will deliver it to the title company's title closer or to Purchaser's attorney (if Purchaser does not obtain title insurance), so that the deed can be recorded 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 to take certain actions on Purchaser's behalf. The power of attorney must be recorded in the Office of the City Register as well.

e. At the closing hereunder, Purchaser shall pay certain closing costs and fees in accordance with the terms of the Plan including, without limitation, (i) the sum of two thirds (2/3) of one percent (1%) of the sales price of the Unit (including the sales price of a Parking Unit and/or Storage Unit) to Sponsor for Sponsor's costs in connection with obtaining 421-a real property tax exemption benefits as well as to address certain administrative and project costs and expenses of Sponsor; (ii) a sum equal to two months Common Charges in connection with establishment of the Working Capital Fund; (iii) the sum of $2,500 to Sponsor's attorneys for legal and other fees and expenses in connection with processing the sale of the Unit (additional costs apply to sales that include a Parking Unit and/or Storage Unit) and (iv) $275 to Sponsor's attorney for preparation of the NYC "ACRIS" Transfer Tax forms required by NYC. Purchaser shall pay Purchaser's Working Capital Fund contribution to the Condominium, in accordance with the terms of the Plan.

f. If Purchaser obtains a mortgage loan Purchaser will be required to pay to Sponsor an amount equal to the amount of credit Purchaser receives pursuant to Section 339-ee(2) of the Condominium Act. The Section 339-ee(2) credit is 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. This payment to Sponsor is to reimburse Sponsor for mortgage tax previously paid on mortgages encumbering the Property, which prior payment is the basis for Purchaser's credit. Purchaser shall not be required to pay more than the amount of mortgage tax Purchaser would have paid absent the statutory credit. Alternatively, Sponsor may require, in its sole discretion, that if Purchaser finances the purchase of the Unit with a purchase money loan secured by a mortgage (the "Mortgage"), Purchaser must cause the lender making such loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Mortgage as determined by Sponsor. Upon such assignment, the Mortgage will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor will be solely entitled to the benefits of the mortgage tax credit, which Purchaser receives as a result of such assignment. Accordingly, at the closing hereunder, Purchaser will pay to Sponsor an amount equal to the mortgage recording tax savings resulting from such exemption.

7. **Liability to Convey Title.**

a. Purchaser agrees that Sponsor may cancel this Agreement by forwarding Sponsor's check in the full amount paid by Purchaser together with interest earned thereon, if any, and 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.

b. In the event Sponsor is unable to convey title to the Unit on or before thirty months after Purchaser has signed this Agreement except for force majeure delays and other delays due to circumstances and conditions beyond Sponsor's control, in which case the period shall be extended to forty-two months, unless Purchaser defaults, Purchaser shall have the right to cancel this Agreement and to have the Deposit made by Purchaser returned with interest, if any is earned thereon, and payable to Purchaser hereunder or under the Plan. Sponsor shall have a right to abandon the Plan, as described therein. If Sponsor exercises this right, Sponsor shall immediately return all payments made by Purchaser with interest, if any is earned thereon and payable to Purchaser hereunder or under the Plan, and thereupon, Sponsor and Purchaser shall have no further rights or obligations with respect to each other generally or under this Agreement, specifically.

c. Sponsor's liability under this Agreement for failure to complete and/or deliver title for any reason, other than Sponsor's willful default, shall be limited to the return of Purchaser's money paid hereunder, together with interest earned thereon, if any. Upon the return of Purchaser's money, together with interest earned thereon, if any, 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.

d. If Sponsor or Purchaser delays or adjourns the closing, Sponsor shall in no event be liable for the costs, if any, Purchaser incurs as a result of the delay or adjournment, or for any other damages whatsoever.

8. **Closing Apportionments.** 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.

9. **Deposit To Be Held in Trust.** All Deposit monies received from Purchaser by Sponsor, or through Sponsor's agents or employees, will be delivered to Newman Law P.C. (**"Escrow Agent"**) in accordance with Paragraph 23 herein.

10. **Sponsor's Rights If Purchaser Fails to Keep Promises and Agreements.**

a. If Purchaser fails to pay the Balance Due at Closing on the Original Scheduled Closing Date or any permitted adjournment thereof, or if when Sponsor tenders Purchaser the deed to the Unit, Purchaser does not then sign any of the documents referred to in the Plan which Purchaser is required to sign, or if Purchaser violates, repudiates or fails to perform any of the terms of this Agreement or fails to keep any other promise contained in this Agreement, Purchaser shall be in default hereunder, and Sponsor shall be entitled to terminate this Agreement or at Sponsor's discretion, to bring legal action against Purchaser to specifically perform this Agreement.

b. Before Sponsor may terminate this Agreement and keep Purchaser's Deposit, Sponsor must first send Purchaser a notice by registered or certified mail, return receipt requested, or by Federal Express or similar nationally recognized overnight delivery service, stating that Sponsor intends to cancel this Agreement, specifying the reasons Purchaser is in default, and granting Purchaser a period of at least ten (10) business days to cure said default(s). SPONSOR RESERVES THE RIGHT TO MAKE TIME

OF THE ESSENCE WITH RESPECT TO PURCHASER'S OPPORTUNITY TO CURE PURCHASER'S DEFAULT WITHIN THE SPECIFIED CURE PERIOD. AFTER THE SPECIFIED CURE PERIOD EXPIRES, IF PURCHASER'S DEFAULT REMAINS UNCURED, SPONSOR MAY TERMINATE THIS AGREEMENT, RETAIN PURCHASER'S DEPOSIT TOGETHER WITH ANY INTEREST EARNED THEREON, AS LIQUIDATED DAMAGES, AND SELL THE UNIT TO ANOTHER PURCHASER AS IF THIS AGREEMENT HAD NEVER BEEN MADE. Once this Purchase Agreement is terminated and the Deposit is retained by Sponsor as liquidated damages, neither Sponsor nor Purchaser will have any further obligations to each other generally or under this Agreement specifically.

11. **Agreement Subject to Sponsor Declaring the Plan Effective.** 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 Purchase Agreements for 80% of the Residential Units offered under the Plan. If the Plan is abandoned for any reason, Purchaser will, within ten (10) business days thereafter, receive a refund in full of Purchaser's Deposit and the interest earned thereon, if Purchaser is entitled to the interest hereunder or under the Plan. 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.** 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 or by Federal Express or similar nationally recognized overnight delivery service, 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 Offering Plan Attorneys, Jacobowitz Law P.C., 377 Pearsall Avenue, Suite C, Cedarhurst New York 11516, Attn.: Moshe Jacobowitz, Esq. 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 and on the date of delivery in the event it is given by overnight courier, except that a notice of an address change shall be considered given when it is received. Any notice sent by Sponsor's Offering Plan Attorneys on Sponsor's behalf to Purchaser or to Purchaser's attorney set forth on the first page of this Agreement (or to any other attorney purporting to represent Purchaser), shall be deemed notice by Sponsor, should notice need be given by Sponsor pursuant to this Agreement. If Purchaser's name, address, email or phone number changes, or if Purchaser's attorney's name, address, email 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, email and/or phone number immediately.

13. **Inspection and Acceptance of the Unit.**

a. Purchaser's signing of this Agreement shall constitute Purchaser's agreement to accept the Unit in the condition it is in on the closing date, including the then existing kitchen, bathroom and other appliances, fixtures, equipment and installations, subject to the conditions set forth herein and on 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**"). Purchaser shall make the inspection of the Unit required by this Agreement.

b. (i) Purchaser agrees to accept the deed to the Unit without any abatement of the Total Purchase Price or provision for escrow, notwithstanding incomplete construction of (i) minor details in the Unit or the Building, or (ii) other Units, or (iii) the Common Elements or Limited Common 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.

(ii) 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. In any event, Sponsor will make every effort to have these items installed within a reasonable time period following closing provided Purchaser permits Sponsor access to do so.

c. At least ten (10) days before closing, Sponsor will advise Purchaser of a date and time prior to closing when Purchaser may inspect the Unit. 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. PURCHASER AGREES THAT NO DISCUSSION OF INCOMPLETE ITEMS IS TO TAKE PLACE AT THE CLOSING ITSELF. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, PURCHASER MAY NOT INSPECT THE UNIT UNTIL SPONSOR HAS NOTIFIED PURCHASER THAT THE UNIT IS READY FOR INSPECTION.

d. Purchaser's failure to attend the inspection appointment within the 10-day period set forth above, or to sign and deliver the completed Inspection Statement, shall not excuse Purchaser from paying the Balance Due at Closing and shall constitute Purchaser's full and unconditional acceptance of the Unit.

e. Sponsor's agreement to complete items on the Inspection Statement shall obligate Sponsor to perform Sponsor's work in accordance with the standards 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.

f. Following Purchaser's closing, when Purchaser makes arrangements to move into the Building, PURCHASER AGREES TO FOLLOW THE MOVE-IN PROCEDURES ESTABLISHED BY SPONSOR AND/OR THE BOARD OF MANAGERS, WHICH MOVE-IN PROCEDURES WILL BE EXPLAINED AND DELIVERED TO PURCHASER AT THE TIME PURCHASER CLOSES TITLE TO PURCHASER'S UNIT. The provisions of this subparagraph (f) shall survive the closing hereunder.

14. **Conditions for Binding Agreement.**

a. This Agreement shall not be binding until Purchaser has been approved as a purchaser as set forth in the Plan, such approval to be indicated by execution of this Agreement by Sponsor and delivery of a fully executed counterpart of this Agreement to Purchaser. This Agreement may be executed in two or more counterparts (including by facsimile or by pdf scanning and email), each of which shall constitute an original and all of which, when taken together, shall constitute but one instrument.

b. Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage on the Property made before or after this Agreement is signed and any payments or expenses already made or incurred or which may later be made or incurred, to their full extent without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the schedule of payments or accelerated by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments, if any. Sponsor shall satisfy all such mortgages or obtain a release of the Unit from the lien of such mortgages at or prior to the closing date.

15. **Definitions.** The term "Purchaser" shall be read as "Purchasers" if more than one person is a purchaser, in which case Purchaser's obligations shall be considered joint and several. All capitalized terms used in this Agreement and not otherwise defined in this Agreement, shall have the same meanings as they do in the Plan.

16. **Broker.** Purchaser represents that Purchaser did not rely upon, use or negotiate with any broker other than _____ ([collectively,][1] the "**Broker**")] 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, arising out of or in any way connected with, Purchaser's breach of the foregoing representation. The provisions of this ¶ 16 shall survive the closing hereunder or any earlier termination of this Agreement.

17. **Jury Waiver.** Purchaser waives Purchaser's right to trial by jury in any action, proceeding or counterclaim in any way connected with this Agreement or the Plan.

18. **Survival of Sponsor's Obligations; Rights of Sponsor.** 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. As specified in the Special Risks of the Plan, consistent with a first Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely form their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. Et al, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013). Purchaser specifically acknowledges and agrees to the above.

19. **Captions.** The captions in this Agreement are for convenience only and are not part of the meaning of this Agreement.

20. **No Representations.** 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.

21. **Entire Agreement; Binding Nature of Agreement.** 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 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,

---

[1] To be deleted if there is no broker other than Sponsor's Broker specified in the Offering Plan.

Purchaser understands that this Agreement is binding upon Purchaser and 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.

22. **No Recording, Assignment or Advertisement; No Lis Pendens.** Purchaser agrees not to record this Agreement. Purchaser also agrees not to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease prior to closing of title to the Unit, without Sponsor's prior written consent (which consent may be withheld for any reason or no reason). After the closing herein for so long as Sponsor owns any Residential Units, but not to exceed two (2) years from the date of the First Unit Closing, Purchaser shall not advertise, or otherwise offer, promote or publicize the availability of the Unit for sale or lease at prices lower than those being advertised or promoted by Sponsor for similar unsold Residential Units. Purchaser further agrees not to 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. Any purported assignment in violation of the foregoing shall be void and of no force and effect, and shall be a default under this Agreement. In the event of Sponsor's default hereunder Purchaser hereby waives Purchaser's right to file a lis pendens against the Unit. Violation by Purchaser of any of Purchaser's agreements in this Paragraph shall be a default under this Agreement. The provisions of this Paragraph shall survive delivery of the deed and the closing of title.

23. **Escrow Provisions.**

(i) Newman Law P.C., with an address at 377 Pearsall Avenue, Suite C, Cedarhurst, New York, 10516, telephone number (516) 545-0343, shall serve as Escrow Agent for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Evan Newman, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

(ii) Escrow Agent will, upon receipt from Sponsor or Selling Agent of Deposit funds paid by a Purchaser together with a copy of a completed Purchase Agreement and all required ancillary documents executed by Purchaser, deposit the funds in Purchaser's name in a special segregated interest-bearing sub-account of a master attorney trust account entitled "Newman Law P.C. Escrow Account for Factory House" (the "***Escrow Account***") maintained by Escrow Agent at Chase Bank, N.A. (the "***Escrow Bank***") at the Escrow Bank's branch located at 446 Central Avenue, Cedarhurst, NY or at such other lending institution in which the firm elects to maintain its attorney trust account. Consistent with the foregoing, unless and until Escrow Agent is provided with a complete original Form W-9 (or applicable Form W-8 if necessary) 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 Deposit), the Deposit funds may not be deposited in the Escrow Account. Thus Purchaser must deliver Form W-8 or Form W-9 executed by Purchaser or the designated interest-recipient, as applicable, together with this Purchase Agreement and Deposit check and the interest-recipient designation form, if applicable, before, at Sponsor's option, this Purchase Agreement will be deemed completed by Purchaser.

(iii) All Deposits received from Purchaser on account of the purchase price shall be in the form of checks, wire transfers, or other instruments, and shall be made payable to "Newman Law P.C. as escrow agent – Factory House ". The Escrow Account will be an interest-bearing account. Subject to the foregoing, 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 for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. All interest earned thereon shall be paid to or credited to the Purchaser at closing. Sponsor makes no representations regarding the interest which will be paid on the Deposits. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of this Purchase Agreement.

(iv) Subject to the conditions discussed in this paragraph, in accordance with the regulations of the Federal Deposit Insurance Corporation ("***FDIC***"), deposits at Escrow Bank in Purchaser's name should be covered by FDIC insurance to a maximum of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured. Sponsor and Purchasers are advised that the FDIC advises consumers 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 a Purchaser already has or opens an account at Escrow Bank in the same name in which the Deposit is deposited, and should the Escrow Bank fail and the FDIC insurance be called upon, the funds in that account will be aggregated with the Deposit 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 that the FDIC will insure any depositor'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 Deposit

(or any other funds maintained by Purchaser in Escrow Bank) or if the FDIC insures only a portion thereof.

(v) Acceptance of the Deposit by Sponsor or Selling Agent and the placement of the Deposit by Escrow Agent into the Escrow Account, shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes this Purchase Agreement and Sponsor executes a duplicate thereof and delivers this Purchase Agreement to Purchaser or Purchaser's attorney in accordance with the terms of the Plan. If a Purchaser tenders a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser.

(vi) The Escrow Agent or Sponsor is obligated to send notice to the Purchaser or Purchaser's attorney once the Deposit is placed in the Escrow Account, confirming the Deposit. If neither the Purchaser or Purchaser's attorney receive notice of such deposit within fifteen (15) business days after tender of the Deposit, Purchaser may cancel this Purchase Agreement within ninety (90) days after tender of this Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser or Purchaser's attorney.

(vii) All Deposits, except for advances made for upgrades, extras, or custom work received in connection with this Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of this Purchase Agreement.

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

(ix) The Escrow Agent shall release the Deposit if so directed:

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

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

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

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

(xi) The Sponsor shall not object to the release of the Deposit to:

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

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

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

(xiii) If the Escrow Agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the new escrow account. The Escrow Agent is authorized to act as escrow agent, and its rights and obligations hereunder shall remain in effect unless and until its agency is canceled by either: (a) written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law (Purchasers with Purchase Agreements shall be deemed to have consented); or (b) the resignation of Escrow Agent, which shall not take effect until Escrow Agent is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law and notice is given to Purchasers with Purchase Agreements of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor; or (c) all Units offered by Sponsor pursuant to the Plan have been sold and no Deposits of Purchasers remain in the Escrow Account. Upon cancellation or resignation of the duties of Escrow Agent as described herein, Escrow Agent shall deliver the Deposits held by Escrow Agent and this Purchase Agreements to the successor escrow agent.

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

(xv) Sponsor agrees to compensate Escrow Agent for services rendered by its attorneys and paralegals and expenses incurred by Escrow Agent in connection with this Purchase Agreement and the revisions to the revised Procedure to Purchase Section of the Plan, including, without limitation, disputes arising with respect to the Deposit in connection with Escrow Agent's duties hereunder.

(xvi) Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all cots, claims, expenses and damages incurred in connection with or arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement. This indemnity includes, without limitation, disbursements and attorney's fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself. Escrow Agent shall not be liable to Purchaser or Sponsor for any error in judgment, mistake of fact or law or for any act or omission on Escrow Agent's part, including, without limitation, any act or omission which permits a Purchaser to rescind this Purchase Agreement, unless taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement. The indemnities contained in this paragraph shall survive and continue after Escrow Agent's duties have been canceled or terminated.

(xvii) Escrow Agent will be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Deposit or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Deposit and continues as Escrow Agent. Escrow Agent may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to Escrow Agent in respect of any action taken or omitted in good faith by Escrow Agent hereunder in accordance with the opinion of such counsel.

(xviii) Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof. Sponsor agrees that Sponsor and its agents, including any selling agents shall deliver the Deposit received by them to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Deposit by Purchaser. Sponsor agrees that it will not interfere with Escrow Agent's performance of its duties and obligations herein and as otherwise required in GBL §§ 352-(e)(2-b) and 352-h and the New York State Department of Law's regulations.

24. **Patriot Act Compliance**. Purchaser covenants and agrees that (i) neither Purchaser, nor any individual or entity who owns any direct or indirect interest in or controls Purchaser, either directly or indirectly, currently is identified on the OFAC List (maintained by the United States Treasury Department, Office of Foreign Assets Control and accessible through the internet website www.treas.gov/ofac/t11sdn.pdf) or is any other person with whom a U.S. Person may not conduct business or transactions by prohibition of Federal law or Executive Order of the President of the United States, or is in violation of any legal requirements relating to anti-money laundering or anti-terrorism, including, without limitation, the requirements of the Uniting and Strengthening America by Providing Appropriate Tools to Intercept and Obstruct Terrorism Act of 2001, U.S. Public Law 107-56, and the related regulations issued thereunder, including temporary regulations, all as amended from time to time.

25. **Confidentiality**. Purchaser agrees that all confidential information and documents relating to the Unit or the sale thereof furnished to, or otherwise made available for review by, Purchaser or its agents or other representatives by Sponsor or its agents or representatives shall (except for disclosure to Purchaser's attorneys, accountants and lenders) be kept strictly confidential and shall not, without the prior written consent of Sponsor, be disclosed by Purchaser in any manner whatsoever in whole or in part. The provisions of this Paragraph shall in no event apply to information which is a matter of public record and shall not prevent Purchaser from complying with applicable laws requiring disclosure. Purchaser covenants and agrees not to communicate any terms or any other aspect of this Purchase Agreement and the transactions contemplated hereby to any person or entity. The provisions of this Paragraph shall survive the closing hereunder or any earlier termination of this Agreement.

26. **Internal Revenue Service Reporting Requirement**. Each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions as such other party may reasonably request in order to comply with IRC § 6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions. The provisions of this Paragraph shall survive the closing hereunder. The Parties hereby designate the attorney for Purchaser or the attorney representing Purchaser's lending institution as the attorney responsible for reporting this information as required by law.

27. **Resale Fee**. Purchaser covenants and agrees that in the event Purchaser enters into an agreement, written or oral ("**Resale Agreement**") to resell the Residential Unit prior to the first anniversary of the closing of the Unit by Purchaser from Sponsor (a "**Resale**"), Purchaser shall be obligated to pay Sponsor a portion of the proceeds of the Resale (the "**Resale Fee**"). Purchaser is

required to send Sponsor a copy of the Resale Agreement within ten (10) days of agreeing to the Resale. The Resale Fee paid to Sponsor shall be equal to 50% of the difference between: (A) the sales price of the Residential Unit per the Resale Agreement less the following expenses actually paid for by the Purchaser (to the extant applicable): (i) brokerage commissions not exceeding 6% in the aggregate of the Resale Agreement sales price of the Residential Unit, and (ii) transfer taxes imposed by New York City and New York State; and (B) the Purchase Price paid to Sponsor herein. The provisions of this Paragraph shall survive delivery of the deed and the closing of title.

28. **Conflicts with the Plan.** Conflicts between any provisions of this Agreement and the Plan shall be resolved in favor of the Plan.

Dated: _____, 201_

_____
Purchaser

_____
Purchaser

ACCEPTED:

RDG-Stonecutter 43rd Ave Owner LLC

By:_____
Name:
Title:

Date:_____, 201___

PURCHASER ACKNOWLEDGES RECEIPT OF THE OFFERING PLAN AND AMENDMENTS

_____ Purchaser

Initials:
_____ Purchaser

AND

SPONSOR AND PURCHASER ACKNOWLEDGE PURCHASER'S DELIVERY OF PURCHASE AGREEMENT

_____ Purchaser

Initials:
_____ Purchaser

_____
Sponsor

Solely in its capacity as Escrow Agent
NEWMAN LAW P.C.

By: _____
Name:

SCHEDULE A
[Permitted Encumbrances]

1. Any state of facts an accurate survey of the Property or personal inspection of the Unit and/or Property would show.

2. 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.

3. Power of attorney from the Unit Owner to Sponsor and to the Board of Managers and their successors in office.

4. All easements set forth in the Declaration and By-laws.

5. Zoning Lot Ownership Statement, if required by law, ordinance, regulation, zoning resolution or administrative agency, to be 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.

6. Zoning and other resolutions, regulations and ordinances (and amendments thereto) now or hereafter adopted.

7. 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.

8. Standard exceptions contained in the form of title insurance policy then issued by the Title Company (as defined in the Condominium Offering Plan).

9. Any lien, encumbrance or lis pendens as to which any Title Insurance Company authorized or licensed to issue title insurance in New York 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.

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

11. Any Interim Lease or Occupancy Agreement (as defined in the Condominium Offering Plan) with Purchaser for such Unit and any other leases, licenses, tenancies and occupancies permitted by the Purchase Agreement for such Unit.

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

13. All other covenants, restrictions, easements and agreements recorded against the Property before or after execution of the Purchase Agreement.

14. Building restrictions, zoning and historic designations and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

15. Revocability of licenses for vault space, if any, under the sidewalks and streets.

16. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended certificate of occupancy for the Building or any part of same.

17. Encroachments of stoops, areas, cellar steps or doors, trim, copings retaining walls, bay windows, balconies, sidewalk, elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations.

18. Leases, licenses and service, maintenance, employment and concessionaire agreements, if any, of other Units or portions of the Common Elements.

19. The lien of any unpaid Common Charges, real estate taxes, water charge or sewer rent, or vault charges, provided the same are adjusted at the Closing of Title.

20. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that the Sponsor shall pay all such assessments due prior to the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

21. Any declaration or other instrument affecting the Property which the Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

22. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

23. Any violation against the Property (other than the Unit) and any violation which is the obligation of the Condominium Board, or another Unit owner to correct.

24. Any certificate of occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

25. Any encumbrances, covenant, easement, agreement, restriction, lien or violation against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Condominium Offering Plan, as the same may be updated from time to time prior to the Closing.

26. Any agreement or instrument affecting the Property which the Sponsor deems necessary or appropriate relating to the Condominium, which does not prevent the use of the Unit for dwelling purposes or materially adversely affect the Unit.

27. Covenants and Restrictions in Liber 2350 cp 244.

28. Certification of Parties in Interest Pursuant to Zoning Lot Subdivision C dated 02/17/2014 recorded 03/17/2014 in CRFN 2014000091350.

29. Zoning Lot Description and Ownership Statement made by RDG- Stonecutter 43rd Ave Owner LLC, dated 02/19/2014 executed by Joseph Palumbo and recorded on 03/17/2014 in CRFN 2014000091351.

30. Real Estate Taxes to be allocated to each condominium unit.

4. FORM OF INSPECTION STATEMENT

FACTORY HOUSE CONDOMINIUM

42-60 CRESCENT STREET
LONG ISLAND CITY, NEW YORK

Date: _____

RDG-STONECUTTER 43RD AVE OWNER LLC

Re: FACTORY HOUSE CONDOMINIUM
Residential Unit No:_____

Dear Sponsor:

The undersigned is/are the purchaser of the captioned Unit(s).

I/We understand that the attached Inspection Checklist (the "**Inspection Checklist**") is to be completed prior to closing by me/us, together with your authorized representative. The Inspection Checklist will be signed by your representative and me/us, at the time of the pre-closing walk-through inspection.

I/We further understand that you agree to complete all items listed on the Inspection Checklist signed by you and me/us, within a reasonable period of time following closing of my/our Unit(s), weather permitting, and subject to delays for work or materials beyond your control (i.e., force majeure delays etc).

Accordingly, I/we understand that within a reasonable period of time following closing, you will contact me/us to arrange a mutually convenient time to complete the work, if any, set forth on the Inspection Checklist.

I/We am/are fully aware, that notwithstanding the foregoing, your obligation to repair or correct items on the Inspection Checklist is conditioned upon your ability to gain access to my/our Unit(s). I/We agree that if I/we do not provide you access to the Unit(s) within ten (10) days after you have notified us of your intention to complete the Inspection Checklist work in my/our Unit(s), then you shall have no further obligation to complete the items of work set forth on the Inspection Checklist.

I/We agree to be present in or at the Unit(s) at the time the work is being performed and I/we further agree that I/we will promptly initial each item set forth on the

Inspection Checklist as it is completed, to acknowledge completion. My/Our failure to respond to you within five (5) business days of your written request for such acknowledgment shall be deemed to mean that I/we accept and acknowledge the work as complete. I/We understand that work indicated on the Inspection Checklist shall be performed in accordance with the standards set forth in the Offering Plan. In the event of a dispute, I/we agree that your contractor, architect or engineer shall determine whether or not such work was performed according to such standard and his or her decision shall be binding on the parties hereto.

Your representation that you will complete items on the Inspection Checklist within a reasonable period of time following closing shall survive closing of title to the Unit(s).

_____
PURCHASER'S SIGNATURE
[If there are multiple purchasers and only one purchaser or agent signs, such signature shall be deemed binding on all purchasers.]

_____
PURCHASER'S SIGNATURE

_____
PURCHASER'S SIGNATURE

RDG-STONECUTTER 43RD AVE OWNER LLC

By:_____
Name:
Title:

INSPECTION CHECKLIST: FACTORY HOUSE CONDOMINIUM

RESIDENTIAL UNIT _____ PURCHASER _____
DATE _____ TELEPHONE NO. (Home) _____
_____ TELEPHONE NO.(Work) _____

ITEM	INITIALS

The undersigned Purchaser(s) has (have) inspected the Unit(s) on date specified below, and finds the Unit(s) satisfactory except for the items noted above.

_____
Inspection Date and Time

_____ _____
Purchaser Sponsor's Representative

_____
Purchaser

[PAGE INTENTIONALLY BLANK]

5. FORM OF POWER OF ATTORNEY

FACTORY HOUSE CONDOMINIUM

42-60 CRESCENT STREET
LONG ISLAND CITY, NEW YORK

UNIT NO.: _____

BLOCK:

LOT: _____

COUNTY: Queens

RETURN BY MAIL TO:

BOARD OF MANAGERS OF FACTORY HOUSE CONDOMINIUM

c/o Rising Developers Group LLC
5-04 50th Avenue
Long Island City, New York 11101

POWER OF ATTORNEY

The undersigned, _____, is/are the Owner(s) of Residential Unit No. ___ (the "**Unit**") in the building known as Factory House Condominium (the "**Condominium**"), 42-60 Crescent Street, Long Island City, Borough of Queens, City, and State of New York, as designated and described in the Declaration establishing Factory House Condominium dated _____ recorded in the office of the New York City Register, County of _____, on _____, in CRFN No. ____ (the "**Declaration**"), and as also described on the floor plans filed in the Real Property Assessment Department in the City of New York, New York County, as Condominium Plan No.____.

The undersigned does hereby nominate, constitute and appoint the Board of Managers of the Condominium, the Residential Representative and the Non-Residential Representative thereof and successors of both said entities, jointly, 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, (1) to acquire, in their own names as members of the Board of Managers, the Residential Representatives, the Non-Residential Representative, as applicable, or in the name of their designee, corporate or otherwise, by deed, on behalf of all owners of Condominium Units or on behalf of all Residential Units or on behalf of all Non-Residential Unit Owners, as applicable, (a) any Unit whose Owner desires to sell convey or assign the same, the Common Interest appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, the Residential Representatives, the Non-Residential Representative, as applicable, or its designee, on behalf of all Unit Owners, 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 which shall be the subject of a foreclosure or other judicial sale or whose Owner desires to surrender or abandon same, (2) to lease any Residential Unit whose Owner desires to rent the same, at such prices or at such rental, as the case may be, and on such other terms, and conditions as said attorneys-in-fact shall, in their sole discretion deem proper, (3) thereafter 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 (4) 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 a Real Property Law § 339-y(4), (b) any declaration or other instrument affecting the Condominium which the Board of Managers, the Residential Representatives or the Non-Residential Representative, 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, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium, or (c) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium which the Board of Mangers or the Residential Representatives or the Non-Residential Representative, as applicable, deems necessary or appropriate.

Notwithstanding any other provisions of this power neither the Board of Managers nor the Residential Representatives may act so as to adversely affect the rights of the Sponsor or the Non-Residential Unit Owners, without the prior written consent of the affected entity. This Power of Attorney shall be exercised in accordance with the By-Laws of the Condominium.

The acts of a majority of such persons shall constitute the acts of said attorney-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, I (we) have (has) 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.

6. FORM OF RESIDENTIAL UNIT DEED

RDG-STONECUTTER 43RD AVE OWNER LLC

TO

CONDOMINIUM UNIT NO. __

FACTORY HOUSE CONDOMINIUM

42-60 CRESCENT STREET
LONG ISLAND CITY, NEW YORK

Section: _____
Block: _____
Lot: _____
County: Queens

RETURN BY MAIL TO:

_____
_____
_____
_____

THIS INDENTURE, made the ___ day of ____, 201_ between RDG-STONECUTTER 43RD AVE OWNER LLC having an office at c/o Rising Developers Group LLC, 5-04 50th Avenue, Long Island City, New York 11101 ("**Grantor**") and _____ residing at _____("**Grantee**").

W I T N E S S E T H:

That the 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:

The Residential Unit known as Residential Unit No. ___ (the "**Unit**") in the Building known as Factory House Condominium, 42-60 Crescent Street, Long Island City, Borough of Queens, City and State of New York (the "**Building**"), designated in the Declaration establishing a plan for condominium ownership of the Building and the land upon which the Building is situated (said Building and land referred to herein as the "**Property**" or the "**Condominium**") dated _____ made by Grantor as Declarant pursuant to Article 9-B of the Real Property Law of the State of New York (the "**Condominium Act**"), and recorded in the Office of the Register of the City of New York in the County of Queens and State of New York (the "**City Register's Office**") on _____, in CRFN No. _____ (the "**Declaration**").

The Unit is also designated as Tax Lot _____ in Block ___ of the Borough of Queens on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building, certified by Alfredo T. Fredericks, Registered Architect on _____ and filed with the Real Property Assessment Department of the City of New York as Condominium Plan No. ___, and also filed in the City Register's Office Map in CRFN No. _____.

The land on which the Building is located is described on **Schedule A** annexed hereto:

TOGETHER with an undivided _____ interest in the Common Elements (as such term is defined in the Declaration) appurtenant to the Unit (hereinafter called the "**Common Elements**");

TOGETHER with the benefits, rights, privileges, easement and subject to the burdens, covenants, restrictions and easements all as set forth in the Declaration and By-Laws.

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 and By-Laws appended thereto, 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, if any, to the use of the Limited Common Elements 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 dwelling, home occupation, or other lawful purposes;

SUBJECT to the rights, obligations, easements, restrictions and all other terms, covenants, conditions and provisions of the Declaration and By-laws and Tax Lot Drawings filed therewith, as the same may be amended from time to time by instruments recorded or filed in the Office of the Register of the City of New York, in the County and State of New York, 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 has filed 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 and the By-laws 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 dwelling, home occupation, or other 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, provided that access thereto is exercised in such a manner as will not unreasonably interfere with the use of the Unit for dwelling, home occupation, or other lawful purposes;

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 and subject to all of the permitted encumbrances set forth herein as Schedule B attached hereto and made a part hereof ;

TO HAVE AND TO HOLD the same unto the Grantee, the heirs or successors and assigns of the Grantee, forever;

If the Unit is a Residential Unit (as defined in the Declaration) then the use for which such Unit is intended is for residential dwelling purposes subject to such other uses as may be permitted by the Declaration, the By-laws and applicable law.

If the Unit is a Non- Residential Unit (as defined in the Declaration) then the use for which such Unit is intended is for any lawful purpose.

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 to comply 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.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this deed the day and year first above written.

GRANTOR

RDG-STONECUTTER 43RD AVE OWNER LLC

By: _____
Name:
Title:

GRANTEE

_____

_____

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 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 _____)

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

[LEGAL DESCRIPTION]

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Queens, City, and State of New York, bounded and described as follows:

BEGINNING at a corner formed by the intersection of the Northwesterly side of Crescent Street with the Northeasterly side of 43rd Avenue (formerly Harris Avenue):

RUNNING THENCE Northeasterly along the said Northwesterly side of Crescent Street, 134 feet 6-5/8 inches;

THENCE Northwesterly, 100 feet to a point;

THENCE Southwesterly, 50 feet to a point;

THENCE Southeasterly, 50 feet to a point;

THENCE Southwesterly, parallel with Crescent Street, 86 feet 1/2 inch to the Northeasterly side of 43rd Avenue; and

THENCE Southeasterly, 50 feet 1/4 inch along said Northeasterly side of 43rd Avenue to the corner, the point or place of BEGINNING.

SCHEDULE B
[Permitted Encumbrances]

1. Any state of facts an accurate survey of the Property or personal inspection of the Unit and/or Property would show.

2. 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.

3. Power of attorney from the Unit Owner to Sponsor and to the Board of Managers and their successors in office.

4. All easements set forth in the Declaration and By-laws.

5. Zoning Lot Ownership Statement, if required by law, ordinance, regulation, zoning resolution or administrative agency, to be 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.

6. Zoning and other resolutions, regulations and ordinances (and amendments thereto) now or hereafter adopted.

7. 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.

8. Standard exceptions contained in the form of title insurance policy then issued by the Title Company (as defined in the Condominium Offering Plan).

9. Any lien, encumbrance or lis pendens as to which any Title Insurance Company authorized or licensed to issue title insurance in New York 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.

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

11. Any Interim Lease or Occupancy Agreement (as defined in the Condominium Offering Plan) with Purchaser for such Unit and any other leases, licenses, tenancies and occupancies permitted by the Purchase Agreement for such Unit.

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

13. All other covenants, restrictions, easements and agreements recorded against the Property before or after execution of the Purchase Agreement.

14. Building restrictions, zoning and historic designations and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

15. Revocability of licenses for vault space, if any, under the sidewalks and streets.

16. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended certificate of occupancy for the Building or any part of same.

17. Encroachments of stoops, areas, cellar steps or doors, trim, copings retaining walls, bay windows, balconies, sidewalk, elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations.

18. Leases, licenses and service, maintenance, employment and concessionaire agreements, if any, of other Units or portions of the Common Elements.

19. The lien of any unpaid Common Charges, real estate taxes, water charge or sewer rent, or vault charges, provided the same are adjusted at the Closing of Title.

20. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that the Sponsor shall pay all such assessments due prior to the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

21. Any declaration or other instrument affecting the Property which the Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

22. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

23. Any violation against the Property (other than the Unit) and any violation which is the obligation of the Condominium Board, or another Unit owner to correct.

24. Any certificate of occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

25. Any encumbrances, covenant, easement, agreement, restriction, lien or violation against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Condominium Offering Plan, as the same may be updated from time to time prior to the Closing.

26. Any agreement or instrument affecting the Property which the Sponsor deems necessary or appropriate relating to the Condominium, which does not prevent the use of the Unit for dwelling purposes or materially adversely affect the Unit.

27. Covenants and Restrictions in Liber 2350 cp 244.

28. Certification of Parties in Interest Pursuant to Zoning Lot Subdivision C dated 02/17/2014 recorded 03/17/2014 in CRFN 2014000091350.

29. Zoning Lot Description and Ownership Statement made by RDG- Stonecutter 43rd Ave Owner LLC, dated 02/19/2014 executed by Joseph Palumbo and recorded on 03/17/2014 in CRFN 2014000091351.

30. Real Estate Taxes to be allocated to each condominium unit.

7. DECLARATION OF CONDOMINIUM

ESTABLISHING

FACTORY HOUSE CONDOMINIUM

42-60 CRESCENT STREET
LONG ISLAND CITY, NEW YORK

DECLARANT: RDG-Stonecutter 43rd Ave Owner LLC
c/o Rising Developers Group LLC
5-04 50th Avenue
Long Island City, New York 11101

DATE: _____ ____, 201_

RECORDING INFORMATION:
Block: 429
F/K/A Lot: 1

N/K/A:
County: Queens
State: New York

RECORD AND RETURN TO:

JACOBOWITZ LAW P.C.
377 Pearsall Avenue, Suite C
Cedarhurst, New York 11516
Attn: Moshe Jacobowitz, Esq.

TABLE OF CONTENTS

		Page
ARTICLE 1	INTRODUCTORY PROVISIONS	195
ARTICLE 2	UNITS	200
ARTICLE 3	COMMON INTEREST AND RESIDENTIAL COMMON INTEREST	204
ARTICLE 4	COMMON ELEMENTS	204
ARTICLE 5	USE OF AND ACCESS TO COMMON ELEMENTS	207
ARTICLE 6	CONDOMINIUM GOVERNANCE; SERVICE OF PROCESS	212
ARTICLE 7	POWER OF ATTORNEY TO BOARD OF MANAGERS	212
ARTICLE 8	ACQUISITION AND SALE OR LEASE OF UNITS BY BOARD OF MANAGERS	213
ARTICLE 9	CONDOMINIUM INSTRUMENTS RUN WITH THE LAND	214
ARTICLE 10	AMENDMENT AND TERMINATION	214
ARTICLE 11	GENERAL	216

Schedules

Schedule A - Legal Description

Schedule B - Unit Designations, Common Interest and Related Information

Schedule C - By-laws of Condominium

DECLARATION OF CONDOMINIUM

FACTORY HOUSE CONDOMINIUM

42-60 CRESCENT STREET
LONG ISLAND CITY, NEW YORK

ARTICLE 1
INTRODUCTORY PROVISIONS

Section 1.1 Creation of the Condominium. RDG-Stonecutter 43rd Ave Owner LLC (hereinafter the "***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 Article 9-B of the NYS Real Property Law (the "***Condominium Act***").

Section 1.2 Name of Condominium. The name of the condominium project is "Factory House Condominium" (hereinafter referred to as the "***Condominium***").

Section 1.3 Area and Location of Land. The Property is located at 42-60 Crescent Street Long Island City, New York.

Section 1.4 Description of Buildings. The building erected on the Land includes one mixed-use structure consisting one (1) cellar level and ten (10) construction floors (the "***Building***"). The Building contains thirty seven (37) Residential Units, and thirty three (33) Non-Residential Units comprised of (i) two (2) Commercial Units (which Commercial Units may be subdivided, combined or split by the respective Commercial Unit Owners), (ii) eleven (11) Parking Units, and (iii) twenty (20) Storage Units. The Building will have a structure of concrete masonry walls, pre-cast concrete planks floors and steel beams and columns for support. Building exterior wall finishes will be as follows (a) North, South, East, and partial West exterior wall finishes shall be brick and stone that will clad to concrete masonry units and (b) partial west exterior wall shall be finished in dryvit and/or stucco that will clad to concrete masonry units.

Section 1.5 Definitions. Unless otherwise defined in this Declaration or in the By-laws of the Condominium annexed hereto as Schedule **C**, all capitalized terms in the Condominium Instruments shall have the meanings specified for said terms in the Condominium Act.

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

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

"***Building***" means the portion of the Improvements containing the Units 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 this Declaration, as such By-laws may be amended from time to time.

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

"***Commercial Area***" means the Commercial Units, the Commercial Common Elements if any, and any Limited Common Elements appurtenant to Commercial Units, if any.

"***Commercial Common Elements***" means those Common Elements, if any, located in or servicing exclusively the Commercial Area, as described in this Declaration.

"Commercial Unit" means the Non-Residential Unit designated as either NR-1A or NR-1B on Schedule B to the Declaration, together with the Common Interest appurtenant to such Unit, if any.

"Commercial Units" means Unit NR-1A and Unit NR-1B as designated on Schedule B to the Declaration, together with the Common Interest appurtenant to such Unit, if any.

"***Commercial Unit Owner***" means an Owner of either Unit NR-1A or Unit NR-1B.

"***Commercial Unit Owners***" means the Owners of Unit NR-1A and Unit NR-1B.

"***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 Article 5 of the By-laws. Common Charges shall be classified as General, or Residential or Non-Residential, as described in this Declaration.

"***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, and which Common Elements shall be classified as General, Residential, Non-Residential or Limited, as described in this Declaration.

"***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, which Common Expenses shall be classified as General, Residential or Non-Residential, as described in this Declaration.

"***Common Interest***" (also referred to occasionally as "**percentage of interest in the Common Elements**") 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 this Declaration. The total of all Common Interest percentages appertaining to all Units equals 100%.

"***Condominium***" means the Units and Common Elements comprising the Property. The terms "Condominium" and "Property" are used interchangeably.

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

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

"***Declarant***" means RDG-Stonecutter 43rd Ave Owner LLC .

"***Declarant's Signage Rights***" means Sponsor's exclusive easement to use the Wall Signage Easement Area for the installation, placement, maintenance, service, operation, repair and replacement of one or more commercial signs.

"***Declaration***" means this Declaration of Condominium, as same may be amended from time to time.

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

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

"***General Common Charges***" means Common Charges payable by all Unit Owners to the Board of Managers for the purpose of meeting General Common Expenses.

"***General Common Elements***" means those portions of the Property other than the Units and other types of Common Elements, as described in this Declaration.

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

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

"***Institutional Lender***" means any domestic or foreign commercial 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, 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 upon which the Improvements are located, as more fully described in this Declaration.

"***Limited Common Elements***" means Common Elements that serve one or more specified Unit(s) and no other Units, and thus are restricted in use to the Owner(s) of that (those) Unit(s), as described in this Declaration (Limited Common Elements shall be classified as either Residential Limited Common Elements or Non-Residential Limited Common Elements, if any, as described in this Declaration).

"***Managing Agent***" means any management company or agent engaged by the Board of Managers to manage the Condominium.

"***Mortgagee***" means any Institutional Lender holding a mortgage of record encumbering a Unit.

"***Non-Residential Area***" means the Non-Residential Units, the Non-Residential Common Elements if any, and any Limited Common Elements appurtenant to Non-Residential Units.

"***Non-Residential Common Charges***" means charges payable by the Non-Residential Unit Owners for the purpose of meeting Non-Residential Common Expenses, if any.

"***Non-Residential Common Elements***" means those Common Elements, if any, located in or servicing exclusively the Non-Residential Area, as described in this Declaration.

"***Non-Residential Common Expenses***" means all costs and expenses, if any, in connection with repair, maintenance, replacement, restoration, operation of, and alteration, addition or improvement to, the Non-Residential Common Elements. Also included as a Non-Residential Common Expense is the Non-Residential Area's pro rata share of General Common Expenses.

"***Non-Residential Limited Common Elements***" means those Limited Common Elements, if any, serving one or more specified Non-Residential Units and no other Units, and restricted in use to the Owner(s) of that (those) Unit(s), as described in this Declaration.

"***Non-Residential Representative***" or "***Commercial Representative***" means the individual elected (or if applicable, appointed) by the Commercial Unit Owners to serve on the Board of Managers, which individual shall have oversight and control over maintenance, operation and administration of the Commercial Area, as more fully described in the By-laws (the Non-Residential Area excluding the Commercial Area shall be overseen and controlled by the Board of Managers), as more fully described in the By-laws.

"***Non-Residential Unit***" means a Unit designated as either a Commercial Unit, a Parking Unit or a Storage Unit or as any Unit other than a Residential Unit, on Schedule B to the Declaration, together with the Common Interest appurtenant to such Unit. Two or more Non-Residential Units are referred to as "***Non-Residential Units***."

"***Non-Residential Unit Owner***" means an Owner of a Non-Residential Unit.

"***Offering Plan***" (or "***Plan***") shall mean the Offering Plan for the Sale of Units in the Factory House Condominium (42-60 Crescent Street, Long Island City) filed by Declarant, as Sponsor, with the Department of Law, as said Plan may be amended from time to time.

"***Parking Area***" means the Parking Units, and the Parking Units Common Elements, if any.

"***Parking Unit***" means a Unit designated as a Parking Unit on ***Schedule B*** to this Declaration, together with the Common Interest appurtenant to such Unit.

"***Parking Unit Owner***" means an Owner of a Parking Unit.

"***Permitted Mortgagee***" means a Mortgagee who has satisfied the criteria for a Permitted Mortgagee set forth in Article 8 of the By-laws attached hereto.

"***Property***" means the Land and the Improvements comprising the Condominium, as described in this Declaration.

"***Residential Common Interest***" for a particular Residential Unit means the proportion between the Common Interest allocated to that Residential Unit and the aggregate Common Interest of all Residential Units. Said proportion is expressed as a numerical percentage. Residential Common Interest is used to determine, among other things, the Residential Common Charges to be paid by a Residential Unit Owner. The total of all Residential Common Interests equals 100%. The Residential Common Interests are recorded on ***Schedule B*** to this Declaration.

"***Residential Area***" means the Residential Units, the Residential Common Elements and the Residential Limited Common Elements appurtenant to Residential Units, if any.

"***Residential Common Charges***" means charges payable by Residential Unit Owners for the purpose of meeting Residential Common Expenses.

"***Residential Common Elements***" means those Common Elements located in and/or servicing exclusively, the Residential Area, as more fully described in Article 4 of this Declaration.

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

"***Residential General Common Charges***" means the Residential Area's pro rata share of General Common Expenses.

"***Residential Limited Common Elements***" means those Limited Common Elements serving specifically the Residential Units and no other Units, certain Residential Limited Common Elements are further restricted in use to the Owner of a specific Residential Unit (for example balconies adjacent to and connected to a Residential Unit), as more fully described in Article 4 of this Declaration.

"***Residential Representatives***" means the individuals elected by the Residential Unit Owners to serve on the Board of Managers, which individuals shall have oversight and control over maintenance, operation and administration of the Residential Area, as more fully described in the By-laws.

"***Residential Unit***" means each Unit designated as a Residential Unit on ***Schedule B*** to this Declaration, together with the Common Interest appurtenant to each such Unit. Two or more Residential Units are referred to as "***Residential Units***."

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

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

"***Sponsor***" means RDG-Stonecutter 43rd Ave Owner LLC, the Declarant herein, in its capacity as, and having the rights and obligations of, Sponsor, as set forth in the Offering Plan.

"***Storage Area***" means the Storage Units, and the Storage Units Common Elements, if any.

"***Storage Unit***" means a Unit designated as a Storage Unit on ***Schedule B*** to this Declaration, together with the Common Interest appurtenant to such Unit.

"***Storage Unit Owner***" means an Owner of a Storage Unit.

"***Storage & Parking Common Charges***" means charges payable by the Storage Unit Owners and Parking Space Owners for the purpose of meeting Storage & Parking Common Expenses.

"***Storage & Parking 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 exclusively serving the Storage Units and Parking Units, including but not limited to, insurance and establishment of reserves for repairs and replacements.

"***Tax Lot Drawings***" means the drawings of the Building certified by Alfredo T. Fredricks, Registered Architect delineating the Units and the Common Elements, approved by the Real Property Assessment Department of the City of New York and filed with the recording of this Declaration, as more fully described in Article 2 of this Declaration, 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 this Declaration, as same may be amended from time to time, together with such Unit's Common Interest. Any two or more Units are collectively referred to as "***Units***."

"***Unit Owner***" or "***Owner***" means any owner of a Unit in fee simple absolute.

"***Wall Signage Easement Area***" means the North wall of the Building that Declarant, its successors and assigns have an exclusive easement over generally for the purposes of placement, installation, maintenance, service, operation, repair and replacement of one or more signs on the Building.

"***Working Capital Fund***" shall mean the monies collected by the Board of Managers at the closings of Residential Units and Commercial Units under the Offering Plan, equal to two months of the then applicable Common Charges attributable to the Residential Unit or Commercial Unit being purchased.

Section 1.6 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 Building, as well as the Common Elements of the Condominium, are shown on the Tax Lot Drawings.

Section 2.3 Right to Alter, Combine or Subdivide Units. Declarant, its affiliates and its successors and assigns and the Commercial Unit Owners shall have the right, without the consent of any other Unit Owner or the Board of Managers, from time to time, to (i) make alterations, additions or improvements, whether structural or non-structural, in, to and upon its Unit(s), the Limited Common Elements pertaining to such Unit; (ii) change its Unit(s) or any part thereof, by changing the layout, number of rooms, or size or number of such Unit(s) by subdividing or combining one or more Unit(s) into any desired number of condominium units; (iii) create and designate Limited Common Elements for the exclusive use of newly created or modified Units; (iv) convert space and designate Limited Common Elements into modified or newly created units; (v) amend the certificate(s) of occupancy of the Building (as required by law) and/or obtain one or more certificates of occupancy therefore in connection with the exercise of any of its rights under this Section, including, without limitation, to reflect the combining or subdividing of Unit(s); and (vi) in the case of the Commercial Owner(s) apply for and obtain, whether in the name of such owner or the Board of Managers, (a) one or more zoning variances pertaining to the use

or occupancy of the Commercial Unit(s) and/or (b) one or more amendments to the certificate(s) of occupancy of the Building (as required by law) so as to reflect existing or desired use and/or occupancy of the Commercial Unit(s), as shall be permitted by law. However, by reason of the foregoing, the Common Interest and Residential Common Interest of the other Units shall not be enlarged unless the affected Unit Owner(s) consent(s) thereto. Declarant, its affiliates and its successors and assigns and the Commercial Unit Owners shall each have the right to reflect any of the matters described above in a duly recorded amendment to the Declaration, the By-Laws, and the Floor Plans.

Declarant, its affiliates and its successors and assigns shall have the right, without the consent of any other Unit Owner or the Board of Managers, from time to time, to alter, subdivide, combine or split the Non-Residential Units into any desired number of condominium units. However, by reason of the foregoing, the Common Interest of the other Units shall not be enlarged unless the affected Unit Owner(s) consent(s) thereto. Declarant, its affiliates and its successors and assigns shall have the right to reflect any of the matters described above in a duly recorded amendment to the Declaration, the By-Laws, and the Floor Plans.

Section 2.4 Unit Measurements.

(a) **Residential Units.** Each Residential Unit is measured as follows: (i) horizontally from the outside face of the glass and/or face or façade of the exterior walls of the Building to the midpoint of interior demising partitions (drywall or concrete masonry wall) between Units and/or to the midpoint of interior demising partitions (drywall or concrete masonry wall) separating a Unit from corridors, fire stairs, elevators or other Common Elements and (ii) vertically from the area enclosed by the unexposed surface of the gypsum wallboard, plaster or other material forming the ceiling of the highest story level of the Unit to the upper surface of the subfloor of doors within the Unit which open either onto Common Elements or the exterior of the Property, as shown on the Tax Lot Drawings. Any concrete slabs separating floors of a Unit located on more than one level and any Common Elements located in a Unit shall not be considered part of that Unit. The floor area reflected in Schedule B hereto for a Unit may include certain Common Elements such as columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area. Any Common Element located within a Unit will not be considered a part of such Unit.

(b) **Commercial Units.** Each Commercial Unit is measured as follows: (i) horizontally from the outside face of the glass and/or face or façade of the exterior walls of the Building to the midpoint of interior demising partitions (drywall or concrete masonry wall) between Units and/or to the midpoint of interior demising partitions (drywall or concrete masonry wall) separating a Unit from corridors, fire stairs, elevators or other Common Elements, and (ii) vertically from the area enclosed by the unexposed surface of the gypsum wallboard, plaster or other material forming the ceiling of the highest story level of the Unit to the upper surface of the subfloor of doors within the Unit which open either onto Common Elements or the exterior of the Property, as shown on the Tax Lot Drawings. Any concrete slabs separating floors of a Unit located on more than one level and any Common Elements located in a Unit shall not be considered part of that Unit. The floor area reflected in Schedule B hereto for a Unit may include certain Common Elements such as columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area. Any Common Element located within a Unit will not be considered a part of such Unit.

(c) **Storage Units**. Each Storage Unit is measured as follows: (i) horizontally, from the exterior of one side of the structural framework enclosing the individual storage bin area to the exterior of the other side of the structural framework enclosing the individual storage bin area, and (ii) vertically, from the exterior of the top of the structural framework enclosing the individual storage bin area to the bottom of the structural framework enclosing the individual storage bin area.

(d) **Parking Units**. Each Parking Unit is measured as follows: (i) horizontally, from the painted lines of the parking space, and (ii) vertically from the area enclosed by the material forming the ceiling of the highest story level of the Parking Unit to the upper surface of the floor of the Parking Unit, as shown on the Tax Lot Drawings.

(e) **Components of Units.**

(i) Locks on entrance doors to Residential Units and Storage Units and locks on doors accessing Residential Units from an appurtenant terrace are part of the Unit.

(ii) Doors (and appurtenant locks) accessing a Commercial Unit from a Common Element or from the outdoors are part of the Unit unless otherwise specified in this Declaration. In this regard, emergency egress doors opening from a Commercial Unit into the Residential Area or the Common Elements, if any, shall not be part of the Commercial Unit, but shall be a General Common Element.

(iii) Windows (including, without limitation, plate glass, panes, casements and frames) serving a Commercial Unit are part of that Unit.

(iv) Interior non-load-bearing walls and partitions, floor coverings on top of the sub-flooring and plastered ceilings affixed, attached or appurtenant to a Unit are part of that Unit.

(v) The heating, ventilating and air conditioning equipment (including, without limitation, PTAC units and HVAC condensers and blower units) and sprinkler heads (if any) exclusively servicing a Unit, are part of the Unit, as are any pipes, ducts, wires, flues, conduits or similar facilities connecting such equipment to the Unit if they service the Unit exclusively, from the point at which they enter the Unit. Electric service lines originating at the sub-meter measuring consumption of electricity in a Commercial Unit and branch water lines servicing a Commercial Unit exclusively, also are part of the Unit, regardless of where located.

(vi) In general, any facility[1] 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

---

[1] As used herein, the word "facility" or "facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for the purpose of illustrating the broad scope of that term: structural columns, system, equipment, apparatus, connector, radiator, heat exchanger, mechanism, device, machinery, induction unit, fan coil unit, motor, pump, control, tank or tank assembly, installation, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, (...continued)

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.

(f) **Rights of Owners Respecting Units.** In light of the foregoing and 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 or any Committee thereof, to install, at such Owner's sole cost and expense, in such Owner's Residential Unit or Commercial 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 for the purposes of installing nails, screws, bolts and the like, provided that any such installation shall not impair the structural integrity of the Unit or the Building or the proper functioning of Building systems.

(g) **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 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. Likewise, a Storage Unit shall not include the materials and structural framework out of which the Storage Units are constructed but only the space within such structural framework.

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.

(...continued)

wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main, shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, incinerator, canopy, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket mail box, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture or planting tub or box. A "facility area" is the area or room in which the facility is located.

ARTICLE 3
COMMON INTEREST AND RESIDENTIAL COMMON INTEREST

Section 3.1 General. The Common Interest for each Unit is set forth on **Schedule B** to this Declaration. The aggregate Common Interest of all Units shall equal 100%. This provision of the Declaration may not be amended.

Section 3.2 Determination of Common Interest. The Common Interest of each Unit has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, based on the approximate proportion that the floor area of the Unit on the date of this Declaration bears to the aggregate floor area of all Units on such date, with such proportion reflecting the location of such space and the additional factors of relative value to other space in the condominium. Using the foregoing analysis, the Residential Units represent an aggregate Common Interest of approximately 88.81%, the Commercial Units represent an aggregate Common Interest of approximately 6.66%, the Storage Units represent an aggregate Common Interest of approximately 0.68%, and the Parking Units represent an aggregate Common Interest of approximately 3.85%

Section 3.3 Residential Common Interest. The Residential Common Interest for each Residential Unit is set forth on **Schedule B** to this Declaration. The aggregate Residential Common Interests for all Residential Units shall at all times equal 100%.

Section 3.4 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.

Section 3.5 Common Charges. The Common Charges allocated to the Unit Owners may be limited in accordance with Section 339-m of the New York State Real Property Law, and as set forth in Section 5.1(a)(ii) of the By- Laws.

ARTICLE 4
COMMON ELEMENTS[2]

Section 4.1 Definition of General Common Elements. The General Common Elements consist of all the Common Elements except (i) the Residential Common Elements, (ii) the Non-Residential Common Elements, if any, (iii) the Commercial Common Elements, if any, and (iv) the Limited Common Elements, and the General Common Elements include, without limitation, the following:

(a) The Land, including sidewalks thereon or appurtenant thereto, together with all easements, rights and privileges appurtenant thereto;

---

[2] **NOTE:** All references to floor levels in this description are to floor levels as referred to on the Tax Lot Drawings.

(b) The canopies, if any, over the main entrances of the Building together with integral lighting installed therein;

(c) All foundations, piles and footings;

(d) Structural columns and pillars;

(e) Girders, beams, joists and supports;

(f) Structural floor slabs and ceilings and all load-bearing partitions and walls;

(g) All roofs of the Building (excluding terraces and recreational roof decks) and all parapets, fencings and railings on such roofs (including, without limitation, terrace railings, terrace dividers and metal screens separating terrace space from roof space or roof equipment);

(h) All exterior landscaping and lighting (including, without limitation, aircraft warning lighting) installed in or on the Property (and excluding lighting installed to illuminate terraces appurtenant to Residential Units);

(i) All electrical, sprinkler, mechanical, trash compactor, pump and meter rooms all located in the cellar of the Building, and all meters, equipment and appliances therein;

(j) The driveway leading to the Parking Units on the first floor of the Building;

(k) The driveways and vehicle corridors leading to the Parking Units on the first floor of the Building;

(l) The elevator room on the roof of the Building;

(m) The exterior trash area and stairway/steps behind the Building on the West side of the Building and Property;

(n) The exterior walls of the Building, excluding windows but including all facade and structural elements of exterior walls;

(o) Sanitary sewer pumping system from the point at which the sanitary sewer line leading from a Unit connects with the Buildings' main sewer lines, to the point at which the Buildings' main sewer line connects with the municipal sewer system;

(p) Cable television, data and communications systems, if any, installed in the Building as of the date of this Declaration;

(q) Storm drainage system within the Building to the point at which it connects to the municipal storm sewer system;

(r) All passages and corridors, areas, rooms and other spaces, if any, located at the Property and serving or benefiting (i) at least one Residential Unit and at least one Commercial Unit or Parking Unit and/or (ii) at least one Residential Unit Owner and at least one Commercial Unit Owner or Parking Unit Owner; and

(s) All other facilities of the Property (including but not limited to shafts, pipes, 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 at least one Residential Unit and at least one Non-Residential Unit, and/or at least one Residential Unit Owner and at least one Non-Residential Unit Owner.

Section 4.2 Residential Common Elements. These are Common Elements of the Building that are located in or exclusively serve the Residential Area and are not General Common Elements, Non-Residential Common Elements, Commercial Common Elements or Limited Common Elements. They include, without limitation, the following:

(a) Building exterior entrances, lobby, and corridors on the first floor;

(b) Stairway and associated stairwells and landings from the cellar floor up to the roof of the Building;

(c) Exterior windows, including without limitation, panes, casements and frames, in Residential Units;

(d) Entrance doors (excluding locks) to Residential Units from common corridors, and doors (excluding locks) accessing a Residential Unit from an appurtenant terrace or private rooftop;

(e) The master meter measuring the electricity consumed in the Residential Area;

(f) Intercom system, if any;

(g) Recreational space/gym and kids rooms on the second floor of the Building and the adjacent outdoor recreational space;

(h) Bike storage room located in the cellar of the Building;

(i) Passenger elevator and the shafts, pits and mechanical rooms associated therewith;

(j) Refuse chutes and refuse rooms; and

(k) All passages, hallways and corridors, areas, rooms and other spaces located at the Property and serving or benefiting the Residential Unit Owners and/or the Residential Area, exclusively.

Section 4.3 Non-Residential Common Elements. To the extent they exist, these are Common Elements of the Building that are located in or serve exclusively the Non-Residential Area 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 Non-Residential Common Elements.

Section 4.4 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, Non-Residential Common Elements or Limited Common Elements. As of the date of this Declaration there are no Common Elements falling into the category of Non-Residential Common Elements.

Section 4.5 Limited Common Elements.

(a) Limited Common Elements are Common Elements of the Building 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.

(b) The Residential Limited Common Elements include, without limitation, the following: each exterior terrace, balcony, yard and/or private rooftop shown on the Tax Lot Drawings (excluding the exterior terrace/balcony on the second floor adjacent to the recreational/gym and kids rooms) is a Limited Common Element appurtenant to the Residential Unit adjacent thereto. Any pavers, decking and drains on the terrace, balcony, yard and/or private rooftop, any hose bib, and all electrical outlets, as well as lighting and light fixtures installed as part of the original construction of the Building for purposes of illuminating the terrace, balcony, yard and/or private rooftop, also are Limited Common Elements appurtenant to the Unit.

(c) The Storage Unit Limited Common Elements include the structural framework and materials out of which the Storage Units are constructed.

(d) In no event shall Limited Common Elements ever include or be deemed to include, (i) load bearing walls, or (ii) other components of the Building critical to the structural integrity of the Building.

(e) Each Unit Owner having the exclusive right to use a Limited Common Element shall have the obligation, at the Unit Owner's sole expense, for day-to-day maintenance, including, without limitation, cleaning of debris from drains and general cleaning and repair of said Limited Common Element, in accordance with the applicable provisions of this Declaration and the By-laws.

Section 4.6 No Severability or Partition. The Common Elements are not subject to partition nor are they severable from Units, except in accordance with the Condominium Act.

ARTICLE 5
USE OF AND ACCESS TO COMMON ELEMENTS

Section 5.1 General Use of and Access to Common Elements.

(a) 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 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 permitted tenants, licensees, invitees, clients or guests. A Unit Owner may not obstruct the Common Elements. The provisions of this Section 5.1 shall not prevent the Board of Managers or this Declaration from granting to a particular Unit Owner 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. Other then as specifically set forth in the By-laws, any exclusive right to use a General Common Element or a Residential Common Element granted by the Board of Managers, shall be effectuated by a revocable license, which license shall include, among other things, standards for revocation giving due consideration to the nature and cost of improvements made to or on the Common Elements by the Unit Owner to whom the license is granted.

(b) The Board of Managers shall, if any question arises, determine the purpose for which a General Common Element, Residential Common Element or a Limited Common Element appurtenant to a Residential Unit is intended to be used. The Board of Managers shall have the right to regulate access to General Common Elements and Residential Common Elements and to promulgate rules and regulations scheduling the use of General Common Elements and Residential Common Elements, and limiting the use of General Common Elements and Residential Common Elements to Unit Owners, their permitted tenants, licensees, invitees, clients, guests and employees, as well as providing for the exclusive use of a General Common Element or Residential Common Elements by a Unit Owner and such Unit Owner's guests, for 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 as may be established by the Board of Managers for the purpose of defraying the costs of such use.

(c) The Non-Residential Unit Owners shall, if a question arises, determine the purpose for which a Non-Residential Common Element or a Limited Common Element appurtenant to a Non-Residential Unit, is intended to be used. The Non-Residential Unit Owners shall have the same right to regulate access to Non-Residential Common Elements and to promulgate rules and regulations regulating and scheduling use of the Non-Residential Common Elements as the Board of Managers has with respect to the General Common Elements, pursuant to Section 5.1(b) of this Declaration.

(d) The Commercial Unit Owners shall, if a question arises, determine the purpose for which a Commercial Common Element or a Limited Common Element appurtenant to a Commercial Unit, is intended to be used. The Commercial Unit Owners shall have the same right to regulate access to Commercial Common Elements and to promulgate rules and regulations regulating and scheduling use of the Commercial Common Elements as the Board of Managers has with respect to the General Common Elements, pursuant to Section 5.1(b) of this Declaration.

(e) Notwithstanding anything in this Declaration or in the By-laws to the contrary, a Unit Owner may gain access to any mechanical equipment rooms or roofs described as General or Residential Common Elements in this Declaration (excluding the private rooftops that are Limited Residential Common Elements of Unit PH-10C and Unit PH-10D, which are accessible to their respective Unit Owners), only through clearance by the Board of Managers and under such supervision as the Board shall reasonably require. In addition, the Board of Managers shall ensure that roof areas, other than those portions of roof areas available for use by the Residential Unit Owners or that serve as terraces appurtenant to and exclusively for particular Residential Units, are not used for recreational or other public or group use by Unit Owners, Building residents or otherwise. The foregoing shall not be deemed to circumscribe or limit roof access for emergency egress as required by law.

Section 5.2 Easements for Utilities, Pipes and Conduits.

(a) 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, 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.

(b) 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.

(c) The Board, Declarant and Declarant's designee will each have an easement to install and maintain pipes, conduits, wires, ducts, and other facilities in the space between the underside of each such floor slab and the top surface of each Unit's finished ceiling, without any need to obtain the consent of any Unit Owner with respect to the same.

Section 5.3 Easement of Board of Managers.

(a) 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 Element located in 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 any law, ordinance, statute or rule of any governmental authority having jurisdiction thereof. The Board shall have an easement and right of access to 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, and for inspection, maintenance, repair or improvement.

Section 5.4 Exercise of Easements.

(a) The easements authorized pursuant to Sections 5.2, 5.3 and 5.8 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, permitted 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, Non-Residential, Commercial 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 the case of an "emergency" (i.e., a condition 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).

(b) 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 the Unit Owner, as applicable), requiring the access and entry.

(c) 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 Owner's Unit, in accordance with the By-laws.

Section 5.5 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 5.6 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 5.7 Declarant's and Board's Easements.

(a) 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, without the consent of any Unit Owner or the Board of Managers.

(b) Declarant and/or its designee and their respective successors and assigns shall have an additional easement providing access in and to all Units and Common Elements consistent with the Offering Plan, including without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units, without the consent of any Unit Owner or the Board of Managers.

(c) Declarant and/or its designee and the Board of Managers shall have the right to establish, grant and create such electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Residential Area, the Non-Residential Area, the Commercial Units, the Storage Units, the Parking Units, or the Property generally, as the case may be, 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 Building 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 the Owner, tenant(s) or other occupant(s) of Commercial Units or with the use of the Residential 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 Commercial Units or with the use of the Residential Units for their permitted purposes.

(d) Declarant reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants an exclusive easement to use the North wall of the Building as part of the Wall Signage Easement Area for the installation, placement, maintenance, service, operation, repair and replacement of one or more commercial signs (the "***Easement Signs***"). Declarant, its

designees, successors and assigns shall have the sole right to receive and retain all revenues, rents, income and profits arising from such sign(s) in such locations. Declarant's Signage Rights have no expiration date and accordingly, Declarant shall retain and may continue to exercise such rights for the installation and operation of sign(s) and the like even after such time as Declarant may have sold all of the Units in the Building. Without the consent of the Board of Managers, any Unit Owner or any mortgagee with respect to any Unit, Declarant may file one or amendments ("***Signage Unit Amendment***") to the Offering Plan and this Declaration and Tax Lot Drawings providing for the creation of a separate condominium unit and tax lot ("***Signage Unit***") consisting of the Wall Signage Easement Area or any portion thereof as may be determined by Declarant. Whether or not the Signage Unit shall be created or a Signage Unit Amendment shall be filed, Declarant may assign and convey by deed or otherwise all or any portion of its rights with respect to the Wall Signage Easement Area, including, without limitation, easements and related rights (and to any other easement rights in favor of Declarant as set forth in this Declaration or the By-laws) and any assignee or grantee (and successors thereto) shall also have the right to re-assign and re-convey such rights. Declarant is retaining Declarant's Signage Rights for the potential commercial value of such rights. Since the limited areas constituting the Wall Signage Easement Area are for the exclusive use of Declarant, its designees, successors and assigns and not the Condominium, Declarant, its designees, successors and assigns and not the Condominium shall have the right to realize upon the commercial value and profits from leasing or using such areas for the installation and operation of sign(s) in such areas, which exclusive use shall not end upon Declarant's sale of all Units in the Building.

Section 5.8 Commercial Unit Owner Easements. Subject to the provisions of Section 5.4 of this Declaration, without the consent of any Unit Owner or the Board of Managers, the owner(s) of a Commercial Unit shall have easements for (i) the installation, maintenance, repair and replacement of flues, vents, air-conditioning, heating, ventilating, water and other mechanical lines and fixtures and equipment on the exterior walls, and (ii) for access to any equipment that services a Commercial Unit and which is located in the Residential Areas. The Commercial Unit Owner and/or its tenants shall have an easement to erect, maintain and replace one (1) or more signs on the Property permitted by law for the purpose of advertising the operation of any business conducted therein. Any such signs shall be of reasonable size, dimension, character and color and shall not be located so as to unduly disturb the aesthetics of the Building. The condenser for the HVAC unit for Unit NR-1A will be located in the exterior Common Element and behind the Building on the North side of the Property. The owner of Unit NR-1A shall have an easement (a) underneath its HVAC condenser for the installation, placement, maintenance, repair and replacement of its HVAC condenser (b) through the Common Elements for access to its HVAC Condenser for its installation, placement, maintenance, repair and replacement. The condenser for the HVAC unit for Unit NR-1B will be located in the parking in the Building. The owner of Unit NR-1B shall have an easement (a) underneath its HVAC condenser for the installation, placement, maintenance, repair and replacement of its HVAC condenser (b) through the Common Elements for access to its HVAC Condenser for its installation, placement, maintenance, repair and replacement.

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. *Pursuant to the Condominium Act, the Board of Managers will 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.*

ARTICLE 7
POWER OF ATTORNEY TO BOARD OF MANAGERS

Section 7.1 Power of Attorney.

(a) Each Unit Owner at the time of closing of title to said Owner's Unit, shall grant to Declarant, to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest (in such form and content as the Board of Managers shall determine) to, following due authorization of the Unit Owners in accordance with the By-laws, (i) acquire or lease any Unit, together with its Appurtenant Interests (as defined in Article 8 of this Declaration), from any Unit Owner desiring to sell, convey, transfer, assign 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 similar judicial sale, 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 their designee, corporate or otherwise, on behalf of all (1) Residential Unit Owners where such Unit is a Residential Unit and (2) Unit Owners where such Unit is a Non-Residential Unit, in proportion to their respective Common Interests. The power of attorney shall 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.

(b) The power of attorney shall also authorize the Declarant, the Board of Managers, as applicable, to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium which the Declarant or 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, (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium which the Declarant or Board of Managers, as applicable, deems necessary or appropriate, or (iii) 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 shall explicitly prohibit the Board of Managers from acting so as to adversely affect the rights or interest of Declaran to or a Unit Owner without the prior written consent of any such adversely affected party.

Section 7.3 Recording. The Board of Managers shall cause the power of attorney to be recorded in the office of the Register of the City of New York, New York County, at the expense of the Unit Owner immediately upon the Board of Managers' receipt thereof.

ARTICLE 8
ACQUISITION AND SALE OR LEASE OF UNITS BY BOARD OF MANAGERS

Section 8.1 Generally.

(a) In the event (i) any Unit Owner shall surrender said Owner's Unit, together with (x) the Common Interest appurtenant thereto, (y) the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or any of their designees, on behalf of Unit Owners, or the proceeds of the sale or lease thereof, if any, and (z) the interest of such Unit Owner in any other assets of the Condominium (the items listed in clauses (x), (y) and (z) are hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, or in the event (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 in the event (iii) the Board of Managers shall purchase at a foreclosure or similar sale, a Unit, together with the Appurtenant Interests, then title to any such Unit together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, on behalf of all (1) Residential Unit Owners where such Unit is a Residential Unit and (2) Unit Owners where such Unit is a Non-Residential Unit, in proportion to their respective Common Interests.

(b) The lease covering any (i) Residential Unit leased by the Board of Managers or any of their designees, shall be held by the Board of Managers, or any of their designees, on behalf of all Residential Unit Owners, in proportion to their Common Interests, and (ii) Non-Residential Unit leased by the Board of Managers or any of their designees, shall be held by the Board of Managers, or any of their designees, on behalf of all Unit Owners, in proportion to their Common Interests.

(c) Any profit upon any sale of (i) a Residential Unit so acquired by the Board of Managers, shall accrue to the benefit of the Residential Unit Owners, and (ii) a Non-Residential Unit so acquired shall accrue to the benefit of all Unit Owners.

ARTICLE 9
CONDOMINIUM INSTRUMENTS RUN WITH THE LAND

Section 9.1 All Owners, Tenants and Occupants Subject to Condominium Instruments 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 AND TERMINATION

Section 10.1 Amendment.

(a) Except for the rights of Declarant set forth in this Article 10 and elsewhere in this Declaration to amend this Declaration itself, and the right of the Board of Managers to cause this Declaration to be amended to reflect the alteration of Common Elements by the Board (or otherwise) and the alteration, combination or division of Unit(s) by Unit Owners (or otherwise), as discussed in this Declaration and in the By-laws, this Declaration may be modified, altered, amended or added to only at a duly called meeting of Unit Owners, provided that:

(i) 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;

(ii) Unit Owners representing at least 80% in number and Common Interest of Units, voting in person or by proxy approve the amendment at the meeting; and

(iii) the amendment, in the form approved at the meeting, is duly recorded in the City Register's Office.

(iv) no provision which shall materially impair or prejudice the rights and priorities of Permitted Mortgagees may be amended without the consent of at least fifty one percent (51%) of the Permitted Mortgagees, which consent shall not be unreasonably withheld, delayed or conditioned.

(b) Notwithstanding the foregoing, while Declarant is the only Unit Owner, Declarant may amend this Declaration without the necessity of calling a meeting.

(c) (i) Declarant and its successors and assigns shall have the further right, without the necessity of calling a meeting and without the vote or prior consent of any other Unit Owners and without the prior consent of 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 this Declaration and/or to the By-laws annexed hereto, to reflect changes in number, size, layout, etc. in

Units owned by Declarant, and any reapportionment of Common Interest and Residential Common Interests necessitated by such change, and to file simultaneously with said amendment, any amendment to the Tax Lot Drawings necessitated by such change, pursuant to Declarant's rights set forth in Section 7.8 of the By-laws and elsewhere and to reflect any related modifications arising out of such changes.

(ii) 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 and without obtaining any other party's consent, to effect changes and/or corrections consistent with Declarant's rights and obligations hereunder and under the Offering Plan.

(iii) Any amendments and filings made by Declarant pursuant to the foregoing shall be at Declarant's sole cost and expense, unless Declarant shall arrange otherwise with a party on whose behalf the modifications are being made.

(d) 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 number of Unit Owners, but shall contain a certification by the Board of Managers, or Declarant, if applicable, that the consents, if any, required for such change have been received and filed with the Board of Managers. With certain exceptions discussed 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. However, Declarant shall bear its costs with respect to amendments filed pursuant to Section 10.1(b), and Declarant shall, if applicable, bear the costs referred to in Section 10.1(c)(iii). Further, 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.

(e) 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 Condominium as a whole. Amendments filed by the Board of Managers on behalf of a Unit Owner shall be duplicated and distributed to all Unit Owners at the amending Unit Owner's sole cost and expense.

(f) No amendment to this Declaration may be adopted which adversely affects Declarant'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 adeversely affects any easements held, owned or retained by Declarant, or otherwise adversely affects Declarant's rights hereunder in any way whatsoever, without Declarant's prior written consent.

(g) No amendment to this Declaration may be adopted which adversely affects the Commercial Unit Owners rights hereunder with respect to the sale or leasing of Commercial Units or the making of alterations, additions and improvements to the Commercial Units, or otherwise adversely affects Commercial Unit Owners rights hereunder in any way whatsoever, without prior written consent of the Commercial Unit Owners.

Section 10.2 Termination and Withdrawal. The Condominium 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 the 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 number and Common Interest of Units provided such withdrawal shall only be effective with the consent of at least fifty one percent (51%) of the Permitted Mortgagees. If withdrawal of the Condominium from the Condominium Act is authorized as provided in this Section 10.2, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale arising out of the partition action 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 such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

ARTICLE 11
GENERAL

Section 11.1 Declarant's Rights and Obligations. Nothing contained in the Condominium Instruments shall be deemed to impose upon Declarant any obligation of any nature to build, construct or provide any improvements on the Property. 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. 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 10% of the legal or beneficial interest of Declarant, or (ii) an entity with respect to which Declarant owns more than 10% of the legal or beneficial interest, or (iii) an entity owned or controlled directly or indirectly by any of the members of Declarant.

Section 11.2 Resale Fee. The purchaser of a Residential Unit from Declarant (the "Purchaser") covenants and agrees that in the event Purchaser enters into an agreement, written or oral ("Resale Agreement") to resell the Residential Unit prior to the first anniversary of the date Purchaser acquired the Residential Unit at a closing from Declarant (a "Resale"), Purchaser shall be obligated to pay Declarant a portion of the proceeds of the Resale (the "Resale Fee"). Purchaser is required to send Declarant a copy of the Resale Agreement within ten (10) days of agreeing to the Resale. The Resale Fee paid to Declarant shall be equal to 50% of the difference between: (A) the sales price of the Residential Unit per the Resale Agreement less the following expenses actually paid for by the Purchaser (to the extant applicable): (i) brokerage commissions not exceeding 6% in the aggregate of the Resale Agreement sales price of the Residential Unit, and (ii) transfer taxes imposed by New York City and New York State; and (B) the Purchase Price paid to Declarant for the Residential Unit.

Section 11.3 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 11.4 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 11.5 Captions. The captions in the Condominium Instruments 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 11.6 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.

Section 11.7 IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed this ____ day of _____ 201_.

RDG-STONECUTTER 43RD AVE OWNER LLC

By:_____
Name:
Title:

STATE OF NEW YORK)
ss.:
COUNTY OF _____)

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 - By-laws of the Condominium

SCHEDULE A

LEGAL DESCRIPTION

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Queens, City, and State of New York, bounded and described as follows:

BEGINNING at a corner formed by the intersection of the Northwesterly side of Crescent Street with the Northeasterly side of 43rd Avenue (formerly Harris Avenue):

RUNNING THENCE Northeasterly along the said Northwesterly side of Crescent Street, 134 feet 6-5/8 inches;

THENCE Northwesterly, 100 feet to a point;

THENCE Southwesterly, 50 feet to a point;

THENCE Southeasterly, 50 feet to a point;

THENCE Southwesterly, parallel with Crescent Street, 86 feet 1/2 inch to the Northeasterly side of 43rd Avenue; and

THENCE Southeasterly, 50 feet 1/4 inch along said Northeasterly side of 43rd Avenue to the corner, the point or place of BEGINNING.

SCHEDULE B

UNIT	Tax Lot No.	Location	Description	Approx. Total Sq. Footage	Approx. Sq Footage of Terr/Balc/Outdoor Space	Approx. Interior Square Footage of Unit	Percentage of Common Interest	Percentage of Residential Common Interest	Common Elements which Unit has immediate access
RESIDENTIAL UNITS									
2A		2nd Floor	3-Bed	1,317	0	1,317	2.64%	2.97%	hallway, stairs, elevator
2C		2nd Floor	2-Bed	1,088	0	1,088	2.18%	2.45%	hallway, stairs, elevator
2D		2nd Floor	2-Bed	1,191	0	1,191	2.38%	2.69%	hallway, stairs, elevator
3A		3rd Floor	3-Bed	1,317	0	1,317	2.64%	2.97%	hallway, stairs, elevator
3C		3rd Floor	2-Bed	1,088	0	1,088	2.18%	2.45%	hallway, stairs, elevator
3D		3rd Floor	2-Bed	1,191	0	1,191	2.38%	2.69%	hallway, stairs, elevator
3E		3rd Floor	1-Bed	774	120	654	1.37%	1.54%	hallway, stairs, elevator
3F		3rd Floor	1-Bed	782	120	662	1.39%	1.56%	hallway, stairs, elevator
4A		4th Floor	3-Bed	1,317	0	1,317	2.64%	2.97%	hallway, stairs, elevator
4C		4th Floor	2-Bed	1,088	0	1,088	2.18%	2.45%	hallway, stairs, elevator
4D		4th Floor	2-Bed	1,191	0	1,191	2.38%	2.69%	hallway, stairs, elevator
4E		4th Floor	1-Bed	774	120	654	1.37%	1.54%	hallway, stairs, elevator
4F		4th Floor	1-Bed	782	120	662	1.39%	1.56%	hallway, stairs, elevator
5A		5th Floor	3-Bed	1,317	0	1,317	2.64%	2.97%	hallway, stairs, elevator
5B		5th Floor	1-Bed	626	0	626	1.25%	1.41%	hallway, stairs, elevator
5C		5th Floor	2-Bed	1,088	0	1,088	2.18%	2.45%	hallway, stairs, elevator
5D		5th Floor	2-Bed	1,191	0	1,191	2.38%	2.69%	hallway, stairs, elevator
5E		5th Floor	3-Bed	1,557	240	1,317	2.76%	3.11%	hallway, stairs, elevator
6A		6th Floor	3-Bed	1,317	0	1,317	2.64%	2.97%	hallway, stairs, elevator
6B		6th Floor	1-Bed	626	0	626	1.25%	1.41%	hallway, stairs, elevator
6C		6th Floor	2-Bed	1,088	0	1,088	2.18%	2.45%	hallway, stairs, elevator
6D		6th Floor	2-Bed	1,191	0	1,191	2.38%	2.69%	hallway, stairs, elevator
6E		6th Floor	3-Bed	1,557	240	1,317	2.76%	3.11%	hallway, stairs, elevator
7A		7th Floor	3-Bed	1,317	0	1,317	2.64%	2.97%	hallway, stairs, elevator
7B		7th Floor	1-Bed	626	0	626	1.25%	1.41%	hallway, stairs, elevator
7C		7th Floor	2-Bed	1,088	0	1,088	2.18%	2.45%	hallway, stairs, elevator
7D		7th Floor	2-Bed	1,191	0	1,191	2.38%	2.69%	hallway, stairs, elevator
7E		7th Floor	3-Bed	1,557	240	1,317	2.76%	3.11%	hallway, stairs, elevator
8A		8th Floor	3-Bed	1,317	0	1,317	2.64%	2.97%	hallway, stairs, elevator
8B		8th Floor	1-Bed	626	0	626	1.25%	1.41%	hallway, stairs, elevator
8C		8th Floor	2-Bed	1,088	0	1,088	2.18%	2.45%	hallway, stairs, elevator
8D		8th Floor	2-Bed	1,191	0	1,191	2.38%	2.69%	hallway, stairs, elevator
8E		8th Floor	3-Bed	1,557	240	1,317	2.76%	3.11%	hallway, stairs, elevator
PH-9A		9th Floor	3-Bed	2,610	1,144	1,466	3.52%	3.95%	hallway, stairs, elevator
PH-9B		9th Floor	4-Bed	3,246	1,144	2,102	4.80%	5.40%	hallway, stairs, elevator
PH-10C		10th Floor	3-Bed	2,798	1,332	1,466	3.61%	4.06%	hallway, stairs, elevator
PH-10D		10th Floor	4-Bed	3,941	1,989	1,952	4.92%	5.54%	hallway, stairs, elevator
subtotal				49,611	7,049	42,562	88.81%	100.00%	

NON-RESIDENTIAL UNITS									
Commercial Units									
NR-1A		1st Floor	N/A	2319	N/A	2319	4.64%	N/A	hallway, stairs, elevator
NR-1B		1st Floor	N/A	1007	N/A	1007	2.02%	N/A	hallway, stairs, elevator
subtotal				3,326		3,326	6.66%	N/A	
Parking Units									
P1-2		1st Floor	N/A	324	N/A	324	0.65%	N/A	hallway, stairs, elevator
P3		1st Floor	N/A	162	N/A	162	0.32%	N/A	hallway, stairs, elevator
P4		1st Floor	N/A	162	N/A	162	0.32%	N/A	hallway, stairs, elevator
P5		1st Floor	N/A	162	N/A	162	0.32%	N/A	hallway, stairs, elevator
P6		1st Floor	N/A	162	N/A	162	0.32%	N/A	hallway, stairs, elevator
P7		1st Floor	N/A	162	N/A	162	0.32%	N/A	hallway, stairs, elevator
P8		1st Floor	N/A	162	N/A	162	0.32%	N/A	hallway, stairs, elevator
P9		1st Floor	N/A	162	N/A	162	0.32%	N/A	hallway, stairs, elevator
P10		1st Floor	N/A	162	N/A	162	0.32%	N/A	hallway, stairs, elevator
P11		1st Floor	N/A	162	N/A	162	0.32%	N/A	hallway, stairs, elevator
P12		1st Floor	N/A	162	N/A	162	0.32%	N/A	hallway, stairs, elevator
subtotal				1,944		1,944	3.85%	N/A	
Storage Units									
S1		Cellar Floor	N/A	22	N/A	22	0.04%	N/A	hallway, stairs, elevator
S2		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S3		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S4		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S5		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S6		Cellar Floor	N/A	27	N/A	27	0.05%	N/A	hallway, stairs, elevator
S7		Cellar Floor	N/A	21	N/A	21	0.04%	N/A	hallway, stairs, elevator
S8		Cellar Floor	N/A	21	N/A	21	0.04%	N/A	hallway, stairs, elevator
S9		Cellar Floor	N/A	27	N/A	27	0.05%	N/A	hallway, stairs, elevator
S10		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S11		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S12		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S13		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S14		Cellar Floor	N/A	22	N/A	22	0.04%	N/A	hallway, stairs, elevator
S15		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S16		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S17		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S18		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S19		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
S20		Cellar Floor	N/A	16	N/A	16	0.03%	N/A	hallway, stairs, elevator
subtotal				364		364	0.68%	N/A	
Totals				55,245	7,049	48,196	100.00%	100.00%	

[PAGE INTENTIONALLY BLANK]

8. SCHEDULE C TO THE DECLARATION

BY-LAWS

of

FACTORY HOUSE CONDOMINIUM

42-60 CRESCENT STREET
LONG ISLAND CITY, NEW YORK

Jacobowitz Law P.C.
Attorneys for Declarant
377 Pearsall Avenue, Suite C
Cedarhurst, New York 11516
Attn: Moshe Jacobowitz, Esq.

TABLE OF CONTENTS

Page

ARTICLE 1. GENERAL 228

Section 1.1. Purpose.. 228
Section 1.2. Applicability of By-Laws.. 228
Section 1.3. Application.. 228
Section 1.4. Address.. 228
Section 1.5. Title to Units. 228

ARTICLE 2. BOARD OF MANAGERS 229

Section 2.1. Number and Qualification. 229
Section 2.2. Term of Office. 230
Section 2.3. Resignation and Removal of Members of the Board of Managers. 231
Section 2.4. Vacancies.. 231
Section 2.5. Powers and Duties. 232
Section 2.6. Managing Agent and Manager.. 237
Section 2.7. Organizational Meeting.. 237
Section 2.8. Regular Meetings. 237
Section 2.9. Special Meetings.. 238
Section 2.10. Waiver of Notice; Telephone Participation. 238
Section 2.11. Quorums, Determinations and Adjournments. 238
Section 2.12. Fidelity Bonds.. 239
Section 2.13. Compensation 239
Section 2.14. Liability of the Board of Managers and Officers of the Condominium. 239
Section 2.15. Committees.. 240
Section 2.16. Rules and Regulations 240

ARTICLE 3. UNIT OWNERS 240

Section 3.1. Annual Meetings. 240
Section 3.2. Place of Meetings. 241
Section 3.3. Special Meetings 241
Section 3.4. Notice of Meetings 241
Section 3.5. Adjournment of Meetings 241
Section 3.6. Order of Business 241
Section 3.7. Voting. 242
Section 3.8. Proxies. 243

Section 3.9. Majority of Unit Owners. 243
Section 3.10. Quorum. 243
Section 3.11. Binding Nature of Majority Vote. 243
Section 3.12. Action Without Meeting. 243

ARTICLE 4. OFFICERS **244**

Section 4.1. Designation and Qualification 244
Section 4.2. Election of Officers. 244
Section 4.3. Removal, Resignation and Other Vacancies. 244
Section 4.4. President 244
Section 4.5. Secretary. 244
Section 4.6. Treasurer 244
Section 4.7. Agreements, Contracts, Deeds, Checks, etc. 245
Section 4.8. Compensation of Officers. 245

ARTICLE 5. COMMON EXPENSES, CHARGES AND ASSESSMENTS DETERMINATION, PAYMENT, COLLECTION AND ACCOUNTS **245**

Section 5.1. Determination of Common Expenses and Fixing of Common Charges; Special Assessments. 245
Section 5.2. Accounts 248
Section 5.3. Reserves. 248
Section 5.4. Payment of Common Charges and Assessments; Liability of Grantee and Grantor After Transfer of Unit. 248
Section 5.5. Default in Payment of Common Charges and Assessments 249
Section 5.6. Collection of Common Charges and Assessments. 250
Section 5.7. Unpaid Common Charges and Assessments - Personal Obligation of Unit Owner and Lien on Unit. 250
Section 5.8. Foreclosure of Lien for Common Charges and Assessments; Liability of Grantee in Foreclosure. 250
Section 5.9. Proceedings to Foreclose Common Charge Liens or Otherwise Collect Unpaid Common Charges and Assessments; Unit Rentals. 251
Section 5.10. Statement of Monies Owed 251

ARTICLE 6. INSURANCE **251**

Section 6.1. Generally 251
Section 6.2. Repair or Reconstruction After Fire or Other Casualty. 253
Section 6.3. Unit Owner Failure to Rebuild. 254
Section 6.4. Termination of Condominium Following Damage or Destruction. 254

ARTICLE 7. THE CONDOMINIUM PROPERTY USE, OPERATION, PRESERVATION, MAINTENANCE AND REPAIR 254

Section 7.1. Maintenance and Repairs Which Are the Responsibility of the Board of Managers, the Residential Representatives, or the Non-Residential Representative. 254
Section 7.2. Maintenance and Repairs Which Are a Unit Owner's Responsibility. 254
Section 7.3. Quality, Type, and Scheduling of Maintenance and Repairs. 256
Section 7.4. Scaffolding 256
Section 7.5. Violations of Maintenance Obligations 257
Section 7.6. Restrictions on Use of Units 257
Section 7.7. Additions, Alterations or Improvements by Board of Managers 259
Section 7.8. Additions, Alterations or Improvements by Unit Owners. 261
Section 7.9. Use of Common Elements and Facilities. 263
Section 7.10. Right of Access. 264
Section 7.11. Utilities. 265

ARTICLE 8. MORTGAGES 265

Section 8.1. Unit Owner's Rights. 265
Section 8.2. Notice to Board of Managers 265
Section 8.3. Notice of Unpaid Common Charges or Other Default. 265
Section 8.4. Notice of Default. 265
Section 8.5. Permitted Mortgagees to Notify Board of Managers of Unit Owner's Default. 266
Section 8.6. Board of Managers Shall Be Notified in All Mortgage or Other Lien Foreclosures; Right to Bid 266
Section 8.7. Receivers 266
Section 8.8. Notice to Mortgagee 266

ARTICLE 9. SALES AND LEASES OF UNITS 267

Section 9.1. Sales. 267
Section 9.2. Leases. 269
Section 9.3. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers 271
Section 9.4. No Severance of Ownership. 271
Section 9.5. Release by Board of Managers of Right of First Refusal 271
Section 9.6. Certificate of Termination of Right of First Refusal 272
Section 9.7. Financing of Purchase of Units by Board of Managers. 272
Section 9.8. Exceptions 272

Section 9.9. **Gifts and Devises, etc** 272
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** 272
Section 9.11. **Payment of Assessments** 272
Section 9.12. **Discrimination** 273

ARTICLE 10. CONDEMNATION **273**

Section 10.1. **Action to Contest Condemnation.** 273
Section 10.2. **Obligation to Restore.** 273
Section 10.3. **Partition Action in Lieu of Continuation of Condominium after Partial Taking by Condemnation** 273
Section 10.4. **Distribution of Condemnation Awards.** 274
Section 10.5. **Temporary Taking** 274
Section 10.6. **Insurance Trustee.** 275

ARTICLE 11. ARBITRATION **275**

Section 11.1. **Applicability.** 275
Section 11.2. **Appointment of Arbitrators.** 275
Section 11.3. **Qualification of Arbitrators.** 276
Section 11.4. **Procedures.** 276
Section 11.5. **Costs and Expenses** 276
Section 11.6. **Agreement by Parties.** 277

ARTICLE 12. RECORDS AND AUDITS **277**

Section 12.1. **General** 277
Section 12.2. **Examination of Books.** 277

ARTICLE 13. GENERAL **277**

Section 13.1. **Notices.** 277
Section 13.2. **Real Estate Taxes.** 277
Section 13.3. **Abatement and Enjoinment of Violations by Unit Owners** 278
Section 13.4. **Invalidity** 279
Section 13.5. **Captions** 279
Section 13.6. **Plurals** 279
Section 13.7. **Waiver** 279

ARTICLE 14. AMENDMENTS TO BY-LAWS 279

Section 14.1. General. 279
Section 14.2. Declarant's Rights. 279
Section 14.3. Use of Units. 280

ARTICLE 15. CONFLICTS 281

Section 15.1. Generally 281

Exhibits

Exhibit A Initial Rules and Regulations of Condominium

BY-LAWS

of

FACTORY HOUSE CONDOMINIUM

42-60 CRESCENT STREET
LONG ISLAND CITY, 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 project known as Factory House Condominium (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. The term "***Property***" as used in these By-laws shall include, in addition to the Land, the Building and all other improvements thereon (including the Units and the Common Elements), all easements, rights and appurtenances belonging thereto, and all other property, personal or otherwise intended for use in connection therewith, all of which are intended to be submitted to the provisions of the Condominium Act.

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. Address. The address of the Condominium is 42-60 Crescent Street, Long Island City, New York 11101.

Section 1.5. 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) Notwithstanding the foregoing, before any such conveyance to a government or governmental mission, or to a department, agency or consulate of a government, or to any other individual or entity who or which may be entitled under applicable laws, conventions or treaties (including, without limitation, the United States Foreign Sovereign Immunities Act as same may be amended) to any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (or diplomatic or consular immunity, if applicable), from any legal or equitable proceedings

in the United States of America or elsewhere, may occur or be valid or effective, the Board of Managers may require that certain additional conditions be satisfied.

(c) Specifically, the Board of Managers may require that the potential grantee enter into an agreement with the Board of Managers, on terms acceptable to the Board of Managers and its counsel, in which the potential grantee (i) agrees to a specified arrangement for service of process, (ii) expressly and irrevocably waives, to the full extent permitted by law (including, without limitation, the United States Foreign Sovereign Immunities Act, as same may be amended), with respect to the potential grantee, and with respect to any and all other intended occupants of the Unit, any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise, (and diplomatic and consular immunity, if applicable) from any legal or equitable proceedings in the United States of America or elsewhere, brought by the Board of Managers or any other party claiming with respect to the Unit (including without limitation, immunity from service of process, immunity from jurisdiction of any court or tribunal, and immunity of any of that party's property from attachment prior to entry of judgment and from attachment in aid of execution, and from execution itself, upon a judgment), (iii) 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.

(d) 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.

(e) With respect to any potential grantee which is a governmental entity (i.e., any of the types of parties described in Section 1.5(b) above), or a corporation, limited liability company, partnership, trust or other entity including, without limitation, those itemized in Section 1.5 (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 and Qualification.

(a) The affairs of the Condominium shall be governed by a Board of Managers (the "**Board of Managers**" or the "**Condominium Board**"). The Board of Managers shall comprise Representatives of both the Residential and Commercial Unit Owners. The initial Board of Managers shall consist of two persons designated by the Declarant. These individuals 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 five (5) member Board of Managers shall be established in accordance with these By-laws. Of the five (5) members, four (4) individuals shall be appointed or elected by the Residential Unit Owners (the "**Residential Representatives**") and one (1) individual shall be elected or appointed by the Commercial Unit Owners as their Representative (the "**Non-Residential Representative or Commercial Representative**").

(b) At all annual meetings of Unit Owners, Declarant, its successor and/or its designee shall be entitled to vote for nominees for election to the Board in accordance with Declarant's, its successor's and/or its designee's ownership of Units. While Declarant, its affiliate, designee or

successor owns Residential Units representing at least 25% in Residential Common Interests, Declarant its affiliate, designee or successor may appoint a majority of the Residential Representatives of the Board of Managers. However, after the earlier of (i) conveyance of title to Residential Units representing 76% in Residential Common Interests, or, (ii) provided Declarant has conveyed title to Residential Units representing at least 51% in Residential Common Interests, the 5th annual anniversary of the First Unit Closing, Declarant will not have the right to appoint a majority of the Residential Representatives pursuant to this Paragraph. While Declarant, its affiliate, designee or successor collectively continue to own (i) Residential Units representing less than 25% but at least 10% in Residential Common Interests, Declarant, its affiliate, designee or successor shall have the right to appoint two (2) members of the Residential Representatives, and (ii) Residential Units representing less than 10% in Residential Common Interests but at least one Residential Unit, Declarant shall have the right to appoint one (1) of the members of the Residential Representatives.

(c) Notwithstanding anything in these By-laws to the contrary, whenever Declarant shall have the right to designate more than one member of the Board, the Residential Representatives or the Non-Residential Representative, Declarant may appoint one person to serve on the Board, the Residential Representatives or the Non-Residential Representative and that person shall have the same rights and votes as would have been available to Declarant had Declarant appointed separate Board, Residential Representatives or Non-Residential Representative members.

(d) So long as Declarant, its successor and/or its designee continues to own at least one Unit, the number of members of the Residential Representatives, Non-Residential Representative and the Board of Managers may not be changed without the prior consent of Declarant, its designee, affiliate and/or designee.

(e) The number of members of the Board of Managers may not be changed without the prior consent of the Non-Residential Unit Owners.

(f) All members of the Residential Representatives of the Board of Managers, other than the appointees of Declarant, its successor, affiliate or designee(s), shall be Unit Owners or spouses of Unit Owners (in the case of individual Unit Owners), or shall be the designee of a Permitted Mortgagee of a Unit. In the case of partnership Owners or mortgagees, the Board member shall be a general partner of such partnership (and, if the general partner is a corporation or partnership, shall be an officer, director, shareholder, or partner of such corporate or partnership general partner, as applicable). In the case of corporate Unit Owners or mortgagees, the Board member shall be an officer, director, or shareholder of such corporation. In the case of limited liability company Owners or mortgagees, the Board member shall be a member of such company or a principal of a member of the company. With respect to any other type of Unit Owner or mortgagee that is an entity, the Board member must be an individual principal, member, or other authorized designee of the Unit Owner or mortgagee. With respect to multi-party Residential Unit Owners (i.e., spouses, partners), only one person per Unit may be a member of the Board of Managers. The Non-Residential Representative need not be a Non-Residential Unit Owner, nor must he or she have any of the relationships to the Non-Residential Unit Owners set forth above, but he or she must be the elected or appointed Representative of the Non-Residential Unit Owners. To be authorized to vote as a Board member, a Unit Owner must not be in default of any payment of Common Charges and other assessments.

(g) If a member of the Board of Managers ceases to meet the qualifications for membership set forth in the previous paragraph, he or she shall be deemed to have resigned from the Board effective as of the date such ownership, stock ownership, partnership, mortgage or other qualifying interest ceased.

Section 2.2. Term of Office.

(a) The term of office of members of the Residential Representatives of the Board of Managers elected at the first annual meeting of Unit Owners shall be two (2) years for two (2) members and one year for two (2) members, or until their respective successors are elected or appointed. The two (2) candidates receiving the highest number of votes shall serve the two-year terms, and the two (2) candidates receiving the next highest number of votes shall serve the one-year terms. Thereafter at all annual meetings, candidates will be elected for two-year terms. Declarant's appointees to the Residential Representatives shall serve one-year terms while they are members of the Residential Representatives.

(b) The term of office of the Non-Residential Representative of the Board of Managers elected or appointed at the first annual meeting of Unit Owners shall be two (2) years, or until its successor is elected or appointed.

(c) Members of the Board of Managers may serve for more than one term.

(d) When in accordance with these By-laws the number of Declarant-appointed members of the Residential Representatives is to decrease as a result of Declarant's decreased ownership, the Declarant-appointed Board member shall step down at the end of his or her term (or sooner if Declarant or its designee shall so direct). Likewise, when Declarant, its successor and its designee no longer own any Residential Units, Declarant's appointee to the Residential Representatives shall step down at the end of his or her term (or sooner, if Declarant or its designee so directs). A successor to a departing Declarant-appointee shall be elected by the Residential Unit Owners at an annual meeting or at a special meeting of Unit Owners, as the Board or the timing of the Declarant-designee's resignation shall dictate, for a term of one year or two years, as determined by the remaining members of the Residential Representatives, to insure that terms of not more than two (2) members of the Residential Representatives expire in any one year.

Section 2.3. Resignation and Removal of Members of the Board of Managers.

(a) 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 Residential Unit Owners, any one or more of the members of the Residential Representatives, other than a member appointed or elected by Declarant or its designee, may be removed with or without cause by a majority of the Residential Unit Owners and a successor to any such Residential Representatives member may then and there or thereafter be elected by the Residential Representatives to fill the vacancy thus created, provided notice of such proposed removal was given to the Board member and in the notice of the meeting. Any member of the Board 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. The Non-Residential Representative may be removed by the unanimous decision of the Commercial Unit Owners without notice for any reason and by the Residential Unit Owners (with notice), for cause. 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 Declarant-appointed members being removed by Declarant, as to whom no such opportunity need be given). Regardless of whether a Declarant-appointee to the Board is removed by Declarant, Declarant's designee or the Unit Owners, only the Declarant or its designee shall have the right to designate a replacement for such Declarant-appointee. Similarly, only the Commercial Unit Owners shall have the right to designate a replacement for the Non-Residential Representative who has been removed from the Board.

Section 2.4. Vacancies. Subject to the provisions of Section 2.3 above, vacancies in the Residential Representatives of the Board of Managers caused by any reason shall be filled by vote of a majority of the remaining Residential Representatives members at a special meeting of the Residential Representatives held for that purpose promptly after the occurrence of any such vacancy, even though the

members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Residential Representatives of the Board of Managers for the remainder of the term of the predecessor member and until a successor shall be elected. Subject to Section 2.3 above, a vacancy caused by death, resignation or otherwise of the Non-Residential Representative, shall be filled by vote or appointment of the Commercial Unit Owners at a meeting called for that purpose promptly after the occurrence of the vacancy. Any person so elected shall be the Non-Residential Representative for the remainder of the term of the predecessor member and until a successor shall be elected or appointed. Notwithstanding the foregoing, vacancies in the Board of Managers caused by death, resignation or otherwise of members appointed by Declarant, its successor or its designee, shall be filled only by appointment by Declarant, its successor or its designee.

Section 2.5. Powers and Duties.

(A) **Board of Managers 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 however, which (i) affect only the Residential Area and do not "adversely affect" the Non-Residential Area or the use of the Non-Residential Units for their permitted purposes, may be made by the Residential Representatives, and (ii) affect only the Commercial Area and do not "adversely affect" the Residential Area, Parking Area or Storage Area or the use of the Residential Units, Parking Units or Storage Units for their permitted purposes, may be made by the Non-Residential Representative. All other determinations with respect to administration of the affairs of the Condominium including, without limitation, determinations which (i) relate to the Non-Residential Area and adversely affect the Residential Area, or (ii) relate to the Residential Area and adversely affect the Non-Residential Area, or (iii) relate to or affect the General Common Elements (including, but not limited to, establishment of General Common Charges), or (iv) , relate to either the Parking Area or the Storage Area, shall be made by the full Board of Managers. A dispute with respect to whether the determination of one component of the Condominium adversely affects the other component of the Condominium shall not be deemed to exist unless the objecting party specifies the ground for its objection in writing to the other party within ten (10) days of receipt by it of notice of such determination. Both the Residential Representatives and the Non-Residential Representative shall have a duty to notify each other in writing each time a determination is made by one of them that might reasonably be expected to have a material impact on the Residential Area, Parking Area or Storage Area, if the determination is by the Non-Residential Representative, or on the Non-Residential Area, if the determination is by the Residential Representatives (See Section 2.17 of these By-laws in this regard.). Determinations and tasks affecting the Parking Units or Storage Units shall be administered and managed by the Board of Managers and not by either the Residential Representatives or the Non-Residential Representative alone.

Subject to the foregoing, the powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep, maintenance, repair, replacement, and cleaning of the General Common Elements.

(b) Determination of the General Common Charges required to pay for the General Common Expenses of the Condominium, and determination of the portion of General Common Expenses to be paid by the Residential Unit Owners as part of their Residential Common Charges and the portion of General Common Expenses to be paid by the Non-Residential Unit Owners as their Non-Residential Common Charges.

(c) Collection of delinquent General Common Charges and other assessments from Unit Owners and expenditure of same to pay General Common Expenses.

(d) Employment and dismissal of the personnel necessary for maintenance and operation of the General Common Elements.

(e) Adoption and amendment of the Rules and Regulations covering operation and use of the Property, subject to prior approval by the Residential Representatives of Rules and Regulations governing the use of the Residential Area, Parking Area and Storage Area, and subject to the prior approval by the Non-Residential Representative of Rules and Regulations governing the use of the Non-Residential Area, and seeking of damages and impositions of fines from Unit Owners for violations of Rules and Regulations. However, neither the Board of Managers, the Residential Representatives or the Non-Residential Representative may enact rules or regulations or perform any acts, or make any other provisions that would interfere with Declarant's, its successor's, affiliates, and/or designee's rights set forth in these By-laws or in the Declaration.

(f) Opening and maintaining of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(g) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, Residential or Non-Residential Units offered for sale or lease, and Residential or Non-Residential Units surrendered by their owners to the Board of Managers.

(h) Purchasing a Residential or Non-Residential Unit at foreclosure or other judicial sale in the name of the Board of Managers, or its designee, corporate or otherwise.

(i) Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights, and interests in real and personal property for use in connection with the ownership and operation of the Property.

(j) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Managers), or otherwise dealing with Residential or Non-Residential Units acquired by the Board of Managers or its designee, corporate or otherwise.

(k) Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Residential or Non-Residential Units or rights and interests in real and personal property.

(l) Procuring and maintaining insurance for the Property, pursuant to the provisions of Article 6 hereof.

(m) 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.

(n) Borrowing money and thereby incurring debt on behalf of the Condominium in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations, improvements or additions to or alterations of, the General Common Elements, working capital, bad debts and unpaid Common Charges, depreciation, obsolescence or similar purposes, or otherwise in connection with any permitted action or activity of the Board. However, (i) the consent of Unit Owners representing at least a majority in number and Common Interest 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 the provisions of these By-laws, shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of loans outstanding from previous years) and (ii) 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 (p) below. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (n) 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 Instruments.

(o) In addition, in connection with a debt incurred by it pursuant to the foregoing paragraph, the Board of Managers, on behalf of the Unit Owners, may (i) assign to the lender the Board's rights in and to future General Common Charges, (ii) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that the Board holds, (iii) 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 (iv) 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 (o) 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.

(p) 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 General Common Charges payable by the Unit Owner against whom they are assessed.

(q) 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.

(r) Execution, acknowledgment and delivery of (i) any declaration or other instrument affecting the Property 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, demolition, construction, alteration, repair or restoration of the Property, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Board of Managers deems necessary or appropriate.

(s) 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 Condominium 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.

(t) 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.

(u) Determining to license portions of the Common Elements for the exclusive use of specific Unit Owners for storage purposes or to a particular Unit Owner by reason of that Owner's ownership of a particular Unit or Units, to charge a fee for such use, to treat such fee as an assessment by the Board and to enter into a license agreement with any Unit Owner desiring to use such space, setting forth the terms of the license, provided such license does not prevent any other Unit Owners access to any usable and otherwise accessible Residential Common Elements such as the outdoor recreational area, gym/recreational area, the bike room or the children's room/area. In the event any license does in fact prevent any other Unit Owner(s) access to any usable and otherwise accessible Residential Common Elements such as the outdoor recreational area, gym/recreational area, the bike room or the children's room/area, the Board shall first obtain the consent of such affected Unit Owner(s) prior to such license.

(v) Enforcing obligations of all Unit Owners.

(B) **Residential Representatives**: The Residential Representatives shall be entitled, to the extent permitted by law, and by the provisions of Section 2.5(A) of these By-laws, to make determinations and undertake certain of the foregoing tasks on behalf of the Board of Managers, insofar as said determination and tasks affect only the Residential Area and do not adversely affect the Non-Residential Units. Thus, subject to the foregoing, the determinations and actions the Residential Representatives may make, include without limitation, those concerning:

(a) Operation, care, upkeep, maintenance, repair, replacement, and cleaning of the Residential Area.

(b) The amount of Residential Common Charges subject, however, to determination by the Board of Managers of the Residential Area's share of General Common Charges, and collection of Residential Common Charges and payment of portion of same attributable to General Common Charges to the Board of Managers.

(c) Employment and dismissal of the personnel necessary for the maintenance and operation of the Residential Area.

(d) Making ordinary repairs, restorations, additions and improvements to, or alteration of, the Residential Common Elements.

(e) Making repairs to and restorations of the Residential Area or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

(f) Enforcing obligations of Residential Unit Owners.

(C) **Non-Residential Representative**: The Non-Residential Representative shall be entitled, to the extent permitted by law, by the provisions of Section 2.5(A) of these By-laws, to make determinations and undertake certain tasks ascribed to the Board of Managers in Section 2.5(A) of these By-laws, on behalf of the Board of Managers, insofar as said determinations and tasks affect only the Commercial Units and do not adversely affect the Residential Area, Parking Area or Storage Area. Thus, subject to the foregoing, the determinations and actions the Non-Residential Representative may make, include, without limitation, those concerning:

(a) Operation, care, upkeep, maintenance, repair, replacement, and cleaning of the Non-Residential Area.

(b) The amount of Non-Residential Common Charges, subject, however, to determination by the Board of Managers of the Non-Residential Unit Owners' share of General Common Charges, and collection of Non-Residential Common Charges and payment of the portion of same attributable to General Common Charges to the Board of Managers.

(c) Employment and dismissal of the personnel necessary for the maintenance and operation of the Non-Residential Area.

(d) Making ordinary repairs, restorations, additions and improvements to, or alteration of, the Non-Residential Common Elements.

(e) Making repairs to and restorations of the Non-Residential Area or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

(f) Enforcing obligations of Non-Residential Unit Owners.

(D) **Action by Residential Representatives or Non-Residential Representative**: Any action required or permitted to be taken pursuant to the provisions of these By-laws or the Declaration by either the Residential Representatives or the Non-Residential Representative may, if permitted by law, be taken by either the Residential Representatives or the Non-Residential Representative in their own name or in the name of the Board of Managers, or, if required by law, shall be taken by the Board at the request of the Residential Representatives or the Non-Residential Representative, as applicable. The Board of Managers shall, upon request, execute, acknowledge and deliver any and all instruments, documents or applications in connection with any permitted actions taken by the Residential Representatives or the Non-Residential Representative in the name of the Board, provided, however, that the party taking such action shall be deemed to indemnify and hold harmless the other and, in the case of action taken by the Non-Residential Representative, the Non-Residential Representative shall also indemnify and hold harmless the Residential Unit Owners from any expense or liability thereof or therefrom.

(E) **Actions Where No Consent Is Necessary:** Notwithstanding anything to the contrary contained in these By-laws, (a) no action which is taken or omitted to be taken by or on behalf of the Residential Representatives or Residential Unit Owners shall be deemed to adversely affect in any way the Non-Residential Area or the use of the Non-Residential Units for their permitted purposes and thus shall not require the consent or approval of the Non-Residential Representative or the Non-Residential Unit Owners unless the use of any portion of the Residential Area would result in or involve a violation of the provisions of Section 7.6 of these By-laws, and (b) no action which is taken or omitted to be taken by or on behalf of the Non-Residential Representative or the Commercial Unit Owners shall be deemed to adversely affect in any way the Residential Area, Parking Area or Storage Area or the use of Residential Units, Parking Units or Storage Units for their permitted purposes and thus shall not require

the consent or approval of the Residential Representatives or Residential Unit Owners unless the use of any portion of the Non-Residential Area would result in or involve a violation of the provisions of Section 7.6 of these By-laws.

(F) **Limitations During Period of Declarant Control**: Notwithstanding anything to the contrary contained in these By-laws, until Declarant, its successor, affiliate or designee conveys title to all Units offered pursuant to the Offering Plan, but for no longer than a period of five (5) years after the date of the First Unit Closing under the Offering Plan, neither the Residential Representatives nor the Board of Managers may, without the prior written consent of Declarant, its successor, affiliate and/or designee, (i) make or permit to be made any addition, alteration or improvement to the General Common Elements, Residential Common Elements or Limited Common Elements appurtenant to Residential Units, or to any Unit owned by Declarant, its successor, affiliate and/or designee or (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, Declarant will not unreasonably withhold consent to additions to any contingency reserve provided for in Schedule B to the Offering 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), or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent the existing reserves are insufficient), or (iv) amend the Declaration or By-laws so as to affect Declarant, its successor and/or its designees adversely in any way, or (v) increase the number of employees from those described in Schedule B to the Offering Plan. Declarant, its successor, affiliate, and designee shall have the right to withhold its consent to any of the foregoing actions.

Section 2.6. Managing Agent and Manager. The Board of Managers may employ for management of the Condominium a managing agent and/or a manager (which managing agent may be Declarant, its successor, affiliate and/or designee) at a reasonable and fair compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the manager or managing agent the power in subdivisions A(f), (B)(g) and (C)(g) of Section 2.5 of these By-laws, provided that the Board retains the power to designate the signatories on any account opened pursuant thereto, and 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 2.7. Organizational Meeting. The first meeting of the members 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 thirty (30) 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 2.8. 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. Regular meetings of the Residential Representatives shall be held at such time and place as shall be determined from time to time by a majority of the members of the Residential Representatives. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, and notice of regular meetings of the Residential Representatives shall be given to each member of the Residential Representatives, as applicable (i.e., depending on the meeting being called), personally or by mail, telephone or telegraph, at least three (3) business days prior to the day named for such meeting. The foregoing shall not be construed to mean that notice of meetings of the Residential Representatives must be given to the Non-Residential Representative.

Section 2.9. Special Meetings. Special meetings of the Board of Managers or the Residential Representatives may be called by the President on not less than three (3) business days' notice to each member of the Board of Managers or the Residential Representatives, given personally or by mail, telephone or telegraph, 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 Board of Managers.

Section 2.10. Waiver of Notice; Telephone Participation.

(a) Any member of the Board of Managers, the Residential Representatives, or the Non-Residential Representative may at any time waive notice of any meeting of the Board of Managers, or Residential Representatives, in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers or the Residential Representatives or the Non-Residential Representative at any meeting of the Board, or Residential Representatives 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 the Residential Representatives or the Non-Residential Representative or any member of either group may participate in a meeting of the Board, or the Residential Representatives 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, or the Residential Representatives, as applicable, are present at any meeting of the Board, or the Residential Representatives, respectively, no notice shall be required and any business may be transacted at such meeting.

Section 2.11. Quorums, Determinations and Adjournments.

(a) Except as otherwise set forth in these By-laws, all determinations of the Board of Managers, or Residential Representatives, shall be made at a meeting of the Board, or Residential Representatives, as applicable, at which a quorum is present. At all meetings of the Board of Managers, or the Residential Representatives a majority of the members thereof 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 Board meeting, or a majority of the members of the Residential Representatives present at a meeting of the Residential Representatives, at which a quorum is established, shall constitute the decision of the Board of Managers, or the Residential Representatives, as applicable. Notwithstanding the foregoing, if a vote held at a meeting of the Board of Managers at which the Non-Residential Representative is not present, purports to authorize action adversely affecting any Non-Residential Unit, a quorum shall not be deemed to have been established at that meeting. In such event, the vote taken at that meeting shall be voidable at the option of the Non-Residential Representative, by written notice given to the Board by the Non-Residential Representative within ten (10) days after the vote is taken.

(b) If at any meeting of the Board of Managers, or the Residential Representatives, 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.

(c) Any action required or permitted to be taken by the Board of Managers, or the Residential Representatives or any members of either group, may be taken without a meeting if all members of the Board, the Residential Representatives, or the members of either group, 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 Residential Representatives.

(d) When the Residential Representatives and the Non-Residential Representative, each 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 Representatives and the Non-Residential Representative are filed with the records of the Board of Managers.

Section 2.12. Fidelity Bonds. The Board of Managers will obtain adequate fidelity bonds for all members of the Board of Managers, the Residential Representatives, the Non-Residential Representative, and for officers of the Board of Managers, and employees of the Condominium and of the managing agent handling or responsible for Condominium funds. The premiums on such bonds shall constitute a General Common Expense.

Section 2.13. 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. However, these By-laws shall not be amended to provide otherwise while Declarant, its successor or its designee owns at least one Unit.

Section 2.14. Liability of the Board of Managers and Officers of the Condominium.

(a) The members and officers of the Board of Managers, the Residential Representatives, and the Non-Residential Representative 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, the Residential Representatives and the Non-Residential Representative against all loss, damage or liability that a Board member, or officer 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, a member of the Residential Representatives, the Non-Residential Representative, 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, members of the Residential Representatives and the Non-Residential Representative shall have no personal liability with respect to any contract made by them as the Board of Managers or the Residential Representatives or the Non-Residential Representative 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, the Residential Representatives or the Non-Residential Representative or out of the aforesaid indemnity in favor of the members of the Board of Managers, the Residential Representatives and the Non-Residential Representative, shall be limited to the Unit Owner's proportionate share of the total liability based on the Unit Owner's Common Interest. If such liability pertains only to the Residential Area, then liability shall be limited to such Unit Owner's proportionate share of liability based on Residential Common Interest. If liability pertains only to the Non-Residential Area, liability shall be limited to such proportionate share of liability as the Non-Residential Unit Owner's Common Interest bears to the aggregate Common Interest of all other Non-Residential Unit Owners.

(c) Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium (or by the Residential Representatives on behalf of the Residential Unit Owners, Parking Unit Owners, and Storage Unit Owners or by the Non-Residential Representative on behalf of the Non-Residential Unit Owners), shall provide or be deemed to provide that

the members of the Board of Managers, the Residential Representatives, the Non-Residential Representative 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 Interests if it concerns a Residential Unit, and to such percentage of liability as the Owner's Common Interest bears to the aggregate Common Interest of all Non-Residential Units, if it concerns a Non-Residential Unit.

Section 2.15. Committees. The Board of Managers, the Residential Representatives, and the Non-Residential Representative may by resolution create Committees as they shall deem appropriate and such Committee shall each consist of at least two members of the Board and shall each have such powers and authority as the Board of Managers, Residential Representatives, or Non-Residential Representative shall vest therein. The members of any such Committee, at least one of whom shall be appointed by Declarant, its successor, affiliate or its designee, so long as Declarant, its successor, affiliate or designee has the right to appoint a member of the Board, shall be appointed by the President of the Condominium. Such 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, except that the Committee shall not have power (a) to determine the General Common Charges and General Common Expenses required for the affairs of the Condominium, (b) to adopt or amend the Rules and Regulations, or (c) to exercise any of the powers set forth in subdivisions g, h, i, j, o, p, r, s, t and u of Section 2.5(A) of these By-laws.

Section 2.16. Rules and Regulations. Rules and Regulations concerning the use of the Units and the Common Elements 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 may be rescinded by vote of a super majority (80% of all Unit Owners) of the Unit Owners at a meeting duly called for that purpose. ***The initial Rules and Regulations are attached as Exhibit A to these By-Laws for convenience, and 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 in the ordinary course of business, without the formality of amending the By-laws. Each Unit Owner must comply strictly with the 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 United Owner. In the case of repeated or flagrant violations, the Board may ask the offending Unit Owner for sufficient surety for future compliance.

ARTICLE 3.

UNIT OWNERS

Section 3.1. Annual Meetings.

(a) Subject to one or more reasonable extensions of such period that Declarant may determine, within approximately sixty (60) days after the earlier of (i) conveyance of title by Declarant to no less than 51% of the Residential Units established upon the recording of the Declaration, or (ii) the second annual anniversary date of the First Unit Closing under the Offering Plan, Declarant shall call and conduct the first annual meeting of the Unit Owners. Declarant reserves the right, however, to call the first annual meeting at such earlier date as Declarant shall in its discretion select. Thereafter, annual meetings of the Unit Owners shall be held within approximately three weeks of the anniversary of the first annual meeting.

(b) At all annual meetings the Non-Residential Representative shall be appointed or elected, as applicable, by the Commercial Unit Owners, and the Residential Representatives shall be elected by voice vote or by ballot of the Residential Unit Owners in accordance with the requirements of Article 2 of these By-laws.

(c) Subject to the provisions of Article 2 above, so long as Declarant, its successor or its designee owns (i) Residential Units representing at least 25% in Residential Common Interests, Declarant, its successor, affiliate or designee shall have the right, but not the obligation, to appoint a majority of members to the Residential Representatives, (ii) Residential Units representing less than 25% but at least 10% in Residential Common Interests, Declarant, its successor, affiliate and/or designee shall have the right to appoint two (2) members of the Residential Representatives, and (iii) Residential Units representing less than 10% in Residential Common Interests but at least one Residential Unit, Declarant, its successor, affiliate and/or designee shall have the right to appoint one (1) member of the Residential Representatives. All other members of the Residential Representatives shall be elected by the Residential Unit Owners including Declarant, its successor, and/or its designee. The Unit Owners may 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 35% in Common Interest, in the aggregate, of all Unit Owners, with respect to calling meetings of all Unit Owners, or not less than 35% in number and Residential Common Interests, in the aggregate, of the Residential Unit Owners, with respect to calling meetings of 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 (10) but not more than forty (40) 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 the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 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. 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 (except the Board of Managers or its designee voting at a meeting to elect members of the Board of Managers but including Declarant, its successor, affiliate and/or designee with respect to each Unit they own), shall be entitled to cast one vote either in person or by proxy for each .1% 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. Votes attributable to one Unit may not be cumulated or split.

(b) Each Residential Unit Owner (except the Residential Representatives, the Board of Managers or their designee voting at a meeting to elect member(s) of the Residential Representatives but including Declarant, its successor and its designees with respect to each Residential Unit they own), shall be entitled to cast one vote either in person or by proxy for each .1% of Residential Common Interests attributable to said Unit Owner's Residential Unit(s) for each item voted upon at all meetings of Residential Unit Owners. Accordingly, the total number of votes that may be cast at meetings of all Residential Unit Owners is 1,000. Votes attributable to one Unit may not be split or cumulated.

(c) For so long as there shall be one (1) Non-Residential Unit Representative, the Commercial Unit Owners will elect by unanimous vote or by appointment the Non-Residential Unit Representative. In the event these By-laws are amended (in accordance with the provisions set forth herein) to provide for additional Non-Residential Representatives, the Non-Residential Unit Owners (except the Non-Residential Representative, the Board of Managers, or their designee) voting at a meeting to elect the Non-Residential Representatives, shall be entitled to cast one vote for each .1% of the Unit's proportionate Non-Residential common interest (i.e., which percentage is derived by dividing the Unit's Common Interest by the aggregate Common Interest allocated to all Non-Residential Units), for each item voted on at all meetings of Non-Residential Unit Owners. Accordingly, the total number of votes that may be cast at meetings of all Non-Residential Unit Owners is 1,000. Votes attributable to one Unit may not be split or cumulated.

(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. Those owning a Unit jointly or in common must act unanimously and may not cast more than one vote for each .1% of Common Interest or Residential Common Interests or Non-Residential common interests attributable to the Unit, and may not split or cumulate said votes.

(e) Elections of members of the Residential Representatives by the Residential Unit Owners and, if applicable, election of the Non-Residential Representative by the Commercial Unit Owners, shall be by plurality vote. At all elections for members of the Residential Representatives or Non-Residential Representative, as applicable, a Residential Unit Owner or Commercial Unit Owner, respectively, 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, the votes may be cast three

times, and in no event can the votes be split, cumulated, or cast together for one or more of the managers to be elected. The Non-Residential Unit Owners may not vote for members of the Residential Representatives and Residential Unit Owners may not vote for the Non-Residential Representative.

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(s) 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 the term "majority of Unit Owners" shall mean those Owners of Units representing more than 50% of the total authorized votes of all Unit Owners. The term a "majority of Residential Unit Owners" shall mean those Owners of Residential representing more than 50% of the total authorized votes of all Residential Unit Owners. The term "majority of Non-Residential Unit Owners" shall mean those Owners of Non-Residential Units representing more than 50% of the total authorized votes of all Non-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 the Residential or Non-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 the Residential Unit Owners or of the Non-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 Unit Owners representing 66% of the total authorized votes of all Unit Owners shall constitute a quorum at meetings of all the Unit Owners, the presence in person or by proxy of Residential Unit Owners representing 66% of the total authorized votes of all Residential Unit Owners shall constitute a quorum at all meetings of Residential Unit Owners and the presence in person or by proxy of Non-Residential Unit Owners representing 66% of the total authorized vote of all Non-Residential Unit Owners shall constitute in quorum at all meetings of Non-Residential Unit Owners.

Section 3.11. Binding Nature of Majority Vote. Except where otherwise provided by law, the Declaration or these By-laws, (a) 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 upon all Residential Unit Owners for all purposes, (b) at all separate meetings of Non-Residential Unit Owners the vote of a majority of Non-Residential Unit Owners present in person or by proxy at a meeting where in quorum has been established, shall be binding upon all Residential Unit Owners for all purposes, and (c) at 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.

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 Residential Unit Owners and the Non-Residential Unit Owners, 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, the Secretary, and the 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 President must 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. 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.

Section 4.5. 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, Residential Representatives, or the Non-Residential Representative 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 4.6. 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 also have the responsibility for Residential Area and Non-Residential Area funds and securities to the extent they are separate from Condominium funds and securities, and shall be responsible for keeping full and accurate financial records and books of account showing receipts and disbursements for the Residential Area and the Non-Residential Area. The Treasurer shall be responsible for the preparation of all required financial data, for the deposit of all moneys and other valuable effects in the name of the Board of Managers, the Residential Representatives, the Non-Residential Representative, or the Managing Agent, as applicable, in such depositories as may from time to time be designated by the Board of Managers, the Residential Representatives or the Non-Residential Representative. 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 and/or the Residential Representatives and/or the Non-Residential Representative 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 Section 4.7. 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 4.7. 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 Residential Representatives and the Non-Residential Representative, shall be executed by any an officer of the Condominium (or of the Residential Representatives or the Non-Residential Representative, as applicable) or by such other persons as may be designated by the Board of Managers (or the Residential Representatives or Non-Residential Representative, as applicable).

Section 4.8. 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, its successor, affiliate, or its designee owns at least one Unit, without the consent of Declarant, its successor, affiliate and 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) (i) The Board of Managers shall from time to time, and at least annually, prepare a 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 the portion of General Common Expenses to be paid by Residential Unit Owners as part of their Residential Common Charges and the portion of General Common Expenses to be paid by the Non-Residential Unit Owners as part of their Non-Residential Common Charges. Generally, however subject to subsection (ii) immediately below, General Common Expenses will be allocated between the Residential Area and the Non-Residential Area pro rata in accordance with the aggregate Common Interest attributable to each such component of the Condominium. Subject to subsection (ii) immediately below, the Board shall have the right to determine General Common Charges on a different basis than Common Interest. The Board may compute General Common Charges for a Unit, the Residential Unit Owners, Commercial Unit Owners, Storage Unit Owners or Parking Unit Owners based on the estimated amount by which a particular expense item benefits or is used by the Unit, the Residential Unit Owners, Commercial Unit Owners, Storage Unit

Owners or Parking Unit Owners, provided the allocation is fairly attributable to the Unit, the Residential Unit Owners, Commercial Unit Owners, Storage Unit Owners or Parking Unit Owners and reasonable under the circumstances (for example, the costs of electricity, maintenance and repairs to the Parking Units and the General Common Elements directly and exclusively serving the Parking Units shall be paid by the Parking Unit Owners, and likewise the costs of electricity, maintenance and repairs to the Storage Units and the Common Elements directly and exclusively serving the Storage Units shall be paid by the Storage Unit Owners, both of the preceding examples shall be paid as Storage and Parking Common Charges).

(ii) Pursuant to N.Y. Real Prop. Law ("RPL") §339-m, the common expenses and profits (except as to insurance) are limited and there are special allocations affecting the Non-Residential Units. In particular, the Non-Residential Units will not been allocated any expense or a reduced level of expense for the following Common Expenses: (a) labor expenses (Non-Residential Units will not substantially benefit from the doorman and/or superintendent); (b) utilities will have a reduced allocation of 50% of the cost of electricity to reflect and only attribute the General Common Elements (and not include electricity associated with the Residential Common Elements); (c) water and sewer have a reduced allocation of 75% to reflect the usage of Residential Units to Non-Residential Units (household and residential uses such as cooking, consumption, washing and bathing) until such time as the Commercial Units are submetered (at the discretion and direction of the Board) after which time water and sewer expenses will not be allocated any expense for the Non-Residential Units and the Commercial Unit Owners will pay their metered water and sewer costs to the Board; (d) service contracts for elevator and trash compactor and the cost or expense, if any, associated with the gym/recreational areas on the 2nd floor of the Building and any other amenity that is part of the Residential Common Elements are not included in the computation and expenses for Non-Residential Units (of which the Non-Residential Unit Owners do not benefit or share in); and (e) management fees have a reduced allocation of 50% of the work and contract reflecting the work associated with the General Common Elements (and not including work associated with the Residential Common Elements). This provision relating to the determination and modification of special allocations may not be amended without the consent of the affected Non-Residential Unit Owners.

(iii) If a Non-Residential Unit Owner objects to any such allocation as between that Unit Owner and 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.

(iv) The Board of Managers shall advise the Residential Representatives and the Non-Residential Representative promptly, in writing, of the amount of General Common Charges payable by the Residential Unit Owners and the Non-Residential Unit Owners, respectively, as determined by the Board of Managers, and shall furnish copies of each budget on which such Common Charges are based to the Residential Representatives and the Non-Residential Representative, at least ten (10) 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.

(b) The Residential Representatives shall from time to time and at least annually prepare a budget to meet Residential Common Expenses and shall allocate and assess to the Residential Unit Owners, pro rata in accordance with their Residential Common Interests, Residential Common Charges to meet Residential Common Expenses. The Residential Representatives or the Board of Managers shall advise all Residential Unit Owners promptly in writing of the amount of Residential Common Charges payable by each of them and shall furnish copies of each budget on which such Residential Common Charges are based to all Residential Unit Owners, at least ten (10) days prior to the adoption thereof.

(c) The Non-Residential Representative shall from time to time and at least annually prepare a budget to meet Non-Residential Common Expenses and shall allocate and assess to the Non-Residential Unit Owners, Non-Residential Common Charges to meet Non-Residential Common Expenses in such proportion as the Non-Residential Representative shall determine. The Non-Residential Representative or the Board of Managers shall advise all Non-Residential Unit Owners promptly in writing of the amount of Non-Residential Common Charges payable by each of them and shall furnish copies of each budget on which such Non-Residential Common Charges are based to all Non-Residential Unit Owners, at least fifteen (15) days prior to the adoption thereof.

(d) Assuming the Board of Managers determines to commence collection of General Common Charges as of the date of the First Unit Closing, Declarant, its successor or its designee 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. However, 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.

(e) (i) The General Common Expenses shall include, among other things, 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, for a 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 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. General Common Expenses shall also include other items stated in the Declaration or these By-laws to be General Common Expenses.

(ii) In the event of casualty to the Common Elements for which insurance proceeds under policies maintained by the Board 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 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 may levy and assess as a special assessment the amount needed to cover such shortfall in insurance proceeds.

(f) Except as otherwise provided in these By-laws, all Residential Common Expenses shall be determined by the Residential Representatives and shall be borne solely by the Residential Unit Owners. Residential Common Expenses may include, without limitation, such amounts as the Residential Representatives may deem proper for repairs, reserves, replacements, improvements, betterments, maintenance and other operating expenses of the Residential Area, as well as a general operating reserve, a working capital fund, a reserve for replacements with respect to the Residential Common Elements, and such amounts, determined by the Residential Representatives, as may be required for the purchase, lease or sublease by the Board of Managers, the Residential Representatives, or its designee, corporate or otherwise, on behalf of Residential Unit Owners, of any Residential Unit whose Owner has elected to sell, lease, transfer or convey such Unit. Residential Common Expenses shall also include all such other items provided for in the Declaration or these By-laws to be Residential Common Expenses.

(g) Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of and any alteration, addition or improvement to the Non-Residential Area, shall be determined solely by the Non-Residential Representative and shall be borne solely by the Non-Residential Unit Owners.

(h) The Property is equipped with a master water meter measuring usage in all components of the Building. The Board of Managers thus is expected to receive a single invoice from the City of New York for all water consumed at the Property, together with associated sewer charges. The Board of Managers will proportionately allocate a portion of the water charges and associated sewer charges to the Residential Area to be paid as Residential Common Charges and a portion to the Non-Residential Units to be paid as General Common Charges. In the Board's discretion, the proportionate allocation of water and sewer charges may be based on estimated usage, rather than Common Interest, as calculated by an engineer or other appropriate professional. At the discretion and direction of the Board, the Commercial Units may be submetered and water and sewer expenses will not be allocated to any Non-Residential Units and the Commercial Unit Owners will pay their metered water and sewer costs to the Board.

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 Non-Residential Area shall be Non-Residential Common Charges and Non-Residential Common Expenses, respectively, and shall be credited and charged to accounts deemed by the Board, the Residential Representatives and the Non-Residential Representative to be reasonably necessary for the prudent operation of the Property.

Section 5.3. Reserves.

(a) Neither the Board, the Residential Representatives nor the Non-Residential Representative shall be obligated to expend all the revenues collected in any one accounting period. Said entities may maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies of bad weather or uncollected accounts.

(b) Neither the Board, the Residential Representatives nor the Non-Residential Representative shall be obligated to segregate physically the funds held in such reserve accounts but may, in their sole discretion, maintain the funds in one or more consolidated accounts.

Section 5.4. Payment of Common Charges and Assessments; Liability of Grantee and Grantor After Transfer of Unit.

(a) Residential Unit Owners and Non-Residential Unit Owners shall be obligated to pay General Common Charges and other assessments at such time or times (but not less than monthly) as the Board of Managers shall determine. All Residential Unit Owners shall be obligated to pay Residential Common Charges and other assessments at such time or times (but not less than monthly) as the Residential Representatives determines. All Non-Residential Unit Owners shall be obligated to pay Non-Residential Common Charges and other assessments at such time or times (but not less than monthly) as the Non-Residential Representative determines. 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 Committees 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 Elements, 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 or other assessments assessed against such Owner's Unit from and after the date of sale, transfer or other conveyance of the Unit made 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 and other assessments assessed against such Unit 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. Accordingly, a purchaser acquiring title through an arms-length transaction or as a gift or donation, a creditor of a Unit Owner acquiring title to a Unit through a sale or other proceeding arising out of the bankruptcy of a Unit Owner, or any other grantee whatsoever, shall be liable for the payment of Common Charges and other assessments assessed against that Unit prior to that party's acquisition of the Unit. A mortgagee or other party acquiring title to a Unit through foreclosure or by deed in lieu of foreclosure shall be liable for unpaid Common Charges and other assessments for up to six (6) months of the Unit's Common Charges and assessments accrued before acquisition of title to the Unit plus the fees and costs relating to the cost of collecting the unpaid Common Charges and assessments.

(e) Any party acquiring a Unit through foreclosure or by deed in lieu of foreclosure, through a Unit Owner's bankruptcy or liquidation, through purchase, gift or donation, or through any other means, shall be liable for all Common Charges and assessments assessed against the Unit for the period on and after, and due from and after, the date of that party's acquisition of title to the Unit.

(f) 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 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 or other assessment imposed by the Board of Managers, or any installment thereof, or any Residential Common Charge or other assessment imposed by the Residential Representatives or any installment thereof, or any Non-Residential Common Charge or other assessment or 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 5% 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 or 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 or assessment shall bear interest from the due date in the amount of not less than 2% over the prime rate then announced by JPMorgan Chase (or its successor, if applicable), but in no event more than the highest legal rate, (ii) the Board may accelerate the remaining installments of any assessment payable in installments, and (iii) the Board may bring legal action against

the delinquent Unit Owner, foreclose the lien on such Unit granted under these By-laws and/or by the Condominium Act, or otherwise seek to recover the amounts due to the Condominium. The expenses, including without limitation, attorneys' fees and disbursements, incurred by the Board in any proceeding brought to collect such unpaid Common Charges or assessments, shall be added to the amount of such delinquent Common Charge, assessment or installment thereof, together with late charges and interest.

(d) Any amounts collected 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.

(a) The Board of Managers shall take prompt action to collect any General Common Charge and/or other assessment previously imposed by the Board, the Residential Representatives, and the Non-Residential Representative 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.

(a) All sums assessed as General Common Charges by the Board of Managers, or assessed as Residential Common Charges by the Residential Representatives or as Non-Residential Common Charges by the Non-Residential Representative, as well as any other assessments made by the Board of Managers, the Residential Representatives or the Non-Residential Representative (including, but not limited to, assessments for electricity and/or water and sewer costs attributable to the Unit, if the cost of which is not included in the Residential Common Expenses), but unpaid, together with late charges as may be established by the Board of Managers, the Residential Representatives or the Non-Residential Representative, as applicable, interest thereon at such rate as may be fixed by the Board of Managers, the Residential Representatives or the Non-Residential Representative, as applicable, and reasonable attorneys' fees and other costs and expenses incurred in efforts to collect such past due Common Charges and/or other assessments, shall be the personal obligation of the Unit Owner. Such sums 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 that Unit.

Section 5.8. Foreclosure of Lien for Common Charges and Assessments; Liability of Grantee in Foreclosure.

(a) Any lien for past due General, Residential and Non-Residential Common Charges 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 or other assessments is commenced, if the Owner of the Unit being foreclosed has not previously been deemed to have resigned from the Board of Managers (or any Committee's thereof), if indeed she or he was a member, her or his membership on the Board or Committees shall be deemed terminated.

(c) In the event the proceeds of any foreclosure sale for non-payment of Common Charges 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 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 or assessments were General Common Charges or assessments, (ii) to the Residential Unit Owners as a Residential Common Expense if the unpaid Common Charges or assessments were Residential Common Charges or assessments or (iii) to the Non-Residential Unit Owners if the unpaid Common Charges or assessments were Non-Residential 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, the Residential Representatives or the Non-Residential Representative to foreclose a lien on a Unit because of unpaid Common Charges or other assessments, the Unit Owner shall be required to pay a reasonable rental for the use of said Unit Owner's Unit 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 at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to (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 Mortgagee with respect to the Unit owned by such Owner, leased by such lessee or upon which such Mortgagee holds a mortgage, or any prospective purchaser, lessee, mortgagee or title insurer of such Unit, the Board of Managers, the Residential Representatives or the Non-Residential Representative, as applicable, acting through the manager or 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 due have been paid, (ii) the amount of such Common Charges, including interest and costs, if any, due and payable, and (iii) whether any 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. A reasonable charge, as determined by the Board of Managers 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, the Residential Representatives or the Non-Residential Representative, as applicable, 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. Generally.

(a) The Board of Managers shall be required to obtain and maintain (i) all-risk property coverage insuring the Common Elements and (ii) liability insurance.

(b) (i) The all-risk policy shall cover the interests of the Board of Managers and all Unit Owners and Permitted Mortgagees, as their interests may appear. Coverage shall be for the full replacement value of the Common Elements, without deduction for depreciation (and in any event in an amount sufficient to prevent the Board of Managers from becoming a co-insurer). The Board of Managers shall review the amount of such insurance annually.

(ii) The all-risk policy shall contain, among other provisions, a 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, and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured. If commercially available at standard and regular insurance rates, the all-risk policy shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to all of the insureds, including all Permitted Mortgagees of Units or that the insurer will endeavor to provide thirty (30) days' prior written notice to all of the insureds prior to cancellation or substantial modification. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Permitted Mortgagees of Units upon their written request therefor, and their payment of the cost of obtaining copies.

(c) The Board of Managers shall also be required to obtain and maintain, to the extent obtainable and/or to the extent required by law (i) workers' compensation insurance, (ii) public liability insurance, (iii) garage keeper liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, and each Unit Owner and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements, (iv) fidelity insurance covering all employees of the Condominium who handle Condominium funds, and (v) if necessary, flood zone insurance in such limits as the Board of Managers may from time to time determine. Such liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits once each year.

(d) 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.

(e) Residential Unit Owners (except for Declarant) are required to carry, at their 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 their Units, and liability insurance with respect to occurrences in their Units. 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 and other Unit Owners, 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.

(f) Each Commercial Unit Owner (except for Declarant) shall obtain and keep in full force and effect during the period of its ownership, a policy of commercial general liability insurance including contractual liability coverage under which the insurance company waives subrogation against the Condominium, its Board of Managers and Unit Owners in the Condominium, and the Board of Managers as agent for the Unit Owners is named as an additional insured. All insurance required to be carried by the Non-Residential Unit Owners 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 Best's Insurance Reports or any successor publication of comparable standing, as carrying a rating of A or better or the equivalent of such rating.

(g) A current copy of each Unit Owner's insurance policy must be maintained by the Unit Owner with the Board of Managers at all times.

Section 6.2. Repair or Reconstruction After Fire or Other Casualty.

(a) Damage to or destruction of any portion of the Common Elements as a result of fire or other casualty shall promptly be repaired and reconstructed by the Board of Managers, as nearly as practicable to the condition and utility it was in before the casualty, using the proceeds of casualty insurance on the Property and/or other funds for that purpose, subject to the following conditions and subject to the provisions of Section 6.5 of these By-laws:

(i) if the cost of repair and reconstruction is $3,000,000 or less, the Board may and shall perform and complete the repair and reconstruction promptly, without the consent of any Unit Owner or Mortgagee; and

(ii) if the cost of repair and reconstruction is more than $3,000,000 and if insurance proceeds will cover less than 90% of the cost of repair and reconstruction, the Board may not proceed with the repair and reconstruction without the consent of Unit Owners representing in the aggregate at least 80% in Common Interest and the consent of at least fifty one percent (51%) of the Permitted Mortgagees. Notwithstanding the foregoing, no consent of Unit Owners or Mortgagees shall be required for the Board of Managers to undertake repair and reconstruction where insurance proceeds will cover at least 90% of the cost of repair and reconstruction. In addition, no consent of Unit Owners or Mortgagees shall be required for the Board of Managers to undertake repair or reconstruction necessary to cause the Building to be in compliance with applicable codes, regulations and ordinances, provided the cost of same does not exceed $3,000,000 in the aggregate. If the cost to perform repair and reconstruction work sufficient to cause the Building to be in compliance with applicable codes, regulations and ordinances exceeds $3,000,000 in the aggregate, the Board may not proceed with such repair and reconstruction without the consent of Unit Owners representing in the aggregate at least 80% in Common Interest and the consent of at least fifty one percent (51%) of the Permitted Mortgagees

(b) When and if the Board is authorized or otherwise required to proceed with repair and reconstruction, the Board of Managers shall arrange for and commence such work promptly, shall diligently prosecute same to completion, and shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. In anticipation of receipt of insurance proceeds, the Board may levy and assess as a special assessment, prior to receipt of such proceeds, the amount anticipated to be necessary to repair or reconstruct the Property. Upon receipt of the proceeds, 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. 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.

(c) 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 as nearly as practicable to the Unit's condition and utility before the casualty. Notwithstanding the preceding sentence, if the damage in question does not affect (i) other Units, (ii) areas generally visible from Common Elements, other Units or streets or sidewalks, (iii) Unit Owners (other than the Owner of the damaged Unit), (iv) or any tenants or other occupants of the Building, then the Unit Owner may elect not to restore the Unit to its condition and utility before the casualty, but shall, however, 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, and so it does not otherwise adversely affect any other Unit Owners or other occupants or users of the Building, and does not adversely affect the value, use or operation of any other Units or the Property generally.

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. If as the result of fire or other casualty, at least 75% of the Property is destroyed or substantially damaged, a special meeting of the Unit Owners shall be called in accordance with these By-laws, at which meeting the Unit Owners shall be asked to decide if the Building should be repaired or reconstructed. The Building shall be repaired and reconstructed unless (a) pursuant to the vote held at that meeting, Unit Owners representing at least 80% in number of Units and in Common Interest affirmatively determine not to proceed with repair or restoration and (b) at least fifty one percent (51%) of the Permitted Mortgagees consent not to proceed with repair or restoration. If Unit Owners representing at least 80% in number of Units and in Common Interest affirmatively determine not to proceed with repair or restoration and at least fifty one percent (51%) of the Permitted Mortgagees consent not to proceed with repair or restoration, then, and in such event, the Building 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. The net proceeds of sale, together with the net proceeds of insurance policies maintained by the Board 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 amount of any unpaid liens on said Owner's Unit, in the order of the priority of such liens.

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, the Residential Representatives, or the Non-Residential Representative. 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 Non-Residential Common Elements, if any, whether located inside or outside of the Units, shall be made by the Board of Managers. The cost of all such maintenance shall be charged to all the Unit Owners as a General Common Expense if concerning a General Common Element, to the Residential Unit Owners as a Residential Common Expense if concerning Residential Common Elements, or to the Non-Residential Unit Owners as a Non-Residential Common Expense if concerning Non-Residential Common Elements (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). The obligation for maintenance, repair and replacement of interior space in the garage, the obligation for maintenance, repair and replacement of grade-level garage entry ramps, overhead doors, exit doors, signage, lighting, bollards, etc., associated with the Parking Units is the responsibility of the Board, but at the sole cost and expense of the Parking Unit Owners.

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) (i) Windows (including, without limitation, panes, casements and frames) located in Residential Units are considered Residential Common Elements. Windows (including, without limitation, louvers, plate glass, panes, casements and frames) located in a Commercial Unit are considered part of the Unit. The interior and exterior surfaces of windows in both Residential and Commercial Units are to be cleaned by the Unit Owner at the Unit Owner's sole cost and expense. Outside surfaces of windows must be cleaned from the inside of a Unit. 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.

(ii) Locks on entrance doors to Residential Units and locks on doors accessing Residential Units from appurtenant terraces, are part of the Unit. The doors themselves are Residential Common Elements. Locks directly accessing a Commercial Unit from the outdoors or from a Common Element, shall be considered part of the Unit. Locks on Storage Units shall belong to the Owner of the Storage Unit. All doors that are part of a Unit shall be maintained and repaired by Unit Owners themselves, in accordance with applicable laws, regulations, these By-laws, and/or architectural standards established by the Board of Managers. Residential Unit Owners may not alter the doors to their Residential Units, or the number and type of locks on such doors, without the prior consent of the Board of Managers. Each Residential Unit Owner must always maintain a current set of keys for all Residential Unit locks with the Managing Agent. Each Storage Unit Owner must always maintain a current set of keys for its Storage Unit lock with the Managing Agent. Doors that are Residential Common Elements shall be maintained and repaired by the Board, the cost of which shall be borne by the Residential Unit Owners.

(c) (i) Each Commercial Unit Owner at said Unit Owner's expense, shall keep said Owner's Unit in good order, shall cause the Unit, the street level entrance door or doors and all street level glass surfaces and storefronts, and any service entrance area, to be maintained.

(ii) The washing, maintenance, repair and replacement of storefront and window systems in a Commercial Unit, including, without limitation, frames, doors, signage (with approval by the Board of Managers), louvers, glazing, metal panels, etc., shall be the sole responsibility of the Commercial Unit Owner owning that Unit.

(iii) Any and all dumpsters or other trash receptacles used by a Commercial Unit Owner and/or the tenants or other occupants of a Commercial Unit, must be maintained within the Unit, and placed outdoors at the time of trash collection or carted away by private refuse company (as required by applicable New York City codes and regulations).

(d) Any maintenance, repair or replacement necessary to preserve the appearance and value of the Property made pursuant to Section 7.1 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 agent, licensee, contractor, employee, family member, guest or tenant of such Unit Owner, or (iii) an agent, employee, licensee, contractor, family member or guest of the tenant or licensee of such Unit Owner, or

(iv) a guest of (1) any member of such Unit Owner's family or (2) any family member or employee of the tenant 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 General, or Residential Common Charges, as applicable, and, as part of those Common Charges, shall constitute a lien on the Unit to secure the payment thereof.

(e) All Residential Unit Owners must notify the Board of Manages and the Managing Agent in writing when a child or children under the age of ten (10) years lives or resides (even temporarily) in a Residential Unit. Each Residential Unit Owner shall install at such Residential Unit Owner's expense, the window guards required by applicable laws in all windows in the Residential Unit and shall not remove them until permitted by law in any event, without the full knowledge of the Board of Managers and Managing Agent. According to NYC HPD, Residential Unit Owners have a responsibility to ensure that window guards are properly installed. In September 2011, Local Law 57 of 2011 was signed into law which authorizes HPD to issue violations for failure to install proper window guards, and to seek penalties for noncompliance. Local Law 57 of 2011 also requires Residential Unit Owners to provide and properly install approved window guards on all windows, including first floor bathrooms and windows leading onto a balcony or terrace in an apartment where a child 10 years of age or younger resides and in each common area window, if any.

Section 7.3. Quality, Type, and Scheduling of Maintenance and Repairs.

(a) All repairs, painting and maintenance, whether made by the Unit Owner or the Board, to any generally visible portion of the Property, shall be carried on 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 of Managers authorizes a variance from such materials, style and color prior to commencement of the non-conforming repair, painting or maintenance.

(b) Unit Owners (except for Declarant) 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 (except for Declarant) 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 of Managers the labor is incompatible, the Unit Owner shall forthwith, upon the request of the Board of Managers, withdraw the incompatible laborers.

(c) In connection with the rights of Declarant to construct and/or alter Units and Common Elements, Declarant shall have the right to erect, construct, alter, maintain and repair at its discretion, at all hours and days with parties, agents or employees of Declarant's choosing without interference or consent from the Boars or any Unit Owners.

Section 7.4. Scaffolding. In connection with the rights of Declarant to construct and/or alter Units and Common Elements, Declarant shall have the right to erect and maintain scaffolding, sidewalk bridges or other equipment or facility required by law, regulation, code or ordinance when Declarant is performing such work, even though such scaffolding, sidewalk bridge or other equipment or facility may encroach on another Unit or a Limited Common Element or on the Common Elements. Declarant shall not be liable to any other 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 foregoing, except for damages caused by the negligence of Declarant, or any of

Declarant's agents or employees. In no event, however, may scaffolding be installed in a manner or location that will prevent access to a Unit (other than a Unit owned by Declarant).

Section 7.5. Violations of Maintenance Obligations. In the event any Unit Owner, after receipt of written notice from the Board of Managers, fails or neglects in any way to perform any obligations with respect to the painting, decorating, maintenance, repair or replacement of said Unit Owner's Unit as provided in this Article 7 or of any Common Element for which such Unit Owner is responsible under the Declaration or these By-laws, the Board of Managers may perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within five days after receiving notice of such default, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Unit Owner's Unit, 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, constitute General Common Charges or Residential Common Charges or Non-Residential Common Charges, as applicable, payable by such Unit Owner.

Section 7.6. Restrictions on Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

(a) Residential Units may be used only as a residence or for any legal home occupation or other purpose permitted under the certificate of occupancy for the Building, zoning classification for the Property and other applicable laws, regulations and ordinances, except that while Declarant, its successor or its designee owns any Unit, it shall have the right to use such Unit for office purposes, general leasing and sales office purposes.

(b) Each Commercial Unit (or any portion thereof) or any Commercial Units resulting from the subdivision thereof, may be used for any lawful purpose including, without limitation, medical or other professional use or retail or other commercial use (except as otherwise prohibited by these By-laws or the Declaration) provided such use is permitted under the certificate of occupancy for the Building, zoning classification and project approvals for the Property, and other applicable documents, laws, regulations and ordinances. A Commercial Unit Owner must 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 have a material adverse effect on the Residential Units.

(c) Storage Units may be used only for the storage of personal effects of Unit residents and occupants, and in no event shall any food or other perishable item, or any flammable or explosive item, be stored in a Storage Unit.

(d) Parking Units may be used only for the parking of vehicles of Unit residents and occupants, and in no event shall any item (or any flammable or explosive item) other than an operating vehicle be left, parked or used in a Parking Unit.

(e) Each Unit Owner, at its sole expense, shall comply with all laws, orders and regulations of 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 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. A Unit Owner shall not do or permit to be done any act or thing in or upon the Unit or Common Elements of the Condominium which will invalidate or be in conflict with any insurance policies covering the Condominium and fixtures and property therein, and shall not do, or permit anything to be done in or upon the Unit, or bring or keep anything therein, except as now or hereafter permitted by the New York City Fire Department, New York Board of Fire Underwriters, New York Fire Insurance Rating Organization or other authority having jurisdiction.

(f) 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 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. 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.

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

(h) No portion of a Residential Unit (other than the entire Unit in accordance with these By-Laws) may be rented, and no transient tenants may be accommodated therein.

(i) 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 the Building, or suffer or permit anything to be done in said Owner's Unit or the Building, in violation of any temporary or permanent 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.

(j) Notwithstanding the foregoing or anything contained in the By-laws or the Rules and Regulations to the contrary, Declarant, its successor or its designee may, without the permission of the Board of Managers use or grant permission for the use of any Unit owned by Declarant, its successor or its designee, until such time as the same may have been sold or otherwise conveyed (i.e., an "Unsold Unit"), as general offices for its business ventures or operations, and/or 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 or on the Building, including but not limited to signs and banners affixed to the windows of Units owned by Declarant, the Building facade, etc., advertising Units for sale or lease or advertising for any other purpose.

(k) No zoning variances with respect to use of any Common Element or Residential 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 herein and in the Declaration and subject to the rights of the Commercial Unit Owners in accordance with subsection (m) immediately below, no Owner, tenant or occupant of a Unit shall, without the prior written approval of the Board of Managers and, while Declarant owns at least one Unit, Declarant, which approval may be withheld for any reason or no reason, place or suffer to be placed or maintained (i) within any Unit, any sign or advertising material which shall be visible from the exterior of the Unit or (ii) on the exterior of a Unit or on any window belonging to the Unit or on any Common Element adjacent to the Unit, any sign, banner, awning, canopy, decoration (including, without limitation, seasonal, holiday or any form of decoration), lettering or advertising matter or other thing of any kind.

(m) The Commercial Unit Owners and/or its tenants shall have an easement to erect, maintain and replace one (1) or more signs on the Property permitted by law for the purpose of advertising the operation of any business conducted therein. Any such signs shall be of reasonable size, dimension, character and color and shall not be located so as to unduly disturb the aesthetics of the Building.

(n) Subject to the right of a Commercial Unit Owner to alter, connect or subdivide its units and except as set forth below in subsections 7.9(d) and (e), no Owner, tenant or occupant of a Unit shall repair, alter, replace or move any of the General Common Elements, Residential Common Elements, or the Residential Limited Common Elements in or appurtenant to said Owner's Unit, without the prior written consent of the Board, which consent may be withheld for any reason or no reason. A Unit Owner shall not obstruct the Common Elements.

(o) 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.

(p) Unit Owners shall maintain their Units and any Limited Common Elements appurtenant thereto, in a manner which will not interfere with the use of the Building by others.

(q) 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 Unit that is audible from the exterior of the Building to pedestrians and others outside of the Building shall be permitted.

Section 7.7. Additions, Alterations or Improvements by Board of Managers.

(a) The Board of Managers shall have the right to make or cause or permit to be made such additions, alterations and improvements to the General Common Elements or Non-Residential Common Elements, if any, as in its opinion may be beneficial or necessary, or which are requested in writing by a Unit Owner, subject, however, to the requirement that if the addition, alteration or improvement shall cost more than 35% of the then current estimated annual operating budget of the Condominium, exclusive of reserves, such addition, alteration or improvement must be approved by Unit Owners holding more than 66-2/3% in Common Interest, voting at a meeting duly called in accordance with the By-laws.

(i) Additions, alterations or improvements to the General Common Elements or Non-Residential Common Elements, if any, that are general in nature and cost equal to or less than 35% of the Condominium's then current estimated annual operating budget, exclusive of reserves, may be made by the Board of Managers and the cost thereof shall be a General Common Expense. Before undertaking any work pursuant to this Section 7.7(a), the Board of Managers may require the consent in writing of any Unit Owner and Mortgagee whose rights, in the Board of Manager's sole judgment, may be prejudiced by the addition, alteration or improvement.

(b) If the Board of Managers determines that a proposed addition, alteration or improvement of a General Common Element (or Limited Common Element, if applicable), or Non-Residential Common Elements, if any, is general in character, the cost thereof shall be a General Common Expense, shared by all Unit Owners in accordance with the By-laws, subject to the requirements of Section 7.2(d) of these By-laws. If the Board of Managers determines that an addition, alteration, or improvement 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 (1) 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) The Residential Representatives shall have the right to cause or permit to be made, such additions, alterations and improvements in the Residential Common Elements as in its opinion may be beneficial or necessary to the Residential Area. Said Representatives may also consent to modifications to Residential Common Elements requested in writing by an Owner of a Residential Unit. If the Residential Representatives determines that the modification is general in nature, the cost of implementing it shall be a Residential Common Expense and the cost shall be paid by Residential Unit Owners in accordance with their Residential Common Interests. However, if said expense represents more than or equal to 35% of the then current operating budget for the Residential Area, exclusive of reserves, the proposed expenditure must be approved by Residential Unit Owners representing more than 66-2/3% in Residential Common Interests, voting at a meeting duly called in accordance with the By-laws. Expenditures representing less than 35% of the then current operating budget for the Residential Area, exclusive of reserves, may be made by the Residential Representatives without any vote of the Residential Unit Owners and the cost shall be a Residential Common Expense. If the Residential Representatives determines that the proposed addition, alteration, or improvement is exclusively or substantially for the benefit of the Unit Owner that requested it, the cost shall be a special assessment against such Unit Owner. If more than one Unit Owner requested the addition, alteration, or improvement, the cost shall be assessed in such proportion as the Residential Representatives deems fair and equitable, or in such other proportion as the affected Unit Owners agree to in writing.

(d) The Non-Residential Representative shall have right to make or cause or permit to be made, such additions, alterations, and improvements in the Commercial Common Elements, if any, as in its opinion may be beneficial or necessary to the Commercial Area. Said Representative may also consent to modifications in or creation of Commercial Common Elements requested in writing by a Commercial Unit Owner. If the Non-Residential Representative determines that the modification or creation is general in nature, the cost of implementing it shall be a Commercial Common Expense which shall be paid by Commercial Unit Owners in accordance with an allocation determined by the Non-Residential Representative. If the Non-Residential Representative determines that the modification or creation is exclusively or substantially for the benefit of the Unit Owner that requested it, the Non-Residential Representative can determine the cost to be a special assessment against that Unit Owner. If more than one Commercial Unit Owner requests the modification, the cost shall be assessed in such proportions as the Non-Residential Representative deems fair and equitable, or in such other proportion as the affected Unit Owners agree to in writing.

(e) Notwithstanding the foregoing, until Declarant, its successor or its designee shall have conveyed title to all Residential Units, or for a period of five (5) years following the closing of title to the first Residential Unit by Declarant under the Offering Plan, whichever is earlier, the Board of Managers may not make any addition, alteration, or improvement to the General, Non-Residential or Residential Common Elements without Declarant's prior written consent.

Section 7.8. 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 the Limited Common Elements appurtenant thereto or to the Common Elements generally, and/or the combination of two (2) or more Residential Units into one (1) Unit or the division of one (1) Residential Unit into two (2) or more Units, shall require the prior written consent of the Board of Managers. Awnings and exterior lighting may not be installed without the prior consent of the Board of Managers, which consent may be withheld for any reason.

(ii) Each Commercial Unit Owner shall have the right with respect to a Commercial Unit owned by that Unit Owner, without the prior consent of but with prior notice to the Board of Managers to, (i) make non-structural alterations, additions or improvements to the Commercial Unit, (ii) change the layout of or number of rooms in the Commercial Unit, (iii) change the size and/or number of Commercial Units by subdividing the Commercial Unit into two or more separate Commercial Units, combining separate Commercial Units (including those resulting from sub-division or otherwise) into one or more Commercial Units, altering boundary walls between Commercial Units or otherwise, and (iv) if appropriate, reapportion among the Commercial Units affected by such changes, their Common Interest. In no event may the sub-division or combination of Units result in a different total aggregate Common Interest than existed for the Commercial Unit(s) being sub-divided or combined before the sub-division or combination. In each of the foregoing instances a Commercial Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, shall cause the Declaration to be amended, if necessary, and shall hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. Under no circumstances shall a Commercial Unit Owner make any changes to a Commercial Unit which will affect the Residential 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 the Commercial Unit Owner in accordance with this Section 7.8(a) and the Board shall respond in accordance with the procedures set forth in that Section.

(b) The Board shall be obligated to act on a Unit Owner's request for 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 Board 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 and, if applicable, Residential Common Interests. The Board 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.

(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.

(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 this Declaration prepared by and at the expense of the Unit Owner with the prior approval of the Board, 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 respectively by the Board of Managers, upon the Unit Owner's completion of construction and at the expense of the 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.

(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 Unit or the Limited Common Elements appurtenant thereto, or to any other Common Element, the Board may require the Unit Owner to execute an 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 and the days and hours during which the work is to be done.

(f) Both Residential 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 at least five (5) business days before the work is scheduled to begin. For insurance purposes, electrical and plumbing work in both the Commercial and Residential 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 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 Residential Representatives, the Non-Residential Representative, the Managing Agent of the Condominium and all Unit Owners, including but not limited to Declarant, as additional insureds. The determination as to whether an application is complete shall be in the sole discretion of the Board.

(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 of Managers or any member of the Board 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.

(h) The provisions of Sections 7.8(a)-7.8(g) of these By-laws, shall not apply to any Unit owned by Declarant, its successor or its designee. Declarant, its successor or its designee shall have the right, without the consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, with respect to Units owned by Declarant, its successor or designees 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, 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 and Residential Common Interests, provided, however, that Common Interest and Residential Common Interests need not be reapportioned 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, its successor or its designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, and shall cause the Declaration to be amended, if necessary.

(i) 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, its successor 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.

(j) In order to preserve the architectural harmony of the facade of the Building, minimize the possibility of unsightly or obstructed views from other terraces and Residential Units and promote the safety of those on lower terraces, as well as on the street below, each Residential Unit Owner having the exclusive use of a terrace will be required to obtain the approval of the Board of Managers and Declarant, while Declarant, its successor or designee owns at least one Unit, before altering, decorating (including, without limitation, holiday signs, banners, lights, glitter and the like), landscaping or painting the same. The Board of Managers and Declarant, its successor or designee may grant or withhold such approval in its sole discretion. Notwithstanding anything to the contrary contained in these By-laws or in the Declaration, Unit Owners with terraces appurtenant to their Units shall not be permitted to enclose their terraces or to install awnings on their terraces.

Section 7.9. Use of Common Elements and Facilities.

(a) A Unit Owner shall not place or cause to be placed in the common areas 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. Unless specifically stated herein otherwise, 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.

(c) While Declarant, its successor, affiliate or designee owns any Unit it shall have the right to maintain general, operational, management, 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 exterior portions of the Building and elsewhere on the Property.

(d) A Unit Owner of any two or more Units, which Units are serviced or benefited by any General Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, to the extent permitted by law and with the consent of the Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such General Common Element as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of General Common Interests shall be made, provided such Unit Owner agrees, at its sole cost and expense, to (i) be responsible for the operation, maintenance and repair of such General Common Element for so long as such Unit Owner exercises such exclusive right of use, and (ii) restore such General Common Element to its original condition, reasonable wear and tear excepted, after such Unit Owner ceases to exercise such exclusive right of use. Sponsor and the Unit Owner of any such Units which are Unsold Units (as defined and used by the Attorney General) shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board of Managers. Notwithstanding the above, if a Unit Owner transfers or conveys its Units to a successor owner, the transferor need not comply with (ii) above provided that the transferee agrees to abide by (i) and (ii) above.

(e) Unit PH-10D is serviced and benefited by a General Common Element hallway and corridor adjacent and appurtenant to Unit PH-10D that serves and provides access to only Unit PH-10D. Thus, to the extent permitted by law and without the consent of the Board of Managers the owner of Unit PH-10D and/or Declarant may have the exclusive right of use of such General Common Element as if it were a part of such Unit PH-10D (including the right to enclose such portion of the hallway and corridor that provides access to only Unit PH-10D) and no amendment to this Declaration nor reallocation of General Common Interests shall be made, provided the owner of Unit PH-10D agrees, at its sole cost and expense, to (i) be responsible for the operation, maintenance and repair of such General Common Element for so long as the owner of Unit PH-10D exercises such exclusive right of use, and (ii) restore such General Common Element to its original condition, reasonable wear and tear excepted, after the owner of Unit PH-10D ceases to exercise such exclusive right of use. Notwithstanding the above, if the owner of Unit PH-10D transfers or conveys Unit PH-10D to a successor owner, the transferor need not comply with (ii) above provided that the transferee agrees to abide by (i) and (ii) above.

Section 7.10. Right of Access. 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 to the Board of Managers, the managing agent and/or any other person authorized by the Board of Managers, for the purpose of making inspections or for the purpose of correcting any condition originating in said Unit Owner's 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 said Unit Owner's Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any 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, further, provided that 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. No prior notice shall be required 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. In case of emergency, such right of entry shall be immediate, whether or not a Unit Owner is present.

Section 7.11. Utilities.

(a) Each Residential Unit and Commercial Unit will be separately metered for electricity consumed within such Unit. Each Residential and Commercial Unit Owner will be responsible for paying directly to the applicable utility company the cost of its electrical consumption (the Building will not have gas service). Electricity to Residential Common Elements will be separately metered, and the cost of the same will be borne by the Residential Unit Owners as a Residential Common Expense. Electricity consumed in the General Common Elements and the public areas of the building (including for the Parking Units and Storage Units, the exterior ornamental lighting) will be master metered and the cost shall be borne by all of the Unit Owners as a General Common Expense.

(b) Water shall be supplied to the Property by a master meter and the cost therefor shall be paid by Unit Owners as a General Common Expense. Payment of the bill shall be made by the Board directly to directly to the water company.

ARTICLE 8.

MORTGAGES

Section 8.1. Unit Owner's Rights.

(a) Each Unit Owner shall have the right to give a first mortgage to a Mortgagee on said Owner's Unit, and the Board of Managers will recognize the holder of such first mortgage in connection with the giving of notices of default under these By-laws, 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 assessments against said Owner's Unit at or prior to the making of the mortgage, and (iii) if the Mortgagee desires notification or approval rights with respect to the Board or the Condominium Instruments, that the Unit Owner and Mortgagee enter into an agreement with the Board of Managers, which, among other things, asks and authorizes that the Board of Managers give copies to the Mortgagee of notices of the Unit Owner's default in payment of Common Charges simultaneously with the Board's notice to the Unit Owner. Notwithstanding anything to the contrary that may be contained in such agreement or in these By-laws, if the Mortgagee fails to object to a proposed action as to which its consent is requested, within sixty (60) days of the date consent is requested from Mortgagee by certified or registered mail, with a "return receipt" requested, Mortgagee's consent shall be deemed given.

(b) Any first mortgagee that satisfies the foregoing criteria shall be referred to as a "**Permitted Mortgagee**" and any first mortgage held by such Permitted Mortgagee satisfying the foregoing criteria shall be a "**Permitted Mortgage**."

Section 8.2. Notice to Board of Managers. A Unit Owner who mortgages a Unit shall notify the Board of Managers of the name and address of the Mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers. The Board of Managers shall maintain such information in a book entitled "Mortgages on Units".

Section 8.3. Notice of Unpaid Common Charges or Other Default. The Board of Managers, whenever so requested in writing by a Permitted Mortgagee of a Unit (i.e., pursuant to the agreement referred to in Section 8.1 above), shall promptly report any then unpaid Common Charges due from or any other material default by the Owner of the mortgaged Unit. The Board shall also, in the event the Unit has been leased in accordance with Section 9.2 of these By-laws, have the right to provide to the Permitted Mortgagee, copies of notices to tenants, as described herein.

Section 8.4. Notice of Default.

(a) The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each Permitted Mortgagee of that Unit whose name and address has theretofore been furnished to the Board of Managers, provided the Permitted Mortgagee has requested of the Board in writing that it be notified of such default(s) (i.e., pursuant to the agreement referred to in Section 8.1 above). A Permitted 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, in accordance with the following paragraph.

(b) (i) The Permitted Mortgagee shall have the right, but not the obligation, for a period of sixty (60) days following receipt of a copy of a default notice, to cure the default in the name and on behalf of the Unit Owner.

(ii) To facilitate the foregoing, for a period of ninety (90) days following the giving of notice to a Permitted Mortgagee of a default by a Unit Owner in payment of Common Charges, the Board of Managers will not commence a proceeding to foreclose its lien for said Unit Owner's non-payment of Common Charges or other assessments. If the Permitted Mortgagee fails to cure said default within said ninety (90) day period by paying the requisite Common Charges 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. Permitted Mortgagees to Notify Board of Managers of Unit Owner's Default. Upon the happening of a default 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 to the Board of Managers prior to instituting a foreclosure action.

Section 8.6. Board of Managers Shall Be Notified in All Mortgage or Other Lien Foreclosures; Right to Bid. The Board of Managers shall be notified in writing of every action brought to foreclosure any mortgage or other lien affecting a 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 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 shall not, however, be limited in their 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 8.7. Receivers. 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 for the six (6) months accrued before appointment of the receiver plus the fees and costs relating to the cost of collecting the unpaid Common Charges and assessments. Further, upon the appointment of a receiver, the Unit Owner whose Unit is being foreclosed loses all rights accorded a Unit Owner in these By-laws or the Declaration in connection with the operation of the Condominium, including but not limited to the right to appoint or vote for members of the Board of Managers or the Residential Representatives or the Non-Residential Representative, and the right to be a member of such Representatives or an officer of the Condominium and the receiver shall succeed to all such rights.

Section 8.8. Notice to Mortgagee. Notwithstanding anything to the contrary in these By-laws, the Board of Managers shall provide notice to each Permitted Mortgagee of that Unit whose name and address has theretofore been furnished to the Board of Managers, and to any guarantor of any

mortgage on that Unit whose name and address has theretofore been furnished to the Board of Managers, in the event:

(a) the Building or any portion thereof is materially damaged or destroyed by fire or other casualty or the Common Elements, or any material portion of the Common Elements or the subject Unit or any material portion of the subject Unit is taken in condemnation or by eminent domain. For purposes of this Paragraph (a) "materially damaged or destroyed" shall mean if either (i) the cost of repair and reconstruction of the Building is greater than $2,000,000 or (ii) at least 75% of the Building or Unit, as applicable, is destroyed or substantially damaged. For purposes of this Paragraph (a) "material portion . . . . . is taken" shall mean if either (i) such condemnation or eminent domain substantially and adversely affects the use of the Common Elements or the subject Unit or (ii) such condemnation or eminent domain proceeding results in the taking of seventy five percent (75%) or more of the Common Elements or the subject Unit.

(b) any Unit Owner whose Unit is mortgaged to a Permitted Mortgagee defaults in the payment of Common Charges or assessments for a period of sixty (60) days after the obligation to pay such Common Charges or assessments.

(c) any insurance policies insuring the Building that the Board of Managers is required to maintain pursuant to these By-laws lapse, are cancelled or are materially modified.

(d) any proposed amendment to these By-laws or action by the Board of Managers requires the consent in these By-laws of a specified percentage of Permitted Mortgagees.

The provisions in this Section 8.8 shall only apply to the Permitted Mortgagees and guarantors of such mortgage (whose name and address has theretofore been furnished to the Board of Managers) as applicable to the specific affected and subject Unit. For example, in the event of a material casualty in a particular Unit (in subsection (a) above) or a Common Charge delinquency (in subsection (b) above), notice shall only be given to the Permitted Mortgagees and guarantors of that mortgage for the specific and subject Unit the casualty and delinquency affects.

ARTICLE 9.

SALES AND LEASES OF UNITS

Section 9.1. Sales.

(a) No Residential Unit Owner or Parking Unit Owner may sell said Owner's Residential Unit, Storage Unit, and/or Parking Unit or any interest therein except by complying with the following provisions:

(i) Any Residential Unit Owner or Parking Unit Owner who receives a bona fide offer (hereinafter called an "**Outside Offer**") for the sale of said Owner's Residential Unit, Storage Unit and/or Parking Unit together with: (x) the Common Interest appurtenant thereto, (y) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers (or the Residential Representatives), or its designee, on behalf of all Unit Owners (or on behalf of all Residential Unit Owners, as applicable), or the proceeds of the sale thereof, if any, and (z) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the "**Appurtenant Interests**"), which said Owner intends to accept, shall give written notice to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, the terms of the proposed transaction, and such assurances and security as are referred to in Section 1.5(e) of these By-laws, if applicable, and

shall offer to sell such Residential Unit, Storage Unit and/or Parking Unit, together with the Appurtenant Interests, to the Board of Managers on behalf of the Owners of all other Residential Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within twenty (20) days after the Board of Managers has received notice of the Outside Offer in accordance with the foregoing, plus all additional information the Board has requested, the Board of Managers may elect, by notice to such Unit Owner, (1) to purchase such Residential Unit, Storage Unit and/or Parking Unit, together with the Appurtenant Interests (or to cause the same to be purchased by the Residential Representatives or other designee, corporate or otherwise), on behalf of all other Residential 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 such Residential Unit, Storage Unit and/or Parking Unit, together with the Appurtenant Interests, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

(ii) In the event the Board of Managers shall elect to purchase a Residential Unit, Storage Unit and/or Parking Unit, together with the Appurtenant Interests, or to cause the same to be purchased by the Residential Representatives or a different designee, corporate or otherwise, title shall close at the office of the attorneys for the Condominium (or at such other location as the Board of Managers specifies) in accordance with the terms of the offer within sixty (60) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Residential Unit Owner or Parking Unit Owner shall convey the Residential Unit, Storage Unit and/or Parking Unit and Appurtenant Interests to the Board of Managers or to its designee, on behalf of all other Residential 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. Real estate taxes and Common Charges shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of the closing date.

(iii) In the event the Board of Managers waives its right of first refusal with respect to the Outside Offer, or fails to accept such Outside Offer with 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 Residential Unit Owner or Parking Unit Owner shall be free to sell and convey such Unit, together with the Appurtenant Interests, within ninety (90) days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, to the maker of the Outside Offer (hereinafter the "**Outside Offeror**"), on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. In the event the offering Unit Owner shall not, within such 90-day period, sell and convey such Unit, together with the Appurtenant Interests, 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, 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) 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 the By-laws annexed thereto, and the Rules and Regulations, as all of the same may be amended from time to time.

(v) The Board of Managers shall have the right to require Residential Unit Owners and Parking Unit Owners (except for Declarant, its successor and/or its designee) to pay a commercially reasonable fee to the Board 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 Unit and/or Parking Unit.

(b) Any purported sale of a Unit in violation of this Section shall be voidable at the election of the Board of Managers, and if the Board shall so elect, the purported former Residential Unit Owner or Parking Unit Owner, as applicable, shall be deemed to have empowered the Board to institute legal proceedings to eject the purported new Residential Unit Owner or Parking Unit Owner, as applicable, at the cost and expense of the purported former Unit Owner, who shall be obligated to reimburse the Board for all expenses incurred in connection with such proceeding, including without limitation legal fees and disbursements.

(c) There shall be no restrictions on the right of a Non-Residential Unit Owner to sell said Owner's Non-Residential Unit, except as may be included in subparagraph (d) below and elsewhere in these By-laws.

(d) A Residential Unit Owner or Commercial Unit Owner who also owns a Storage Unit, must sell or otherwise convey title to the Storage Unit no later than the time of sale of the last Residential Unit or Commercial Unit owned by that Residential Unit Owner or Commercial Unit Owner, as ownership of a Residential Unit or Commercial Unit is a pre-requisite to ownership of a Storage Unit. The sale of a Storage Unit need not necessarily be to the party purchasing the selling Residential Unit or Commercial Unit Owner's Unit, and the Storage Unit may be sold instead to another Residential Unit Owner or Commercial Unit Owner in the Building. Sale of a Storage Unit in conjunction with sale of the Residential Unit or Non-Residential Unit to an Outside Offeror as described above, shall be subject to the right of first refusal requirement described above. Sale of a Storage Unit to another Residential Unit Owner or Commercial Unit Owner in the Building shall not be subject to the right of first refusal requirement described above. Storage Units may not be sold, conveyed, or transferred to a purchaser that is not already a Unit Owner except in conjunction with the sale of a Residential or Commercial Unit in accordance with these By-laws.

(e) Parking Units may be sold to and owned by persons other than purchasers or owners of Residential Units and Commercial Units. Thus, the right of first refusal set forth above shall apply to the sale of a Parking Unit. Notwithstanding anything herein to the contrary, the sale of a Storage Unit or Parking Unit to an existing Residential Unit Owner or Commercial Unit Owner will not be subject to a right of first refusal by the Board of Managers and such sale or lease shall not be subject to any review by the Board of Managers.

Section 9.2. Leases.

(a) A Commercial Unit Owner (including a Mortgagee who acquires title through foreclosure or by deed in lieu of foreclosure), may lease any portion or all of said Owner's Commercial Unit, without any notice to or consent of the Board. The Commercial Unit Owner shall 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. However, a Commercial Unit Owner must regularly advise the Board of Managers in writing of the name of each tenant in its Unit, together with the name, telephone number and address of an individual who is authorized to take action or make decisions respecting the tenant, who may be contacted in event of emergency. The 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.

(b) A Residential Unit Owner, Parking Unit Owner and/or Storage Unit Owner, other than Declarant, its successor or designee, may lease said Owner's Residential Unit, Parking Unit and/or Storage Unit only in accordance with the following provisions:

(i) Any Residential Unit Owner, Parking Unit Owner and/or Storage Unit Owner who receives a bona fide offer for a lease of said Owner's Residential Unit, Parking Unit and/or

Storage Unit which said Owner intends to accept, shall give notice to the Board of Managers of such offer and such intention, together with the name and address of the proposed lessee, and the terms of the proposed lease. Leases of Residential Units, Parking Units and/or Storage Unit Owner must contain terms of at least and not more than twelve (12) consecutive months. The Board of Managers may from time to time prescribe a form upon which the aforementioned information shall be listed.

(ii) No lease of a Residential Unit, Parking Unit and/or Storage Unit shall be made without the prior written limited consent thereto of the Residential Representatives. The Board of Managers shall, within thirty (30) days after receipt of a fully completed application form, advise the Unit Owner in writing of the Residential Representatives' consent or refusal to consent, which limited consent shall only be in accordance with the immediately following sentence. The Residential Representatives' refusal to consent to a Residential Unit Owner's, Parking Unit Owner's and/or Storage Unit Owner's lease must be based upon either (a) the Board of Managers' agreement to lease such Unit(s) upon the same terms, conditions and rental offered by the proposed lessee, or (b) the Board of Managers' production of a lessee who will lease the Unit(s) on the same terms, conditions and rental offered by the proposed lessee, or (c) the fact that the proposed lease does not comply with the minimum lease term provisions in paragraph (i) immediately above. If the Residential Representatives (a) affirmatively consent to the Residential Unit Owner's, Parking Unit Owner's and/or Storage Unit Owner's lease within thirty (30) days after receipt of a fully completed application form, or (b) within thirty (30) days after receipt of a fully completed application form, elect not to lease such Unit(s) on behalf of all Residential Unit Owners or to produce a lessee for such Unit(s) or do not otherwise refuse to provide its consent to said Residential Unit Owner's, Parking Unit Owner's and/or Storage Unit Owner's lease in accordance with paragraph (i) immediately above, then the Unit Owner shall have the right to consummate the lease on the terms submitted to the Board of Managers.

(iii) The consent of the Residential Representatives to a lease shall not be construed to relieve the Unit Owner from obtaining the consent of the Residential Representatives to another lease, and a Unit Owner who subsequently desires to lease such Unit(s) shall be required again to comply with all the terms and provisions of this Section 9.2(c)."

(c) The Board of Managers shall have the right to require Residential Unit Owners, Parking Unit Owners and/or Storage Unit Owners (except for Declarant its successor or designee) to pay a fee to the Board and/or the Managing Agent to cover expenses in connection with applications for the lease of a Residential Unit, Parking Unit and/or Storage Unit.

(d) Any lease shall be consistent with and shall be deemed to incorporate by reference these By-laws and to provide that, the tenant shall not sublet the demised premises, or any part thereof, and that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant. The 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.

(e) Each lease for a Residential Unit shall be deemed to incorporate into it the provisions of Real Property Law Section 339-kk. In addition, each lease for a Unit and any lease for all or part of a Commercial Unit, whether such lease 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 shall be in default in payment of Common Charges for more than sixty (60) days, the Board of Managers shall have the right to notify the tenant of the Unit Owner's default, and in said notice to direct tenant to pay all rent that would otherwise be due under the lease, directly to the Board of Managers. Upon receipt of such rental 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 has made an assignment of rents to a Permitted Mortgagee in connection with a Permitted Mortgage, and the Permitted 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 Permitted Mortgagee, at the same time as same is sent to the tenant. In such event, the Board shall refrain for a period of thirty (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 Permitted Mortgagee to enforce its assignment of rents. If the Permitted Mortgagee notifies the Board in writing during such 30-day period that it has enforced its assignment of rents, the Permitted Mortgagee shall be required to make payments of Common Charges attributable to the Unit to the Board of Managers. If the Permitted 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 Permitted Mortgagee of the Unit Owner's default, the Board shall be entitled to direct tenant to pay rent directly to the Board as described above.

(f) Any purported lease of a Residential Unit, Parking Unit and/or Storage Unit in violation of this Section 9.2 shall be voidable at the election of the Board of Managers and Declarant, its successor or designee, if applicable, and if the Board 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 in the name of the Unit Owner as the purported landlord. The Unit Owner shall be obligated to reimburse the Board for all expenses (including without limitation attorney's fees and disbursements) incurred in connection with such proceedings.

(g) Storage Units may not be leased except in conjunction with the lease of a Residential or Commercial Unit, and then only to the tenant to whom the Residential or Commercial is leased.

(h) Parking Units may be leased by persons other than purchasers or owners of Residential Units and Commercial Units. Thus, the right of first refusal set forth above shall apply to the lease of a Parking Unit. Notwithstanding anything herein to the contrary, the lease of a Storage Unit or Parking Unit to an existing Residential Unit Owner or Commercial Unit Owner will not be subject to a right of first refusal by the Board of Managers and such sale or lease shall not be subject to any review by the Board of Managers.

Section 9.3. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers. The Board of Managers shall not exercise any option to purchase or lease any Unit without the prior approval of a majority in number and Residential Common Interests of Residential Unit Owners.

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. The right of first refusal contained in Section 9.1 and 9.2 of these By-laws may be released, terminated or waived by the Board of Managers or the Residential Representatives, as applicable, 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 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 or the Residential Representatives, as applicable, and that the rights of the Board of Managers, or the Residential Representatives, as applicable, 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 Section 9.1 and 9.2 of these By-laws or in respect to whom the provisions of such Sections have been waived, upon request.

Section 9.7. Financing of Purchase of Units by Board of Managers. Acquisition of Units by the Board of Managers, or its designee, on behalf of all Unit Owners (or by the Board of Managers or its designee, on behalf of all Residential Unit Owners or on behalf of all Commercial Unit Owners), may be made from the working capital and 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 or Residential Common Interests, as applicable, 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 the Residential Representatives, or any such action affecting the Commercial Area, without the consent of the Non-Residential Representative.

Section 9.8. Exceptions. The restrictions set forth in the provisions of Sections 9.1, 9.2 and 9.11 of these By-laws shall not apply with respect to (a) any sale, lease or other conveyance by a Unit Owner of said Unit Owner's Unit, together with the Appurtenant Interests, to said Unit Owner's spouse or to any of the Unit Owner's adult children or to the Unit Owner's parent or parents or to the Unit Owner's grandparents or grandchildren or to the Unit Owner's adult siblings, or any one or more of them, or (b) the sale, lease or conveyance of any Unit owned by Declarant or a designee, successor or affiliate of Declarant or any Units resulting from the subdivision or combination thereof, or (c) the acquisition or sale of a Unit, together with the Appurtenant Interests, by a mortgagee or any other bidder at a foreclosure sale, who shall acquire title to such Unit by foreclosure, or (d) the acquisition or sale of a Unit acquired by deed in lieu of foreclosure. The term "spouse" as used in this Section 9.8 and elsewhere in these By-laws, shall mean any adult person of the same or opposite sex to whom the Unit Owner is married, or an adult lifetime partner whose relationship with the Unit Owner is long-term and characterized by emotional and financial commitment and interdependence.

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 all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 9.11. Payment of Assessments. No Unit Owner, excluding Declarant, its successors or its designees, 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 by the Board 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 commercially reasonable 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.

Section 9.12. Discrimination. 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 of a Residential Unit, Storage Unit and/or Parking Unit, as applicable, the Board of Managers 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.

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), 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 and, provided the Board makes available to the Unit Owners the applicable proportionate share of the condemnation proceeds, any Limited Common Elements appurtenant to their Units. 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 85% 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 85% 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 in which event the net proceeds of sale arising out of the partition action, together with the net proceeds of the award from the condemnation or eminent domain proceeding shall be considered one fund and shall be divided by the Board of Managers 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, in the order of priority of such liens.

Notwithstanding the provisions of subsections (a) and (b) immediately above, the Unit Owners resolution not to continue the Condominium shall only be effective with the consent of at least fifty one percent (51%) of the Permitted Mortgagees.

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 $50,000.00 and to the Board of Managers if the award is $50,000.00 or less. This $50,000.00 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) 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 Residential Unit Owner who wishes to contest a determination by the Board of Managers as between itself and another Residential Unit Owner, 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 Residential Unit Owners. However, a Residential Unit Owner may not submit to Arbitration a dispute over distribution as between a Residential Unit Owner (and/or the Residential Area) and a Non-Residential Unit (and/or the Non-Residential Area), unless the Non-Residential Unit Owner(s) affected by the dispute agree in writing to such Arbitration. A Non-Residential Unit Owner may withhold consent to Arbitration for any reason whatsoever. The cost of such Arbitration shall be borne solely by the party submitting the matter for Arbitration.

(c) 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 the By-laws.

Section 10.6. Insurance Trustee. The term **"insurance trustee"** as used in these By-laws shall mean an Institutional Lender which has a capital and surplus account as of its last published statement in excess of One Hundred Million Dollars ($100,000,000). 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 Unit Owner(s), as applicable.

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 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 the City of New York 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 New York City, 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. 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 convenient weekday hours. An annual report of the receipts and expenditures of the Condominium audited by an independent public accountant, shall be rendered by the Board of Managers to all Unit Owners, promptly after the end of each 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. Each Unit Owner and each Permitted Mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times and upon reasonable notice, on business days, but not more often than once a month.

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 or recognized overnight courier (e.g. Federal Express, UPS, DHL etc.). All notices to the Board of Managers shall be sent to them 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 or recognized overnight courier to the Building 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 Permitted Mortgagees of Units shall be sent by registered or certified mail or recognized overnight courier to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers. All notices shall be deemed to have been given five (5) days after mailing, except notices of change of address which shall be deemed to have been given when received and notices sent by recognized overnight courier shall be deemed to have been given on the next business day.

(b) 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. During this Interim Period (i) each Residential Unit's, each Storage Unit's and each Parking Unit's proportionate share of real estate taxes will be based on the Proportionate Valuation attributable to that Unit multiplied by the portion of the total Property assessment attributable to 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, all as estimated by Declarant in consultation with its professional real estate tax advisors. "Proportionate Valuation" as used in this Section 13.2 shall mean the ratio that the Unit's offering price, as set forth in Schedule A to the Offering Plan, bears to the projected gross sell-out price of all Residential Units, all Storage Units and all Parking Units offered under the Offering Plan. 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, the Board of Managers will collect from each Unit Owner, and will place in escrow, an amount equal to the Unit Owner's estimated proportionate share of real estate taxes projected to be due for the entire Property on the next upcoming tax payment due date, based on the foregoing allocation method. Escrows for real estate taxes 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). The Board of Managers will pay all taxes allocable to Units not owned by Declarant, at the time such taxes are due, from the tax escrow account.

(ii) If the actual taxes due for any period for which the Board of Managers 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. 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. If the actual taxes due are lower than the amount collected and held in escrow by the Board of Managers, the Board shall pay the tax bill and 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 Board of Managers holds escrow funds, the Board will return the funds to each Owner and the Owner will pay 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 seek administrative and judicial review of the real estate tax assessment for such Owner's Unit. The Board accordingly may retain legal counsel on behalf of the 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 shall have a lien as if for Common Charges, pursuant to Section 339-z of the Condominium Act.

Section 13.3. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-laws, upon reasonable notice to the Unit Owner, (a) 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 that 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), or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 13.4. 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 13.5. 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 13.6. Plurals. The use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 13.7. 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.

Except as hereinafter provided otherwise, these By-laws may be modified or amended by vote of at least 80% in number and in Common Interest of all Units at a meeting of Unit Owners duly held for such purpose. Notwithstanding the foregoing, no provision of these By-laws or the Declaration to which they are appended may be amended which shall materially impair or prejudice the rights and priorities of Permitted Mortgagees without the consent of at least fifty one percent (51%) of the Permitted Mortgagees, which consent by the Permitted Mortgagees shall not be unreasonably withheld, delayed or conditioned.

Section 14.2. Declarant's Rights.

(a) Declarant, its successor or designee, shall have the right, without the calling of a meeting and without the vote or consent of other Unit Owners, or 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 7.8 of these By-laws, and related changes arising out of such modifications. All expenses in connection with the preparation, recordation and filing of such amendment shall be paid by Declarant, its successor or its designee, unless Declarant shall otherwise arrange with the party on whose behalf the modifications are being made.

(b) The following provisions of these By-laws may not be amended, without the consent in writing of Declarant, its successor or its designee so long as Declarant, its successor 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 and Residential Representatives under the circumstances and for the period of time specified therein;

(ii) Section 2.5(F) insofar as it provides that the Board of Managers may not exercise certain powers without Declarant's prior written consent;

(iii) Section 2.15 insofar as it provides for representation of and control by Declarant, its successor or designee on any committees created by the Board of Managers, so long as Declarant or its designee has a right to designate members of and control the Residential Representatives;

(iv) Section 7.6(a) and 7.6(j) 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 7.6(l) insofar as it provides for Declarant to have the right to exercise its consent or refusal to allow for placement by any Unit Owner of signage.

(vi) Section 7.8(h) insofar as it provides that the provisions of Sections 7.8(a)-7.8(g) are inapplicable to Declarant, and accords Declarant certain specified rights regarding alteration, combination and subdivision of Units.

(vii) Section 7.8(j) insofar as it provides for Declarant to have the right to exercise its consent or refusal to allow for altering, decorating, landscaping or painting a terrace.

(viii) Section 7.9(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, and to erect and maintain signs on exterior portions of the Building and elsewhere on the Property.

(ix) 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, its successor or its designee or any Units resulting from the subdivision or combination thereof;

(x) Article 2 with respect to Declarant's rights in connection with removal of its designated members on the Board of Managers;

(xi) All provisions concerning Declarant's rights with respect to alterations, additions and improvements of Units owned by it;

(xii) All provisions requiring that the By-laws may not be amended so as to adversely affect Declarant; and

(xiii) This Article 14.

Section 14.3. 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.

CONFLICTS

Section 15.1. 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.

EXHIBIT A

INITIAL RULES AND REGULATIONS OF
Factory House Condominium

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. Nothing shall be hung or shaken from any doors, windows, balconies, terraces or roofs or placed upon the window sills. Unless specifically permitted in the By-laws 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, passages, public halls, elevators, vestibule, corridors or stairways.

4. No Common Element, 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 decorations shall be used in or about any Residential Unit, unless otherwise required by law, except such as shall have been approved in writing by the Board of Managers of the Condominium, which approval shall not be unreasonably withheld or delayed.

7. No radio, television, cable or dish aerial shall be attached to or hung from the exterior of the Building and, no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window, terrace or other part of the Building except by the Declarant, its successor or its designee, and the Owners of the Commercial Unit Owners (as permitted in the By-laws) and except as otherwise permitted pursuant to the Declaration, the By-laws or shall have been approved in writing by the Board of Managers or Declarant, for so long as Declarant owns a Unit, nor shall anything be projected from any window without similar approval.

8. No ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Board of Managers.

9. All radio, television, cable, internet, fiber optic, telephone, 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 baby carriages, bicycles, scooters or similar vehicles shall be allowed to stand unattended in the passages, public halls, vestibule, corridors or other public areas.

11. No 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 phonograph or radio or television set or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall 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 shall be conducted in any Unit (excluding Units owned by Declarant, its successor or designee) except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 6:00 P.M., unless such construction or repair work is necessitated by an emergency.

12. No bird, reptile or animal shall be permitted, kept or harbored in the 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 of Managers in its sole discretion, at any time. Notwithstanding the foregoing, a Unit Owner shall be permitted to maintain not more than two (2) cats, birds or dogs each weighing no more than fifteen (15) pounds in any one (1) Residential Unit without the prior consent of the Board of Managers. In no event shall any bird, reptile or animal be permitted in any of the 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.

13. No occupant of the Building shall send any employee of the Board of Managers, the Condominium or of the managing agent thereof 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 nor the Board of Managers nor its 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.

14. 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.

15. 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.

16. The Board of Managers shall retain a key to each Unit. If any lock is altered or a new lock is installed, the Board shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to the Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to the Board, 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).

17. Complaints regarding the service of the Building shall be made in writing to the Board of Managers or to the managing agent.

18. 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 said Board.

19. Unit Owners shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units.

20. 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.

21. 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.

22. The Board shall have the right from time to time to relocate or reallocate any space in the Building devoted to service purposes.

23. In the event that any Unit 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.

24. No Residential Unit Owner shall install any plantings on any terrace without the prior written approval of the Board of Managers.

25. Terrace floor loads are designed for small potted plants only. The Board of Managers may promulgate specific weight limits as well. 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 terrace or roof 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.

26. 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. 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.

[PAGE INTENTIONALLY BLANK]

BEN ROTTENSTEIN ASSOCIATES INC.

REAL ESTATE TAX CONSULTANTS

March 27, 2014

RDG-Stonecutter 43rd Ave Owner LLC
C/o Rising Developers Group LLC
5-04 50th Avenue
LIC, NY 11101

Re: 421-A Application
42-60 Crescent Street. Queens, NY
Block: **429** Lot: **1 (f/k/a 1 and 31)**
37 Residential Units, Commercial, Storage and Parking

Dear Mr. Escarfullery:

I am writing in response to your request for an opinion regarding the eligibility of a construction project at the referenced site for tax benefits pursuant to Section 421-A of the Real Property Tax Law.

1. Eligibility requirements
To be eligible for Section 421-A tax benefits, the Project must comply with each of the eligibility requirements set forth in Chapter 6 of Title 28 of the Rules of the City of New York. The application of these requirements to the project is discussed in detail below.

Location Requirements

1. Geographic Exclusion Area Limitation

Sections 6-02(b)(2) and 6-02(c)(10) of the Rules provide that a project in the Geographic Exclusion Area is eligible for Section 421-A benefits only if carried out with Substantial Governmental Assistance or if affordable units are created in accordance with the requirements of Section 6-08 of the Rules.

The Project is not located in the Geographic Exclusion Area and is therefore not subject to these limitations but is subject to the Assessed Value Cap.

2. Public and Private Park Limitation

Paragraphs (5) and (6) of Section 6-02(c) bar 421-A benefits for projects situated on land mapped as a public park (with certain exceptions) or utilized for ten (10) or more consecutive years immediately prior to October 1, 1971 as a Private Park. You state, and I assume, that the Site does not fall within either category.

BEN ROTTENSTEIN ASSOCIATES INC.
REAL ESTATE TAX CONSULTANTS

Site Requirements

Section 6-02(f) of the Rules states that for a project to be eligible for 421-A benefits, the land on which it is located must have been vacant, predominantly vacant, underutilized, or improved with a non-conforming use on the operative date. "Operative Date" means, in the case of the Project, thirty-six months prior to the Commencement of Construction.

You have stated that construction will commence April 2014. You have stated that construction will commence in the 2013/2014 Fiscal Year. Accordingly the Operative Date will fall within New York City's 2010/2011 Fiscal Year. You have also stated that the site was underutilized prior to the commencement of construction. Accordingly the Site will qualify as underutilized for the purposes of 421-A Rules.

Project Requirements

1. New Multiple Dwelling

Section 6-02(b) of the Rules provides that a project is eligible for Section 421-A benefits only if it is a "new multiple dwelling" containing three or more dwelling units. Section 6-02(c)(2) states that multiple dwellings resulting from the conversion or rehabilitation of a building or structure are ineligible for benefits, and Section 6-01 of the Rules provides that:

Construction shall not commence prior to the issuance by the Department of Buildings of either (i) a building or alteration permit for the construction of an entirely new multiple dwelling, the footprint of which consisted entirely of vacant and unimproved land upon such date, or (ii) an alteration permit for the construction of a new multiple dwelling above, and on an entirely separate tax lot from, one or more existing structures which are to be retained provided that only the floor area attributable to the new multiple dwelling, and any eligible commercial, community facility or accessory use space within such new structure shall be eligible for benefits under the act.

You state that the Project will be carried out pursuant to a new building permit and, upon completion, will be a newly constructed multiple dwelling constructed on land which was entirely underutilized as of the Commencement of Construction. Accordingly, the project will meet the requirements set forth above.

You state that the new construction will consist of 37 newly constructed residential condominium units, commercial and parking with an expected completion date of June 2015 (fiscal year 2014/2015)

2. Not used as a Hotel or for Single Room occupancy

Paragraphs (3) and (4) of Section 6-02(c) of the 421-A Rules deem any building or portion thereof which is used as a hotel or for single room occupancy ineligible for 421-A benefits. You state that no such use of the Project will occur.

BEN ROTTENSTEIN ASSOCIATES INC.
REAL ESTATE TAX CONSULTANTS

Timing Requirements

1. This Project is eligible for a 15 year tax abatement which according to the 421a rules must be completed within 36 months from the start of construction.

2. Reduction of Benefits for Excess Commercial, Community Facility or Accessory Use Space

Section 6-06(b) of the Rules provides that the tax exemption granted by 421-A will be reduced if the floor area of the Project's commercial, community facility and accessory use space exceeds twelve percent (12%) of the aggregate floor area.

The amount of commercial, community facility and accessory use space, and resulting decrease in benefits will be determined by the Department of Housing and Preservation and Development ("HPD") in accordance with the 421-A Rules based on building plans for the Project.

3. Exemption during construction

If the project satisfies all of the requirements set forth in Section 421-A and has received a Preliminary Certificate of Eligibility each unit shall be exempt from real property taxes for the first $75,000 in assessed valuation over the Prior Assessed Valuation during the statutorily defined period of construction or for a period of three years, whichever is less, provided that taxes shall be paid in each tax year in which full or partial exemption is in effect on the Prior Assessed Valuation, as defined in Section §6-01 of 421-A Rules.

4. Exemption after construction

After the first taxable status date immediately following the completion of the construction, any increase in assessed valuation over the Prior Assessed Valuation of the eligible Project which has received a Final Certificate of Eligibility shall be exempt from real property taxes, other than assessments for local improvements, for fifteen consecutive tax years pursuant to the following schedule. In addition, owners must pay full taxes on the Prior Assessed Valuation, as defined in §6-01 of Section 421-A. In addition, condo owners must pay full real estate taxes on the Prior Assessed Valuation and any increases until the Final Certificate of Eligibility is issued, as defined in Section §6-01 of 421-A Rules.

BEN ROTTENSTEIN ASSOCIATES INC.

REAL ESTATE TAX CONSULTANTS

Fifteen Year Exemption

YEAR	Percent of Increased Assessed Valuation Which Is Exempt
First through Eleventh	100%
Twelfth	80%
Thirteenth	60%
Fourteenth	40%
Fifteenth	20%
Sixteenth	0%

Prior to the commencement of construction, records of the New York City Department of Finance Real Property Assessment Department reveal that assessed valuation of the subject premises is as follows: (Years 2012/2013)

BLOCK: 429 LOT: 1 (42-60 – 42-66 Crescent Street. Queens, NY)

ACTUAL VALUES	LAND: $58,050	TOTAL: $176,400
TRANSITIONAL VALUES	LAND: $58,050	TOTAL: $132,300

BLOCK: 429 LOT: 31 (42-56 Crescent Street. Queens, NY)

ACTUAL VALUES	LAND: $58,550	TOTAL: $95,400
TRANSITIONAL VALUES	LAND: $58,500	TOTAL: $123,750

Therefore, the base assessed value that the property will be taxed on once the 421a is applied is estimated to be $227,700 and the taxes for new lot 1 will be approximately $30,013.

It is estimated the assessed value of the property upon completion of construction will be approximately $2,900,000. Therefore, the taxes would be estimated at $382,249. The Department of Finance will allocate the assessed value to the condominium units, usually based upon the percentage of common interest as listed in the Condominium Offering Plan. The 2014/2015 Tax Class 1 tax rate is estimated as, $13.181 per $100.

Any increase in assessment due to the physical improvements attributable to the newly constructed residential condominium units shall be exempt as per the FIFTEEN YEAR EXEMPTION table shown earlier.

Although the aforesaid estimate of the post construction Assessed Valuation is a good faith estimate, it is not possible to estimate it with any degree of certainty, and thus such assessed valuation when actually made may be less or greater than estimated above. In no event will the firm of BEN ROTTENSTEIN ASSOCIATES INC., the Sponsor, the Sponsor's counsel, or any other person be liable if the assessed valuation when actually made, is less or greater than predicted above or if the Administrative Code and the applicable rules and regulations of the City of New York are in the future changed or if the facts as represented to the office of BEN ROTTENSTEIN ASSOCIATES INC., prove to be untrue.

BEN ROTTENSTEIN ASSOCIATES INC.

REAL ESTATE TAX CONSULTANTS

Based on the foregoing, it is our opinion that the Department of Housing and Preservation and Development ("HPD") will consider the property eligible for real estate tax exemption benefits under Section 421-A.

NO WARRANTY IS OR CAN BE MADE BY THIS FIRM THAT HPD OR THE NEW YORK CITY BUREAU OF REAL PROPERTY ASSESSMENT, OR ANY OTHER AGENCY WITH JURISDICTION WILL APPROVE SPONSOR'S APPLICATION FOR SECTION 421-A TAX BENEFITS, OR THAT THE ASSESSED VALUATION WILL BE AS ESTIMATED HEREIN, AND THE WRITER OF THIS LETTER SHALL NOT BE LIABLE, IF BECAUSE OF CHANGES IN LAWS AND/OR REGULATIONS, OR THE INTERPRETATIONS OF LAWS AND/OR REGULATIONS, OR IF THE FACTS REPRESENTED BY SPONSOR, ARCHITECT OR APPRAISER PROVE INCORRECT, THE PROPERTY FAILS TO OBTAIN SECTION 421-A BENEFITS.

We consent to the inclusion of this letter in the Offering Plan.

Very truly yours,

BEN ROTTENSTEIN ASSOCIATES INC.

Adam J. Sabo

147 PRINCE STREET • BROOKLYN, NY 11201 •TEL: 718.855.6110 • FAX: 718.797.9684 •JACKJAFFA.COM

AN AFFILIATE OF JACK JAFFA & ASSOCIATES INC.

[PAGE INTENTIONALLY BLANK]

NEWMAN LAW, P.C.

July 9, 2014

RDG-Stonecutter 43rd Ave Owner LLC
c/o Rising Developers Group LLC
5-04 50th Avenue
Long Island City, New York 11101

Re: Factory Condominium, 42-60 Crescent Street, Long Island City, NY

Gentlemen:

As owner of the property located at 42-60 Crescent Street, Long Island City, 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 deductibility for Federal, New York State and New York City income tax purposes of mortgage interest and real estate taxes paid by a person who purchases a "**Residential Unit**" (as defined in the Plan) upon establishment of the Property as a condominium (the "**Condominium**"), and thus becomes a "**Residential Unit Owner**" (also as defined in the Plan) at the Condominium.

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**" (as defined in the Plan), 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 Residential Unit Owner and a Non-Residential Unit Owner (as respectively defined in the Plan) (individually, a "**Unit Owner**" and collectively, the "**Unit Owners**") will own fee title to a Residential Unit or a Non-Residential Unit (as respectively defined in the Plan) (individually, a "**Unit**" and collectively, the "**Units**"), as the case may be, including an undivided interest in the "**Common Elements**" (as defined in the Plan) appurtenant to the Unit;

EVAN M. NEWMAN Attorney At Law
enewman@newmanlawpc.com
377 Pearsall Avenue, Suite C, Cedarhurst, NY 11516
T 516.545.0343 F 212.671.1883
www.newmanlawpc.com

NEWMAN LAW P.C.

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 and the Unit Owner will be directly liable for the real estate tax assessment 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 Residential Unit Owner who uses the Residential Unit as said Owner's principal residence or specifically selected secondary residence (each a "**Qualified Residence**") and who itemizes deductions will be entitled under present tax laws and regulations, to deduct from adjusted gross income, for Federal, New York State and New York City income tax purposes, certain costs associated with ownership of the Residential Unit. Specifically, the Residential Unit Owner may deduct, subject to certain limitations on itemized deductions, (i) real estate taxes assessed against 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 that 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 separate return by a married individual). (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, 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.

NEWMAN LAW, P.C.

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 (since the Board simply acts as agent for 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 (as defined in the Plan), and the amount of such income less such expenses would be taxable to the Unit Owners. In such a case, however, the Common Charges (as defined in the Plan) would not be considered income to the Unit Owners, and the expenditures incurred in maintaining the Common Elements would not be deductible by 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, the Condominium may and will likely 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, 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. 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. In the event that the Board is required to pay any federal, New York State or New York City in come or franchise taxes, and an additional assessment is made in order to meet such tax liability, the additional amount collected through such assessment may itself be subject to tax.

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.

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 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 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 is made on an annual basis by filing Form 1120-H.

Even if the Condominium were to satisfy the requirements of Section 528 and elect to be exempt from Federal income taxes on exempt function income, it would still be taxable 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 involves factual issues which can be determined only on a year-by-year basis. 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. However, if the Projected Budget for First Year of Condominium Operation contained in the Plan proves to be accurate, and assuming that requirement (v) discussed above is met, the Condominium should qualify to make the Section 528 election for the first year of operation. In the event that 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.

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 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 in connection with a 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), or the ownership of a Non-Residential Unit generally, other than those explicitly expressed herein. We strongly advise each person contemplating the purchase of a 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 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.

Very truly yours,

Newman Law P.C.

[PAGE INTENTIONALLY BLANK]

ALAYNE REAL ESTATE INC.
3004 AVE L
BROOKLYN, NY 11210
718-421-3400

Investment Protection Bureau
Real Estate Financing Section
New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271

Re: Condominium Offering Plan – Compliance with Real Property Law Section 339-i
The Factory Condominium/42-60 Crescent Street, Long Island City, New York

Ladies and Gentleman:

This letter is submitted in connection with the proposed conversion to condominium status of the above referenced property.

We are licensed real estate brokers in the state of New York. Our experience in this field includes: Our firm is a licensed real estate brokerage firm and real estate management company that has been engaged in the real estate business in the New York metropolitan area for over twenty years. We have extensive experience with condominium sales and projects. Since 1990, we have managed five residential rental properties for the last ten years, including representing sponsors as the managing agent.

The percentages of interest of the Units in the Common Elements have been determined in accordance with Real Property Law Section 339-i(1)(iv), to wit, such common interest is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.

Having evaluated the allocation of Common Interest among the Units based on the foregoing factors, it is our opinion that the allocation is consistent with Real Property Law Section 339-i.

We have no beneficial interest in the Sponsor, or in the profitability of the offering.

We consent to the incorporation of this opinion in the Condominium Plan.

Sworn to before me this 2nd day of June, 2014

Notary Public

HENRY BLACHORSKY
NOTARY PUBLIC, State of New York
No. 01BL6090170
Qualified in Nassau County
Commission Expires 2/27/2016

ALAYNE REAL ESTATE INC.

By: _____ Name: Abraham Davies

[PAGE INTENTIONALLY BLANK]

CONDOMINIUM UNIT INTERIM LEASE

Landlord and Tenant agree to lease the Unit and the Stated Interest in the Common Elements at the rent and for the term stated:

PREMISES: The Factory LIC - 42-60 Crescent Street, Long Island City, New York	**UNIT:**
LANDLORD: RDG-Stonecutter 43rd Ave Owner LLC	**TENANT:**
Date of Lease:	Annual Rent: $
Lease Term:	Monthly Rent: $
Commencement Date:	Security Deposit: $
Termination Date: The earlier of the Closing Date	under the Purchase Agreement or

1. Use and Occupancy

The Unit may only be used strictly for residential purposes and may only be occupied by Tenant and Tenant's spouse and children.

2. Inability to Give Possession

The failure of Landlord to give Tenant possession of the Unit on the Commencement Date shall not create liability for Landlord. In the event that possession of the Unit is not delivered on the Commencement Date, Monthly Rent hereunder shall begin on the date that possession of the Unit is delivered to Tenant and shall be prorated for that portion of the month in which possession is delivered.

3. Rent

A. Tenant shall pay Monthly Rent in full on the first day of each month of the Lease. Monthly Rent shall be paid in advance with no notice being required from Landlord. Tenant shall not deduct any sums from the Monthly Rent unless Landlord consents thereto in writing. Rent shall not be abated or forgiven due to damage to or inability to use the common elements.

Upon signing this Lease, Tenant shall pay Landlord the first Monthly Rent due and the Security Deposit. The entire amount of rent due for the Lease Term is due upon signing this Lease; however, Landlord consents to the Tenant paying same in monthly installments provided there exists no defaults by Tenant under the terms of this Lease.

B. Additional Rent may include, but is not limited to

1. all insurance premiums and/or expenses expressly for the Unit and/or paid by Landlord which are chargeable to Tenant as stated hereinafter:
2. all Common Charges, Common Expenses and Association dues allocated to the Unit;
3. all real estate taxes for the Unit

Additional Rent is due and payable with the Monthly Rent for the next month after Tenant receives notice from Landlord that Additional Rent is due and payable.

4. Condition of Unit

Tenant acknowledges that Tenant is accepting the Unit in its **"as is"** condition. Tenant further acknowledges that Tenant has thoroughly inspected the Unit and has found the Unit to be in good order and repair and that the appliances, if any, are in good operating condition. Tenant further states that Tenant knows how to operate the appliances and shall do so in accordance with the manufacturer's instructions.

5. Security

The Security Deposit is due upon the Tenant signing this Lease. The Security Deposit shall not be used for the payment of Monthly Rent and/or Additional Rent unless agreed to, in writing, by Landlord and Tenant. Within thirty (30) days after Tenant surrenders possession of the Unit at the expiration of the Lease Term, Landlord shall return the Security Deposit, less any cost of repairs as authorized by this Lease, to Tenant at an address Tenant provides.

6. Services and Utilities

Tenant is responsible for paying all electric, gas, water, telephone and any other utilities allocated to the Unit.

The Condominium or the appliances within the Unit will supply (a) heat, in such quantity and for such time as mandated by law, (b) hot and cold water, (c) air conditioning, if existing in the Unit (the "Services"). If the Services are temporarily interrupted due to an accident, emergency and/or repairs, Tenant's obligation to pay rent, in full, shall not be affected thereby.

Landlord will also supply a refrigerator, stove/oven, dishwasher, air conditioning unit, clothes washer and clothes dryer (the "Appliances"). Any damage to the Appliances which is caused by the willful and/or negligent acts of Tenant may be repaired by Landlord, the cost of which shall be Additional Rent.

Tenant shall pay for the following services directly or when billed: electric, telephone, cable.

7. Furnishings

The Unit is being delivered unfurnished.

8. Repairs and Alterations

Tenant shall maintain all appliances, equipment, furniture, furnishings and other personal property included under this Lease and, upon the surrender of the Unit on the Termination Date, Tenant shall surrender same to Landlord in the same condition as received, reasonable wear and tear excepted. Tenant shall make all repairs which become necessary due to Tenant's acts and/or negligence. If Tenant does not make such repairs, Landlord may do so, the cost of which shall be Additional Rent. In the event that Tenant defaults under the terms of this Paragraph 8, Landlord may make necessary repairs or replacement, the cost of which shall be deducted from the Security Deposit.

Tenant shall not make any alterations, additions, modifications and/or changes to the Unit during the Lease Term.

Should a mechanic's lien be filed against the Unit and/or the building in which the Unit is situated (the ""Building") due to Tenant's failure to pay for alterations and/or repairs and/or work performed in the Unit, Tenant must immediately either pay or file a bond for the amount stated in the mechanic's lien. In the event Tenant fails to so pay or bond the mechanic's lien, Landlord may do so upon giving ten (10) days prior written notice to Tenant, Landlord's cost for which shall be Additional Rent.

Provided the Condominium Association is obligated to do so, Landlord will cause the Condominium Association to repair any damage, except if such damage is the result of the acts and/or negligence of Tenant

9. Maintenance of Unit

Tenant shall maintain the Unit in a neat, clean and presentable condition.

10. Pets

Pets and animals of any kind or nature shall not be allowed in the Unit.

11. Damage, Fire or Other Catastrophe

In the case of fire damage or other damage to the Unit not caused by Tenant, Tenant shall give Landlord immediate notice of same. Upon receipt of such notice, Landlord may either (a) repair the Unit or (b) terminate the Lease. If Landlord makes repairs to the Unit, Landlord shall have a reasonable time in which to do so. If the damage to the Premises or the Unit renders the Unit uninhabitable, Landlord shall give notice to Tenant, after repairs are made, of the date on which the Unit may be reoccupied. Monthly Rent for the period that Tenant can not occupy the Unit because of the damage shall be forgiven.

In the event that Landlord terminates this Lease because of the damage, Landlord shall give Tenant three (3) days notice of Landlord's intent to so terminate, in which event, Monthly Rent shall be due for the period up to the date the Premises or the Unit incurred the damage.

Notwithstanding the provisions of Section 227 of the New York Real Property Law, if the Unit is situated is substantially damaged by fire or other catastrophe (the "Occurrence"), Landlord has the absolute right to demolish, renovate or rebuild the Unit. Landlord may cancel this Lease, in such event, upon thirty (30) days written notice to Tenant of Landlord's intent, which notice shall include the date on which the Lease terminates, which shall, in no event, be less than thirty (30) days from the date of said notice. By canceling this Lease in accordance with the terms of this Paragraph, Landlord is not obligated to repair, renovate or rebuild the Unit. Monthly Rent and Additional Rent shall be paid by Tenant up to the date of the Occurrence.

12. Liability

Landlord shall not be liable for any loss, damage or expense to any person or property except if such loss is caused by the willful acts of Landlord.

Tenant shall be liable for the acts of Tenant, Tenant's family, guests and/or invitees. Landlord's cost and expense in repairing any such damage or from any claim resulting from such acts shall be billed as Additional Rent and shall be paid by Tenant to Landlord.

Landlord is not liable to Tenant should anyone be refused entry into the Building.

Landlord is not liable for damages or otherwise if Tenant suffers them as a result of any acts of commission or omission of the Condominium Association, its Board of Managers or any other party responsible to the Condominium Association or its Board of Managers. Landlord is not liable to Tenant with regard to any of the obligations of the Condominium Association, its Board of Managers or other party responsible to them under the Condominium Declaration. The obligation to pay Rent and Additional Rent under this Lease continues even if the Condominium Association, its Board of Managers and other party responsible to them fails to perform such obligations.

Tenant, by executing this Lease agrees to indemnify and hold Landlord harmless from and against any claims arising from the Condominium Declaration related to Tenant's acts and/or negligence.

13. Insurance

Tenant is obligated to carry whatever property and/or liability insurance that Landlord requires and shall have named on the policy of insurance Landlord, as an insured. Tenant must deliver a copy of the declaration page of the policy of insurance or the binder showing Landlord as an insured prior to taking possession of the Unit.

14. Entry

Except in an emergency, for the purposes of repair, inspection, extermination, installation or repair of any system, utility or appliance or to do any work deemed necessary by Landlord, Landlord may enter the Unit on reasonable notice and at reasonable times. Upon giving such notice, Landlord may also enter the Unit to show the Unit to prospective purchasers, lenders or other persons deemed appropriate and necessary by Landlord. Landlord may enter the Unit to show the Unit to prospective tenants.

Landlord is not responsible for disturbance to tenant or damage to Tenant due to work being performed on behalf of Landlord or the Condominium Association and Tenant waives any claim of eviction in such event.

Upon reasonable notice to Tenant, the representatives of the Condominium Association, Board of Manages or any other party authorized by them or by the Condominium Declaration may enter the Unit and Landlord assumes no responsibility nor shall Landlord be liable for any damage or loss caused by them.

15. Assigning or Subletting

This Lease may not be assigned by Tenant nor shall Tenant sublet the Unit.

16. Subordination

This Lease and Tenant's rights hereunder are subject and subordinate to all existing and future leases for the Building in which the Unit is situated, to all mortgages on said leases and/or the Unit and/or the Building and all renewals, modifications and extensions thereof. Upon request by Landlord, Tenant shall execute any certificate to this effect.

17. Intentionally Omitted.

18. Keys, Locks

Tenant shall give Landlord keys to all locks for the Unit. Tenant shall not change any locks or add any locks to the Unit without obtaining Landlord's consent, and if given, Tenant shall provide keys to Landlord for these locks.

19. Signs

Tenant shall not place any signs on the Unit or upon the Building or in the Unit so as to be seen from outside the Unit. Landlord shall have the right to place or cause to be placed on the Unit and/or upon the Building, "For Rent" and/or "For Sale" signs.

20. Compliance with Authorities

Tenant shall, at its own cost and expense, comply promptly with all laws, rules, ordinances and directions of governmental and/or municipal authorities, insurance carriers and/or the Condominium Association and/or Board of Managers. Tenant shall give all notice Tenant receives which are for Landlord.

21. Tenant's Defaults, Landlord's Remedies

A. Landlord must give Tenant notice of default (except for a default in the payment of Monthly Rent and/or Additional Rent) and Tenant, upon receipt of such notice must cure the default within the time stated hereinafter:

1. a default under Paragraphs 8, 9, 10, 11, 12, 13, 15, 18, or 19 of this Lease, five (5) days;
2. a default under Paragraph 23 of this Lease, fifteen (15) days.

B. In the event that Tenant fails to cure a default within the time stated therefore, Landlord may terminate this Lease. In such event, Landlord shall give Tenant notice stating the date upon which this Lease shall terminate, such date being not less than three (3) days after the date of such notice at which time this Lease shall then terminate. Tenant shall be responsible for Monthly Rent and Additional Rent as set forth in this Lease up to the date of termination.

C. If this Lease is terminated or Tenant vacates the Unit prior to the Termination Date, Landlord may enter the Unit and remove Tenant and any person or property and/or commence summary proceedings for eviction. The aforesaid actions are not the sole remedies of Landlord.

D. If this Lease is cancelled or Landlord takes back the Unit

1. Monthly Rent and Additional Rent for the unexpired portion of the Lease Term immediately becomes due and payable. In addition, any cost or repair expended by Landlord shall be the obligation of Tenant and shall be deemed Additional Rent.

2. Landlord may re-rent the Unit and anything in it for any term and at any rental and any cost in connection therewith shall be borne by Tenant which may include, but is not limited to the cost of repairs, decorations, preparation for renting, broker's fees, advertising costs and attorney's fees. Any rent recovered by Landlord for the re-renting of the Unit shall reduce the amount of money that Tenant owes to Landlord.

22. Condemnation

If any or part of the Unit is taken or condemned by any governmental authority, Landlord may cancel this Lease on notice to Tenant and Tenant's rights hereunder shall end as of the date the authority takes title to the Unit which cancellation date can not be less than thirty (30) days from the date of Landlord's notice. Tenant shall be liable for Monthly Rent and Additional Rent to the date of cancellation and shall make no claim for the unexpired term of the Lease. Any award for the condemnation is the property of Landlord and Tenant assigns to Landlord any and all rights, interest and/or claim in and to such award.

23. Bankruptcy

Should Tenant file a voluntary petition in bankruptcy or an involuntary petition is filed against Tenant, or should Tenant assign any property fro the benefit of creditors or should a trustee/receiver be appointed of Tenant and/or Tenant's property, Landlord can cancel this Lease upon thirty (30) days written notice to Tenant.

24. Notices

Any notice to be given under this Lease shall be in writing addressed to the party at the addresses set forth herein by certified mail or overnight courier service. Notice by Landlord to one named Tenant shall be deemed given to all Tenants and occupants of the Unit. Each party hereto shall accept notices sent by the other. Any change of address by one party must be given, by notice, to the other. Notice shall be deemed given when posted or delivered to the overnight courier service.

25. Waiver of Jury Trial, Set-Off or Counterclaim

The parties hereto waive trial by jury in all matters except for personal injury or property damage claims. In a summary proceeding for eviction, Tenant waives Tenant's right to any set-off and/or counterclaim.

26. Broker

Tenant states that _____ is the sole Broker who showed the Unit to Tenant. Tenant shall hold harmless and indemnify Landlord from any monies expended by Landlord should Tenant's statement herein be untrue.

27. Inability of Landlord to Perform

If Landlord is unable to perform any of its obligations to be performed hereunder due to governmental orders, labor strife or inability to secure goods or materials, through no fault on the part of Landlord, the Condominium Association and/or its Board of Managers, this Lease shall not be terminated or cancelled and such inability shall not impact upon Tenant's obligations hereunder.

28. Illegality

Should any part of this Lease be deemed illegal, the remaining portions of this Lease shall not be affected thereby and shall remain in full force and effect.

29. Non-Disturbance

So long as Tenant pays the Monthly Rent and Additional Rent and there exists no defaults under any of the terms of this Lease, Tenant may peacefully occupy the Unit for the Lease Term.

30. Non-Waiver

Any failure by Landlord to insist upon Tenant's full compliance with the terms of this Lease and/or to enforce such terms shall not be deemed to be a waiver of Landlord's rights to insist upon or so enforce the terms of this Lease at a future date.

31. Rules

Tenant shall comply with all Condominium documents, including the Condominium Declaration and By-laws. Tenant shall also comply with the Condominium Rules and Regulations (part of the Condominium's By-laws) and the following additional rules (the "Tenant Rules") at all times. If there is a change in the Tenant Rules, Landlord will give Tenant notice of same. Landlord shall not be liable to Tenant for another tenant's violation of any rules. The rights afforded under the following Tenant Rules are for the sole benefit of Landlord:

(a) the quiet enjoyment of other tenants shall not be interfered with;

(b) sounds, odors and lights which are annoying to other tenants are not allowed;

(c) floors within the Unit must be covered over 70% of the area of each room except for the bathroom and kitchen;

(d) all posted rules must be followed;

(e) smoking is not permitted in the Unit or hallways;

(f) All flammable or dangerous items may not be kept or stored in the Unit;

(g) no one is allowed access to or the enjoyment of the roof;

(h) nothing shall be placed on or attached to the fire escapes, windows, doors or in the hallways or common areas;

(i) elevators, if any, are to be used by tenants and their guests only. Bicycles are not allowed in the elevators. Tenants and their guests are not to leave any garbage, trash and/or debris in the elevators;

(j) moving of furniture in and out of the Unit must be scheduled with the Landlord and/or Manager;

(k) all deliveries must be made by means of the service entrance, if any;

(l) laundry machines, if provided, may be used at tenants' risk and cost, may only be used at reasonable hours and all instructions for their use must be strictly followed;

(m) cleaning of the exterior of the windows from the outside is strictly forbidden;

(n) if parking is provided, improperly parked vehicles may be immediately removed at tenant's cost;

(o) tenant may not leave any baby carriages/strollers, bicycles, boxes, cartons and/or any items in hallways;

(p) tenant shall use its best efforts to conserve energy and water;

(q) hot plates or means of cooking other than the stove are not permitted.

32. Limitation of Recovery

Should Tenant obtain a judgment or other remedy from a court of competent jurisdiction for the payment of money by Landlord, Tenant is limited to the Landlord's interest in the Unit for the collection of same. Landlord shall not be liable for the acts of the Condominium Association, its Board of Managers, their agents or representatives.

33. Construction and Demolition

Construction and/or demolition may be done in or near the Unit and Building and if same interferes with the ventilation, view and/or enjoyment of the Unit, Tenant's obligations under this Lease shall, in no way, be affected.

34. Terraces and Balconies

If there is a terrace or balcony as an adjunct to the Unit, such terrace or balcony is subject to the terms of this Lease.

Tenant shall keep the terrace or balcony clean, clear of snow, ice, garbage and other debris. No alteration or additions may be made to the terrace or balcony. Tenant's property may not be stored on the terrace or balcony. Cooking on the terrace or balcony is prohibited.

Tenant shall maintain the terrace or balcony in good condition and make all repairs at Tenant's cost, except those of a structural nature which is the responsibility of the Condominium Association.

35. Common Recreational Areas

If applicable, Landlord may give Tenant use of any playground, pool, parking or other areas, the use of which will be at Tenant's own risk and Tenant shall pay any charge imposed by Landlord for such use. Landlord's permission to use these areas may be revoked at any time.

36. Parties Bound

This Lease is binding upon Landlord and Tenant and their respective assignees and/or successors in interest.

37. Paragraph Headings

Paragraph headings are for reference only.

38. Effectiveness

This Lease shall become effective as of the date when Landlord delivers a fully executed copy hereof to Tenant or Tenant's attorney.

39. Entire Agreement

Tenant states that Tenant has read this Lease and that it fully incorporates all understandings, representations and promises made to Tenant by Landlord and/or Landlord's agent and that this Lease supersedes all prior representations, agreements and promises, whether oral or written.

40. Amendments

This Lease may only be changed or amended in a writing signed by the parties hereto.

41. Riders

Additional terms are contained in the riders annexed hereto and designated Addendum to Interim Lease.

42. Garage/Parking Space

If this Lease provides for a garage space for Tenant's use, any fee that Landlord charges Tenant shall be Additional Rent and paid in accordance with Paragraph "3 B" of this Lease.

43. Definitions

a) Condominium Association. The Unit owners association and/or organization, the membership of which is comprised of Unit Owners (defined below).

b) Board of Managers. Persons selected, authorized and empowered to manage and operate the Building as set forth in the Condominium Declaration filed in the Office of the Clerk of the County in which the Building is situated.

c) Common Charges. The Unit's share of the Common Expenses.

d) Common Elements. As defined in the Condominium Declaration.

e) Common Expenses. The expenses of operating the Condominium as determined by the Board of Managers.

f) Common Interest. The proportionate interest a Unit Owner has in the Common Elements.

g) Unit Owner. The person or entity having title to a unit or units in the Condominium.

44. Surrender of Unit

On the Termination Date, Tenant shall deliver the Unit to Landlord vacant, in good condition and broom clean. Prior to such delivery, Tenant shall have vacated the Unit, removed Tenant's property, repaired all damages caused by Tenant and return the Unit in the same condition as received, reasonable wear and tear excepted.

45. Voting Rights

Tenant, by virtue of this Lease, does not obtain any voting rights which Landlord has to vote with respect to any matter for which a vote is called by the Condominium Association or its Board of Managers.

46. Sale of Unit

In the event Landlord sells the Unit, Landlord may terminate this Lease on thirty (30) days prior written notice to Tenant, in which event Tenant shall vacate the Unit on the date set forth in said notice.

47. Interim Lease

In the event this Lease is entered into simultaneously with the execution of a Purchase Agreement by the Tenant herein for the Purchase by Tenant/Purchaser of the Unit, (a) an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit will constitute a default under this Lease entitling Landlord/Sponsor, at its sole option, to immediately terminate this Lease and the Tenant must vacate the Unit within seven (7) days of the uncured default and (b) the Purchase Agreement may provide that an uncured default by the Tenant under this Lease with respect to the Unit, including but not limited to payment of rent as and when due, will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to immediately terminate the Purchase Agreement and exercise any remedies provided therein.

This Lease will terminate upon Tenant/Purchaser's default hereunder and Tenant shall be obligated to vacate the Unit upon the effective termination date of this Lease.

This Lease has been entered into as of the Date of Lease.

LANDLORD **TENANT**

_____ _____

_____ _____

RDG-STONECUTTER 43RD AVE OWNER LLC
c/o Rising Developers Group LLC
5-04 50th Avenue
Long Island City, New York, 11101

CERTIFICATION OF SPONSOR & SPONSOR'S PRINCIPALS

Investment Protection Bureau
Real Estate Financing Section
New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271

Re: Condominium Offering Plan
The Factory Condominium / 42-60 Crescent Street, Long Island City, New York

Ladies and Gentleman:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Office of the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(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 statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

FANY MALEGANOS
Notary Public - State of New York
NO. 01MA6112890
Qualified in Queens County
My Commission Expires July 12, 2016

Sworn to before me this 10 day of June, 2014

Notary Public

RDG-Stonecutter 43rd Ave Owner LLC

By _____
Name: Joseph Palumbo
Title: Authorized Signatory

FANY MALEGANOS
Notary Public - State of New York
NO. 01MA6112890
Qualified in Queens County
My Commission Expires July 12, 2016

SPONSOR'S PRINCIPALS:

Sworn to before me this 10 day of June, 2014

Notary Public

Name: Joseph Palumbo

FANY MALEGANOS
Notary Public - State of New York
NO. 01MA6112890
Qualified in Queens County
My Commission Expires July 12, 2016

Sworn to before me this 10 day of June, 2014

Notary Public

Name: Joseph C. Escarfullery

FANY MALEGANOS
Notary Public - State of New York
NO. 01MA6112890
Qualified in Queens County
My Commission Expires July 12, 2016

Sworn to before me this 10 day of June, 2014

Notary Public

Name: Charlie Sin Wong

Sworn to before me this 11 day of June, 2014

EVAN M. NEWMAN
Notary Public, State of New York
No. 02NE6216317
Qualified in Nassau County
Commission Expires January 11, 2018

Notary Public

Name: Moshe Jacobowitz

Sworn to before me this 8th day of ~~June~~ July, 2014

BAHRIJA PERAZIC
Notary Public, State of New York
No. 01PE6058555
Qualified in New York County
Commission Expires May 14, 2015

Notary Public

Name: Scott Zucker

Sworn to before me this 8th day of ~~June~~ July, 2014

Notary Public

Name: Robert Kunzweiler

BAHRIJA PERAZIC
Notary Public, State of New York
No. 01PE6058555
Qualified in New York County
Commission Expires May 14, 2015

Alfredo T. Fredericks, REGISTERED ARCHITECT • 97-04 23rd Avenue, East Elmhurst, New York, 11369 • (718) 458-9668

Architecture
Interior Design
Planning

CERTIFICATION OF ARCHITECT

July 10, 2014

Investment Protection Bureau
Real Estate Financing Section
New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271

Re: Condominium Offering Plan
The Factory Condominium -
42-60 Crescent Street , Long Island City, New York

Ladies and Gentleman:

The sponsor of the offering plan to convert the captioned property (the "Property") to condominium ownership retained our firm to prepare a report describing the construction of the Property (the "Report"). Also, we were retained to prepare plans and specifications for the project. We accordingly prepared the plans and specifications that are incorporated in a set of drawings dated March 10, 2014 (collectively, the "Plans and Specifications") and prepared the report dated June 19, 2014. A copy of the Report is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report.

We are a registered architectural firm 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 Office of the Attorney General in Part 20 insofar as they are applicable to the Report.

We prepared and have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire Property as it will exist upon completion of construction, provided that construction is in accordance with the Plans and Specifications that we prepared;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the Plans and Specifications that we prepared;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

Alfredo Fredericks, RA
97-04 23rd Avenue
East Elmhurst, NY 11369

By: _____
Name: Alfredo Fredericks

REGISTERED ARCHITECT
ALFREDO T. FREDERICKS
016963
STATE OF NEW YORK

Sworn to before me this 10 day of June, 2014

_____
Notary Public

PAULA ETKINS
Notary Public State of New York
No. 01ET 4[illegible]
Qualified in Queens
Commission Expires June 6, 2018

ALAYNE REAL ESTATE INC.
3004 AVE L
BROOKLYN, NY 11210
718-421-3400

July 2, 2014

Investment Protection Bureau
Real Estate Financing Section
New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271

Re: The Factory Condominium
42-60 Crescent Street, Long Island City, New York

Ladies and Gentleman:

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B, containing projections of income and expenses for the first year of condominium operation.

Our experience in this field includes: Our firm is a licensed real estate brokerage firm and real estate management company that has been engaged in the real estate business in the New York metropolitan area for over twenty years. We have extensive experience with condominium sales and projects. Since 1990, we have managed five residential rental properties for the last ten years, including representing sponsors as the managing agent.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Office of the Attorney General in Part 20 insofar as they are applicable to Schedules B and B-1.

We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(i) set forth in detail the projected common charges for the non-residential unit for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner of the non-residential 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 non-residential unit 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.

Sworn to before me this 2nd day of July ~~June~~, 2014

Notary Public

HENRY BLACHORSKY
NOTARY PUBLIC, State of New York
No. 01BL6090170
Qualified in Nassau County
Commission Expires 2/27/2016

ALAYNE REAL ESTATE INC.

By: _____
Name: Abraham Davies

ALAYNE REAL ESTATE INC.
3004 AVE L
BROOKLYN, NY 11210
718-421-3400

July 2, 2014

Investment Protection Bureau
Real Estate Financing Section
New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271

Re: The Factory Condominium
42-60 Crescent Street, Long Island City, New York

Ladies and Gentleman:

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B which includes projections of common charges payable by the owners of the non-residential units. Our experience in this field includes: Our firm is a licensed real estate brokerage firm and real estate management company that has been engaged in the real estate business in the New York metropolitan area for over twenty years. We have extensive experience with condominium sales and projects. Since 1990, we have managed five residential rental properties for the last ten years, including representing sponsors as the managing agent.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Office of the Attorney General in Part 20 insofar as they are applicable to the non-residential unit listed in Schedule B.

We have reviewed the Schedule as it impacts upon the non-residential unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B for common charges payable by the owner of non-residential unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such non-residential unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the non-residential unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owners of the non-residential units:

(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 representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income 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

Sworn to before me this 2nd day of June, 2014

Notary Public

HENRY BLACHORSKY
NOTARY PUBLIC, State of New York
No. 01BL6090170
Qualified in Nassau County
Commission Expires 2/27/2016

ALAYNE REAL ESTATE INC.

By:
Name: Abraham Davies