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The Sutton

CONDOMINIUM OFFERING PLAN
for

The Sutton

The Sutton Condominium

located at
959 First Avenue
New York, New York 10022

113 Residential Units	$266,202,100.00
2 Commercial Units	$4,500,000.00
12 Storage Units	$900,000.00
Total Offering	$271,602,100.00

SPONSOR:
Toll First Avenue LLC
75 Broad Street, Suite 2100
New York, New York 10004

SELLING AGENT:
Toll Brothers Real Estate Inc.
40 Merritt Boulevard
Fishkill, New York 12524

Date of Acceptance for Filing: December 5, 2014

This Offering Plan may not be used after December 4, 2015 unless extended by amendment

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE 1.

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

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 THIS PLAN)

THE SPONSOR OF THIS OFFERING PLAN IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UP TO EIGHTY-FIVE PERCENT (85%) OF THE UNITS. SPONSOR MAKES NO REPRESENTATION THAT IT WILL EXECUTE PURCHASE AGREEMENTS TO SELL MORE THAN FIFTEEN PERCENT (15%) OF THE UNITS.

BECAUSE THE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UP TO EIGHTY-FIVE PERCENT (85%) OF THE UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR (SEE SPECIAL RISKS SECTION OF THE PLAN).

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Part I

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SPECIAL RISKS

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

In order to qualify the Property for a partial real estate tax exemption under section 421-a of the New York State Real Property Tax Law ("421-a Benefits"), twenty-three (23) of the Residential Units (herein referred to as "421-a Affordable Units") are being offered to Eligible Purchasers whose annual household income is no greater than 125% of the Area Median Income ("AMI"). The program that governs the sale and ownership of the 421-a Affordable Units imposes certain obligations and risks on the 421-a Affordable Unit Owners, as well as on the Market-Rate Unit Owners, as discussed in this "Special Risks" section of the Plan, and elsewhere in this Plan.

FOR ALL PURCHASERS

1. Upon the later of (i) the date upon which Sponsor shall own Unsold Residential Units having a percent interest in the Residential Section in the aggregate of ten (10%) percent or less or (ii) five (5) years from the First Unit Closing (the "Sponsor Control Period"), Sponsor, including any designee thereof, will relinquish control of the Residential Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Residential Board of Managers, even though its total percentage of Common Interest may otherwise enable it to do so. Sponsor, during the time there are Unsold Residential Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to relinquishing voting control of the Residential Board of Managers, Sponsor will not use such vote to elect a particular individual to the Residential Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board. Notwithstanding the foregoing, Sponsor may, at its discretion, relinquish voting control of the Residential Board prior to the end of the Sponsor Control Period. Sponsor or any Sponsor-designee shall have exclusive control over the Commercial Board for so long as Sponsor or its designee owns both Unsold Commercial Units. ***Please refer to the Section entitled "Control By Sponsor" in Part I of this Plan***.

2. Sponsor is retaining the unconditional right to rent eighty-five percent (85%) of the Residential Units in the Building that are being offered under this Plan. Unless and until this Plan is abandoned, Sponsor will endeavor in good faith to sell fifteen percent

(15%) of the Residential Units, but makes no representation that it will execute Purchase Agreements to sell more than fifteen percent (15%) of the Residential Units.

3. As disclosed in the Schedule B Footnotes in Part I of this Plan, the Commercial Unit Owner is obligated to pay some, but not all, types of Condominium expenses, contingent upon actual use. As result, the Common Charges attributed to each Residential Unit are higher than they would be if each Unit were paying Common Charges based solely upon such Unit's percentage of Common Interest. The Board is authorized to make such special allocations pursuant to Section 6.1 of the By-Laws, which are attached as an exhibit to the Declaration of Condominium, and made a part thereof. Section 13.3 of the By-Laws provides that no modification, addition, amendment or deletion of or to Section 6.1 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

4. Pursuant to existing regulations of the Department of Law, Sponsor may declare this Offering Plan effective by selling a minimum of eighteen (18) Units in the Building, excluding the Storage Units.

Purchasers should note that in the current real estate market, banks and other institutional lenders are imposing various restrictions and preconditions on purchase money financing. Such restrictions and preconditions include requiring that a certain percentage of Units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor has not sold a substantial percentage of the Units, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of ten percent (10%) or more. It may also be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. **Please refer to the Section entitled "Effective Date of Plan" in Part I of this Plan**.

5. Sponsor anticipates that the First Unit Closing will occur on or prior to January 1, 2017. Purchasers will be offered the right to rescind their Purchase Agreements if the actual date of the First Unit Closing occurs later than December 31, 2017. However, provided that the First Unit Closing occurs on or before December 31, 2017, and unless the Purchase Agreement contains an outside Closing date, Sponsor shall not be obligated to close title to any Unit within a specified time frame. ***Please refer to the Section entitled "Procedure to Purchase" in Part I of this Plan.***

6. 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 must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Therefore, PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. Further, Unit Owners who are owner-occupants and Unit Owners who are non-residents (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their differing reasons for

purchasing (i.e. purchase of a Residential Unit as a home as opposed to an investment). ***Please refer to the Section entitled "Control By Sponsor" and "Board of Managers" in Part I of this Plan.***

7. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law or to correct an order issued by an insurance carrier to the extent that existing reserves are insufficient) ***Please refer to the Section entitled "Control By Sponsor" in Part I of this Plan.***

8. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) amend the Declaration or the Bylaws so as to in any way adversely affect the Sponsor or its designees, or (ii) interfere with: the offer, sale or leasing of Units at the Property; the operations of general or sales or leasing offices at the Property; or actions necessary for renovation, repair or correction at the Property, as required by Sponsor. ***Please refer to the Section entitled "Control By Sponsor" in Part I of this Plan.***

9. At the time that a Purchase Agreement is executed, a Purchaser is required to make the down payment to Sponsor's attorney, Seiden & Schein P.C., as Escrow Agent, in an amount equal to ten (10%) percent of the purchase price of the Unit(s) (the "Down Payment"). In the event a Purchaser defaults under the Purchase Agreement, time shall be of the essence for Purchaser to cure such default. "Time of the essence" means that if the Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, cancel such Agreement and retain, as liquidated damages, the Down Payment made by the Purchaser, together with interest earned thereon, if any. Additionally, if a Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date and Sponsor elects not to cancel that Purchaser's Agreement as a result of the same, the closing apportionments to be made at the Closing will be made as of the midnight of the day of the originally scheduled Closing Date. ***Please refer to the Section entitled "Procedure to Purchase" in Part I of this Plan.***

10. a) No Financing Contingency. The obligation of Purchaser to purchase a Unit is not contingent upon obtaining financing. As a result, Purchaser will not be excused from Purchaser's obligation to pay the full Purchase Price of the Unit on the date scheduled by Sponsor for closing title, regardless of Purchaser's ability or inability to obtain mortgage financing, and notwithstanding that any loan commitment Purchaser may have obtained expires prior to Closing of title.

b) Purchaser's Financing Risks. If Purchaser is relying upon financing, Purchaser will assume the risks of meeting all conditions and requirements of the lender to obtain and fund the loan on the date set by Sponsor for closing of title under the Purchase Agreement, including conditions and requirements that may be beyond Purchaser's control. These risks include, but are not limited to, the following: (a)

meeting all requirements concerning Purchaser (for example, Purchaser's income, financial condition, employment status, sale of an existing residence, etc.) and any adverse changes in meeting these requirements that may occur between the issuance and funding of the loan commitment (notably, recently enhanced credit requirements may result in greater difficulty to qualify for a mortgage loan); (b) meeting a requirement for a certain percentage of Units to be "owner-occupied" (banks and other institutional lenders may require up to 70% of the Units to be "owner-occupied"); and (c) losing a "lock-in" interest rate because the closing of title under Purchaser's Purchase Agreement fails to occur before the expiration of the period within which the loan must close to obtain the locked-in rate. Purchaser also assumes the risk of adverse changes in the terms of the loan that may occur before the closing of the loan and paying additional amounts to extend the loan commitment period. By assuming these risks, Purchaser will not be excused from the obligation to purchase without abatement in the Purchase Price and without recourse against Sponsor or the Selling Agent. Sponsor and Selling Agent do not represent, assure or guarantee that a Purchaser will succeed in obtaining mortgage financing from a bank or other institutional lender, or from other independent sources, or (if Purchaser succeeds) the terms or costs of such financing, or whether the closing of title will occur before the loan commitment or any lock-in rate expires, or (if it expires) whether the commitment will be extended or the costs to obtain an extension or the terms and conditions thereof, which may be less favorable than the original commitment. A prospective Purchaser who is relying upon financing is advised to inquire with a proposed lender or mortgage broker as to whether he or she will qualify for a mortgage loan and the terms thereof before entering into a Purchase Agreement.

c) TBI Mortgage Application. Under the Purchase Agreement, Purchaser shall be required either: (a) to complete and submit to TBI Mortgage Company (hereafter, "TBI"), an affiliate of Sponsor, a mortgage application (the "TBI Mortgage Application"), at no cost or charge to Purchaser; or (b) to sign and return to Sponsor, together with the Purchase Agreement, a "True Cash Sale Endorsement" (see sub-paragraph "d" below).

THE TBI MORTGAGE APPLICATION IS **NOT** A MORTGAGE FINANCING CONTINGENCY AND DOES **NOT**: (a) RELIEVE PURCHASER OF THE OBLIGATION TO PAY THE FULL PURCHASE PRICE OF THE UNIT ON THE DATE SCHEDULED BY SPONSOR FOR CLOSING TITLE, WITHOUT ABATEMENT OR RECOURSE OF ANY KIND AGAINST SPONSOR, SELLING AGENT OR TBI, REGARDLESS OF PURCHASER'S ABILITY TO OBTAIN MORTGAGE FINANCING FROM TBI OR ANY OTHER LENDER; OR (b) MINIMIZE OR AVOID ANY OF PURCHASER'S FINANCING RISKS SET FORTH IN THE PRECEDING PARAGRAPH "b".

THE TBI MORTGAGE APPLICATION: (a) DOES **NOT** PRECLUDE PURCHASER FROM APPLYING TO OTHER LENDERS FOR FINANCING TO PURCHASE THE UNIT; (b) DOES **NOT** OBLIGATE PURCHASER TO OBTAIN OR ACCEPT FINANCING FROM TBI; AND (c) DOES **NOT** OBLIGATE TBI TO EXTEND FINANCING TO PURCHASER.

PURCHASER SHALL BE FREE TO OBTAIN FINANCING AT ANY TIME FROM A LENDER CHOSEN BY PURCHASER. UNDER NO CIRCUMSTANCES

WILL PURCHASER BE REQUIRED TO ACCEPT FINANCING THAT MAY BE OFFERED BY TBI.

IF PURCHASER IS RELYING UPON FINANCING TO PURCHASE THE UNIT AND IS UNABLE TO OBTAIN FINANCING FROM A LENDER CHOSEN BY PURCHASER, TBI SHALL NOT BE REQUIRED TO EXTEND FINANCING TO PURCHASER AND, IF OFFERED, PURCHASER SHALL NOT BE OBLIGATED TO ACCEPT ANY FINANCING OFFERED BY TBI. IN SUCH CASE, IF PURCHASER REJECTS FINANCING OFFERED BY TBI AND IS UNABLE TO CLOSE FOR LACK OF FUNDS OR OTHERWISE, PURCHASER WILL LOSE PURCHASER'S DOWN PAYMENT AND THE INTEREST EARNED THEREON, WHICH WILL BE PAID TO SPONSOR AS LIQUIDATED DAMAGES PURSUANT THE PURCHASE AGREEMENT.

If Purchaser is not approved for a mortgage loan (i.e., given a loan commitment letter) from a lender chosen by Purchaser within sixty (60) days after the date Purchaser executes the Purchase Agreement, then Sponsor shall have the right: (a) to submit a loan application on substantially the same terms contained in the TBI Mortgage Application to one (1) additional lender chosen by Sponsor, with no additional application fee to Purchaser; or (b) to cancel the Purchase Agreement and return to Purchaser all sums paid on account of the Purchase Price and any extras, together with any interest earned thereon, whereupon neither party shall have any further rights or liabilities under the Purchase Agreement.

PURCHASER SHALL **NOT** BE OBLIGATED TO ACCEPT FINANCING FROM THE LENDER CHOSEN BY SPONSOR, IF OFFERED BY SUCH LENDER, AND SPONSOR SHALL **NOT** BE OBLIGATED TO EITHER SUBMIT A LOAN APPLICATION TO ANOTHER LENDER OR TO CANCEL THE PURCHASE AGREEMENT DUE TO THE FAILURE OF PURCHASER TO OBTAIN A LOAN COMMITMENT WITHIN SAID SIXTY (60) DAY PERIOD. THIS PROVISION ALLOWS SPONSOR TO CANCEL THE PURCHASE AGREEMENT ONLY IF PURCHASER FAILS TO OBTAIN A LOAN COMMITMENT FROM A LENDER CHOSEN BY PURCHASER WITHIN SAID SIXTY (60) DAY PERIOD. IF SPONSOR DOES NOT ELECT TO CANCEL, PURCHASER SHALL **NOT** BE RELIEVED FROM THE FINANCING RISKS SET FORTH IN PARAGRAPH "b" ABOVE NOR EXCUSED FROM THE OBLIGATION TO PAY THE FULL PURCHASE PRICE OF THE UNIT ON THE DATE SCHEDULED BY SPONSOR FOR CLOSING TITLE, REGARDLESS OF PURCHASER'S ABILITY TO OBTAIN MORTGAGE FINANCING.

d) True Cash Sale Endorsement. If Purchaser has no intention to seek financing from any lender, then Purchaser is required to sign the "True Cash Sale Endorsement," in the form attached to the Purchase Agreement (located in Part II of this Plan), which excuses Purchaser from the obligation to complete and return the TBI Mortgage Application. By signing the True Cash Sale Endorsement, Purchaser will lose the opportunity to seek financing from TBI and Purchaser's desire to purchase a Unit will be evaluated on Purchaser's present financial ability to complete the purchase without financing.

Please refer to the Section entitled "Procedure to Purchase" in Part I of this Plan for further discussion.

11. No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan.***

12. The Building will contain twenty-three (23) 421-a Affordable Units. Section 339-m of the Condominium Act provides authority for the Board of Managers to set and collect Common Charges payable by the 421-a Affordable Unit Owners that are less than the amount that would be payable if Common Charges were allocated to each Unit based on such Unit's percentage of Common Interest. The Common Charges disclosed in Schedule A to this Plan were skewed in order for Sponsor to be in compliance with HPD's 421-a Rules (28 RCNY§6-09), which state that the initial offering prices of the 421-a Affordable Units must be established so that Common Charges and mortgage payments, including principal and interest (assuming that the mortgage constitutes 90% of the Purchase Price at the prevailing rate of interest), do not exceed thirty percent (30%) of 125% of AMI, adjusted for family size. In addition, as disclosed in the Schedule B Footnotes in Part I of the Plan, the Commercial Unit Owners and Storage Unit Owners are obligated to pay some, but not all, types of Common Expenses, contingent upon actual use. As result, the Common Charges attributed to the Residential Units (as a group) are higher than they would be if each Unit were paying Common Charges based solely upon such Unit's percentage of Common Interest. The special allocation of Common Charges was implemented pursuant to Article 6 of the Condominium's By-Laws. ***Please also see the section of this Plan entitled "Introduction" and "421-a Affordable Units".***

13. Sponsor shall not be required to offer a right of first refusal or seek or obtain approval (as the case may be) from the Condominium Board of Managers for any transfer, lease of, or alterations, repairs or improvement to its Units (provided that such alterations, repairs or improvements comply with applicable laws). ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan.***

14. Purchasers shall be required to pay the New York City and New York State Transfer Taxes, ("Transfer Taxes") due upon their purchase of a Unit, in addition to the so-called New York State "Mansion Tax," which is due on any Unit that has a purchase price of $1,000,000.00 or more. Although Transfer Taxes are customarily paid by the seller in single-family and other covered transactions (other than condominium developments), the responsibility for payment of such taxes may be modified by contract. It is now customary in New York City for Purchasers of Units from a sponsor of condominium developments to pay Transfer Taxes. The New York City Department of Finance and New York State Department of Taxation and Finance each take the position that where the Purchaser pays Transfer Taxes, the amount thereof will be added to the taxable consideration, thereby increasing the amount of the tax due from Purchaser. In addition, where the Purchase Price of the Unit is close to, but less than, $1,000,000.00 and Purchaser pays the Transfer Taxes, the "Mansion Tax" may become due and payable

to New York State as a result of such additional taxable consideration. ***Please refer to the Section entitled "Unit Closing Costs and Adjustments" in Part I of this Plan.***

15. Sponsor shall cause an application for a partial exemption from real estate taxes pursuant to Section 421-a of the Real Property Tax Law to be made ("421-a Benefits") with the New York City Department of Housing and Preservation. Sponsor's counsel, Seiden & Schein, P.C. ("Sponsor's Counsel"), has drafted an opinion, but not a guarantee, for Sponsor which states that that the Property will be eligible for twenty (20) year final 421-a Benefits. In the event that 421-a Benefits are not granted for any reason, then the real estate tax obligation for the Units will be based on the Units' assessed valuation, as determined by the New York City Department of Finance, multiplied by the then-applicable tax rate and, as a result, real estate taxes would be substantially higher than if the Section 421-a Benefits had been granted. ***See the section of the Plan entitled "Real Estate Taxes," and Sponsor's Counsel's opinion in Part I of this Plan for further details.***

16. In accordance with the terms of this Plan, Sponsor has the right to sell Units to Purchasers for investment or resale. Accordingly, it is possible that certain Unit Owners will not be residents of the Building. Sponsor has further reserved the right to enter into Use and Occupancy Agreements for any Unit prior to Closing of the sale with the Purchaser thereof or with any other party, and residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or the Unit Owners. Individuals leasing Units from Sponsor will not, except as expressly provided in their respective Use and Occupancy Agreements, have any special rights to purchase such Units. In addition, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan.***

17. There is no limit on the number of Unit Owners who may purchase for investment rather than personal occupancy. Consequently, there may always be a substantial percentage of Unit Owners who are non-residents. ***Please refer to the Section entitled "Board of Managers" in Part I of this Plan.***

18. Due to the size of the Building and the complex process of constructing a building in general, prospective Purchasers are advised that for a period of time following the First Unit Closing construction on and within the Building will likely be ongoing. During at least the first year of Condominium operation, construction workers will likely be on site performing construction work on various parts of the Building. As such, prospective Purchasers are advised that the Building's systems, including, but not limited to, the elevator, heating, cooling, air conditioning ventilation system, and water system may be disrupted from time to time. Prospective Purchasers are advised that all of the foregoing work may be noisy and disruptive while being performed. In addition, prospective Purchasers are advised that the decoration and finishing of the Common Elements, including, but not limited to, the lobby and Building corridors may not be fully complete at the time of the First Unit Closing, and may, in fact, proceed for some time after the First Unit Closing, as each floor of the Building is completed. In addition, certain Common Elements may not be available until the Building is fully operational.

19. While Units are being offered for sale or lease by Sponsor or its designees, there will be a greater number of visitors to the Building than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or their respective agents.

20. Windows on the portion of the Building facing Lots 23, 24 & 25 to the South (Residential Units 6-9Q, 9V, 10-20C, 10-20D, 21-25H, 26M, PH2, PH3) and Lot 30 to the North (Residential Units 6-9P, 10--26A, 10-25B, 26O, PH1) are protected by a light and air easement. Pursuant to the easement, no future development (alteration or new construction) on Lots 23, 24, 25 & 30 would be permitted above the existing height of the improvements on these lots except as noted in the Zoning Lot Development Agreements on record (see "Terms of Sale" for further information). These windows, under the existing New York City Building Code ("Building Code"), will satisfy light, air and other requirements for the lawful use of such rooms for habitation purposes. Additionally, under the existing Building Code applicable to the Building, windows on the portion of the Building facing Lots 23, 24 & 25 to the South (Residential Units 6-9Q, 9V, 10-11C, 10-11D) and Lot 30 to the North (Residential Units 6-9P, 7R, 8J, 9O, 10-12A, 10-12B) will be provided with sprinklers due to the proximity and construction of the building on the adjacent lots. Windows on the portion of the Building facing Lots 31, 122 & 123 to the West (Residential Units 6-9P, 10-26A, 10-20D, 21-25H, 26M, PH1, PH2, PH3) are permitted as per Table 704.8 of the current Building Code. These windows ("Lot-Line Windows") are provided with sprinklers but may be required to be closed up if the adjoining property is ever redeveloped with one or more buildings of different configurations than that which is now located on the same. The habitable rooms having Lot-Line Windows have other windows that, under the existing Building Code, will satisfy light, air and other requirements for the lawful use of such rooms for habitation purposes. The Lot-Line Windows in the Residential Units are identified on the floor plans that are located in Part II of this Plan. If the Building Code then in effect requires some or all of the Lot-Line Window openings to be closed, the work to close such window openings will be performed by the Board and the cost shall be borne by all Residential Unit Owners of the Condominium as a Residential Common Expense. However, any and all work required or desired to be undertaken inside the Unit (such as, but not limited to, drywall installation and repair, painting and woodwork) shall be performed by the Unit Owner at such Unit Owner's sole cost and expense. Currently, the approximate cost of sealing window openings (not finish work in the Unit) is $2,500.00 per window. No estimate can be made as to the cost of sealing window openings in the future.

Sponsor makes no representation or warranty of any kind whatsoever as to views and/or light quality from any windows and/or terraces in the Building. ***Please refer to the Section entitled "Description of Property and Improvements" in Part I of this Plan and the Description of the Property and Specifications in Part II of this Plan.***

21. After completion of construction, the Sponsor will apply for a Certificate of Occupancy from the New York City Department of Buildings for the Building. The Sponsor will obtain a Temporary Certificate of Occupancy prior to the First Unit Closing and will seek to obtain a Final Certificate of Occupancy ("FCO") within two (2) years of the issuance of first Temporary Certificate of Occupancy for the Building, barring delays caused by *force majeure* or other reasons beyond the control of Sponsor. If the First Unit Closing occurs prior to the issuance of an FCO for the Building, Sponsor shall maintain in escrow an amount reasonably necessary to complete the work required to obtain an FCO, as determined and certified by Sponsor's architect. Purchasers are encouraged to review the New York City Department of Buildings Website for information on Certificates of Occupancy. ***Please refer to the Sections entitled "Description of Property and Improvements" and "Rights and Obligations of Sponsor" in Part I of this Plan.***

22. Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a Final Certificate of Occupancy ("FCO") covering the entire building but with only a Temporary Certificate of Occupancy ("TCO"), and sometimes with several successive 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 the property is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of its issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell Units. In New York City, it is common for sponsors to commence unit closings when some or all of the units are covered by a TCO rather than an FCO. Sponsor anticipates that this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and make reasonable efforts to obtain a FCO which covers the entire Building within two (2) years from the date of issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two (2) year period. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

As described in greater detail in this Plan, Sponsor will maintain sufficient funds in escrow to cover the anticipated cost of obtaining a FCO. However, the TCO may lapse for reasons outside of Sponsor's control. In the absence of a FCO or TCO it is unlawful to reside in a Unit and will be difficult for Unit Owners or Purchasers to obtain financing.

Please refer to the Sections entitled "Description of Property and Improvements" and "Rights and Obligations of Sponsor" in Part I of this Plan.

23. The approximate floor area of each Unit has been measured horizontally, on each of one or more floors, from the exterior side of the exterior Building walls, the Building line or Property line to the midpoint of an interior partition or continuous structural element separating one Unit from another Unit, public corridor, stairs, elevators, mechanical equipment spaces or any other Common Element. Where the window wall is

recessed between masonry piers, the area is measured from a Building line which is taken as a straight line from exterior face of pier to exterior face of pier, parallel to the Property line. Columns and mechanical pipes and shafts, (whether along the perimeter or within the Unit) were not deducted from the square foot area of the Unit. Outdoor floor areas of terraces or other outdoor areas, if any, appurtenant to a Unit were not included in the Unit's approximate floor areas. Since the area calculations are not based upon measurements from interior surfaces of interior walls, the usable floor area of the Units is less than the area listed in Schedule A. Schedule A is located in Part I of this Plan.

24. Prospective Purchasers are advised that all deposits and Down Payments will be held in the escrow account maintained by Seiden & Schein, P.C., as escrow agent (the "Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit (the "Maximum Amount"). Purchasers making Down Payments in excess of $250,000 are advised that FDIC deposit insurance does not cover deposited monies in excess of the Maximum Amount. In accordance with this Plan, Sponsor reserves the right, in its sole discretion, to utilize Down Payments after such Down Payments have been secured with surety bonds. All Down Payments received after the Filing Date, shall be initially placed, within five (5) business days after the Purchase Agreement has been signed by Purchaser and Sponsor, in a segregated special escrow account titled, "Seiden & Schein, P.C., Attorney Account". Such funds shall be released by Seiden & Schein, P.C., as escrow agent, to the Sponsor, upon receipt by Seiden & Schein, P.C. of a copy of the surety bond issued to the Purchaser whose funds are being released. A surety bond shall be issued to each Purchaser in the amount of his or her Down Payment. The bond shall remain in full force and effect until the earlier of the conveyance of title of the subject Unit; an undisputed default by the Purchaser and cancellation of the Purchase Agreement; or mutual consent of the Purchaser and Sponsor. Upon the issuance of the bond, the Purchaser's Down Payment shall be released from escrow. ***Please refer to the Sections entitled "Procedure to Purchase" in Part I of this Plan and the Purchase Agreement in Part II of this Plan.***

25. The Purchase Agreement provides that all disputes including, but not limited to, disputes concerning breach of contract, express and implied warranties, personal injuries and/or illness, mold-related claims, representations and/or omissions by Sponsor, on-site and off-site conditions and all other torts and statutory causes of action ("Claims") shall be resolved by binding arbitration in New York County in accordance with the rules and procedures of Arbitration of the American Arbitration Association or its successor or an equivalent organization mutually agreed upon by the parties. In addition, the Purchase Agreement provides that Purchaser may not initiate any arbitration proceeding for any Claim(s) unless and until Purchaser has first given Sponsor specific written notice of each claim (at 250 Gibraltar Road, Horsham, PA 19044, Attn: Warranty Dispute Resolution) and given Sponsor a reasonable opportunity after such notice to cure any default, including the repair of the Unit(s), in accordance with the Offering Plan. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights and enforcing Purchaser's obligations under the Purchase Agreement. The arbitrator will be neutral and independent of both the Sponsor and its principals.

PURCHASER SHALL BE OBLIGATED TO REIMBURSE SPONSOR FOR ANY LEGAL FEES AND DISBURSEMENTS INCURRED BY SPONSOR IN DEFENDING SPONSOR'S RIGHTS AND ENFORCING PURCHASER'S OBLIGATIONS UNDER THE PURCHASE AGREEMENT.

26. Sponsor shall install an emergency generator to provide electrical power to certain Common Elements, Residential Common Elements, and to a limited extent, to the Units. The emergency generator is not capable of running all systems in the Building. The emergency generator is intended to power the fire alarm system, egress lighting, one elevator feeding all floors, one domestic water pump, boilers and pumps feeding domestic hot water, ejector and sump pumps, telephone system and one emergency receptacle in each apartment near the kitchen refrigerator. This receptacle will be fed by an individual 20 ampere 120 volt single phase circuit (one dedicated circuit per Unit), will normally be 'off' and can only be used in the event of a power outage. No representation is made as to the duration of time that the emergency generator will be able to provide emergency power to the Building in the event of a power outage. ***Please refer to the Description of the Property and Specifications in Part II of this Plan.***

27. The Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act and accordingly based upon a comparison of the 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. Based upon final specifications, construction conditions and/or "as-built" plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in the aggregate Common Interest appurtenant to certain Units, or all Units. In such event, the Common Interest appurtenant to such Units would be adjusted (by a minimal amount) pro-rata. Sponsor expressly reserves the right, from time to time, to effect such a change in the Common Interests and to amend the Plan so as to reflect the same. Notwithstanding the foregoing, after the recording of the Declaration, no change in any Unit's Common Interest will be made without obtaining the prior consent of all Unit Owners affected by such change. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan.***

FOR PURCHASER(S) OF UNIT PH1 AND PH3:

1. Pursuant to the building plans that have been filed with the New York City Department of Buildings, the 29th floor, 30th floor (which is the mechanical roof) and the roof shall contain certain mechanical equipment including, but not limited to, heating, ventilation and air conditioning equipment, and emergency power generators which will service the Building. While Sponsor has taken precautions to dampen noise and vibrations generated by such rooftop mechanical equipment, prospective Purchaser of Units PH1 and PH3 are hereby advised that noise and/or vibrations may nevertheless

resonate in Unit PH1 and PH3. Noise and/or vibrations that may be experienced in Unit PH1 and PH3 are not, and shall not be construed as, a construction defect.

2. Access to certain mechanical systems for the Building which are located on the 29th floor shall require access to the elevator alcove on such floor. The prospective Purchasers of Units PH1 and PH3 are hereby advised that, from time to time, Building staff members, as well as contractor's hired by the Board or any Unit Owner may enter the 29th floor elevator alcove to service the Building's mechanical systems without notice to the Unit PH1 or PH3 Unit Owners.

3. Unit PH1 includes, as a Limited Common Element, a rooftop swimming pool that will be equipped with certain mechanical equipment, including electric pumps, heaters and filters, which shall emit noise, and shall require the performance of certain regular maintenance activities, including cleaning, vacuuming, seasonal draining and covering, and maintaining the pH level. The prospective Purchasers of Unit PH1 and PH3 are hereby advised that the pool's mechanical equipment shall generate a certain amount noise and/or vibration which may resonate in Unit PH1 and/or PH3. While Sponsor has taken precautions to dampen noise and vibrations generated by such mechanical equipment, such prospective Purchasers are advised that noise and/or vibrations may nevertheless resonate in such Units. Noise and/or vibrations that may be experienced in Unit PH and/or PH3 are not, and shall not, be construed as a construction defect.

Upon Closing, the Purchaser of Unit PH1 shall assume all maintenance obligations with respect to the swimming pool and associated mechanical equipment, and it shall be such Purchaser's responsibility to procure a service contract for maintenance of the swimming pool, or to otherwise assume the service contract entered into by Sponsor if any such contract has been procured. Purchasers are advised that costs associated with maintaining the swimming pool shall be borne solely by the Unit Owner of Unit PH1 and are not included in the estimated Common Charges disclosed in Schedule A. Sponsor has procured a pool maintenance estimate from a service contractor, and the prospective Purchaser of Unit PH1 is referred to Schedule B-2, located in Part I of this Plan, for additional details.

FOR PURCHASERS OF 421-A AFFORDABLE UNITS:

1. Although existing Law permits the 421-a Affordable Units to be re-sold at market rate prices, Sponsor has determined to make such Units permanently affordable. All re-sales of 421-a Affordable Units shall be made exclusively to persons with an annual household income of not more than 125% of AMI at a re-sale price that shall not exceed the re-seller's purchase price for acquiring such 421-a Affordable Unit, plus an adjustment for inflation (as defined herein). The "adjustment for inflation" shall be calculated by multiplying the re-seller's purchase price to acquire the 421-a Affordable Unit by a fraction, the numerator of which shall be the Consumer Price Index for the full calendar month immediately preceding the date of such adjustment, and the denominator of which shall be the Consumer Price Index for the date that such re-seller acquired title to such 421-a Affordable Unit. The "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, New York, New York Northeastern New Jersey

Area, All Items (1982-84 = 100), or any successor index thereto, appropriately adjusted. If the Consumer Price Index ceases to be published, and there is no successor thereto, such other reasonably similar index as is designated by the Condominium Board shall be substituted for the Consumer Price Index. For the purpose of calculating the re-sale price of a 421-a Affordable Unit, the re-seller's purchase price to acquire a 421-a Affordable Unit shall not include closing costs associated with the acquisition of such 421-a Affordable Unit. The Residential Board of Managers shall certify the household income of all 421-a Affordable Unit re-sale purchasers and the re-sale purchase price of all 421-a Affordable Units in accordance with the Article 8 of By-Laws simultaneously with the Residential Board's exercise of its rights of first refusal. ***Please refer to the Section entitled "421-a Affordable Units" in Part I of this Plan and Section 8.1.9 of the By-Laws in Part II of this Plan.***

2. All leasing of 421-a Affordable Units shall be to exclusively persons with an annual household income of not more than 125% of AMI, as determined by the Residential Board of Managers. The aggregate payments made by any lessee of a 421-a Affordable Unit in any calendar month shall not exceed the combined cost of such 421-a Affordable Unit Owner's bona fide Common Charges, mortgage payments, utility costs and real estate taxes, plus ten percent (10%) of all such costs, as determined by the Residential Board. Notwithstanding the foregoing, the AHC Note and Mortgage prohibits the renting of 421-a Affordable Units during the term of the AHC Note and Mortgage. At Closing, each Purchaser of a 421-a Affordable Unit shall execute an AHC Note and Mortgage, which shall be for a term of ten (10) years. ***Please refer to the Sections entitled "421-a Affordable Units" in Part I of this Plan.***

3. The rules which govern the 421-a program (28 RCNY §6-09, the "421-a Rules") are silent as to any income and re-sale price restrictions on re-sale purchasers of 421-a Affordable Units. For the purpose of disclosure in this Plan, Sponsor assumes that there are no government imposed 421-a income and re-sale price restrictions on the 421-a Affordable Units after the initial sale of such 421-a Affordable Units to a Purchaser. Sponsor makes no representation, guarantee or warranty that the 421-a Rules will not be amended at some future date to provide for certain government imposed income and re-sale price restrictions.

4. The prices of the 421-a Affordable Units have been established by the Sponsor in accordance with the 421-a Rules and are not subject to review or approval by the Department of Law.

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DEFINITIONS

"421-a Affordable Unit"	One of twenty-three (23) Residential Units referenced in Exhibit B-1 to the Declaration which are being offered to qualified Purchasers whose income is no greater than 125% of AMI pursuant to Section 421-a of the New York State Real Property Tax Law and Title 28 Section 6-09 of the Rules of the City of New York (collectively, "421-a Affordable Units").
"421-a Affordable Unit Owner"	Any owner of a 421-a Affordable Unit. All such owners are herein collectively referred to as "421-a Affordable Unit Owners".
"421-a Affordable Unit Purchaser"	Any Person who has entered into a Purchase Agreement with Sponsor to purchase a 421-a Affordable 421-a Unit which has not been terminated or cancelled.
"421-a Rules"	28 RCNY§§6-01 through 6-09.
"AHC":	The New York State Affordable Housing Corporation.
"AHC Note and Mortgage":	That certain burn-off note and mortgage to be recorded against the 421-a Affordable Units by the Unit Owner, as mortgagor, and AHC, as mortgagee.
"Appurtenant Interest"	With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
"Area Median Income" or "AMI"	The area median income for the New York metropolitan statistical area as determined by the United States Department of Housing and Urban

	Development (HUD) under the United States Housing Act of 1937.
"Board of Managers" or "Condominium Board"	The overall board of managers of the Condominium, consisting of representatives of the Residential Board and of the Commercial Board.
"Building"	The structure located at 959 First Avenue, New York, New York.
"Closing"	The consummation of the transfer of fee title to the Unit in question to a Purchaser pursuant to a fully executed Purchase Agreement.
"Closing Date"	The date upon which a Closing occurs.
"Commercial Board"	The board of managers comprised of representatives of the Commercial Unit Owners.
"Commercial Common Charges"	Assessments payable to the Commercial Board by the Commercial Unit Owners for the purpose of meeting (a) Commercial Common Expenses and (b) each Commercial Unit Owner's pro rata share of General Common Expenses.
"Commercial Common Elements"	Those Common Elements which serve or benefit exclusively the Commercial Units and/or the Commercial Unit Owners.
"Commercial Common Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Commercial Common Elements.
"Commercial Common Interest"	The proportionate undivided interest, expressed as a numerical percentage, of the Commercial Common Elements appertaining to the Commercial Unit determined in accordance with the Declaration.
"Commercial Limited Common Elements"	Those Commercial Common Elements which serve or benefit one or more but not all of the Commercial Units and/or the Commercial Unit Owners.

"Commercial Section"	The Commercial Units, the Commercial Common Elements and the Commercial Limited Common Elements.
"Commercial Unit"	A Unit designated as a Commercial Unit in the Declaration, and all such Commercial Units are referred to herein collectively as "Commercial Units".
"Commercial Unit Owner"	Any owner of a Commercial Unit, and all such owners are herein collectively referred to as "Commercial Unit Owners".
"Common Charges"	Each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.
"Common Elements"	All portions of the Property other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements.
"Common Expenses"	The General Common Expenses, the Residential Common Expenses and the Commercial Common Expenses.
"Common Interest"	The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
"Condominium"	A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan, the term "Condominium" specifically refers to The Sutton Condominium.
"Condominium Act"	Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
"Condominium Documents"	The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.

"Declarant"	The Sponsor of this Offering Plan, or its designee. References to Declarant's rights throughout the Offering Plan, including the Declaration, are valid for so long as the Declarant has an ownership interest the Property.
"Declaration" or "Declaration of Condominium"	The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.
"Department of Law"	The New York State Department of Law.
"Eligible Purchaser"	A Purchaser who qualifies for the purchase of a 421-a Affordable Unit pursuant to the 421-a Rules.
"Family Member"	A parent; sibling; child by blood, adoption, or marriage; spouse; grandparent or grandchild.
"Filing Date"	The date that the Plan is accepted for filing by the Department of Law.
"First Unit Closing"	The first Closing of title with a bona fide Purchaser of a Unit.
"Floor Plans"	The floor plans of the Units certified by a registered architect or licensed professional engineer, and filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.
"GBL"	Section 352-e of the New York State General Business Law.
"General Common Charges"	Assessments payable to the Condominium Board by the Residential Board and the Commercial Board for the purpose of meeting General Common Expenses.
"General Common Elements"	The Land and all parts of the Building, including its foundations, support and main roof, other than the Units, the Residential Common Elements, the Residential Limited Common Elements, the

	Commercial Common Elements and the Commercial Limited Common Elements.
"General Common Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements.
"HPD"	The New York City Department of Housing Preservation and Development.
"Insurance Trustee"	A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.
"Land"	All that certain tract, plot, piece and parcel of land situate, lying and being in the City and State of New York, County of New York, as more particularly described in **Exhibit A** to the Declaration.
"Law"	The laws and ordinances of any or all of the Federal, New York State, New York City, New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.
"Lot-Line Window"	Windows on the portion of the Building facing lots 31, 122 & 123 to the west (Residential Units 6-9P, 10-26A, 10-20D, 21-25H, 26M, PH1, PH2, PH3).
"Majority of Unit Owners"	Majority of Unit Owners means either (i) more than fifty per cent in Common Interest in the aggregate, or (ii) more than fifty per cent in number of Units in the aggregate, or (iii) more than fifty per cent in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in

	number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.
"Managing Agent"	A person employed by the Condominium Board pursuant to Article II, Section 3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.
"Market-Rate Unit"	One of ninety-one (91) Residential Units which are being offered at market rate (collectively, Market-Rate Units"). The prices of Market-Rate Units have been established solely by Sponsor and are not subject to the review or approval by the Department of Law or any other governmental agency.
"Market-Rate Unit Owner"	Any owner of a Market-Rate Unit. All such owners are collectively referred to as "Market-Rate Unit Owners".
"Market-Rate Unit Purchaser"	Any Person who has entered into a Purchase Agreement with Sponsor to purchase a Market-Rate Unit which has not been terminated or cancelled.
"Offering Plan"	The document filed with the New York State Department of Law which describes the Condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".
"Operation of the Property"	The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
"Permitted Mortgage"	A mortgage placed on a Unit made to a bank, trust company, insurance company, federal savings and

	loan association, pension fund or other institutional lender, the Sponsor, Sponsor-designee or the Seller of the Unit.
"Permitted Mortgagee"	The holder of a Permitted Mortgage or a guarantor of record.
"Purchase Agreement"	The agreement to purchase a Unit pursuant to this Offering Plan.
"Person"	A natural person, corporation, partnership, association, limited liability company, trustee or other legal entity.
"Power of Attorney"	The document, signed by Unit Owners, which appoints: (i) the Board of Managers, as attorney-in-fact, to acquire, on behalf of all Unit Owners, any Unit which the Unit Owner thereof wishes to sell or abandon, together with the Appurtenant Interests thereto, and to deal with any such Units so acquired as they may determine; and (ii) the Sponsor, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium, or any of said documents, under certain conditions set forth in the Power of Attorney.
"Primary Residence":	A 421-a Affordable Unit Owner's residence in the Unit for 183 days or more in the preceding calendar year, unless such Unit Owner proves, by providing documentation, that his or her residence in the Unit for less than 183 days was caused by (i) active service in the Armed Forces of the United States; (ii) a serious/long-term disability requiring hospitalization or rehabilitation; (iii) involuntarily institutionalization; or (iv) the Unit Owner began occupancy during the preceding calendar year.
"Property"	Means and includes the Land, the Building and all other improvements thereon, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in

	connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.
"Purchaser"	Any Person who has entered into an agreement with Sponsor to purchase any Unit which agreement has not been terminated or cancelled.
"Recording officer" and "Recording" or "Recorded"	Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.
"Register's Office"	The City Register of the City of New York.
"Residential Board"	The board of managers representing the Residential Unit Owners.
"Residential Common Charges"	Assessments payable to the Residential Board by the Residential Unit Owners for the purpose of meeting (a) Residential Common Expenses and (b) each Residential Unit Owner's pro rata share of General Common Expenses.
"Residential Common Elements"	Those Common Elements which serve or benefit exclusively the Residential Units and/or the Residential Unit Owners.
"Residential Common Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Residential Common Elements and/or the Residential Limited Common Elements (to the extent that such expenses are not the obligation of the Residential Unit Owners owning the Residential Units to which the Residential Limited Common Elements are appurtenant) or in connection with any services or facilities exclusively benefiting the Residential Section or the Residential Unit Owners.
"Residential Common Interest"	The proportionate undivided interest, expressed as a numerical percentage, of the Residential Common Elements appertaining to each Residential Unit determined in accordance with the Declaration. The Residential Common Interest is the basis of determining a Unit Owner's liability for a share of the Residential Common Expenses.

"Residential Limited Common Elements"	Those Residential Common Elements which serve or benefit one or more but not all of the Residential Units and/or the Residential Unit Owners.
"Residential Section"	The Residential Units, the Residential Common Elements and the Residential Limited Common Elements.
"Residential Unit"	Any Unit designated as a Residential Unit in the Declaration. All such Residential Units, are, collectively, referred to as the "Residential Units". The Market-Rate Units and the 421-a Affordable Units are all Residential Units.
"Residential Unit Owner"	Any owner of a Residential Unit, and all such owners are collectively referred to as "Residential Unit Owners".
"Rules and Regulations"	The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
"Special Assessment"	The charge allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, except as otherwise provided in the Declaration or in the By-Laws.
"Sponsor"	The promoter of a project and/or an offering plan to convert a particular parcel of property to cooperative or condominium ownership. Toll First Avenue LLC is the Sponsor of this Offering Plan.
"Sponsor-designee"	Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the

	right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".
"Storage Unit"	Any Unit designated as a Storage Unit in the Declaration. All such Storage Units, are, collectively, referred to as the "Storage Units."
"Storage Unit Owner"	Any owner of a Storage Unit, and all such owners are collectively referred to as "Storage Unit Owners."
"Unit"	Any space in the Building designated as a Unit, and all such Units are collectively referred to as the "Units".
"Unit Owner"	The Person or Persons owning a Unit in fee simple absolute, and all such unit Owners are collectively referred to as the "Unit Owners."
"Unit Deed"	The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.
"Unit Designation"	The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans.
"Unsold 421-a Affordable Units"	Any 421-a Affordable Unit owned by Sponsor or its designee at the time in question.
"Unsold Commercial Unit"	Any Commercial Unit owned by Sponsor or its designee at the time in question.
"Unsold Residential Unit"	Any Residential Unit owned by Sponsor or its designee at the time in question.
"Unsold Units"	Any Unit owned by Sponsor or its designee at the time in question.

INTRODUCTION

The Sponsor under this Plan is Toll First Avenue LLC, a New York limited liability company, having an address at 75 Broad Street, 21st Floor, New York, New York 10004. Sponsor acquired title to the Property by deed dated as of December 28, 2012.

The purpose of the Plan is to set forth all the terms of the offer so that prospective Purchasers have an adequate basis upon which to determine whether to purchase Units in the Condominium. The Plan may be amended from time to time by duly filing an amendment with the New York State Department of Law. All filed amendments will be served on (i) Purchasers who have executed and delivered Purchase Agreements to the Sponsor or the Selling Agent and whose Purchase Agreements are in effect, (ii) Unit Owners, and (iii) any other person who is required by law to receive such amendment. Service shall be by personal delivery, ordinary mail or registered mail. Service by personal delivery is deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of mailing.

The Condominium will be organized pursuant to Article 9B of the Real Property Law of the State of New York, as amended, which is commonly known as the New York Condominium Act (hereinafter referred to as the "Condominium Act").

The Building is being newly constructed. It shall consist of 113 Residential Units, two (2) Commercial Units, and twelve (12) Storage Units. Ninety (90) of the Residential Units are being offered to the public at market-rate prices ("Market-Rate Units"). In order to qualify the Property for a partial real estate tax exemption under section 421-a of the New York State Real Property Tax Law ("421-a Benefits"), twenty-three (23) of the Residential Units are being offered to Eligible Purchasers whose annual household income is no greater than 125% of the Area Median Income ("AMI"). Such Residential Units are referred to herein as "421-a Affordable Units." Schedule A, which is located in Part I of this Plan, discloses the type of each Residential Unit being offered adjacent to the applicable Residential Unit number. The two (2) Commercial Units and the twelve (12) Storage Units are being offered to the public at the offering prices disclosed in Schedule A.

The marketing of the 421-a Affordable Units shall be conducted pursuant to a lottery, which shall be administered by the NYC Partnership Development Fund Company, Inc. (the "Partnership") and monitored by the New York City Department of Housing Preservation and Development ("HPD"). Further disclosure about the lottery is located in the section of this Plan entitled "Procedure to Purchase."

Sponsor intends to apply for a grant from the New York State Affordable Housing Corporation ("AHC"). The total value of the grant, if awarded, will be $575,000.00, to be distributed in $25,000.00 increments ("Incremental AHC Award") at each 421-a Affordable Unit Closing. Sponsor intends to pay the New York State and New York City transfer taxes due at the Closing of each 421-a Affordable Unit from the Incremental AHC Award. In the event that the AHC grant is not awarded, Sponsor will pay the New York State and New York City transfer taxes for 421-a Affordable Units out of alternate funds. The remainder of the Incremental AHC Award shall be applied toward each 421-a

Affordable Unit Purchaser's bona fide Closing costs, such as, but not limited to, title insurance expenses, the working capital contribution, and the Purchaser's attorney's fee. In the event that the Incremental AHC Award is not exhausted at Closing, the remainder of the Incremental AHC Award shall be paid over to the Board of Managers and credited to the 421-a Affordable Unit Owner as pre-paid Common Charges.

As a condition of receiving the Incremental AHC Award, each 421-a Affordable Unit Purchaser shall be required to execute, at Closing, an AHC Note and Mortgage. The AHC Note and Mortgage imposes certain obligations and restrictions on 421-a Affordable Unit Owners, which are discussed further in the section of the Plan entitled "421-a Affordable Units." A copy of the AHC Note and Mortgage is located in Part II of this Plan. In the event that Sponsor does not receive a grant from AHC, or any other form of Substantial Governmental Assistance, as that term is defined in the 421-a Rules, then Sponsor shall offer twenty-three (23) of the Residential Units to Eligible Purchasers whose annual household income is no greater than sixty percent (60%) of AMI.

Sponsor is retaining the unconditional right to rent eighty-five percent (85%) of the Residential Units in the Building that are being offered under this Plan. Sponsor will endeavor in good faith to sell fifteen percent (15%) of the Residential Units, but makes no representation that it will execute Purchase Agreements to sell more than fifteen percent (15%) of the Residential Units.

All the Units being offered are intended to be sold as Condominium Units in accordance with this Plan at the prices noted in Schedule A. These prices have been established by the Sponsor and are not subject to review or approval by the Department of Law. All fixtures and equipment described in this Plan are included in the offering prices listed in Schedule A for the applicable Units. If Sponsor leases certain Units to tenants and such Units subsequently are offered, Sponsor shall amend the Plan accordingly.

As more particularly described in this Plan, the Building will include (a) the General Common Elements, (b) the Residential Section containing the Residential Units, the Storage Units, the Residential Common Elements and the Residential Limited Common Elements, (c) the Commercial Section containing the Commercial Units, the Commercial Common Elements and the Commercial Limited Common Elements.

In the condominium form of ownership, each Purchaser of a Unit owns his Unit similarly in many respects to the manner in which a private home owner owns his home. (References to the masculine gender in this Plan shall be deemed to refer to the feminine gender or plural where the context so requires and shall be deemed to include any duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association or any other entity permitted to own real property in the State of New York). The Unit Owner owns the Unit in fee simple absolute and is entitled to the exclusive possession thereof. The Unit Owner is also the owner, in common with the owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land upon which the Units are built, the foundations and supports of the Building, the exterior walls and the roof (hereinafter called "Common Elements"). Each Unit Owner's proportionate share (hereinafter called "Common Interest") of the Common Elements has been determined based upon the approximate proportion that the floor area of the Unit at the

date of the Declaration bears to the aggregate floor area of all the Units. Such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all Units in a part or parts of the Common Elements. These allocations are made pursuant to Section 339-i 1(iv) of the Real Property Law, which is part of the Condominium Act. Any portion of the land or Building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all others, are known as "Limited Common Elements." The Plan provides that terraces which are appurtenant to certain Units shall be Residential Limited Common Elements.

Each Unit Owner is privileged to mortgage his Unit generally on the terms and in such amount as he chooses. Purchasers pursuant to this Plan, however, if they seek mortgage financing, shall be required to follow procedures set forth in the Purchase Agreement in Part II of this Plan. No Unit Owner shall be permitted to encumber his Unit with a third mortgage. A Unit is not subject to the lien of any mortgages placed by other Unit Owners on their Units.

A Market-Rate Unit Owner can lease his Unit to anyone for a term of not less than one (1) year, or sell his Unit without restriction or limitation, subject only to a "right of first refusal" by the Residential Board at the same price and terms the Unit Owner has been offered. Such right of first refusal is hereinafter described in the Section entitled "Rights and Obligations of the Unit Owners and the Condominium Board" in Part I of this Plan. If the Residential Board exercises its right of first refusal to lease a Unit, any lease executed by the Residential Board, as tenant, shall provide that the Residential Board may freely assign such lease and or sublet all or part of such Residential Unit without the consent of the landlord. Notwithstanding the foregoing, the By-Laws place certain restrictions on the right of 421-a Affordable Unit Owners to enter into a lease for their 421-a Affordable Unit. Please see the section of the Plan entitled "The 421-a Affordable Units" and the By-Laws for further information.

The Board of Managers does not have the right to approve or disapprove purchasers of Units, and there is no limit on the number of Market-Rate Unit Owners who may purchase for investment rather than for personal occupancy. Consequently, there may always be a substantial percentage of Unit Owners who are not owner-occupants. However, as further disclosed in the section of the Plan entitled "421-a Affordable Units," all 421-a Affordable Units must be occupied by the 421-a Affordable Unit Owner as a Primary Residence until such time as the AHC Mortgage that has been recorded against such Unit Owner's Unit has been satisfied.

While Units are being offered for sale or lease by Sponsor or its designees, there will be a greater number of visitors to the Building than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or their respective agents.

A Unit Owner can alter and decorate the interior of his Unit in any way he desires, subject to the Condominium By-Laws and local codes, and is obligated for the cost of his own interior decoration, maintenance and repair after closing.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and a Unit Owner will not be responsible if any of the other Unit Owners fail to pay their real estate taxes. In the opinion of counsel for the Sponsor, a Unit Owner, like a home owner, may under most circumstances, deduct from his income for income tax purposes his real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by him.

The Condominium Board may assess against each Unit Owner, in proportion to his respective percentage of Common Interest, or as otherwise determined by the Board, as provided in New York State Real Property Law Section 339-m, charges (hereinafter called "Common Charges") for the costs of maintenance of the Common Elements and for the operation of the Property (hereinafter called "Common Expenses"). Both Section 339-m of the Real Property Law and the By-Laws provide authority for the Board of Managers to set and collect Common Charges payable by the 421-a Affordable Unit Owners that are less than the amount that would be payable if Common Charges were allocated to each Unit based on such Unit's percentage of Common Interest. The Common Charges disclosed in Schedule A to this Plan were skewed in order for Sponsor to be in compliance with HPD's 421-a Rules (28 RCNY§6-09), which state that the initial offering prices of the 421-a Affordable Units must be established so that Common Charges and mortgage payments, including principal and interest (assuming that the mortgage constitutes 90% of the Purchase Price at the prevailing rate of interest), do not exceed thirty percent (30%) of 125% of the AMI, adjusted for family size. In addition, as disclosed in the Schedule B Footnotes in Part I of the Plan, the Commercial Unit Owners are obligated to pay some, but not all, types of Common Expenses, contingent upon actual use. As result, the Common Charges attributed to the Market-Rate Units are higher than they would be if each Unit were paying Common Charges based solely upon such Unit's percentage of Common Interest. Please see Schedule B, the projected budget for the first year of Condominium operation, which is located in Part I of this Plan for further information.

Electricity and gas consumed within each Residential Unit for heating, hot water, and cooking will be master metered and charged to each Residential Unit Owner as a Residential Common Expense and shall not be separately metered to each Residential Unit Owner individually. Gas used to run the pool in Residential Unit PH1shall be sub metered and billed by the Board to Residential Unit PH1.

Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations, and any other requirements of the Condominium Board. Each Unit Owner shall also be responsible for maintaining his own Unit and for making repairs within his own Unit. The cost of maintenance and repair of the General Common Elements shall be shared by all Unit Owners as provided above. Each Residential Unit Owner shall have the same rights of access to, use of and benefit of the Residential Common Elements which are not Residential Limited Common Elements. Each Residential Unit Owner shall also be responsible for obtaining and bearing the cost of casualty and liability insurance in connection with his respective Unit. The

Condominium Board shall have the duty of obtaining casualty and liability insurance on behalf of the Condominium with respect to the Building as a whole.

The affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"). From and after the first annual meetings of Unit Owners as provided in Section 3.1 of the By-Laws, the Condominium Board shall consist of a Residential Board of five (5) persons elected or designated by the Residential Unit Owners, and a Commercial Board of two (2) persons elected or designated by the Commercial Unit Owners. The Condominium Board, the Residential Board and the Commercial Board are herein sometimes referred to collectively as the "Boards" and individually as a "Board."

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

Upon the later of (i) the date upon which Sponsor shall own Unsold Residential Units having a percent interest in the Residential Section in the aggregate of ten (10%) percent or less or (ii) five (5) years from the First Unit Closing (the "Sponsor Control Period"), Sponsor, including any designee thereof, will relinquish control of the Residential Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though its total percentage of Common Interest may otherwise enable it to do so. Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to relinquishing voting control of the Residential Board of Managers, Sponsor will not use such vote to elect a particular individual to the Residential Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board. Notwithstanding the foregoing, Sponsor may, at its discretion, relinquish voting control of the Residential Board prior to the end of the Sponsor Control Period.

Sponsor shall maintain control of the Commercial Board until it no longer owns any Unsold Commercial Units.

The Condominium Board shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Rules and Regulations covering the Condominium. Please see the Section entitled "Rights and Obligations of the Unit Owners and the Condominium Board" in Part I of this Plan for further discussion.

Units may be purchased either by natural persons over the age of 18 years or by a duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association,

syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York.

This Plan contains all of the material terms of the transaction. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection without charge and for copying at a reasonable charge to prospective Purchasers and their attorneys at the office of the Selling Agent or at the on-site sales office at all times such office is open. Copies of the Plan and exhibits thereto will also be available for inspection and copying at a reasonable fee at the Department of Law.

The Plan may be borrowed by a prospective Purchaser from the Sponsor upon payment of a one hundred dollar ($100.00) deposit, which amount will be fully refunded upon the execution of a Purchase Agreement subsequently accepted by Sponsor.

THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property has a land area of approximately 8,822 square feet. The site will contain one new building (the "Building"). The Building shall consist of 127 Units: 113 Residential Units, two (2) Commercial Units, and twelve (12) Storage Units. The entrance to the Residential Units will be through the lobby in the main entrance fronting on First Avenue. The Commercial Units shall each have separate entrances off of First Avenue. The street address of the Property is 959 First Avenue, New York, New York 10022. Additionally, Apartment 2AA shall be the Resident Manager's apartment, which shall be a General Common Element.

The Property is located on Block 1345 Lots 26, 27, 28, 29. Additionally, Lots 23, 24, 25, 26, 27, 28, 29 and 30 comprise a merged zoning lot in accordance with the provisions of Section 12-10(d) of the New York City Zoning Resolution and pursuant to certain Zoning Lot Development and Easement Agreements ("ZLDAs") that permit the transfer of development rights and grant to the Property certain easements for light and air. For further information about the ZLDAs, please refer to the section of the Plan entitled "Terms of Sale," located in Part I of this Plan.

The Building will contain a cellar, and twenty-nine (29) floors above grade, plus mechanical levels, and will be a Class 1-B noncombustible building. Three (3) passenger elevators shall serve the Building. The Building will be constructed of concrete, steel, brick, glass, metal, and granite.

Improvements made to the Building will be undertaken pursuant to a new building permit, in accordance with the New York City Building Code and with all applicable zoning and building laws. After completion of construction, the Sponsor will apply for a temporary or final Certificate of Occupancy from the New York City Department of Buildings. The Sponsor will obtain a temporary Certificate of Occupancy prior to the First Unit Closing and will seek to obtain a final Certificate of Occupancy within two (2) years of the issuance of first temporary Certificate of Occupancy for the Building, barring delays caused by *force majeure* or other reasons beyond the control of Sponsor. The Building is expected to be substantially completed on or about August 1, 2016.

The Building will have the certain facilities and amenities which will be available for use by Building residents, subject to any rules which the Residential Board may promulgate. In the cellar, Sponsor shall construct a laundry room, fitness center, a children's playroom, and a bicycle storage room which is planned to accommodate approximately seventy (70) bicycles. The Residential Board shall determine how bicycle spaces are allocated among Unit Owners. Building residents shall also have access to a courtyard and a resident's lounge on the first floor, subject to any rules that the Residential Board may promulgate. Please see the Description of Property and Specifications, which is located in Part II of this Plan, for further details.

Private terraces will be constructed appurtenant to Residential Units 6G, 6T, 8J, PH1, PH2, and PH3. Terraces are characterized in the Declaration of Condominium as Residential Limited Common Elements appurtenant to the aforementioned Residential Units. Residential Unit Owners with a terrace(s) appurtenant to their Residential Unit

shall be responsible for all normal maintenance of such terrace such as, but not limited to the removal of snow and ice, at such Residential Unit Owner's sole cost and expense. The repair and replacement of the exterior surface of such terrace (e.g., pavers) shall be performed by the Residential Board and charged to the affected Residential Unit Owner. However, any structural or extraordinary repairs (non-recurring repair which requires more than the usual annual expense for ordinary wear) or replacements to such terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Residential Board and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense.

A swimming pool, located on the terrace on the 29th floor, will be a Residential Limited Common Element appurtenant to Unit PH1. The various pumps, filters and other equipment necessary to operate the swimming pool shall be located below the swimming pool deck. All maintenance, repairs, and replacements of the swimming pool and its related facilities and equipment shall be the sole obligation of the Unit PH1 Unit Owner, at such Unit Owner's sole cost and expense.

Windows on the portion of the Building facing Lots 23, 24 & 25 to the South (Residential Units 6-9Q, 9V, 10-20C, 10-20D, 21-25H, 26M, PH2, PH3) and Lot 30 to the North (Residential Units 6-9P, 10--26A, 10-25B, 26O, PH1) are protected by a light and air easement. Pursuant to the easement, no future development (alteration or new construction) on Lots 23, 24, 25 & 30 would be permitted above the existing height of the improvements on these lots except as noted in the Zoning Lot Development Agreements on record (see "Terms of Sale" for further information). These windows, under the existing New York City Building Code ("Building Code"), will satisfy light, air and other requirements for the lawful use of such rooms for habitation purposes. Additionally, under the existing Building Code applicable to the Building, windows on the portion of the Building facing Lots 23, 24 & 25 to the South (Residential Units 6-9Q, 9V, 10-11C, 10-11D) and Lot 30 to the North (Residential Units 6-9P, 7R, 8J, 9O, 10-12A, 10-12B) will be provided with sprinklers due to the proximity and construction of the building on the adjacent lots. Windows on the portion of the Building facing Lots 31, 122 & 123 to the West (Residential Units 6-9P, 10-26A, 10-20D, 21-25H, 26M, PH1, PH2, PH3) are permitted as per Table 704.8 of the current Building Code. These windows ("Lot-Line Windows") are provided with sprinklers but may be required to be closed up if the adjoining property is ever redeveloped with one or more buildings of different configurations than that which is now located on the same. The habitable rooms having Lot-Line Windows have other windows that, under the existing Building Code, will satisfy light, air and other requirements for the lawful use of such rooms for habitation purposes. The Lot-Line Windows in the Residential Units are identified on the floor plans that are located in Part II of this Plan. If the Building Code then in effect requires some or all of the Lot-Line Window openings to be closed, the work to close such window openings will be performed by the Board and the cost shall be borne by all Residential Unit Owners of the Condominium as a Residential Common Expense. However, any and all work required or desired to be undertaken inside the Unit (such as, but not limited to, drywall installation and repair, painting and woodwork) shall be performed by the Unit Owner at such Unit Owner's sole cost and expense. Currently, the approximate cost of sealing window openings (not finish work in the Unit) is $2,500.00

per window. No estimate can be made as to the cost of sealing window openings in the future.

Sponsor makes no representation or warranty of any kind whatsoever as to views and/or light quality from any windows and/or terraces in the Building.

Except as otherwise provided in the Declaration of Condominium and By-laws, the maintenance, repair, and replacement of the façade and other Common Elements of the Building shall be made by the Board and charged to all Unit Owners as a Common Expense. However, notwithstanding that operational windows located in Residential Units are Residential Common Elements, in the event that an operational window is damaged the Residential Board shall repair or replace such window and charge such Residential Unit Owner for such repair or replacement.

Sponsor shall install an emergency generator to provide electrical power to certain Common Elements, Residential Common Elements, and to a limited extent, to the Units. The emergency generator is not capable of running all systems in the Building. The emergency generator is intended to power the fire alarm system, egress lighting, one elevator feeding all floors, one domestic water pump, boilers and pumps feeding domestic hot water, ejector and sump pumps, telephone system and one emergency receptacle in each apartment near the kitchen refrigerator. This receptacle will be fed by an individual 20 ampere 120 volt single phase circuit (one dedicated circuit per Unit), will normally be 'off' and can only be used in the event of a power outage. No representation is made as to the duration of time that the emergency generator will be able to provide emergency power to the Building in the event of a power outage.

According to the records of the Federal Emergency Management Agency ("FEMA"), as of the Filing Date, the Building is located in flood Zone X (unshaded), which means that there is a minimal risk of flooding.

Each Residential Unit on the sixth floor and above shall have a laundry closet and will be sold with one (1) washer and dryer within. All fixtures and equipment described in this Plan are included in the offering prices listed in Schedule A.

The Building will be monitored by a closed circuit television security system, and surveillance cameras will be mounted in various areas of the cellar, first floor, and elevators in the Building. Live camera footage will be periodically monitored at the concierge desk, and images will be recorded to a digital video recording system. Sponsor makes no representation or warranty about the duration of time that camera footage will be stored on the digital video recording system, or as to the clarity of any such recordings.

Sponsor has taken precautions to minimize Unit-to-Unit odor and noise transmission. However the transmission of a certain amount odor and noise is common in multi-family dwellings and such transmission is not, and shall not be construed as, a construction defect.

Electric service will be provided by Con Edison and will be master metered for all Common Elements in the Building. Separate Con Edison meters will be provided for

residential electrical usage and commercial electrical usage. The cost thereof will be paid by the Board and will be borne by the Unit Owner as part of the Common Charges.

Gas service for the Residential Units shall be master metered in the Building and submeters will be provided for commercial gas usage, and gas usage for the pool located in Unit PH1. The cost for gas utilized by the Residential Units will be paid to the Board as a Common Expense, with the exception of the gas usage for the pool located in Unit PH1 which shall be submetered and paid to the Board as a separate charge by the Unit Owner of Unit PH1. Please see Schedule B-1, located in Part I of this Plan, for an estimate of the Unit PH1 gas costs for the first year of Condominium operation.

Sponsor intends to install engineered wood flooring in each Unit. Purchasers are advised to carefully follow the manufacturer's instructions for the maintenance of such flooring.

LOCATION AND AREA INFORMATION

Location

The Condominium is located on First Avenue on the east side of Manhattan, between 52nd and 53rd Streets.

As a cultural center, New York City has over 70 museums and more than 50 institutions for the arts, including; Lincoln Center for the Performing Arts (which houses the Metropolitan Opera House, Avery Fischer Hall, The New York State Theatre and The Vivian Beaumont Theatre), Carnegie Hall, and The Metropolitan Museum of Art. All of the aforementioned institutions are located in Manhattan.

New York City is also the nation's leading business center for communications, publishing, advertising, legal and financial services, business consulting and public relations. As the world's capital of international commerce and finance, New York City is the home of the New York and American Stock Exchanges and the National Over-The-Counter Stock Market.

Educational Institutions

Local schools include, but are not limited to, the following:

Aaron School	309 East 45th Street, New York, New York
Preschool of America	25 Tudor City Place, New York, New York
Lyceum Kennedy	225 East 43rd St, New York, New York
Montessori Family School	323 East 47th St, New York, New York
The International Preschool	330 East 45th St, New York, New York
The Beekman School	220 East 50th St, New York, New York
Cathedral High School	350 East 56th St, New York, New York
Episcopal School	35 East 69th St, New York, New York
Buckley School	13 East 73rd St, New York, New York
Browning School	52 East 62nd St, New York, New York
St. Albans School	317 East 50th Street, New York, New York
Garden House School	40 Sutton Place, New York, New York

Sponsor, however, makes no guarantee or representation as to which school a child residing in the Building may actually attend.

Zoning and Use

The Land is zoned for residential use as R-10, which permits residential use as of right.

Mailing Address

The mailing address for the Building is 959 First Avenue, New York, New York 10022. United States Post Offices are located at 909 Third Avenue, New York, New York, 450 Lexington Avenue, New York, New York and 580 Fifth Avenue, New York, New York.

Municipal Services

The City of New York provides police, fire, sanitation, snow removal (not including the sidewalk) and road maintenance services.

The M15, M103, M42 and M50 bus lines and the E, M, 4, 5, 6, N, Q, R, 7 subway lines are all within walking distance of the Property.

Medical Facilities

Local hospitals and medical facilities include, but are not limited to, the following:

Hospital for Special Surgery	535 East 70th Street
Lenox Hill Hospital	100 East 77th Street
Memorial Sloan-Kettering Cancer Center	1275 York Avenue
Mount Sinai Hospital	1468 Madison Avenue
New York Presbyterian/Weill Cornell	525 East 68th Street

Religious Facilities

Local houses of worship include, but are not limited, to the following:

Synagogues:

Congregation Kehilath Jeshurun	125 East 85th Street
Park Avenue Synagogue	50 East 87th Street
Temple Emanu-El	1 East 65th Street

Churches:

Brick Presbyterian Church	1140 Park Avenue
Church of the Heavenly Rest	2 East 90th Street
The Church of Jesus Christ of Latter-day Saints	217 East 87th Street
Park Avenue Christian Church	1010 Park Avenue
Park Avenue Methodist Church	106 East 86th Street
Manhattan Church of Christ	48 East 80th Street

Mosques:

Islamic Cultural Center of New York	1711 3rd Avenue

Buddhist Temples:

Zen Buddhist Temple	206 East 63rd Street

After the Filing Date, Sponsor makes no guarantee or representation as to the continued operation of any of the services or amenities disclosed in this section of the Plan.

Schedule A
The 959 First Avenue Condominium
959 First Avenue
New York, New York

Offering Prices and Related Iinfrmation
First Year of Condominium Operation
January 1, 2017 - December 31, 2017 (1)

Unit No.	Unit Type	Approx. Interior Sq. Ft. (2)	Cubic SF	Approx. Exterior Sq. Ft. (2)	# Bedrooms	# Baths	Offering Price (3)	AHC Grant (4)	Percent General Common Interest (5)	Percent Residential Common Interest (5)	Estimated Monthly Common Charges (6)	Estimated Annual Common Charges (6)	Estimated Monthly Real Estate Taxes w/ 421-a -'12-'13 commencement (7)	Estimated Annual Real Estate Taxes w/ 421-a - '12-'13 commencement (7)	Estimated Monthly Real Estate Taxes w/ 421-a - '06-'07 commencement (7)	Estimated Annual Real Estate Taxes w/ 421-a - '06-'07 commencement (7)	Estimated Monthly Real Estate Taxes w/out 421-a (7)	Estimated Annual Real Estate Taxes w/out 421-a (7)
2HH	Affordable	438			0	1	$ 343,000	$ 25,000	0.1468%	0.15%	$ 283.50	$ 3,402.04	$69.05	$828.63	$33.11	$397.31	$367.53	$4,410.35
2BB	Affordable	621			1	1	$ 392,500	$ 25,000	0.1664%	0.17%	$ 321.30	$ 3,855.64	$78.26	$939.12	$37.52	$450.28	$416.53	$4,998.40
2EE	Affordable	617			1	1	$ 392,500	$ 25,000	0.1664%	0.17%	$ 321.30	$ 3,855.64	$78.26	$939.12	$37.52	$450.28	$416.53	$4,998.40
2LL	Affordable	647			1	1	$ 392,500	$ 25,000	0.1664%	0.17%	$ 321.30	$ 3,855.64	$78.26	$939.12	$37.52	$450.28	$416.53	$4,998.40
2GG	Affordable	1,048			2	1	$ 442,000	$ 25,000	0.1860%	0.19%	$ 359.10	$ 4,309.25	$87.47	$1,049.60	$41.94	$503.26	$465.54	$5,586.45
2DD	Affordable	890			2	1	$ 447,500	$ 25,000	0.1762%	0.18%	$ 340.20	$ 4,082.45	$82.86	$994.36	$39.73	$476.77	$441.04	$5,292.42
3HH	Affordable	438			0	1	$ 337,500	$ 25,000	0.1566%	0.16%	$ 302.40	$ 3,628.84	$73.66	$883.88	$35.32	$423.80	$392.03	$4,704.38
3BB	Affordable	621			1	1	$ 387,500	$ 25,000	0.1762%	0.18%	$ 340.20	$ 4,082.45	$82.86	$994.36	$39.73	$476.77	$441.04	$5,292.42
3EE	Affordable	617			1	1	$ 387,500	$ 25,000	0.1762%	0.18%	$ 340.20	$ 4,082.45	$82.86	$994.36	$39.73	$476.77	$441.04	$5,292.42
3LL	Affordable	647			1	1	$ 387,500	$ 25,000	0.1762%	0.18%	$ 340.20	$ 4,082.45	$82.86	$994.36	$39.73	$476.77	$441.04	$5,292.42
3DD	Affordable	890			2	1	$ 442,000	$ 25,000	0.1860%	0.19%	$ 359.10	$ 4,309.25	$87.47	$1,049.60	$41.94	$503.26	$465.54	$5,586.45
3GG	Affordable	1,048			2	1	$ 437,000	$ 25,000	0.1957%	0.20%	$ 378.00	$ 4,536.05	$92.07	$1,104.84	$44.15	$529.75	$490.04	$5,880.47
3AA	Affordable	1,093			2	1	$ 437,000	$ 25,000	0.1957%	0.20%	$ 378.00	$ 4,536.05	$92.07	$1,104.84	$44.15	$529.75	$490.04	$5,880.47
4BB	Affordable	621			1	1	$ 382,000	$ 25,000	0.1860%	0.19%	$ 359.10	$ 4,309.25	$87.47	$1,049.60	$41.94	$503.26	$465.54	$5,586.45
4EE	Affordable	617			1	1	$ 382,000	$ 25,000	0.1860%	0.19%	$ 359.10	$ 4,309.25	$87.47	$1,049.60	$41.94	$503.26	$465.54	$5,586.45
4DD	Affordable	890			2	1	$ 437,000	$ 25,000	0.1957%	0.20%	$ 378.00	$ 4,536.05	$92.07	$1,104.84	$44.15	$529.75	$490.04	$5,880.47
4GG	Affordable	1,048			2	1	$ 432,000	$ 25,000	0.2055%	0.21%	$ 396.90	$ 4,762.85	$96.67	$1,160.09	$46.35	$556.23	$514.54	$6,174.50
4FF	Affordable	1,086			2	1	$ 432,000	$ 25,000	0.2055%	0.21%	$ 396.90	$ 4,762.85	$96.67	$1,160.09	$46.35	$556.23	$514.54	$6,174.50
4AA	Affordable	1,093			2	1	$ 432,000	$ 25,000	0.2055%	0.21%	$ 396.90	$ 4,762.85	$96.67	$1,160.09	$46.35	$556.23	$514.54	$6,174.50
5DD	Affordable	890			2	1	$ 432,000	$ 25,000	0.2055%	0.21%	$ 396.90	$ 4,762.85	$96.67	$1,160.09	$46.35	$556.23	$514.54	$6,174.50
5GG	Affordable	1,048			2	1	$ 426,000	$ 25,000	0.2153%	0.22%	$ 415.80	$ 4,989.66	$101.28	$1,215.33	$48.56	$582.72	$539.04	$6,468.52
5FF	Affordable	1,086			2	1	$ 426,000	$ 25,000	0.2153%	0.22%	$ 415.80	$ 4,989.66	$101.28	$1,215.33	$48.56	$582.72	$539.04	$6,468.52
5AA	Affordable	1,093			2	1	$ 426,000	$ 25,000	0.2153%	0.22%	$ 415.80	$ 4,989.66	$101.28	$1,215.33	$48.56	$582.72	$539.04	$6,468.52
6P	Market Rate	1,514			2	2.5	$ 2,319,990	$ -	0.9829%	1.00%	$ 1,898.25	$ 22,778.95	$462.36	$5,548.26	$221.69	$2,660.26	$2,460.86	$29,530.32
6T	Market Rate	2,636		236	3	2.5	$ 4,109,990	$ -	1.9229%	1.96%	$ 3,713.49	$ 44,561.86	$904.49	$10,853.91	$433.68	$5,204.19	$4,814.11	$57,769.37
6G	Market Rate	2,472		236	3	2.5	$ 4,299,990	$ -	1.8033%	1.84%	$ 3,482.45	$ 41,789.42	$848.22	$10,178.63	$406.70	$4,880.41	$4,514.60	$54,175.22
6Q	Market Rate	827			1	1	$ 1,199,990	$ -	0.5068%	0.52%	$ 978.64	$ 11,743.64	$238.37	$2,860.39	$114.29	$1,371.49	$1,268.69	$15,224.29
6X	Market Rate	739			1	1	$ 1,099,990	$ -	0.4528%	0.46%	$ 874.50	$ 10,494.01	$213.00	$2,556.02	$102.13	$1,225.55	$1,133.69	$13,604.29
7P	Market Rate	1,425			2	2.5	$ 2,349,990	$ -	0.9356%	0.96%	$ 1,806.73	$ 21,680.80	$440.07	$5,280.78	$211.00	$2,532.01	$2,342.22	$28,106.68
7R	Market Rate	841			1	1	$ 1,279,990	$ -	0.5276%	0.54%	$ 1,018.90	$ 12,226.79	$248.17	$2,978.07	$118.99	$1,427.92	$1,320.89	$15,850.64
7V	Market Rate	1,384			2	2	$ 2,289,990	$ -	0.9086%	0.93%	$ 1,754.75	$ 21,057.00	$427.40	$5,128.85	$204.93	$2,459.16	$2,274.83	$27,298.00
7Q	Market Rate	799			1	1	$ 1,219,990	$ -	0.5013%	0.51%	$ 968.01	$ 11,616.17	$235.78	$2,829.35	$113.05	$1,356.60	$1,254.92	$15,059.05
7X	Market Rate	739			1	1	$ 1,119,990	$ -	0.4636%	0.47%	$ 895.32	$ 10,743.87	$218.07	$2,616.88	$104.56	$1,254.73	$1,160.68	$13,928.20
8P	Market Rate	1,428			2	2.5	$ 2,369,990	$ -	0.9479%	0.97%	$ 1,830.65	$ 21,967.85	$445.89	$5,350.70	$213.79	$2,565.53	$2,373.23	$28,478.81
8J	Market Rate	1,965		470	3	2.5	$ 3,999,990	$ -	1.4621%	1.49%	$ 2,823.58	$ 33,882.90	$687.74	$8,252.85	$329.75	$3,957.04	$3,660.44	$43,925.32
8S	Market Rate	572			0	1	$ 949,990	$ -	0.4173%	0.43%	$ 805.81	$ 9,669.72	$196.27	$2,355.25	$94.11	$1,129.29	$1,044.64	$12,535.69
8Q	Market Rate	799			1	1	$ 1,239,990	$ -	0.5071%	0.52%	$ 979.27	$ 11,751.25	$238.52	$2,862.25	$114.36	$1,372.38	$1,269.51	$15,234.15
8X	Market Rate	742			1	1	$ 1,139,990	$ -	0.4709%	0.48%	$ 909.41	$ 10,912.92	$221.50	$2,658.06	$106.21	$1,274.47	$1,178.95	$14,147.36
9P	Market Rate	1,428			2	2.5	$ 2,389,990	$ -	0.9584%	0.98%	$ 1,850.77	$ 22,209.25	$450.79	$5,409.50	$216.14	$2,593.73	$2,399.31	$28,791.76
9O	Market Rate	1,376			2	2	$ 2,319,990	$ -	0.9235%	0.94%	$ 1,783.38	$ 21,400.51	$434.38	$5,212.51	$208.27	$2,499.28	$2,311.94	$27,743.32
9V	Market Rate	1,155			2	2	$ 2,099,990	$ -	0.7751%	0.79%	$ 1,496.95	$ 17,963.36	$364.61	$4,375.33	$174.82	$2,097.87	$1,940.62	$23,287.46
9Q	Market Rate	799			1	1	$ 1,259,990	$ -	0.5187%	0.53%	$ 1,001.78	$ 12,021.39	$244.00	$2,928.05	$116.99	$1,403.93	$1,298.70	$15,584.36
9X	Market Rate	742			1	1	$ 1,159,990	$ -	0.4817%	0.49%	$ 930.32	$ 11,163.79	$226.60	$2,719.16	$108.65	$1,303.77	$1,206.05	$14,472.59
10A	Market Rate	1,947			3	2.5	$ 3,079,990	$ -	1.2215%	1.25%	$ 2,358.85	$ 28,306.25	$574.55	$6,894.54	$275.48	$3,305.77	$3,057.99	$36,695.82
10B	Market Rate	893			1	1	$ 1,419,990	$ -	0.5863%	0.60%	$ 1,132.22	$ 13,586.63	$275.77	$3,309.29	$132.23	$1,586.73	$1,467.79	$17,613.52
10C	Market Rate	1,340			2	2	$ 2,249,990	$ -	0.9091%	0.93%	$ 1,755.60	$ 21,067.14	$427.61	$5,131.32	$205.03	$2,460.34	$2,275.93	$27,311.15
10D	Market Rate	1,367			2	2.5	$ 2,479,990	$ -	0.9274%	0.95%	$ 1,790.97	$ 21,491.63	$436.23	$5,234.71	$209.16	$2,509.92	$2,321.79	$27,861.45
11A	Market Rate	1,947			3	2.5	$ 3,119,990	$ -	1.2357%	1.26%	$ 2,386.28	$ 28,635.39	$581.23	$6,974.71	$278.68	$3,344.21	$3,093.54	$37,122.52
11B	Market Rate	893			1	1	$ 1,439,990	$ -	0.5928%	0.61%	$ 1,144.80	$ 13,737.60	$278.84	$3,346.06	$133.70	$1,604.36	$1,484.10	$17,809.23
11C	Market Rate	1,340			2	2	$ 2,299,990	$ -	0.9189%	0.939%	$ 1,774.47	$ 21,293.67	$432.21	$5,186.49	$207.23	$2,486.80	$2,300.40	$27,604.82
11D	Market Rate	1,367			2	2.5	$ 2,529,990	$ -	0.9374%	0.96%	$ 1,810.23	$ 21,722.72	$440.92	$5,291.00	$211.41	$2,536.91	$2,346.75	$28,161.03
12A	Market Rate	1,947			3	2.5	$ 3,159,990	$ -	1.2499%	1.28%	$ 2,413.71	$ 28,964.53	$587.91	$7,054.88	$281.89	$3,382.65	$3,129.10	$37,549.22
12B	Market Rate	893			1	1	$ 1,459,990	$ -	0.6058%	0.62%	$ 1,169.96	$ 14,039.52	$284.97	$3,419.60	$136.63	$1,639.62	$1,516.72	$18,200.64
12C	Market Rate	1,340			2	2	$ 2,359,990	$ -	0.9384%	0.96%	$ 1,812.23	$ 21,746.73	$441.40	$5,296.84	$211.64	$2,539.71	$2,349.35	$28,192.15
12D	Market Rate	1,367			2	2.5	$ 2,579,990	$ -	0.9573%	0.98%	$ 1,848.74	$ 22,184.91	$450.30	$5,403.57	$215.91	$2,590.88	$2,396.68	$28,760.21
13A	Market Rate	1,947			3	2.5	$ 3,479,990	$ -	1.2641%	1.29%	$ 2,441.14	$ 29,293.67	$594.59	$7,135.05	$285.09	$3,421.09	$3,164.66	$37,975.91
13B	Market Rate	893			1	1	$ 1,479,990	$ -	0.6123%	0.63%	$ 1,182.54	$ 14,190.48	$288.03	$3,456.37	$138.10	$1,657.25	$1,533.03	$18,396.35
13C	Market Rate	1,340			2	2	$ 2,419,990	$ -	0.9580%	0.98%	$ 1,849.98	$ 22,199.78	$450.60	$5,407.19	$216.05	$2,592.62	$2,398.29	$28,779.49
13D	Market Rate	1,367			2	2.5	$ 2,639,990	$ -	0.9773%	1.00%	$ 1,887.26	$ 22,647.09	$459.68	$5,516.14	$220.40	$2,644.86	$2,446.61	$29,359.38
14A	Market Rate	1,947			3	2.5	$ 3,539,990	$ -	1.2783%	1.31%	$ 2,468.57	$ 29,622.82	$601.27	$7,215.22	$288.29	$3,459.52	$3,200.22	$38,402.61
14B	Market Rate	893			1	1	$ 1,499,990	$ -	0.6189%	0.63%	$ 1,195.12	$ 14,341.45	$291.10	$3,493.14	$139.57	$1,674.88	$1,549.34	$18,592.05
14C	Market Rate	1,340			2	2	$ 2,459,990	$ -	0.9775%	1.00%	$ 1,887.74	$ 22,652.84	$459.80	$5,517.54	$220.46	$2,645.53	$2,447.24	$29,366.83
14D	Market Rate	1,367			2	2.5	$ 2,699,990	$ -	0.9972%	1.02%	$ 1,925.77	$ 23,109.28	$469.06	$5,628.72	$224.90	$2,698.84	$2,496.55	$29,958.55
15A	Market Rate	1,947			3	2.5	$ 3,599,990	$ -	1.2925%	1.32%	$ 2,496.00	$ 29,951.96	$607.95	$7,295.39	$291.50	$3,497.96	$3,235.78	$38,829.30

Unit No.	Unit Type	Approx. Interior Sq. Ft. (2)	Cubic SF	Approx. Exterior Sq. Ft. (2)	# Bedrooms	# Baths	Offering Price (3)	AHC Grant (4)	Percent General Common Interest (5)	Percent Residential Common Interest (5)	Estimated Monthly Common Charges (6)	Estimated Annual Common Charges (6)	Estimated Monthly Real Estate Taxes w/ 421-a '12-'13 commencement (7)	Estimated Annual Real Estate Taxes w/ 421-a - '12-'13 commencement (7)	Estimated Monthly Real Estate Taxes w/ 421-a - '06-'07 commencement (7)	Estimated Annual Real Estate Taxes w/ 421-a - '06-'07 commencement (7)	Estimated Monthly Real Estate Taxes w/out 421-a (7)	Estimated Annual Real Estate Taxes w/out 421-a (7)
15B	Market Rate	893			1	1	$ 1,519,990	$ -	0.6189%	0.63%	$ 1,195.12	$ 14,341.45	$291.10	$3,493.14	$139.57	$1,674.88	$1,549.34	$18,592.05
15C	Market Rate	1,340			2	2	$ 2,519,990	$ -	0.9971%	1.02%	$ 1,925.49	$ 23,105.90	$468.99	$5,627.89	$224.87	$2,698.44	$2,496.18	$29,954.16
15D	Market Rate	1,367			2	2.5	$ 2,759,990	$ -	1.0171%	1.04%	$ 1,964.29	$ 23,571.46	$478.44	$5,741.29	$229.40	$2,752.81	$2,546.48	$30,557.72
16A	Market Rate	1,959			3	2.5	$ 3,709,990	$ -	1.3147%	1.34%	$ 2,538.98	$ 30,467.73	$618.42	$7,421.01	$296.52	$3,558.20	$3,291.50	$39,497.95
16B	Market Rate	895			1	1	$ 1,549,990	$ -	0.6268%	0.64%	$ 1,210.41	$ 14,524.87	$294.82	$3,537.82	$141.36	$1,696.30	$1,569.15	$18,829.83
16C	Market Rate	1,349			2	2	$ 2,599,990	$ -	1.0234%	1.05%	$ 1,976.43	$ 23,717.19	$481.40	$5,776.79	$230.82	$2,769.83	$2,562.22	$30,746.63
16D	Market Rate	1,370			2	2.5	$ 2,819,990	$ -	1.0394%	1.06%	$ 2,007.20	$ 24,086.39	$488.89	$5,866.71	$234.41	$2,812.95	$2,602.11	$31,225.27
17A	Market Rate	1,959			3	2.5	$ 3,779,990	$ -	1.3290%	1.358%	$ 2,566.58	$ 30,798.90	$625.14	$7,501.68	$299.74	$3,596.87	$3,327.27	$39,927.27
17B	Market Rate	895			1	1	$ 1,579,990	$ -	0.6333%	0.65%	$ 1,223.01	$ 14,676.17	$297.89	$3,574.67	$142.83	$1,713.97	$1,585.50	$19,025.98
17C	Market Rate	1,349			2	2	$ 2,689,990	$ -	1.0431%	1.07%	$ 2,014.44	$ 24,173.29	$490.66	$5,887.88	$235.26	$2,823.10	$2,611.49	$31,337.91
17D	Market Rate	1,370			2	2.5	$ 2,879,990	$ -	1.0594%	1.08%	$ 2,045.80	$ 24,549.59	$498.29	$5,979.54	$238.92	$2,867.04	$2,652.15	$31,825.75
18A	Market Rate	1,959			3	2.5	$ 3,849,990	$ -	1.3433%	1.37%	$ 2,594.17	$ 31,130.08	$631.86	$7,582.34	$302.96	$3,635.55	$3,363.05	$40,356.60
18B	Market Rate	895			1	1	$ 1,609,990	$ -	0.6398%	0.65%	$ 1,235.62	$ 14,827.47	$300.96	$3,611.52	$144.30	$1,731.64	$1,601.84	$19,222.12
18C	Market Rate	1,349			2	2	$ 2,789,990	$ -	1.0628%	1.09%	$ 2,052.45	$ 24,629.39	$499.91	$5,998.97	$239.70	$2,876.36	$2,660.77	$31,929.19
18D	Market Rate	1,370			2	2.5	$ 2,939,990	$ -	1.0793%	1.10%	$ 2,084.40	$ 25,012.79	$507.70	$6,092.36	$243.43	$2,921.14	$2,702.19	$32,426.24
19A	Market Rate	1,959			3	2.5	$ 3,919,990	$ -	1.3576%	1.39%	$ 2,621.77	$ 31,461.25	$638.58	$7,663.00	$306.19	$3,674.23	$3,398.83	$40,785.92
19B	Market Rate	895			1	1	$ 1,639,990	$ -	0.7116%	0.73%	$ 1,374.31	$ 16,491.78	$334.74	$4,016.90	$160.50	$1,926.01	$1,781.64	$21,379.71
19C	Market Rate	1,349			2	2	$ 2,869,990	$ -	1.0825%	1.11%	$ 2,090.46	$ 25,085.49	$509.17	$6,110.06	$244.14	$2,929.63	$2,710.04	$32,520.47
19D	Market Rate	1,370			2	2.5	$ 2,999,990	$ -	1.0993%	1.12%	$ 2,123.00	$ 25,475.99	$517.10	$6,205.18	$247.94	$2,975.23	$2,752.23	$33,026.72
20A	Market Rate	1,959			3	2.5	$ 3,989,990	$ -	1.3719%	1.40%	$ 2,649.37	$ 31,792.42	$645.31	$7,743.67	$309.41	$3,712.90	$3,434.60	$41,215.25
20B	Market Rate	895			1	1	$ 1,669,990	$ -	0.7182%	0.73%	$ 1,386.92	$ 16,643.08	$337.81	$4,053.75	$161.97	$1,943.68	$1,797.99	$21,575.85
20C	Market Rate	1,349			2	2	$ 2,959,990	$ -	1.1022%	1.13%	$ 2,128.47	$ 25,541.59	$518.43	$6,221.15	$248.57	$2,982.89	$2,759.31	$33,111.76
20D	Market Rate	1,370			2	2.5	$ 3,069,990	$ -	1.1193%	1.14%	$ 2,161.60	$ 25,939.19	$526.50	$6,318.00	$252.44	$3,029.33	$2,802.27	$33,627.21
21A	Market Rate	1,959			3	2.5	$ 4,079,990	$ -	1.3862%	1.42%	$ 2,676.97	$ 32,123.59	$652.03	$7,824.33	$312.63	$3,751.58	$3,470.38	$41,644.57
21B	Market Rate	895			1	1	$ 1,729,990	$ -	0.7247%	0.74%	$ 1,399.53	$ 16,794.38	$340.88	$4,090.60	$163.45	$1,961.34	$1,814.33	$21,772.00
21E	Market Rate	907			1	1	$ 1,699,990	$ -	0.7344%	0.75%	$ 1,418.30	$ 17,019.55	$345.45	$4,145.45	$165.64	$1,987.64	$1,838.66	$22,063.91
21H	Market Rate	1,798			3	2.5	$ 3,899,990	$ -	1.2723%	1.30%	$ 2,456.96	$ 29,483.52	$598.44	$7,181.29	$286.94	$3,443.26	$3,185.17	$38,222.02
22A	Market Rate	1,959			3	2.5	$ 4,149,990	$ -	1.4005%	1.43%	$ 2,704.56	$ 32,454.76	$658.75	$7,904.99	$315.85	$3,790.26	$3,506.16	$42,073.90
22B	Market Rate	895			1	1	$ 1,759,990	$ -	0.7378%	0.75%	$ 1,424.75	$ 17,096.98	$347.03	$4,164.30	$166.39	$1,996.68	$1,847.02	$22,164.28
22E	Market Rate	907			1	1	$ 1,729,990	$ -	0.7477%	0.76%	$ 1,443.85	$ 17,326.21	$351.68	$4,220.14	$168.62	$2,023.46	$1,871.79	$22,461.46
22H	Market Rate	1,798			3	2.5	$ 3,969,990	$ -	1.2854%	1.31%	$ 2,482.29	$ 29,787.47	$604.61	$7,255.32	$289.90	$3,478.75	$3,218.01	$38,616.06
23A	Market Rate	1,959			3	2.5	$ 4,219,990	$ -	1.4148%	1.45%	$ 2,732.16	$ 32,785.93	$665.47	$7,985.66	$319.08	$3,828.93	$3,541.94	$42,503.22
23B	Market Rate	895			1	1	$ 1,789,990	$ -	0.7443%	0.76%	$ 1,437.36	$ 17,248.28	$350.10	$4,201.16	$167.86	$2,014.35	$1,863.37	$22,360.43
23E	Market Rate	907			1	1	$ 1,759,990	$ -	0.7543%	0.77%	$ 1,456.63	$ 17,479.54	$354.79	$4,257.49	$170.11	$2,041.36	$1,888.35	$22,660.23
23H	Market Rate	1,798			3	2.5	$ 4,049,990	$ -	1.2985%	1.33%	$ 2,507.62	$ 30,091.43	$610.78	$7,329.36	$292.85	$3,514.25	$3,250.84	$39,010.11
24A	Market Rate	1,959			3	2.5	$ 4,289,990	$ -	1.4291%	1.46%	$ 2,759.76	$ 33,117.10	$672.19	$8,066.32	$322.30	$3,867.61	$3,577.71	$42,932.55
24B	Market Rate	895			1	1	$ 1,819,990	$ -	0.7508%	0.77%	$ 1,449.96	$ 17,399.58	$353.17	$4,238.01	$169.34	$2,032.02	$1,879.71	$22,556.57
24E	Market Rate	907			1	1	$ 1,789,990	$ -	0.7609%	0.78%	$ 1,469.41	$ 17,632.87	$357.90	$4,294.83	$171.61	$2,059.27	$1,904.92	$22,859.01
24H	Market Rate	1,798			3	2.5	$ 4,149,990	$ -	1.3116%	1.34%	$ 2,532.95	$ 30,395.38	$616.95	$7,403.39	$295.81	$3,549.75	$3,283.68	$39,404.15
25A	Market Rate	1,959			3	2.5	$ 4,359,990	$ -	1.4576%	1.49%	$ 2,814.95	$ 33,779.44	$685.64	$8,227.65	$328.75	$3,944.96	$3,649.27	$43,791.20
25B	Market Rate	895			1	1	$ 1,839,990	$ -	0.7573%	0.77%	$ 1,462.57	$ 17,550.88	$356.24	$4,274.86	$170.81	$2,049.69	$1,896.06	$22,752.72
25E	Market Rate	907			1	1	$ 1,819,990	$ -	0.7643%	0.78%	$ 1,476.04	$ 17,712.49	$359.52	$4,314.23	$172.38	$2,068.57	$1,913.52	$22,962.23
25H	Market Rate	1,798			3	2.5	$ 4,229,990	$ -	1.3378%	1.37%	$ 2,583.61	$ 31,003.29	$629.29	$7,551.46	$301.73	$3,620.74	$3,349.35	$40,192.23
26A	Market Rate	1,959			3	2.5	$ 4,429,990	$ -	1.4719%	1.50%	$ 2,842.55	$ 34,110.61	$692.36	$8,308.31	$331.97	$3,983.64	$3,685.04	$44,220.53
26O	Market Rate	1,442			2	2	$ 3,399,990	$ -	1.2454%	1.27%	$ 2,405.13	$ 28,861.58	$585.82	$7,029.80	$280.89	$3,370.62	$3,117.98	$37,415.75
26M	Market Rate	2,158			4	3.5	$ 5,459,990	$ -	1.6529%	1.69%	$ 3,192.11	$ 38,305.28	$777.50	$9,330.00	$372.79	$4,473.51	$4,138.20	$49,658.43
PH1	Market Rate	3,503		1,770	4	4.5	$ 11,999,990	$ -	3.1612%	3.23%	$ 6,104.77	$ 73,257.26	$1,486.94	$17,843.24	$712.95	$8,555.41	$7,914.14	$94,969.69
PH2	Market Rate	2,592		495	3	3.5	$ 7,399,990	$ -	2.1744%	2.22%	$ 4,199.23	$ 50,390.74	$1,022.80	$12,273.65	$490.41	$5,884.92	$5,443.82	$65,325.85
PH3	Market Rate	3,281		1,184	3	3.5	$ 9,999,990	$ -	2.8721%	2.93%	$ 5,546.57	$ 66,558.78	$1,350.97	$16,211.70	$647.76	$7,773.12	$7,190.49	$86,285.88
COMM-1	Market Rate	1,932					$ 3,250,000	$ -	1.2833%		$ 610.83	$ 7,329.92	$495.15	$ 5,941.86	$237.77	$ 2,853.25	$2,635.44	$ 31,625.22
COMM-2	Market Rate	781					$ 1,250,000	$ -	0.5187%		$ 246.92	$ 2,963.08	$200.16	$2,401.96	$96.12	$ 1,153.41	$1,065.36	$ 12,784.32
SU1	Market Rate	45	382.50				$ 75,000	$ -	0.0299%		$ 14.19	$ 170.29	$11.53	$138.40	$5.53	$66.37	$78.16	$937.96
SU2	Market Rate	41	348.50				$ 75,000	$ -	0.0272%		$ 12.93	$ 155.16	$10.51	$126.10	$5.04	$60.47	$71.22	$854.59
SU3	Market Rate	41	348.50				$ 75,000	$ -	0.0272%		$ 12.93	$ 155.16	$10.51	$126.10	$5.04	$60.47	$71.22	$854.59
SU4	Market Rate	45	382.50				$ 75,000	$ -	0.0299%		$ 14.19	$ 170.29	$11.53	$138.40	$5.53	$66.37	$78.16	$937.96
SU5	Market Rate	43	365.50				$ 75,000	$ -	0.0286%		$ 13.56	$ 162.72	$11.02	$132.25	$5.28	$63.42	$74.69	$896.27
SU6	Market Rate	30	255.00				$ 75,000	$ -	0.0199%		$ 9.46	$ 113.53	$7.69	$92.27	$3.69	$44.24	$52.11	$625.31
SU7	Market Rate	43	365.50				$ 75,000	$ -	0.0286%		$ 13.56	$ 162.72	$11.02	$132.25	$5.28	$63.42	$74.69	$896.27
SU8	Market Rate	43	365.50				$ 75,000	$ -	0.0286%		$ 13.56	$ 162.72	$11.02	$132.25	$5.28	$63.42	$74.69	$896.27
SU9	Market Rate	45	382.50				$ 75,000	$ -	0.0299%		$ 14.19	$ 170.29	$11.53	$138.40	$5.53	$66.37	$78.16	$937.96
SU10	Market Rate	45	382.50				$ 75,000	$ -	0.0299%		$ 14.19	$ 170.29	$11.53	$138.40	$5.53	$66.37	$78.16	$937.96
SU11	Market Rate	45	382.50				$ 75,000	$ -	0.0299%		$ 14.19	$ 170.29	$11.53	$138.40	$5.53	$66.37	$78.16	$937.96
SU12	Market Rate	30	255.00				$ 75,000	$ -	0.0199%		$ 9.46	$ 113.53	$7.69	$92.27	$3.69	$44.24	$52.11	$625.31
		150,555					$ 271,602,100	$ 575,000	100.00%	100.00%	$ 190,016.25	$ 2,280,195.00	$46,857.61	$562,291.30	$22,467.61	$269,611.28	$249,582	$2,994,984

NOTES TO SCHEDULE A

1. Amounts are projected on the assumption that the first year of Condominium operation will be the year from January 1, 2017 to December 31, 2017. The actual first year of Condominium operation may be earlier or later than that year.

2. The square foot area of the Units set forth in the floor plans and in **Exhibit B** to the Declaration are approximate and were obtained by using the method customarily used in New York City to measure condominium apartments.

   The approximate floor area of each Residential Unit and Commercial Unit has been measured horizontally, on each of one or more floors, from the exterior side of the exterior Building walls, the Building line or Property line to the midpoint of an interior partition or continuous structural element separating one Unit from another Unit, public corridor, stairs, elevators, mechanical equipment spaces or any other Common Element. Where the window wall is recessed between masonry piers, the area is measured from a Building line which is taken as a straight line from exterior face of pier to exterior face of pier, parallel to the Property line. Columns and mechanical pipes and shafts, (whether along the perimeter or within the Unit) were not deducted from the square foot area of the Unit. Outdoor floor areas of terraces or other outdoor areas, if any, appurtenant to a Unit were not included in the Unit's approximate floor areas.

   The approximate floor area of each Storage Unit has been measured horizontally from the Unit side of the exterior Building walls or interior partition to the midpoint of an interior wire mesh partition. Columns and mechanical pipes and shafts, within the Unit were not deducted from the square foot area of the Unit.

   Outdoor floor areas of terraces or other outdoor areas, if any, appurtenant to a Unit were not included in the Unit's approximate floor areas.

   Since the area of calculations is not based on measurements from interior surfaces of interior walls, the usable floor area of the Unit is significantly less than the area listed in Schedule A.

   The approximate floor area of each Storage Unit has been measured horizontally from the Unit side of the exterior Building walls or interior partition of the midpoint of an interior wire mesh partition. Columns and mechanical pipes and shafts, within the Unit were not deducted from the square foot area of the Unit. Measured vertically, each Storage Unit consists of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab above (above any suspended ceiling).

3. Sponsor has reserved the right to change the offering prices (as well as other terms of sale) of Units, not subject to executed Purchase Agreements, so Purchasers may pay different prices for similar Units. See the Section entitled "Changes in Prices and Units" in Part I of this Plan for further discussion. In

addition to paying the purchase prices of their Units, Purchasers will be responsible for paying certain closing adjustments and Closing Costs (see the Section entitled "Unit Closing Costs and Adjustments" in Part I of this Plan for further discussion).

The Condominium shall consist of 113 Residential Units, twelve (12) Storage Units and two (2) Commercial Units.

4. The New York City Housing Partnership Development Corporation (the "Partnership") shall apply, on behalf of Sponsor, for a New York State Affordable Housing Corporation ("AHC") grant of up to $575,000, which would be allocated as individual grants of $25,000 for the construction of the 421-a Affordable Units. Subject to a lottery and the approval of each 421-a Unit Purchaser by the Partnership as described in the sections of the Plan entitled "Introduction," "421a Affordable Units" and "Procedure to Purchase" each $25,000 grant shall be distributed to Sponsor at the Closing of each 421-a Affordable Unit. Sponsor intends to pay the New York City and New York State Transfer Taxes for each 421-a Affordable Unit Closing from the AHC grant, if awarded. In the event that the AHC Grant is not awarded, Sponsor will pay such Transfer Taxes out of alternate funds. The remainder of each Unit's AHC grant allocation will be applied toward the payment of each 421-a Affordable Unit Purchaser's bona fide closing costs, and any balance thereafter will be paid over to the Board to pre-pay such 421-a Affordable Unit Owner's Common Charges.

   On the Closing Date for each 421-a Affordable Unit, each 421-a Affordable Purchaser shall be required to execute an AHC note and mortgage, a form of which is provided in Part II of this Plan.

5. The Common Interest of each Unit has been determined, pursuant to Section 339-i(1)(iv) of the Condominium Act. In accordance with such method of calculation, the Common Interests have been determined 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.

   The aggregate Common Interests of all of the Units equal one hundred percent.

6. These projections have been based upon the projections contained in "Projected Budget for First Year of Condominium Operation - Schedule B," which were made based on the assumption that the first year of condominium operation will be from January 1, 2017 to December 31, 2017. The actual first year of operation may be earlier or later. In the event the actual or anticipated commencement date of the first year of condominium operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by 25% or more, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period, if the Plan has been declared

effective) the right to rescind their Purchase Agreements within not less than fifteen days after the presentation date of the amendment containing such revised budget, and any Purchaser electing rescission pursuant to such offer will have their Down Payments and any interest accrued thereon returned.

In addition to the payment of Common Charges, each Unit Owner will incur additional expenses for:

a. mortgage payments under any loan or loans obtained to finance the purchase of the Unit;

b. the cost of electricity and gas supplied to the Unit, which will be separately metered and payable as and when billed;

c. the cost of interior repairs to, and the maintenance, painting and decoration of, the Unit, including, without limitation, the equipment and appliances contained in the same, and any appurtenant Limited Common Elements;

d. the cost of any insurance that the Unit Owner may desire to carry covering the furniture, belongings, equipment and other personal property in the Unit, as well as his or her liability to others for personal injury or property damage as a result of occurrences in the Unit;

e. telephone and cable television charges; and

f. real estate taxes (see footnote 6 below).

7. Upon substantial completion of construction, the Residential Units will be classified by the New York City Department of Finance ("Department of Finance") as a tax class 2 Unit and the Commercial Units and Storage Units will be classified as tax class 4 Units. The policy of the Department of Finance is to apportion each Unit's real estate taxes based on its Common Interest. However, Sponsor makes no representation that the Department of Finance will actually apportion the real estate taxes for each Unit based on Common Interest. Post-construction real estate tax estimates were made by Israel Schechter, PLLC ("Schechter"), 570 Lexington Avenue, New York, New York 10022. Estimates of real estate taxes in Schedule A, without a partial real estate tax exemption under Section 421-a of the New York State Real Property Tax Law ("421-a Benefits"), were made by Schechter based on projections for the 2017/2018 tax year, which Schechter assumes, but does not guarantee, will be the first year that the Department of Finance will fully assess the Property based on the substantially completed Building. Real estate tax projections for the Residential Units and the Commercial Units were made based upon the projected tax rate of 13.365% and 10.496%, respectively. Historically, the Department of Finance has annually increased the tax rate, which, if effectuated, would result in higher actual real estate taxes, with and without 421-a Benefits.

The Section 421-a "prior assessed value" is the lower of the actual or transitional assessed value of the Land and Building (if any) during the tax year prior to the commencement of construction. Sponsor purchased the Property from another

developer which partially constructed the Building's foundation in the 2007/2008 tax year. In the event that, upon reviewing the 421-a Benefits application, the New York City Department of Housing Preservation and Development ("HPD") determines that the basis for the "prior assessed value" of the Property is commencement of construction by the prior developer, then construction commencement shall be deemed to have been in the 2007/2008 tax year and the Section 421-a "mini-tax" will be based on the transitional assessed value of the Property during the 2006/2007 tax year, which is $2,026,926. After Sponsor acquired title to the Property, it applied for, and received, its own "new building" permit from the New York City Department of Buildings in the 2013/2014 tax year. If HPD determines that such "new building" permit is the basis for construction commencement, then the 421-a "mini-tax" will be based on the transitional assessed value of the Property during the 2012/2013 tax year, which is $4,227,377. Real estate taxes based on the prior assessed value may be higher or lower depending on the tax rate in effect in a given tax year.

No warranty, guaranty or assurance is given that:

(i) any projected or estimated amount set forth above including, without limitation, the estimates of the Property's assessed valuations during the first year of Condominium operation; the estimates of the portions of such assessed valuations that will be allocable to the Units; the projection of the average real estate tax rate that will be in effect during such first year; will approximate the actual amount; or

(ii) the Department of Finance will allocate the Property's aggregate assessed valuation between the Units in accordance with the appraised values used by Schechter for such purpose, or that the Department of Finance will allocate the aggregate assessed valuation attributable to the Units among the different Units as described above.

Sponsor represents that it will use reasonable efforts to obtain 421-a Benefits. However Sponsor makes no representation or warranty that the Property will receive 421-a Benefits, and no representation or warranty as to the date such 421-a Benefits will take effect if they are received.

Until the Units are separately assessed, each Unit Owner will pay to the Board their Unit's pro rata share of the Property's real estate taxes for the period in question based upon Common Interest. This proration will be made by allocating the Property's taxes among the Unit Owners in accordance with each Unit's Common Interest. The Board will pay such real estate taxes to the Department of Finance or directly to Sponsor if Sponsor has paid such real estate taxes. If any Unit Owner fails to pay his pro rata share as set forth above, the Board will be entitled to assess late charges and/or place a lien on such Unit as if such unpaid share were Common Charges. At such time as a Unit is separately assessed and separate tax bills are issued, the Unit Owner will pay such taxes directly to the taxing authority.

There is no assurance that the pro-ration of taxes described in the paragraph above will equal the actual amount of real estate taxes which will be assessed against the Units, and the actual amounts may vary considerably from the method set forth above.

Please refer to the section of this Plan entitled "Real Estate Taxes" and the opinion of Sponsor's counsel, Seiden & Schein, P.C. for more information about the real estate taxes.

In the opinion of Seiden & Schein, P.C., counsel to Sponsor, the tax laws existing on the date of this Plan in general permit a Unit Owner who itemizes his deductions to deduct from income for the purposes of Federal, New York State and New York City income taxes, any real estates taxes actually paid by such Unit Owner with respect to his Unit. However, the amount of such deductions may vary from year to year due to changes in the amount of the real estate taxes payable by the Unit Owner (which might result from changes in the assessed valuation of the Unit, in the tax rate and/or in the manner of assessing real property). Prospective Purchasers should refer to the Section entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" in Part I of this Plan, as well as to the "Counsel's Income Tax Opinion," for further discussion.

IRS Circular 230 Disclosure: In May 2005 the U.S. Treasury Department amended the regulations known as "Circular 230," which, among other things, set forth rules and standards with respect to the rendering of Federal tax advice. In general, the amended rules require such Federal tax advice to include a certain level of detail and discussion and to satisfy certain other requirements, unless the advice meets certain exceptions or is accompanied by a disclosure of certain limitations of the advice. In compliance with Circular 230, the following disclosure sets forth these limitations. Specifically, taxpayers are hereby informed that (i) this Offering Plan was not intended or written to be used, and it cannot be used, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this Offering Plan was written to support the promotion or marketing of the transactions(s) or matter(s) addressed in this Offering Plan; (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

SCHEDULE B

PROJECTED BUDGET

The Sutton Condominium
959 1st Avenue
NEW YORK, NEW YORK

ESTIMATED SCHEDULE OF RECEIPTS AND EXPENSES
FOR FIRST FULL YEAR OF OPERATION

(BEGINNING January 1, 2017)

RECEIPTS		
RESIDENTIAL COMMON CHARGES	(Note 1)	$ 2,268,025
COMMERCIAL COMMON CHARGES	(Note 14)	10,293
STORAGE UNIT CHARGES	(Note 15)	1,877
TOTAL RECEIPTS		$ 2,280,195
EXPENSES		
WAGES & BENEFITS	(Note 2)	$ 1,018,550
GAS FOR HEATING, HOT WATER, POOL HEATING AND COOKING	(Note 3)	125,060
ELECTRICITY	(Note 4)	217,385
WATER & SEWER	(Note 5)	171,700
REPAIRS, MAINTENANCE & SUPPLIES	(Note 6)	150,000
SERVICE CONTRACTS	(Note 7)	127,000
INSURANCE	(Note 8)	94,000
MANAGEMENT FEE	(Note 9)	60,000
LEGAL & ACCOUNTING	(Note 10)	24,500
CAPITAL RESERVE	(Note 11)	192,000
MISCELLANEOUS EXPENSES	(Note 12)	40,000
CONTINGENCY	(Note 13)	60,000
TOTAL OPERATING EXPENSES		$ 2,280,195

FOOTNOTES FOR SCHEDULE B

(1) **Residential Common Charges** – The Condominium's projected expenses for the first year of operation were allocated among the Residential Units and the Commercial Units based on 1) estimated usage 2) the percentage of beneficial interest in such expense or 3) a percentage interest in the common elements. The Common Charges projected herein are based upon estimated expenses for the twelve (12) month period commencing January 1, 2017.

The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium. Where the allocation of common expenses is not based on percentage interest in Common Elements the expenses have been allocated only to certain categories of Units, an explanation of which is set forth in the notes. The Commercial Units will be obligated to pay its share of the expenses that are incurred by the Board in furnishing services to the Commercial Unit as described herein, as well as operating, maintaining and repairing those Common Elements that are utilized by such unit owner. Except for certain limited services and common elements which the Commercial Unit Owners share with the Residential Unit Owners in general, the Residential Units being offered are being constructed, equipped and separately metered to operate as independent units from the Commercial Units with a minimum of common expenses or common operations.

(2) **Wages and Benefits**

The Building will have a full-time superintendent, 24 hour a day doorman service, 8 hour per day concierge service and 5 five full time porters who will work approximately 40 hours per week. The annual cost is estimated as follows:

Wages		
Superintendent		$ 85,000
Concierge, Doormen & Porters (staff of 10)		556,020
Total		641,020
Taxes		
FICA, employer share	49,040	
Health insurance	190,840	
Union pension & annuity	66,770	
Unemployment Insurance	12,110	
State disability and workers comp	32,770	351,530
		992,550
Other payroll related costs		
Payroll processing		3,000
RAB dues and costs		1,000
Uniforms		10,000

Total	$ 1,018,550

Amounts projected are based on the following additional assumptions:

- . The expected staffing of the porters and doormen could be as follows:
  - 10 doormen/porters staff – available shifts per week 50
  - Deployment (permitting for flexibility) Shifts per week

Doorman coverage (24 hours per day)	21
Concierge service (8 hours per day)	7
Porters (weekdays 2 for 16 hours per day, weekends 1 for 8 hours per day)	22

- The current plan provides for the employees to be union members and as such all salaries shall meet or exceed the prevailing wage requirement under Section 421-a of the Real Property Tax Law
- Tax rates currently in effect were applied for FICA and unemployment taxes.
- Benefits, disability insurance and workers compensation insurance rates are based on the current policies in place for similar Properties.

No warranty is made as to the actual wages, salaries, benefits and related payroll taxes and similar expenses, which will be applicable and in effect during the First Year of Condominium Operation. However, the projected expenses for wages, salaries and benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert, in managing comparable buildings.

The level of staffing described in this Schedule B complies with all applicable housing and labor laws. Payroll expenses for the Condominium's employees have generally been allocated to the Residential Units. The doormen, concierge and porters have been allocated exclusively to the Residential Units. The Commercial Unit Owners will utilize the services of the Superintendent on a limited basis. Accordingly, the portion of the Wages and Benefits Expense related to the Superintendent will be allocated to all Units based on their respective Common Interests.

(3) **Gas for Heating, Hot Water and Cooking** – Natural gas will be provided to the Building by Consolidated Edison for residential heating, domestic hot water and cooking. By letter dated October 8, 2014, Ettinger Engineering Associates, 505 Eighth Avenue, New York, New York, 10018, estimates that cost of gas usage for residential heating, domestic hot water, heating of pool, and cooking gas will approximate $125,060 based on the usage of 96,200 therms using a rate of $1.30 per therm (including sales tax). The cost for gas will be borne by the

Residential Units only. The gas consumed for heating the Commercial Units will be billed and paid directly by the Commercial Unit Owners.

It is not possible to predict how closely the budgeted figure will reflect the actual expense for gas to be incurred during the First Year of Condominium Operation, in part because such expenses will vary with the level of consumption and the applicable utility rates. Many factors affect the cost of gas, (which has in the past been highly volatile and unpredictable). Historically, gas rates have been steadily increasing and the cost of gas is likely to increase, although it is not possible to forecast with certainty the amount or timing of such increases. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of gas during the First Year of Condominium Operation. However, no budget item is warranted.

(4) **Electricity** – Includes the net common area electric costs but does not include the cost of electricity to individual Residential Units which will be sub metered and usage by the Commercial unit that will be directly billed. All sub metered and directly metered unit owners will be responsible to pay the electric bills for their units. Common area electric will include the electric costs for operating the building's HVAC, mechanical systems, the building's elevators and for the common area lighting. By letter dated October 8, 2014, Ettinger Engineering Associates, 505 Eighth Avenue, New York, New York, 10018, estimates that the projected annual cost using a current rate of $.23 per KWH, on 908,800 KWHs is estimated at $209,024 during the First Year of Condominium Operations. Adding sales tax the estimate for the First Year of Condominium Operation is $217,385. The estimated cost for common area electric will be borne by the Residential Units only. The Commercial Units electrical usage will be billed directly to the Commercial Unit Owners.

It is not possible to predict how closely the budgeted figure will reflect the actual expense for electric to be incurred during the First Year of Condominium Operation, in part because such expenses will vary with the level of consumption and the applicable utility rates. Many factors affect the cost of electric, (which has in the past been highly volatile and unpredictable). Historically, electric rates have been steadily increasing and the cost of electric is likely to increase, although it is not possible to forecast with certainty the amount or timing of such increases. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electric during the First Year of Condominium Operation. However, no budget item is warranted.

(5) **Water and Sewer** – The water and sewer consumption for the initial year of condominium operations, including the cooling tower usage, is estimated by letter dated October 8, 2014, Ettinger Engineering Associates, 505 Eighth Avenue, New York, New York,10018 to be 1,586,000 cubic feet. Using the rates set for the year July 1, 2014 to June 30, 2015 of $9.58 per CCF and presuming an annual increase rate of 5% per annum, the budgeted amount for water and sewer costs for the First Year of Condominium Operation would be $171,700. Water

consumption for the Residential Units will be measured via a dedicated meter and the cost for water and sewer will be borne by the Residential Units only. It is expected that the Commercial Units will be supplied and billed directly for their use of water and sewer or sub metered and pay the condominium for its actual usage times the average cost per CCF [including sewer charges].

It is not possible to predict how closely the budgeted figure will reflect the actual expense for water and sewer to be incurred during the First Year of Condominium Operation, in part because such expenses will vary with the level of consumption and the applicable utility rates. Historically, water and sewer rates have been steadily increasing and the cost of water and sewer is likely to increase, although it is not possible to forecast with certainty the amount of such increases. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of water and sewer charges during the First Year of Condominium Operation. However, no budget item is warranted.

(6) **Repairs, Maintenance & Supplies**

The budget figure for repairs, maintenance and supplies is based on the estimated normal maintenance and repair of common areas of the Building, the painting of public halls and Common Elements, and the purchase of normal maintenance items, such as cleaning supplies and materials, lubricants, bulbs, public area fixtures, general and hardware supplies and rubbish compactor bags. Unit Owners will be responsible for the cost of the interior repairs in, and decoration and painting of, their respective Units, including fixtures, HVAC equipment and appliances. The amount budgeted is calculated based on the consultant's previous management experience in managing newly renovated buildings of comparable size, quality and amenities.

No amount is included for items covered by construction warranties or for the cost of any major capital expenditure in the Building. If such expenditure is required, each Unit Owner (including the Commercial Unit Owners if the item in question is a Common Element) will be obligated to pay his pro-rata or beneficial share of such expenditure. It is expected that if minor operating equipment is required to be purchased, the funds for the acquisition will be provided from the Working Capital Fund. The Budgeted number does not include repairs, painting, maintenance or supplies for individual Units, which are the responsibility of the individual Unit Owners.

(7) **Service Contracts**

Amounts indicated below are estimates; no contracts have been entered into for the services described in this footnote

Elevator Maintenance for 3 elevators (including sales tax) Estimate	$ 40,000
Boiler and HVAC Maintenance (including sales tax) Estimate	$ 20,000
Window Cleaning (one per year)	$ 20,000

(including sales tax) Estimate	
Water Treatment (including sales tax) Estimate	$ 10,000
Gym Equipment Maintenance (including sales tax) Estimate	$ 5,000
Landscaping (including sales tax) Estimate	$ 5,000
Compactor Maintenance (including sales tax) Estimate	$ 5,000
Sub-meter Contract (including sales tax) Estimate	$ 6,000
Fire Alarm System * (including sales tax) Estimate	$ 10,000
Pest Control * (including sales tax) Estimate	$ 6,000
Total	$127,000

(8) **Insurance** – The budget number is projected on the basis of an estimate of insurance costs provided by York International Agency LLC, 500 Mamaroneck Ave, Harrison, NY 10528 in a letter dated July 24, 2014.

Package Coverage

Property

Building & Boiler & Machinery (Deductible $10,000)	$70,000,000
Cause of loss – special form	Included
Agreed value/replacement cost	Included
Building ordinance	Included
Demolition & increased cost of construction	Included
Business personal property (Deductible $10,000)	$100,000
Earthquake (deductible $25,000	$5,000,000
Flood (deductible $25,000)	$5,000,000
Elevator collision	Included
Building Income/Extra Expense – Actual loss sustained up to	12 months

General Liability

Each occurrence (bodily injury/property damage)	$1,000,000
General Aggregate	$2,000,000
Personal Injury	$1,000,000
Employee benefits liability (claims made) (Deductible $1,000)	$1,000,000
Water damage legal liability	Included
Non owned / hired auto	$1,000,000
Lead / mold	Not excluded

Directors & Officers Liability

Limit	$100,000,000
Deductibles	$5,000

Managing agent rider	Included
Fidelity Bond	
Employee Dishonesty	$600,000
Deductible	$10,000
Managing Agents rider	Included
Umbrella	
Limit	$100,000,000
Excess Directors & officers liability	Included
Excess employment practices liability	Included
Lead exclusion/ Mold exclusion	Follow form

In addition, the coverage described herein will provide:

- each unit owner is an additional insured as respects common areas
- there will be no cancellation without notice to the Board of Managers
- a waiver of subrogation as respects unit owners of the Condominium
- a waiver of invalidity because of the acts of the insured and unit owners
- a waiver of pro-rata reduction if unit owners obtain additional coverage

Prospective owners should note that insurance premiums could increase depending on market conditions. The projection is believed to be reasonable.

Each unit owner will obtain additional insurance coverage, at his or her own expense, against the following risks (which will not be included in the insurance coverage obtained by Sponsor on behalf of the Condominium Board):

Fire or casualty losses to the contents of his or her Unit and any appurtenant Limited Common Elements, replacements, additions, upgraded fixtures and improvements therein; and

Liability for personal injury or property damage as a result of occurrences in his or her own Unit and any appurtenant Limited Common Elements

The insurance figures provided are adequate and acceptable to the insurance carrier in order to provide the Agreed Amount Clause, which meets the co-insurance requirement. In order to safeguard the investment of its Unit Owners in the event of a substantial or total destruction of the Building, the Condominium should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage equals it's then estimated replacement cost.

The coverage does not include claims for personal injury and property damage resulting from occurrences in individual Units, nor does it cover furniture or fixtures and personal property of Unit Owners.

The insurance costs will be allocated among the Residential and Commercial Units based on their respective Common Interests

(9) **Management Fee** – The budget amount is based on a proposed agreement with Douglas Elliman Property Management by the Condominium Board at the First Unit Closing. The services of the managing agent shall commence at the First Unit Closing. The fee will be $50,000 in the initial year of Condominium Operations.

The Managing Agent is unaffiliated with Sponsor.

In addition, the Managing Agent will charge individual Unit Owners for services required in the processing of each application for the sale or lease of a Unit.

The Management Fee will be allocated among the Residential and Commercial Units based on their respective Common Interests.

(10) **Legal and Accounting** – All Condominium Unit Owners are entitled to receive on an annual basis from the Condominium at the Condominium's expense an annual audited statement prepared by an independent certified public accountants. PKF O'Connor Davies, 665 Fifth Avenue, New York, New York 10022 will be the Condominium's accountant and in a letter from them, dated April 30, 2014, it was estimated that the annual cost will be approximately, $14,500.

The balance of this line item is intended to provide for minor miscellaneous legal services that the Condominium board may need to employ.

The legal and accounting costs will be allocated among the Residential and Commercial Units based on their respective Common Interests, or beneficial interest if the legal or accounting services only pertain to the Residential Units such as non-payment of residential common charges or residential related contracts.

(11) **Capital Reserve**: A Capital Reserve account is to be established, for the purpose of providing needed capital for expenditures relating the Residential Common Elements and the Residential Limited Common Elements to be applied at the discretion of the Board of Managers.

The expenses attributable to this budget item shall be allocated only to the Residential Units.

(12) **Miscellaneous Expenses** – This item includes telephone expense, city licenses, permits and filing fees, filing Federal (if taxable income exists) State and City tax returns, annual elevator inspections and permits, costs of printing and postage for notices and information from the Board of Managers, fee to electric sub metering company, office supplies, electric and other expenses associated with the Superintendent's unit, miscellaneous expenses, and holiday decorations. In addition

this item includes fees to the Managing Agent to prepare the needed filings and follow up with respect to the real estate tax rebate program, fire safety notices and window guard and lead based paint compliance, if applicable.

(13) **Contingency** – The Contingency line item is intended to provide for any unanticipated expenses and is to be used at the discretion of the Board of Managers. The reserve for contingencies has been calculated on the basis of approximately 2% of the sum of all operating expenses to cover unanticipated cost increases and possible omitted items. In the event that the actual first year of operation of the Condominium begins later than the projected commencement date of January 1, 2017 as shown on this schedule, the additional operating costs could substantially exceed this amount.

(14) **Commercial Units** Costs exclusively associated with the Commercial Units are to be borne solely by the Commercial Unit Owners. Therefore, Residential Units will not be sharing in costs associated solely with the commercial operations. Conversely, the Commercial Unit Owners will not be allocated costs associated solely with the residential operations.

The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium. Where the allocation of common expenses is not based on percentage interest in Common Elements the expenses have been allocated only to certain categories of Units, an explanation of which is set forth in the notes. The Commercial Units will be obligated to pay their share of the expenses that are incurred by the Board in furnishing services to the Commercial Units as described herein, as well as operating, maintaining and repairing those Common Elements that are utilized by such unit owner. Except for certain limited services and common elements which the Commercial Unit Owners share with the Residential Unit Owners in general, the Residential Units being offered are being constructed, equipped and separately metered to operate as independent units from the Commercial Units with a minimum of common expenses or common operations.

The Commercial Unit Owners are obligated to pay their General Common percentage interest of 1.8020% for the costs of the wages and benefits of the superintendent, insurance, management fees, legal and accounting, miscellaneous expenses, and the building wide pest control and fire alarm. In addition, the Commercial Units will pay 100% of its operating costs pertaining to their units including, insurance, labor and utilities (heating, air conditioning, lighting and water and sewer that will be directly metered or sub-metered).

Accordingly, the Commercial Unit Owners are budgeted to pay the following amounts:

Wages & Benefits of the Superintendent	
Compensation	85,000
Bonus	7,000
Taxes and Unemployment Insurance	8,000
Workers compensation and disability insurance	4,650
Union benefits	23,400

Total	128,050
Insurance	94,000
Management fee	60,000
Legal and accounting	24,500
Miscellaneous expenses	40,000
Service contract (Pest control & Fire alarm)	16,000
Capital reserve	192,000
Total	554,550
Expenses Allocated to Commercial Units	9,993
Contingency	300
Total expenses related to Commercial Units	10,293

As already reflected in the amounts set forth in the budget, the following budgeted Common Charges will be borne by Residential Unit Owners without contribution from the Commercial Unit Owners (who will be separately metered or billed or obligated for such items): doormen wages and benefits; gas; electricity; water and sewer; repairs, maintenance, and supplies.

(15) **Storage Units** Costs exclusively associated with the Storage Units are to be borne solely by the Storage Unit Owners. Therefore, Residential Units and Commercial Units will not be sharing in costs associated with the storage operations. Conversely, the Storage Unit Owners will not be allocated costs associated with the residential and commercial operations.

The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium. Where the allocation of common expenses is not based on percentage interest in Common Elements the expenses have been allocated only to certain categories of Units, an explanation of which is set forth in the notes. The Storage Units will be obligated to pay their share of the expenses that are incurred by the Board in furnishing services to the Storage Units as described herein, as well as operating, maintaining and repairing those Common Elements that are utilized by such unit owner. Except for certain limited services and common elements which the Storage Unit Owners share with the Residential Unit Owners in general, the Residential Units being offered are being constructed, equipped and separately metered to operate as independent units from the Storage Units with a minimum of common expenses or common operations.

The Storage Unit Owners are obligated to pay their General Common percentage interest of .3294% for the costs of the wages and benefits of the superintendent, insurance, management fees, legal and accounting, miscellaneous expenses, and the building wide pest control and fire alarm. In addition, the Storage Units will pay 100% of its operating costs pertaining to their units including, insurance, labor and utilities, if required.

Accordingly, the Storage Unit Owners are budgeted to pay the following amounts:

Wages & Benefits of the Superintendent	
Compensation	85,000

Bonus	7,000
Taxes and Unemployment Insurance	8,000
Workers compensation and disability insurance	4,650
Union benefits	23,400
Total	128,050
Insurance	94,000
Management fee	60,000
Legal and accounting	24,500
Miscellaneous expenses	40,000
Service contract (Pest control & Fire alarm)	16,000
Capital Reserve	192,000
Total	554,550
Expenses Allocated to Storage Units	1,827
Contingency	50
Total expenses related to Storage Units	1,877

As already reflected in the amounts set forth in the budget, the following budgeted Common Charges will be borne by Residential Unit Owners without contribution from the Storage Unit Owners (who will be separately metered or billed or obligated for such items): doormen wages and benefits; gas; electricity; water and sewer; repairs, maintenance, and supplies.

SCHEDULE B-1

Residential Heating for PH-1 Pool

Per the opinion of Ettinger Engineering Associates, 505 Eighth Avenue, New York, New York 10018, heating of pool water at shall be provided by a separate gas fired boiler and is estimated to have a total consumption of 2,200 therms per year at an estimated cost of $1.30 per therm or an estimated cost of $2,860.00 per year.

Schedule B-2

PRECISION AQUATICS GROUP

Precision Aquatics Group Inc.
31 Viaduct Rd.
Stamford, Ct. 06907

Project: 959 1st. Ave.

Proposal for weekly maintenence

Weekly maintenance is $225. (plus chemicals) This includes

A) Vacuuming
B) Testing and adjusting the water
C) Backwashing and maintaining the filter

Monthly chemical costs will be about $250.00

ETTINGER ENGINEERING
ASSOCIATES

Schedule B-3

Robert Ettinger, P.E., M.M.E
Eric Ettinger, P.E.

May 28, 2014
(Revised 12/1/2014)

Toll First Avenue LLC
75 Broad Street
Suite 2100
New York, NY 10004

Attn: Mr. Raphael Schwartz

Re: 961 1st Avenue
New York, NY

Dear Raphael:

In accordance with your request, we list below estimates of annual electric energy costs for lighting, heating and air conditioning, and for operating the typical electrical appliances located in each apartment.

The estimated KWHR per year per square foot and annual cost of electricity per square foot utilized by individual apartments are 13.50 KWHR/Sq.Ft/Year and $2.97 per square foot, based on Con Edison rate of $0.22 per KW hour. This cost per kilowatt hour represents a 5% increase above the current approximate cost for electricity. The following table lists annual costs of electricity for all apartments individually:

Unit	SF	Total Annual KWH	Total Annual Cost
2BB	**621**	**8384**	**1844**
2DD	890	12015	2643
2EE	617	8330	1833
2GG	1048	14148	3113
2HH	438	5913	1301
2LL	647	8735	1922
3AA	**1093**	**14756**	**3246**
3BB	621	8384	1844
3DD	890	12015	2643
3EE	617	8330	1833
3GG	1048	14148	3113
3HH	438	5913	1301

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eea@ettingerengineering.com
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3LL	647	8735	1922
4AA	**1093**	**14756**	**3246**
4BB	621	8384	1844
4DD	890	12015	2643
4EE	617	8330	1833
4FF	1086	14661	3225
4GG	1048	14148	3113
5AA	**1093**	**14756**	**3246**
5DD	890	12015	2643
5FF	1086	14661	3225
5GG	1048	14148	3115
6P	**1514**	**20439**	**4497**
6T	2636	35586	7829
6Q	827	11165	2456
6X	739	9977	2195
7P	**1425**	**19238**	**4232**
7Q	799	10787	2373
7R	841	11354	2498
7V	1384	18684	4110
7X	739	9977	2195
8J	**1965**	**26528**	**5836**
8P	1428	19278	4241
8Q	799	10787	2373
8S	572	7722	1699
8X	742	10017	2204
9O	**1376**	**18576**	**4087**
9P	1428	19278	4241
9Q	799	10787	2373
9V	1155	15593	3430
9X	742	10017	2204
10A	**1947**	**26285**	**5783**
10B	893	12056	2652
10C	1340	18090	2980
10D	1367	18455	4060
11A	**1947**	**12785**	**2813**
11B	893	12056	2652
11C	1340	18090	3980

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11D	1367	18455	4060
12A	**1947**	**12785**	**2813**
12B	893	12056	2652
12C	1340	18090	3980
12D	1367	18455	4060
13A	**1947**	**12785**	**2813**
13B	893	12056	2652
13C	1340	18090	3980
13D	1367	18455	4060
14A	**1947**	**12785**	**2813**
14B	893	12056	2652
14C	1340	18090	3980
14D	1367	18455	4060
15A	**1947**	**12785**	**2813**
15B	893	12056	2652
15C	1340	18090	3980
15D	1367	18455	4060
16A	**1959**	**26447**	**5818**
16B	895	12083	2658
16C	1349	18212	4007
16D	1370	18495	4069
17A	**1959**	**26447**	**5818**
17B	895	12083	2658
17C	1349	18212	4007
17D	1370	18495	4069
18A	**1959**	**26447**	**5818**
18B	895	12083	2658
18C	1349	18212	4007
18D	1370	18495	4069
19A	**1959**	**26447**	**5818**
19B	895	12083	2658
19C	1349	18212	4007
19D	1370	18495	4069
20A	**1959**	**26447**	**5818**
20B	895	12083	2658
20C	1349	18212	4007
20D	1370	18495	4069

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Mr. Raphael Schwartz
Toll NY IV, LP
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21A	**1959**	**26447**	**5818**
21B	895	12083	2658
21E	907	12245	2694
21H	1798	24273	5340
22A	**1959**	**26447**	**5818**
22B	895	12083	2658
22E	907	12245	2694
22H	1798	24273	5340
23A	**1959**	**26447**	**5818**
23B	895	12083	2658
23E	907	12245	2694
23H	1798	24273	5340
24A	**1959**	**26447**	**5818**
24B	895	12083	2658
24E	907	12245	2694
24H	1798	24273	5340
25A	**1959**	**26447**	**5818**
25B	895	12083	2658
25E	907	12245	2694
25H	1798	24273	5340
26A	**1959**	**26447**	**5818**
26O	1442	19467	4283
26M	2158	29133	6409
PH1	**3503**	**47291**	**10404**
PH2	2592	34992	7698
PH3	3281	44294	9745

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The projected rates are not guaranteed and it must be expected that these rates will increase with the passage of time and may be affected by many factors which are beyond the control of the Sponsor. Purchasers are advised that the projections are only estimates and actual consumption will be metered and will vary based on the personal needs of occupants and weather conditions.

Sincerely,

Eric S. Ettinger, P.E., LEED AP

ESE/mn

C1305-02

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DouglasElliman EST. 1911 REAL ESTATE

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www.elliman.com

August 18, 2014

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

Re: 959 First Avenue Condominium
959 First Avenue, New York, New York ("**Property**")

Ladies and Gentlemen:

Douglas Elliman, LLC d/b/a Douglas Elliman Real Estate is a licensed real estate brokers in the New York Metropolitan area. We have been involved in the sale and management of multifamily residential buildings, condominiums and cooperatives for more than 25 years. We have been retained to prepare this opinion concerning compliance of the offering plan for the referenced property with section 339(i) of the New York Real Property Law.

We have reviewed the allocation of common interest as shown on Schedule A to be included in the Condominium Offering Plan for the referenced property.

The allocation of the percentage of Common Interest for the Condominium Units in the Offering Plan for the referenced property is made pursuant to Section 339(i)(1)(iv) of the Real Property Law. The allocations took into consideration the following factors: floor space, subject to the location of such space and the additional factors of relative value to the space in the condominium, the uniqueness of the units; the availability of common elements for exclusive or shared use and the overall dimensions of the particular unit.

In our opinion, the Condominium Plan and the allocation of percentage interest in the Common Elements attributable to each Unit conforms to Section 339(i)(1)(iv) of the New York Real Property Law.

Douglas Elliman is not owned or controlled by Sponsor and it has no financial interest in the offering other than its fee for services rendered in connection with the preparation of this letter.

You have advised us of your intention to incorporate this letter in the plan, and we hereby consent to such inclusion.

Very truly yours,

DOUGLAS ELLIMAN, LLC

By: _____
Kenneth I. Haber
Executive Vice President and
General Counsel

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THE 421-a AFFORDABLE UNITS

Sponsor intends to apply to the City of New York for real estate tax benefits for the Property pursuant to Real Property Tax Law (the "RPTL") Section 421-a ("Section 421-a"). As the Property is located in the Geographic Exclusion Area (as defined under the RPTL), Sponsor intends to qualify the Property for such real estate tax benefits by setting aside twenty percent (20%) of the Units in the Condominium for households with an income not to exceed 125% of the Area Median Income (i.e., the 421-a Affordable Units).

Sponsor is required to offer the 421-a Affordable Units only to persons whose annual household income is no greater than 125% of AMI, pursuant to a lottery, which shall be administered by the New York City Housing Partnership Development Corporation (the "Partnership"), having an office at 242 West 36th Street, 3rd Floor, New York, New York 10018, and monitored by the New York City Department of Housing Preservation and Development ("HPD").

As required by the 421-a Rules, prior to the First Unit Closing Sponsor will enter into a 421-a Restrictive Declaration with HPD. Pursuant to the 421-a Restrictive Declaration, in the event that Sponsor continues to own any Unsold 421-a Affordable Units within thirty-five (35) years after the completion of construction of the Building, as evidenced by the issuance of at least a Temporary Certificate of Occupancy which covers all Residential Units, Sponsor shall continue to offer such 421-a Affordable Units to persons whose annual household income is no greater than 125% of AMI. However, after thirty-five (35) years from the Building's completion of construction, Sponsor has the right to offer such Unsold 421-a Affordable Units to the public as Market-Rate Units pursuant to a duly filed amendment to the Offering Plan. Notwithstanding Sponsor's right to sell Unsold 421-a Affordable Units to the public at market rate offering prices, after the expiration of this thirty-five (35) year term Sponsor intends to sell all 421-a Affordable Units to Purchasers with a household income of no more than 125% of AMI.

Sponsor's sale of 421-a Affordable Units to persons with an annual household income of no greater than 125% of AMI is predicated upon the issuance of a grant from the New York State Affordable Housing Corporation for the construction of the 421-a Affordable Units. In the event that such grant is not issued, and Sponsor does not otherwise secure Substantial Governmental Assistance, as that term is defined in the 421-a Rules, then Sponsor shall offer the 421-a Affordable Units to persons with an annual household income of not greater than 60% of AMI ("60% Households").

Sponsor shall make a good faith effort to sell the 421-a Affordable Units but reserves the right to rent such Units in the event that they cannot be sold. The 421-a Restrictive Declaration will provide, *inter alia*, that if the 421-a Affordable Units are rented by Sponsor, the eligible tenants shall be 60% AMI Households. The 421-a Restrictive Declaration will also provide that such Apartments shall be rented to 60% AMI Households for a period of thirty-five (35) years from the issuance of a Temporary Certificate of Occupancy for all 421-a Affordable Units plus the duration of any 421-a Affordable Unit tenancies in existence at the end of such thirty-five (35) year period (the "Affordability Period"). All leases must be registered with the New York State Division of Housing and Community Renewal, with properly drafted 421-a riders, as rent

stabilized until the end of the Affordability Period. Notwithstanding the foregoing, in the event that any rental 421-a Affordable Units are vacated, Sponsor reserves the right to sell such Units at the then allowable AMI level.

As of the Filing Date, 125% and 60% of the Area Median Income are as follows:

Household Size	**Maximum Household Income (125% of AMI)**
1	$73,410
2	$83,900
3	$94,390
4	$104,880
5	$113,270
6	$121,660
Household Size	**Maximum Household Income (60% of AMI)**
1	$35,280
2	$40,320
3	$45,360
4	$50,340
5	$54,420
6	$58,440

Sponsor makes no representation about the maximum household income at 125% or 60% of AMI after the Filing Date. Purchasers of 421-a Affordable Units are encouraged to verify AMI maximums with the Partnership prior to applying for the lottery for a 421-a Affordable Unit.

The 421-a Rules are silent as to any income and re-sale price restrictions on re-sale purchasers of 421-a Affordable Units. For the purpose of disclosure in this Plan, once the AHC Note and Mortgage (the "AHC Note and Mortgage") for the applicable 421-a Affordable Unit (as discussed below) has been satisfied, Sponsor assumes that there are no governmentally imposed 421-a income and re-sale price restrictions on the 421-a Affordable Units after the initial sale of such 421-a Affordable Units to a Purchaser. Sponsor makes no representation, guarantee or warranty that the 421-a Rules will not be amended at some future date to provide for income and re-sale price restrictions on 421-a Affordable Units.

Pursuant to the By-laws, all re-sales of 421-a Affordable Units shall be made exclusively to persons with an annual household income of not more than 125% of AMI at a re-sale price that shall not exceed the re-seller's purchase price for acquiring such 421-a Affordable Unit, plus an adjustment for inflation (as defined herein). The "adjustment for inflation" shall be calculated by multiplying the re-seller's purchase price to acquire the 421-a Affordable Unit by a fraction, the numerator of which shall be the Consumer Price Index for the full calendar month immediately preceding the date of such adjustment, and the denominator of which shall be the Consumer Price Index for the date that such re-seller acquired title to such 421-a Affordable Unit. The "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, New York, New York Northeastern New Jersey Area, All Items (1982-84 = 100), or any

successor index thereto, appropriately adjusted. If the Consumer Price Index ceases to be published, and there is no successor thereto, such other reasonably similar index as is designated by the Condominium Board shall be substituted for the Consumer Price Index. For the purpose of calculating the re-sale price of a 421-a Affordable Unit, the re-seller's purchase price to acquire a 421-a Affordable Unit shall not include closing costs associated with the acquisition of such 421-a Affordable Unit. The Residential Board of Managers shall certify the household income of all 421-a Affordable Unit re-sale purchasers and the re-sale purchase price of all 421-a Affordable Units in accordance with the Article 8 of By-Laws simultaneously with the Residential Board's exercise of its rights of first refusal.

Pursuant to the By-laws, all leasing of 421-a Affordable Units shall be to exclusively persons with an annual household income of not more than 125% of AMI, as determined by the Residential Board of Managers. The aggregate payments made by any lessee of a 421-a Affordable Unit in any calendar month shall not exceed the combined cost of such 421-a Affordable Unit Owner's bona fide Common Charges, mortgage payments, utility costs and real estate taxes, plus ten percent (10%) of all such costs, as determined by the Residential Board. Notwithstanding the foregoing the AHC Note and Mortgage prohibits the renting of 421-a Affordable Units during the term of the AHC Note and Mortgage.

Pursuant to the 421-a Rules, at the time of the initial sale of 421-a Affordable Units, the offering prices were established so that the sum of Common Charges, real estate taxes (with Section 421-a benefits) and mortgage payments, including principal and interest (assuming that the mortgage constitutes 90% of the Purchase Price at the prevailing rate of interest) did not exceed thirty percent (30%) of 125% of AMI, adjusted for family size. In order to comply with the 421-a Rules, Sponsor skewed the Common Charges for the 421-a Affordable Units downward, as permitted by Section 339-m of the Real Property Law. However, Sponsor assumes that the Board is not required, subsequent to the Closing of any 421-a Affordable Unit, to continue to skew Common Charges which are payable by the 421-a Affordable Unit Owner, and, therefore, the Common Charges payable by 421-a Affordable Unit Owners may increase substantially after the first year of Condominium operation. Sponsor gives no guaranty or warranty that HPD will concur with Sponsor's assumption and, therefore, it is possible that HPD may not allow the Board to increase the Common Charges of 421-a Affordable Units without restriction. Please see the section entitled "Rights and Obligations of the Unit Owners and Board of Managers."

Although the 421-a statute and rules are silent as to the mortgaging of a 421-a Affordable Units by 421-a Affordable Unit Purchasers, Sponsor makes no representation as to future regulations that may be promulgated by HPD in the future with respect to the mortgaging of 421-a Affordable Units.

AHC Note and Mortgage

The Partnership intends to apply to New York State Affordable Housing Corporation ("AHC"), on behalf of Sponsor, for a grant to construct the 421-a Affordable Units. If awarded, the grant will be allocated by the Partnership to Sponsor as individual subsidies of $25,000 (the "Incremental AHC Award") for the construction of each 421-a Affordable Unit, conditioned

upon the Purchaser of such 421-a Affordable Unit having a household income of no more than 125% of AMI. In addition to satisfying the income requirement, in order to qualify as an Eligible Purchaser a Purchaser cannot have assets in an amount that exceeds thirty-five percent (35%) of the average total development cost for the type of 421-a Affordable Unit being purchased.

Each $25,000 grant shall be distributed to Sponsor at the Closing of the respective 421-a Affordable Unit. Sponsor intends to pay the New York State and New York City transfer taxes due at the Closing of each 421-a Affordable Unit from the Incremental AHC Award. In the event that the AHC grant is not awarded, Sponsor will pay the New York State and New York City transfer taxes for 421-a Affordable Units out of alternate funds. The remainder of the Incremental AHC Award shall be applied toward each 421-a Affordable Unit Purchaser's bona fide Closing costs, such as, but not limited to, title insurance expenses, the working capital contribution, and the Purchaser's attorney's fee. In the event that the Incremental AHC Award is not exhausted at Closing, the remainder of the Incremental AHC Award shall be paid over to the Board of Managers and credited to the 421-a Affordable Unit Owner as pre-paid Common Charges.

As a requirement of AHC, on the Closing Date the 421-a Affordable Unit Purchaser shall execute an AHC Note and Mortgage, copies of which are provided in Part II of this Plan. The AHC Note and Mortgage shall be for a term of ten (10) years. The AHC note secured by the AHC mortgage shall not require the re-payment of principal or interest, provided that each 421-a Affordable Unit Owner, including, as applicable, a successor re-sale purchaser that has been qualified by AHC, occupies his or her 421-a Affordable Unit as a Primary Residence for a total (10) years after the Closing Date.

In the event that a 421-a Affordable Unit Owner (plus any AHC-qualified successors) does not occupy his or her Unit as a Primary Residence for at least ten (10) years from the Closing Date, the remaining portion of the AHC Note and Mortgage ("AHC Unit Debt") must be repaid by such Shareholder as follows:

Period of Primary Residence of at Least	But Less Than	Percent of Recapture Obligation to be Repaid
1 day	64 months	100%
64 months	66 months	90%
66 months	76 months	80%
76 months	78 months	70%
78 months	88 months	60%
88 months	90 months	50%
90 months	100 months	40%
100 months	102 months	30%
102 months	112 months	20%
112 months	114 months	10%
114 months		0

Notwithstanding such repayment obligation, 421-a Affordable Unit Owners may retain the following prior to AHC's right of recapture following the purchaser's sale or refinancing of the 421-a Affordable Unit: the amount of Down Payment made at the time of initial purchase, verified costs of home improvements up to $2,000, and the following resale expenses: brokerage fees, transfer taxes and certain legal fees.

Prior to the satisfaction of the AHC Note and Mortgage, 421-a Affordable Unit Owners shall not be permitted to rent their Units.

On the tenth anniversary of the Closing Date for the 421-a Affordable Unit, the AHC Unit Debt for that Unit and the AHC requirements for that Unit shall be deemed satisfied.

THE COMMERCIAL UNITS

There will be one (1) Commercial Section in the Condominium containing two (2) Commercial Units which are being offered for sale by Sponsor. The Commercial Units may be used for any lawful purpose. The Commercial Units will be located in the first floor of the Building.

All or any part of the Commercial Units may be leased or subleased by the Commercial Unit Owner(s). No representation is made with respect to: (a) the uses to which the Commercial Units or any part thereof may be put at any time, or (b) who, as tenant(s), will operate or occupy the Commercial Units or any part thereof at any time, or (c) Sponsor's continued ownership of the Commercial Units or any part thereof. The Commercial Units and the Unsold Units may be used for any lawful purpose under the applicable building codes and zoning ordinances, including (without limitation), for retail or other commercial use, as model Units, or as a sales office, or as an office for the leasing, rental or management of one or more such Units, without any charge or fee by the Condominium Board, at such rents, and upon such terms and conditions, as Sponsor, or any successor owner of the Commercial Units desires.

The Commercial Unit Owners shall have rights which differ from the Residential Unit Owners. The Condominium Board and the Residential Unit Owners will not have the right to approve or disapprove either any change in the use of the Commercial Units (or any part thereof), or any amendment to the Building's Certificate of Occupancy to authorize another use for the Commercial Units (or any part thereof). In addition, a Commercial Unit Owner has the right to freely sell or lease its Commercial Unit or any part thereof without the Condominium Board having any right of first refusal to purchase or lease, or to procure a third party to purchase or lease, the same (see "Rights and Obligations of the Unit Owners and the Condominium Board" for further discussion).

Sponsor and any future Commercial Unit Owner(s) and their successors and assigns shall, unless and to the extent prohibited by Law, 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 (i) the sale or lease of any Unsold Residential Unit, the sale or lease of all or any portion of the Commercial Unit and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit or of any Unsold Residential Units, as the case may be. In addition, Sponsor shall have an easement to install vents and duct work along the interior and exterior of the Building from the Commercial Unit to the roof of the Building for purposes such as, but not limited to, exhausting or ventilating the Commercial Unit, and Sponsor shall have an easement on the Property to maintain, service, and operate such ductwork.

The percentage interest of the Commercial Units in the Common Elements 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. The Commercial Unit Owner(s) will be required to pay the

expenses attributable to the cost of fire and casualty insurance to the extent that such cost exceeds the cost of comparable insurance in a building which does not contain any mercantile space. The Commercial Unit Owners, however, are not required to contribute to the Common Expenses or to pay any Special Assessment to the extent same is used exclusively for the repair, maintenance, operation, renovation or decoration of the Residential Section, and no Residential Unit Owners shall be required to contribute to the Common Expenses or to pay any Special Assessment to the extent same is used exclusively for the repair, maintenance, operating, renovation or decoration of the Commercial Section. Please refer to the footnotes to Schedule B, which discloses the obligations of the Commercial Unit Owners to pay for some, but not all, line items in the Condominium's budget. As a result, Common Charges payable by Residential Unit Owners are higher than they would be if they were billed based on each Unit's percentage of Common Interest. As of the Filing Date, the Common Charges payable by the Commercial Unit Owners (as set forth in Schedule B) are believed to be sufficient to cover the expenses fairly attributable to such Commercial Unit.

The By-Laws of the Condominium expressly authorize the Condominium Board to allocate certain specific expense items and apportion Common Expenses against the Commercial Units other than in proportion to the Commercial Units' aggregate appurtenant interest in the Common Elements. Article 11 of the By-Laws sets forth arbitration as the method of resolving disputes between the Commercial Unit Owner(s) and the Board of Managers concerning any special allocations.

THE STORAGE UNITS

Sponsor is offering twelve (12) Storage Units for sale to Purchasers of Residential Units. Storage Units 1 through 6 will be located in the second floor of the Building and Storage Units 7 through 12 will be located on the fourth floor of the Building.

Storage Units may only be re-sold by the Storage Unit Owner to another Residential Unit Owner in the Building. Storage Units may only be leased by a Storage Unit Owner to another Residential Unit Owner in the Building or to a bona fide lessee of a Residential Unit Owner.

Purchasers will have the option under this Offering Plan of purchasing up to two (2) Storage Units. The offering prices, Common Charges and real estate taxes associated with each Storage Unit are detailed in **Schedule A**.

Costs exclusively associated with the Storage Units are to be borne solely by the Storage Unit Owners, as more particularly set forth in the footnotes to **Schedule B**. The Storage Units will be obligated to pay their share of the expenses that are incurred by the Board in furnishing services to the Storage Units as well as operating, maintaining and repairing those Common Elements that are utilized by such the Storage Unit Owners. Except for certain limited services and Common Elements which the Storage Unit Owners share with the Residential Unit Owners in general, the Residential Units being offered are being constructed, equipped and separately metered to operate as independent units from the Storage Units with a minimum of Common Expenses or common operations.

CHANGES IN PRICES AND UNITS

Subject to conditions hereinafter set forth, Sponsor has the right to change the amount of any offering prices from the amounts shown in Schedule A of the Plan. The offering prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change of price is an across the board increase or decrease affecting one or more lines of Units, or Unit models, or is to be advertised, or is a price increase, above the then-existing offering price, for an individual Purchaser. The Sponsor may enter into a Purchase Agreement with a Purchaser to sell one or more Units at purchase prices lower than those set forth in Schedule A without filing an amendment. Sponsor reserves the right to negotiate with Purchasers the certain aspects of the purchase price of Units including, but not limited to, decorating allowances, payment of fees otherwise paid by Purchasers, payment of all or part of Purchaser's financing costs, price reductions tied to rental of Units, reduced down payment deposits (but at least $5,000.00) and extra custom work. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms. No party other than Sponsor will have the right to approve any changes in price, whether before or after the First Unit Closing.

If Sponsor changes the purchase price of one or more Units the Purchaser of such Unit may pay, or may have paid, more or less than other Purchasers of comparable Units having the same Common Interest. However, a price change will not alter the Common Interest of, or the amount of the Common Charges payable by, the Unit Owners.

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

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

This Plan will be amended to reflect any change in the size of a Unit, number of Units, percentage of Common Interests of Unsold Units or a change in the size or quality of any Common Element. However, the layout and number of rooms in Unsold Units may be changed without prior notice.

With the exception of Sponsor's aforementioned right to combine or separate Unsold Units, and use any portion of the Common Elements adjacent to such Unsold Units (such as common walls or hallways), prior to the First Unit Closing no material change will be made in the size and no adverse material change will be made in the quality of Common Elements unless Purchasers not in default receive a right to rescind for fifteen (15) days after the presentation of the exercise of such right. After the First Unit Closing, unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of Common Elements.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls, or otherwise, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and such amendment is duly recorded. The Plan will be amended in the event of any such changes. As more particularly provided in the Declaration, Sponsor or its designee, as the owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior written consent of the owner of such Unit.

To the extent permitted by law, if the size or configuration of a Unit is changed in compliance with the Plan, the Declaration and/or the By-Laws and, in connection therewith, a wall, space or other area forming a part of the Common Elements servicing and benefiting only such Unit is razed or incorporated in the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the owner of such Unit and the Unit's Common Interest will remain unchanged.

INTERIM USE AND OCCUPANCY AGREEMENTS

Sponsor or its designee reserves the right to rent or lease vacant Units to Purchasers who have executed Purchase Agreements, both before and after the First Unit Closing, provided that at least a temporary Certificate of Occupancy has been issued for the Unit(s). Sponsor or its designee reserves the right to rent or lease vacant Units to Persons who have not executed a Purchase Agreement, after the First Unit Closing, provided that at least a temporary Certificate of Occupancy has been issued for the Unit(s). Sponsor shall be required to abandon this Plan in the event that it rents any Residential Unit to any party, other than to an interim lessee pursuant to a Purchase Agreement, prior to the First Unit Closing.

Once a Purchase Agreement is signed for a vacant Unit, and for so long as such Purchase Agreement is in effect, such Unit may only be rented to the Purchaser thereof. Such agreement, if entered into (an "Interim Use and Occupancy Agreement") will be for such use and occupancy fee, and upon such other terms as may be mutually agreed upon. The term of such Interim Use and Occupancy Agreement shall be for a period which will expire on the earlier of the date of the Closing of such Unit or six months after the execution date of the Interim Use and Occupancy Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the Interim Use and Occupancy Agreement and remove from the Building upon thirty (30) days' prior written notice to the Sponsor at the address set forth on the cover page of this Plan. Should Purchaser rescind his or her Purchase Agreement pursuant to any permitted rescission, the Interim Use and Occupancy Agreement shall terminate thirty (30) days thereafter and Purchaser shall be obligated to vacate the Unit no later than that time.

An Interim Use and Occupancy Agreement will provide that an uncured default by the Purchaser under the Purchase Agreement will constitute a default under the Interim Use and Occupancy Agreement, entitling the landlord (i.e., Sponsor), at its sole option, to terminate the Interim Use and Occupancy Agreement. The Purchase Agreement contains a similar cross-default provision entitling Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under the Interim Use and Occupancy Agreement within any applicable grace period. However, before the Sponsor may utilize a default under the Interim Use and Occupancy Agreement to declare a default under the Agreement, the Sponsor must (i) obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim occupant or (ii) the interim occupant must have vacated the Unit. The interim occupant (i.e., the Purchaser) must vacate the Unit within five (5) days after any default under the Purchase Agreement which remains uncured after five (5) days.

Purchasers are advised that Interim Use and Occupancy Agreements, the rents and any rent increases upon the renewal of such Interim Use and Occupancy Agreement are not subject to the New York State Rent Stabilization Law or the New York City Rent Stabilization Code.

PROCEDURE TO PURCHASE

Purchase Agreement

A Person desiring to purchase a Unit in the Condominium, or the authorized parties thereof if the Person is other than a natural person, shall be required to execute in quadruplicate a Purchase Agreement in the form set forth in Part II of this Plan and return it to the Sponsor, together with a check in the amount of ten percent (10%) of the Purchase Price, representing the Down Payment, drawn to the order of "Seiden & Schein, P.C., as Escrow Agent." The Down Payment may be increased for special work in the Unit ordered by the Purchaser and agreed to by the Sponsor and itemized in the Purchase Agreement. Seiden & Schein, P.C. shall be the "Escrow Agent" for the Down Payment pursuant to the Purchase Agreement and Offering Plan.

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

The Purchase Agreement shall not be binding upon the Sponsor until a duplicate thereof, executed by the Sponsor, is delivered to Purchaser. The Sponsor shall have the right to reject the Purchase Agreement without cause or explanation to Purchaser, provided such rejection is not based upon gender, race, creed, color, national origin or ancestry or other grounds proscribed by Law. In the event that Sponsor elects not to execute a Purchase Agreement, all monies paid by Purchaser shall be promptly refunded, without interest and upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other.

After this Plan is declared effective, the Sponsor shall fix dates for Closing title to all Units for which Purchase Agreements have been fully executed. Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (in the City of New York) for the transfer of title to his Unit. Purchasers may, but are not required to, waive this thirty (30) day notice. At Closing, such Purchaser shall pay the balance of the Purchase Price stated in the Purchase Agreement with his unendorsed, personal certified check or by official cashier's check. Purchaser may apply the proceeds of any financing obtained by such Purchaser to make such payment, provided that it is made in the form stated above.

It is anticipated that the first Unit will close title on or about January 1, 2017. If such closing day is delayed twelve (12) months or more, Purchasers will be offered a right of rescission.

Escrow

The Escrow Agent

The law firm of Seiden & Schein, P.C., with an address at 570 Lexington Avenue, 14th Floor, New York, New York, telephone number (212) 935-1400, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser.

The Escrow Account

The Escrow Agent has established the escrow account at Citibank, N.A, at its office located at 399 Park Avenue, New York, New York 10022 (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Seiden & Schein, P.C., Attorney Account ("Escrow Account"). The signatories on the Escrow Account authorized to withdraw funds are the principal attorneys of the firm, who are Jay G. Seiden, Esq., and Alvin Schein, Esq., both of whom have an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022. Both 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 the Escrow Account.

The name of Purchaser shall be added to the title of a sub-account of the Escrow Account, which shall also be at Citibank, N.A. at its office located at 399 Park Avenue, New York, New York 10022. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured.

All checks constituting the "Down Payment" are to be made payable to the order of "Seiden & Schein, P.C., as Escrow Agent" and all checks in payment of the balance of the Purchase Price (due at the Closing) are to be made payable to the order of Sponsor or as otherwise directed by Sponsor, with all checks, in either case, drawn on a member bank of the New York Clearing House Association.

Any additional deposits made for upgrades, extras, or custom work ("Special Work Deposits") shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement between Purchaser and Sponsor.

The Down Payment and the Special Work Deposit and herein referred to collectively as the "Deposit."

The Down Payment will be held in an interest-bearing account, provided Purchaser furnishes a completed W-8 or W-9 form, and, unless the Purchaser defaults, interest will be credited to the Purchaser at Closing. The account is a variable-rate account, paying money market rates. The interest rate to be earned in the Escrow Account will fluctuate daily and is currently less than 1% per annum. Interest will begin

to accrue upon deposit of the Down Payment, which is to be made in accordance with this section of the Plan. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

The Purchase Agreement

A form of Purchase Agreement is located in Part II of this Plan. The relevant escrow trust fund provisions are included in Paragraph 16 of the Purchase Agreement. Escrow Agent shall execute the Purchase Agreement, solely as to Paragraph 16 of the Purchase Agreement, prior to delivering the Purchase Agreement, fully executed, to Purchaser.

Notification to Purchaser

Within five (5) business days after the Purchase Agreement has been executed by Purchaser, Sponsor, and Escrow Agent, Escrow Agent shall place the Deposit into the Escrow Account. Within ten (10) business days after the Deposit has been placed into the Escrow Account, Escrow Agent shall send written notice to the Purchaser and Sponsor. The notice shall provide the account number and the initial interest rate to be earned on the Down Payment. Any Special Work Deposit shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

If Purchaser does not receive written notice of such deposit within fifteen (15) business days after tender of the executed Purchase Agreement and Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 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.

Default by Purchaser

Any conflict between the Plan and the Purchase Agreement shall be resolved in favor of the Plan unless otherwise provided for in a negotiated rider to the Purchase Agreement which is executed by Purchaser and Sponsor. If Purchaser shall fail to pay any portion of the Purchase Price when due, fail to close title on the date, hour and place specified by Sponsor or fail to perform any of Purchaser's other obligations, including,

without limitation, the obligation to furnish any lender promptly with such information as such lender may require, and the obligation to accept a commitment on the terms set forth in the Purchase Agreement, such failure shall constitute a default by Purchaser, and Sponsor may send notice to Purchaser of Sponsor's intention to cancel the Purchase Agreement if such default is not timely cured. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement by notice of cancellation to Purchaser sent after the cure period has expired. Upon such cancellation by Sponsor, the Down Payment monies held with respect to the particular Unit, but not more than ten percent (10%) of the Purchase Price, plus any Special Work Deposit made by the Purchaser, shall be paid over to the Sponsor as and for liquidated damages, subject to certain restrictions, as disclosed in the "Release of Funds" section, below, and thereafter the Purchase Agreement shall become null and void. In the event a default is disputed in writing by notice from Purchaser to Seiden & Schein, P.C., during the time to cure period and the default, in Sponsor's opinion, is not timely cured, and Sponsor thereafter cancels the Purchase Agreement, then Seiden & Schein, P.C. shall have the right to continue to hold the Down Payment pending resolution of such dispute (judicial or otherwise) or pay the Down Payment into court. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser.

Release of Funds

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

Under no circumstances shall Sponsor seek or accept release of the Down Payment of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness 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 and 352-h.

The Escrow Agent shall release the Down Payment if so directed:

(a) pursuant to 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;

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

(d) pursuant to an award issued upon the completion of binding arbitration.

In the event that the Down Payment is to be released pursuant to an arbitration award pursuant to paragraph (d), above, Escrow Agent shall release such Down Payment no earlier than ninety (90) days after the delivery of such award determination to Sponsor and Purchaser.

If the Escrow Agent is not directed to release the Down Payment pursuant to paragraphs (a) through (d) above, and the Escrow Agent receives a request by either party to release the Down Payment, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days after the expiration of the thirty (30) day default cure period (time being of the essence) before releasing the Down Payment (the "30 Day Escrow Notice"). If the Escrow Agent has not received notice of objection to the release of the Down Payment prior to the expiration of the 30 Day Escrow Notice, the Down Payment shall be released to Sponsor as liquidated damages 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 Down Payment within the thirty (30) day period pursuant to the 30 Day Escrow Notice, the Escrow Agent shall continue to hold the Down Payment until otherwise directed pursuant to paragraphs (a) through (d) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Down Payment contained in the Escrow Account with the New York County Clerk and shall give written notice to both parties of such deposit.

The Sponsor shall not object to the release of the Down Payment to:

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

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

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

The Purchase Agreement provides that all disputes including, but not limited to, disputes concerning breach of contract, express and implied warranties, personal injuries and/or illness, mold-related claims, representations and/or omissions by Sponsor, on-site and off-site conditions and all other torts and statutory causes of action ("Claims") shall be resolved by binding arbitration in New York County in accordance with the rules and procedures of Arbitration of the American Arbitration Association or its successor or an equivalent organization mutually agreed upon by the parties. In addition, the Purchase Agreement provides that Purchaser may not initiate any arbitration proceeding for any

Claim(s) unless and until Purchaser has first given Sponsor specific written notice of each claim (at 250 Gibraltar Road, Horsham, Pennsylvania 19044, Attn: Warranty Dispute Resolution) and given Sponsor a reasonable opportunity after such notice to cure any default, including the repair of the Unit(s), in accordance with the Offering Plan. PURCHASER SHALL BE OBLIGATED TO REIMBURSE SPONSOR FOR ANY LEGAL FEES AND DISBURSEMENTS INCURRED BY SPONSOR IN DEFENDING SPONSOR'S RIGHTS AND ENFORCING PURCHASER'S OBLIGATIONS UNDER THE PURCHASE AGREEMENT.

Arbitration is a less formal method of resolving disputes than litigation in a court, and arbitration has certain limitations, as compared to litigation in court. Such limitations include, but are not limited to, (i) giving up the right to bring a legal action against one another in court, except as may be provided by the rules of the arbitration forum in which a claim is filed; (ii) limiting the ability of the parties to obtain documents and perform discovery; (iii) arbitrators may not have to explain the reasons for their award; (iv) a notice of pendency may not be filed against a property based on ongoing arbitration proceedings. Arbitration awards are generally binding and, therefore, a party's ability to have a court reverse an arbitration award is limited (see New York Civil Practice Law and Rules §7511). As with litigation, certain time limits are imposed for bringing a claim in litigation. For further information about arbitration, please visit www.adr.org.

Down Payments to be Secured by Surety Bonds

Notwithstanding the foregoing, Sponsor intends to secure Down Payments pursuant to Purchase Agreements with surety bonds issued by Federal Insurance Company, 15 Mountain View Road, Warren, New Jersey 07059 ("FIC"). FIC is licensed to write insurance in the State of New York. FIC is rated A++ in Property & Casualty Financial Strength by A.M. Best Company and Aa2 in Property & Casualty Financial Strength by Moody's. A copy of FIC's specimen bond is located in Part II of this Plan.

All Down Payments received after the Filing Date, shall be initially placed within five (5) business days after the Purchase Agreement has been signed by Purchaser and Sponsor, in a segregated special escrow account titled, "Seiden & Schein, P.C., Attorney Account," as described above. Such funds shall be released by Seiden & Schein, P.C., as escrow agent, to the Sponsor, upon receipt by Seiden & Schein, P.C. of a copy of the surety bond issued to the Purchaser whose funds are being released.

All checks constituting the "Down Payment" are to be made payable to the order of "Seiden & Schein, P.C., as Escrow Agent" and all checks in payment of the balance of the Purchase Price (due at the Closing) are to be made payable to the order of Sponsor or as otherwise directed by Sponsor, with all checks, in either case, drawn on a member bank of the New York Clearing House Association.

A surety bond shall be issued to each Purchaser in the amount of his or her Down Payment. The bond shall remain in full force and effect until the earlier of the conveyance of title of the subject Unit; an undisputed default by the Purchaser and

cancellation of the Purchase Agreement; or mutual consent of the Purchaser and Sponsor. Upon the issuance of the bond, the Purchaser's Down Payment shall be released from escrow.

The Sponsor shall cause FIC to mail or personally deliver the surety bond to the Purchaser before the funds are released to the Sponsor from the escrow account. The Sponsor, Seiden & Schein, P.C. and FIC shall each retain a copy of the surety bond.

In the event that a Purchaser whose Down Payment has been released from escrow and is secured by a bond becomes entitled to a refund of the Down Payment, the Purchaser shall be required to collect it from FIC. A Purchaser who becomes entitled to a refund of his or her Down Payment shall have the right to demand payment of the amount secured by the surety bond directly from FIC, without first requesting payment from the Sponsor. FIC shall be obligated to pay the amount secured by the bond to the Purchaser without the consent or despite the objection of the Sponsor, upon the following events or circumstances:

a) timely rescission of a Purchase Agreement by a Purchaser pursuant to an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan;

b) acceptance for filing by the Department of Law of an amendment abandoning the Offering Plan;

c) a determination by the Department of Law that rescission or the return of funds is required;

d) failure by the Sponsor to obtain a commitment by FIC to renew the surety bond 60 days prior to its expiration;

e) direction by the Sponsor, upon request by the Purchaser.

A Purchaser's inability to produce a copy of the surety bond shall not be a basis for FIC to reject the Purchaser's claim. FIC shall retain a copy of the bond and shall pay the secured funds to the Purchaser without a copy of the bond as long as the Purchaser is able to provide proof of identity as the obligee on the bond.

Sponsor shall pay FIC a premium of .09% of the bond amount or 90 basis points on the bond amount.

The bonds shall be subject to a General Agreement of Indemnity, a form of which is located in Part II of this Plan. The General Agreement of Indemnity provides that Sponsor will indemnify FIC against all liability in connection with the execution of bonds or for the failure of Sponsor to perform or comply with the covenants and conditions of the General Agreement of Indemnity or bonds. Purchasers are encouraged to read the entire General Indemnity Agreement, located in Part II of this Plan for further information.

Waiver Void

Any provision of any Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Down Payment 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.

Issuance of Temporary Certificate of Occupancy Within Two Years of Signing Purchase Agreement

Sponsor shall substantially complete construction of the Residential Unit, as evidenced by the issuance of at least a temporary Certificate of Occupancy covering the Residential Unit, within a period of two (2) years from the date that a Purchase Agreement is signed by the Purchaser of such Residential Unit. Notwithstanding the foregoing, if an "Event of Delay" occurs, this 2-year period shall be extended for a period of time equal to the length of the Event of Delay. An Event of Delay is defined as strikes or other labor disputes, shortages of labor or materials, weather conditions, acts of God, acts of the federal, state or municipal governments or any governmental agency, including, but not limited to, building or other code inspections and approvals, governmental regulations, fire or other casualties and any other delays allowed by Law. It is the express intent of this disclosure that the parties' rights and obligations under the Purchase Agreement be construed in the manner necessary to exempt the Purchase Agreement and the sale of the Residential Unit from registration under the Interstate Land Sales Full Disclosure Act, which is regulated by the United States Consumer Financial Protection Bureau, and both Purchaser and Sponsor expressly waive any right or provision of the Purchase Agreement that would otherwise preclude any exemption, and such right or provision shall be severed from the Purchase Agreement and given no effect.

Notwithstanding anything contained in the Purchase Agreement to the contrary, in the event of Sponsor's default of this provision, Purchaser shall have all remedies available at law and in equity without limitation or restriction, including the right of rescission.

Risk of Loss

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the Closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the Closing of title, then Purchaser

shall bear the risk of loss or other casualty with respect to the Unit for damages not covered by Sponsor's insurance. Additionally, Purchaser shall be responsible for damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment in excess of what is covered by its insurance policy.

Power of Attorney

At the Closing of title to a Unit, and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the Power of Attorney to the Board of Managers in the form contained in Part II of this Plan. Purchaser shall deliver such executed Power of Attorney to Sponsor or as directed by Sponsor at the Closing of title for recording and Purchaser shall pay the recording fee. Failure to do so shall constitute a default by Purchaser pursuant to the Purchase Agreement.

Mortgage Financing

1.1 No Financing Contingency. The obligation of Purchaser to purchase is not contingent upon obtaining financing. As a result, Purchaser will not be excused from his or her obligation to pay the full Purchase Price of the Unit on the date scheduled by Sponsor for closing title, regardless of Purchaser's ability or inability to obtain mortgage financing and notwithstanding that any loan commitment Purchaser may have obtained expires prior to closing of title.

1.2 Purchaser's Financing Risks. If Purchaser is relying upon financing, Purchaser will assume the risks of meeting all conditions and requirements of the lender to obtain and fund the loan on the date set by Sponsor for closing of title under the Purchase Agreement, including conditions and requirements that may be beyond Purchaser's control. These risks include the following: (a) meeting all requirements concerning Purchaser (for example, Purchaser's income, financial condition, employment status, sale of an existing residence, etc.) and any adverse changes in meeting these requirements that may occur between the issuance and funding of the loan commitment (notably, recently enhanced credit requirements may result in greater difficulty to qualify for a mortgage loan); (b) meeting a requirement for a certain percentage of Units to be "owner-occupied" (banks and other institutional lenders may require up to 70% of the Units to be "owner-occupied"); and (c) losing a "lock-in" interest rate because the closing of title under Purchaser's Purchase Agreement fails to occur before the expiration of the period within which the loan must close to obtain the locked-in rate. Purchaser also assumes the risk of adverse changes in the terms of the loan that may occur before the closing of the loan and paying additional amounts to extend the loan commitment period. By assuming these risks, Purchaser will not be excused from the obligation to purchase without abatement in the Purchase Price and without recourse against Sponsor or the Selling Agent. Sponsor and Selling Agent do not represent, assure or guarantee that a Purchaser will succeed in obtaining mortgage financing from a bank or other institutional lender, or from other independent sources, or (if Purchaser succeeds) the terms or costs of

such financing, or whether the closing of title will occur before the loan commitment or any lock-in rate expires, or (if it expires) whether the commitment will be extended or the costs to obtain an extension or the terms and conditions thereof, which may be less favorable than the original commitment. A prospective Purchaser who is relying upon financing is advised to inquire with a proposed lender or mortgage broker as to whether he or she will qualify for a mortgage loan and the terms thereof before entering into an Purchase Agreement.

1.3 TBI Mortgage Application. Under the Purchase Agreement, Purchaser shall be required either: (a) to complete and submit to TBI Mortgage Company (hereafter, "**TBI**"), an affiliate of Sponsor (see the subsection entitled "Identity of TBI Mortgage Company" below for full discussion), a mortgage application (the "**TBI Mortgage Application**"), at no cost or charge to Purchaser; or (b) to sign and return to Sponsor, together with the Purchase Agreement, a "True Cash Sale Endorsement" (see paragraph "1.4" below).

THE TBI MORTGAGE APPLICATION IS **NOT** A MORTGAGE FINANCING CONTINGENCY AND DOES **NOT**: (a) RELIEVE PURCHASER OF THE OBLIGATION TO PAY THE FULL PURCHASE PRICE OF THE UNIT ON THE DATE SCHEDULED BY SPONSOR FOR CLOSING TITLE, WITHOUT ABATEMENT OR RECOURSE OF ANY KIND AGAINST SPONSOR, SELLING AGENT OR TBI, REGARDLESS OF PURCHASER'S ABILITY TO OBTAIN MORTGAGE FINANCING FROM TBI OR ANY OTHER LENDER; OR (b) MINIMIZE OR AVOID ANY OF PURCHASER'S FINANCING RISKS SET FORTH IN THE PRECEDING PARAGRAPH "1.2".

THE TBI MORTGAGE APPLICATION: (a) DOES **NOT** PRECLUDE PURCHASER FROM APPLYING TO OTHER LENDERS FOR FINANCING TO PURCHASE THE UNIT; (b) DOES **NOT** OBLIGATE PURCHASER TO OBTAIN OR ACCEPT FINANCING FROM TBI; AND (c) DOES **NOT** OBLIGATE TBI TO EXTEND FINANCING TO PURCHASER.

PURCHASER SHALL BE FREE TO OBTAIN FINANCING AT ANY TIME FROM A LENDER CHOSEN BY PURCHASER. UNDER NO CIRCUMSTANCES WILL PURCHASER BE REQUIRED TO ACCEPT FINANCING THAT MAY BE OFFERED BY TBI.

IF PURCHASER IS RELYING UPON FINANCING TO PURCHASE THE UNIT AND IS UNABLE TO OBTAIN FINANCING FROM A LENDER CHOSEN BY PURCHASER, TBI SHALL NOT BE REQUIRED TO EXTEND FINANCING TO PURCHASER AND, IF OFFERED, PURCHASER SHALL NOT BE OBLIGATED TO ACCEPT ANY FINANCING OFFERED BY TBI. IN SUCH CASE, IF PURCHASER REJECTS FINANCING OFFERED BY TBI AND IS UNABLE TO CLOSE FOR LACK OF FUNDS OR OTHERWISE, PURCHASER WILL LOSE PURCHASER'S

DEPOSIT AND ANY INTEREST EARNED THEREON, WHICH WILL BE PAID TO SPONSOR AS LIQUIDATED DAMAGES PURSUANT TO THE TERMS OF THE PURCHASE AGREEMENT.

If Purchaser is not approved for a mortgage loan (i.e., given a loan commitment letter) from a lender chosen by Purchaser within sixty (60) days after the date Purchaser executes the Purchase Agreement, then Sponsor shall have the right: (a) to submit a loan application on substantially the same terms contained in the TBI Mortgage Application to one (1) additional lender chosen by Sponsor, with no additional application fee to Purchaser; or (b) to cancel the Purchase Agreement and return to Purchaser all sums paid on account of the Purchase Price and any extras, together with any interest earned thereon, whereupon neither party shall have any further rights or liabilities under the Purchase Agreement.

PURCHASER SHALL **NOT** BE OBLIGATED TO ACCEPT FINANCING FROM THE LENDER CHOSEN BY SPONSOR, IF OFFERED BY SUCH LENDER AND SPONSOR SHALL **NOT** BE OBLIGATED TO EITHER SUBMIT A LOAN APPLICATION TO ANOTHER LENDER OR TO CANCEL THE PURCHASE AGREEMENT DUE TO THE FAILURE OF PURCHASER TO OBTAIN A LOAN COMMITMENT WITHIN SAID SIXTY (60) DAY PERIOD. THIS PROVISION ALLOWS SPONSOR TO CANCEL THE PURCHASE AGREEMENT ONLY IF PURCHASER FAILS TO OBTAIN A LOAN COMMITMENT FROM A LENDER CHOSEN BY PURCHASER WITHIN SAID SIXTY (60) DAY PERIOD. IF SPONSOR DOES NOT ELECT TO CANCEL, PURCHASER SHALL **NOT** BE RELIEVED FROM THE FINANCING RISKS SET FORTH IN PARAGRAPH "1.2" ABOVE NOR EXCUSED FROM THE OBLIGATION TO PAY THE FULL PURCHASE PRICE OF THE UNIT ON THE DATE SCHEDULED BY SPONSOR FOR CLOSING TITLE, REGARDLESS OF PURCHASER'S ABILITY TO OBTAIN MORTGAGE FINANCING.

The type of mortgage products available from TBI for creditworthy Purchasers desiring to obtain financing from TBI are set forth below in the subsection entitled "TBI Mortgage Products".

1.4 True Cash Sale Endorsement. If Purchaser has no intention to seek financing from any lender, then Purchaser is required to sign the "True Cash Sale Endorsement," in the form attached to the Purchase Agreement, which excuses Purchaser from the obligation to complete and return the TBI Mortgage Application. By signing this True Cash Sale Endorsement, Purchaser will lose the opportunity to seek financing from TBI and Purchaser's desire to purchase a Unit will be evaluated on Purchaser's present financial ability to complete the purchase without financing.

1.5 TBI Mortgage Application and True Cash Sale Endorsement Subject to Governmental Requirements. The TBI Mortgage Application and the True Cash Sale Endorsement are subject to compliance with the regulations, directives, opinions and requirements of governmental authorities having jurisdiction (collectively, "**Governmental Requirements**"). The Plan will be amended to disclose any changes to such instruments due to changes to, or the promulgation of new, Governmental Requirements and any appeals or court action by TBI in which preliminary relief is granted with respect thereto. Further, TBI and Sponsor will adhere to any new Governmental Requirements that are issued which prohibit TBI or Sponsor from requiring a Purchaser to make an application to TBI when the Purchaser is applying to another lender for a mortgage and the Plan will be amended immediately to disclose any such new Governmental Requirements.

1.6 TBI Loan Fees. If Purchaser is offered and accepts TBI financing, Purchaser shall be obligated to pay the following fees at closing of the loan (amounts indicated reflect current fees, which are subject to change at any time, without prior notice or amendment to the Plan):

Underwriting Fee:	$795
Appraisal Fee:	$450
TBI Attorney's Fee:	$675 (estimated and to be based on actual attorney's fee)
Final Inspection Fee:	$125 (if required by appraiser)

Identity of TBI Mortgage Company

TBI is a mortgage lender and mortgage banker which is licensed by the State of New York. TBI is wholly owned by Toll Holdings, Inc., which is wholly owned by Toll Brothers, Inc. (hereafter "**Toll Brothers**").

Sponsor will not share in any compensation realized by TBI in extending financing to Purchasers under the Plan or in the assignment of its mortgage loans to other institutional lenders. The compensation realized by TBI will be reported in the consolidated financial statements of Toll Brothers.

TBI Mortgage Products

TBI provides mortgage rates and terms on a variety of mortgage products, including both fixed rate and adjustable rate mortgages, similar to those mortgage products then being offered from time to time by banks and other institutional lenders to

creditworthy purchasers of condominium units in the locale of the Property. These include, at the date hereof, fixed rate terms ranging from ten (10) years to thirty (30) years, as well as adjustable rate terms ranging from one (1) year adjustable rates to ten (10) year adjustable rates. Rates typically adjust once annually, although the terms and conditions of each loan program may vary. Rates and loan programs change daily. There are no prepayment penalties attached to any TBI mortgage loan. Mortgage loans are with recourse, which means that the Purchaser will be personally liable for the loan amount and the monthly loan payment. The availability of mortgage products offered by TBI is subject to change and determined by then current market conditions. Sponsor does not represent, assure or guaranty the availability or continuation of any particular mortgage product offered by TBI during any specified period of time or the eligibility of a Purchaser for a TBI mortgage loan. For more information, please contact your licensed TBI mortgage representative or visit www.tbimortgage.com.

TBI's practice is to assign its mortgages within sixty (60) days after the loan closing (or, in limited cases, a longer period) to institutions such as, but not limited to, Fannie Mae, Freddie Mac, as well as other institutional lenders. However, the sale of any TBI mortgage product to any institution does not affect any of the terms of such mortgage.

TBI will realize compensation from the Purchaser-borrower from the underwriting fee contained above in paragraph "1.6" (the other TBI loan fees set forth therein are based on actual costs of TBI) and in connection with the assignment of the mortgage loan.

Credit Check

All Purchasers must provide the Selling Agent with necessary authorization for the Selling Agent to conduct a credit check of the Purchaser.

The Purchase Agreement and Plan do not contain, and will not be modified to contain, any provision waiving the Purchaser's rights or abrogating the Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law, other than the ability of Purchaser to waive his right to thirty (30) days prior written notice to the closing of title to the Unit.

<u>For 421-a Affordable Unit Purchasers Only</u>:

Selection of Eligible Purchasers.

The 421-a Affordable Units shall initially be sold to prospective Purchasers pursuant to a lottery which will be conducted by the Partnership in accordance with HPD's Marketing Guidelines. Applications for the lottery shall be completed by

prospective Purchasers of the 421-a Affordable Units during the application period, the time and duration of which shall be publicly promulgated pursuant to HPD's Marketing Guidelines. There shall be no fee for each application; however, Sponsor reserves the right to charge a credit investigation fee, in the amount of $50.00 per application (for households with one (1) or two (2) adult members) or $75.00 per application (for households with three (3) or more adults), subject to change with the approval of HPD. Credit check fees shall be collected when (i) a Purchaser appears to be otherwise eligible to purchase the Unit and (ii) the Unit is available, or will imminently become available, for purchase if and when the Purchaser is approved as an Eligible Purchaser. The lottery will be held approximately seven (7) to ten (10) business days after close of the application period.

Applications for the lottery shall be mailed to a Post Office Box location which shall be specified in the outreach advertisements. The application will require prospective Purchasers of 421-a Affordable Units to supply a variety of information including, without limitation, employment status, annual income and monthly debts, a criminal background check, and an authorization to check credit history. Timely received applications will be opened at random by Sponsor in the presence of one or more representatives from HPD and logged in the order in which they were opened. However, the first applications to be selected from the log must meet at least one of HPD's approved housing preferences, which are discussed below. All approved housing preferences must be achieved, or waived by HPD before any non-preference applicants may be considered.

Pursuant to the 421-a Rules and HPD's Marketing Guidelines, residents of Community Board 6 shall have priority to purchase fifty percent (50%) of the 421-a Affordable Units.

Pursuant to HPD's Marketing Guidelines, Preferences shall also be given to:

1) Persons with mobility impairments, and persons with visual and/or hearing impairments, subject to certain restrictions; and

2) Municipal employees of the City of New York, subject to certain limitations

Once the foregoing preferences have either been achieved, or waived by HPD following the lottery, non-preference applications shall be submitted for approval.

Sponsor assumes that 421-a Affordable Unit Purchasers will be interviewed by a staff member of HPD. Applicants shall receive a notice in the mail prior to the interview and shall have not less than ten (10) business days between the postmark date on the

letter and the interview date. In cases where the prospective Purchaser does not respond to the notice, Sponsor shall mail such prospective Purchaser a second letter to request an interview. The prospective Purchaser shall be given five (5) business days from the postmark date on the second letter in which to respond. Pursuant to HPD's Marketing Guidelines, Sponsor, or its agent, may make home visits in order to assess the prospective Purchaser's qualification for eligibility.

As discussed further in other sections of this Plan, the 421-a Affordable Units are being offered solely to parties with a household income of no more than 125% AMI. If it is determined that an applicant meets the income eligibility requirements, then a credit check shall be performed on the applicant. The credit investigation fee is non-refundable under all circumstances. Applicants who are advised that they appear to be ineligible because of income, creditworthiness, or any other element of their application will be so informed in writing.

By written notice, an HPD staff member will invite applicants whom it has preliminarily determined to be eligible to purchase, to obtain a copy of the Offering Plan. Applicants shall have a period of ten (10) business days from the date of the postmark on the notice to deliver the requisite Down Payment and executed Purchase Agreement to as directed by Sponsor. Purchasers who fail to deliver the requisite Down Payment and executed Purchaser Agreement within such time frame shall be deemed to have waived their right to purchase a 421-a Affordable Unit, and Sponsor shall proceed to offer the 421-a Affordable Unit to the next eligible applicant on the log.

Prospective Purchasers who submit multiple (two or more) copies of an eligibility application shall be automatically disqualified from consideration. Non-residents of New York City shall be considered only after applications for all eligible current New York City residents have been processed.

No employee, agent, employee of an agent, or family member of Sponsor shall be permitted to apply for a 421-a Affordable Unit through the lottery procedure or through open marketing.

In the event that 421-a Affordable Units are available after all applications have been processed, the applicant log has been reviewed in its entirety, and 421-a Affordable Units remain available, Sponsor may contact HPD for its consent to conduct open marketing. Open marketing would allow Sponsor to implement additional marketing devices such as, but not limited to, additional signage, to attract walk-in candidates. Sponsor may also hire brokers to sell the remaining 421-a Affordable Units under an open marketing campaign.

Sponsor is not permitted to either countersign Purchase Agreements or to collect any Down Payments from any Purchaser until HPD approves the Purchaser's purchase application in writing.

ASSIGNMENT OF PURCHASE AGREEMENTS

No assignment of a Market-Rate Unit Purchase Agreement by a Market-Rate Purchaser shall be permitted without Sponsor's prior written consent, which may be withheld or delayed for any reason or no reason. Purchase Agreements for 421-a Affordable Units cannot be assigned under any circumstances.

Any purported assignment by a Purchaser in violation of the Purchase Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle a Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. Under no circumstances will Sponsor consent to an assignment of the Purchase Agreement in which the Purchaser will receive consideration over and above the purchase price payable to Sponsor. If Sponsor, in its sole discretion consents to a Purchaser's request for an assignment of the Purchase Agreement, the assignee of the Purchase Agreement shall be required to close title to the Unit on the originally scheduled Closing Date set forth in the Purchase Agreement. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, then the Purchaser shall be required to pay Sponsor's attorneys a fee of $500.00, in advance, for preparation of an assignment agreement and any necessary revisions to the other Closing documents.

EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. These requirements, stated below, must be satisfied within one year of the date the Plan is accepted for filing unless the Plan is amended so as to extend this period. However, any amendment to the Plan is hereby deemed to extend this time period to the same extent that the Plan is extended by such amendment. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been filed substantiating same, and the Condominium Declaration and Bylaws have been duly recorded.

1. This Plan may not be declared effective until Purchase Agreements have been executed and delivered by bona fide Purchaser(s), including investors, for at least fifteen percent (15%) of the Units in the Building.
2. After the conditions in the preceding Paragraph 1 have been met, Sponsor may, at its option, declare this Plan effective.
3. When Purchase Agreements have been executed and delivered for the sale of eighty percent (80%) of Units in the Building, Sponsor must declare this Plan effective.

The Plan may be abandoned, at Sponsor's sole option, at any time before the amendment substantiating effectiveness is filed and before all of the Units offered hereunder have been purchased. The Plan, if abandoned, shall be abandoned by amendment, together with form RS-3, filed with the Department of Law in appropriate form. Such amendment shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements shall be refunded to them in full, with interest, if any, within twenty (20) days of such abandonment. The Sponsor may not abandon the Plan after the amendment substantiating effectiveness is filed for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the Offering, or (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one-half of one percent of the total amount of the Offering, or (iii) the taking of any material portion of the Property by condemnation or eminent domain. Notwithstanding the foregoing, there will be no obligation on the part of the Sponsor to incur expense or engage in litigation to cure title defects.

The Plan will be declared effective either by the mailing or personal delivery of written notice to all Purchasers, or by filing an amendment to the Plan with the Department of Law. If the Plan is declared effective by notice to all Purchasers, within three (3) business days after such notice is given, an amendment to the Plan will be submitted by Sponsor stating that the Plan has been declared effective. If requested, Sponsor will submit to the Department of Law copies of all Purchase Agreements,

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

The First Unit Closing shall not occur until either a temporary or permanent Certificate of Occupancy covering the Unit to be conveyed has been issued for the Building by the New York City Department of Buildings. Please see the Sections in Part I of this Plan entitled "Description of Property and Improvements" and "Rights and Obligations of Sponsor" for further information.

Sponsor shall have fifteen months from the date of issuance of the final 421-a Certificate of Eligibility from HPD to declare this Plan effective. Thereafter, Sponsor shall be obligated to register Units in the Building as rent-stabilized if they become occupied by tenants prior to the First Unit Closing.

TERMS OF SALE

The Units, when sold by the Sponsor, will be sold in fee simple absolute to Purchasers, who may be individuals, a duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective offering prices set forth in **Schedule A** of this Plan, as such prices may be changed by the Sponsor as set forth in the Section entitled "Changes in Prices and Units" in Part I of this Plan, and will include the respective undivided interests in the Common Elements. At the closing of title to an individual Unit, the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit. Insurable title to the Unit and its appurtenant interests in the Common Elements will be conveyed as directed by the Sponsor by Bargain and Sale Deed with Covenants against Grantor's Acts and containing the provisions set forth in subdivision 5, Section 13 of the Lien Law, and it is a condition precedent to Purchaser's obligation to complete the Closing that title to the Unit will be insurable by a title insurance company that is licensed by the State of New York as being free and clear of all liens and encumbrances other than those set forth below. The form of Unit Deed is set forth in Part II of the Plan, but may not state all of the restrictions listed below.

Title to each Unit and its appurtenant interests in the Common Elements shall be conveyed subject to:

1. Any state of facts that a current survey of the unit or property shows.
2. Any additional state of facts an updated survey might show, provided that if any updated survey reveals encroachments, if any, of building walls, foundations or appurtenances belonging to the Property upon adjoining premises, same shall not constitute objections to title if Westminster Abstract Company or any other New York State licensed title company will insure that such encroachments may remain as long as the Building stands;
3. Zoning Lot Description and Ownership Statement dated February 17, 1986, recorded on February 27, 1986 in Reel 1030 Page 1997.
4. Certification Pursuant to Zoning Lot Subdivision C dated February 20, 1986, recorded February 27, 1986 in Reel 1030 Page 2000.
5. Certification of Parties in Interest Pursuant to Subdivision (D) dated April 11, 2008, recorded on April 15, 2008 in CRFN 2008000150329.
6. Zoning Lot Description and Ownership Statement dated April 11, 2008, recorded on April 15, 2008 in CRFN 2008000150330.
7. Certification of Parties in Interest Pursuant to Subdivision (D) dated April 28, 2008, recorded on May 9, 2008 in CRFN 2008000188486.
8. Zoning Lot Description and Ownership Statement dated April 29, 2008, recorded on May 9, 2008 in CRFN 2008000188489.

9. Declaration of Zoning Lot Restrictions made by and between 951 LLC and Oliver LLC, dated as of April 11, 2008, recorded April 15, 2008 in CRFN 2008000150331.

10. Waiver and Subordination of Declaration of Zoning Lot Restrictions made by Bank of America, N.A., dated April 11, 2008, recorded April 15, 2008 in CRFN 2008000150328.

11. Declaration of Zoning Lot Restrictions made by and among 951 LLC, P.J.H. Realty Corporation and Oliver, LLC, dated as of April 29, 2008, recorded May 9, 2008 in CRFN 2008000188487.

12. Waiver of Execution of Declaration made by Bank of America, N.A., dated April 29, 2009, recorded May 9, 2008 in CRFN 2008000188488.

13. Terms, Covenants and conditions of Zoning Lot and Development Agreement made by and between 947-949 First Avenue, LLC owner of Air rights Lot 24, as Transferor, and 951 LLC, owner of Lot 25, as Transferee, dated as of August 17, 2004, recorded March 9, 2005 in CRFN 2005000138247.

14. Declaration of Zoning Lot Restrictions made by 947-949 First Avenue, LLC and 951 LLC, dated as of August 17, 2004, recorded March 9, 2005 in CRFN 2005000138248

15. Waiver of Declaration of Restrictions and Consent to Zoning Lot Development Agreement made by North Fork Bank, Mortgagee of Air Rights Lot 24, dated as of August 17, 2004, recorded October 18, 2004 in CRFN 2004000643413.

16. Waiver of Declaration of Restrictions and Consent to Zoning Lot Development Agreement made by Atlantic Bank of New York, Mortgagee of Lot 25, dated as of August 17, 2004, recorded March 9, 2005 in CRFN 2005000138246.

17. Certification Pursuant to Zoning Lot Subdivision D dated August 17, 2004, recorded March 9, 2005 in CRFN 2005000138244.

18. Zoning Lot Description and Ownership Statement dated August 17, 2004, recorded March 9, 2005 in CRFN 2005000138245.

19. Terms, Covenants, and Conditions of Zoning Lot Development and Easement Agreement made by and between 951 LLC and Oliver, LLC, dated as of April 29, 2008, recorded May 9, 2008 in CRFN 2008000188483.

20. Terms, Covenants, and conditions of Zoning Lot Development and Easement Agreement made by and between P.J.H Realty Corporation and Oliver, LLC, dated as of April 29, 2008, recorded May 9, 2008 in CRFN 2008000188485.

21. Light and Air Easement Agreement made by and between 951 LLC ("Grantor") and Oliver LLC ("Grantee"), dated April 29, 2008, recorded May 9, 2008 in CRFN 2008000188484.

22. Light and Air Easement Agreement made by and between P.J.H. Realty Corporation ("Grantor") and Oliver, LLC ("Grantee"), dated April 29, 2008, recorded May 9, 2008 in CRFN 2008000188490.

23. Zoning Lot Development and Easement Agreement made by and between First Ave 945 Realty LLC ("Owner") and Toll First Avenue LLC ("Developer"), dated May 14, 2013, recorded June 3, 2013 in CRFN 2013000218426.

24. Zoning Lot Description and Ownership Statement dated March 5, 2014, recorded on March 18, 2014 in CRFN 2014000093940.

25. Certification Pursuant to Zoning Lot Subdivision D dated April 28, 2013, recorded on June 3, 2013 in CRFN 2013000218423.

26. Declaration of Zoning Lot Restrictions dated May 14, 2013 made by and between First Ave 945 Realty LLC ("Seller") and Toll First Avenue LLC ("Developer"), dated May 14, 2013, recorded June 3, 2013 in CRFN 2013000218424.

27. Waiver of Declaration of Zoning Lot Restrictions and Subordination of Mortgage dated April 10, 2013 and recorded on June 3, 2013 in CRFN 2013000218425.

28. Zoning and building ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the existing structure (as renovated by Sponsor) the contemplated use under the Plan;

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

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

subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

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

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

33. Consents by Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets on which the Property may abut;

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

35. Service and/or maintenance contracts and agreements, if any, in effect on the date of the First Unit Closing;

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

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

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

39. Any sidewalk notices of record (provided that Sponsor shall indemnify and hold the Condominium Board harmless from damages associated with any liens which arise from such sidewalk notices filed before the First Unit Closing);

40. Any variations between tax lot lines and lines of record title; and

41. Standard printed exceptions and exclusions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to its Unit; and

42. Any matter that a New York State licensed title insurance company shall be willing to omit as an exception in a title insurance policy that insures Purchaser's Unit or affirmatively insure against collection or enforcement of such matter out of or against the Unit.

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

(a) The issuance of a temporary or permanent Certificate of Occupancy which covers the Unit being closed or the Building.

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

(c) The serving by personal delivery or ordinary mail to the Purchaser written notice of the Closing Date not less than thirty (30) days prior to Closing of title, unless Purchaser elects to waive the thirty (30) day requirement; and the affording to Purchaser of an opportunity to inspect the Unit in the presence of a representative of Sponsor; and

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

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the Closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either (i) repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price and without any claim against Sponsor by reason of any damage to the Unit or the Building resulting from such fire or casualty, or (ii) not repair or restore and grant Purchaser the right to rescind the Purchase Agreement; if Purchaser does not exercise such right of rescission by written notice to Sponsor, within ten (10) days after Sponsor grants such right to Purchaser by written notice to Purchaser, then Purchaser shall be deemed to have irrevocably waived such right to rescind, and shall be obligated to close title to the Unit without any abatement of the purchase price and without any other claim against Sponsor by reason of any damage to the Unit or the Building by fire or other casualty. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the Closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit for damages not

covered by Sponsor's insurance. Additionally, Purchaser shall be responsible for damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment in excess of what is covered by its insurance policy.

All personal property located within the Unit that is owned by the Sponsor and which is described in this Plan or in the Purchase Agreement is included in the conveyance to the Purchaser, unless specifically indicated otherwise. All personal property affixed to or located within the Common Elements that is owned by the Sponsor and is used in connection with the operation of the Common Elements is included in the property transferred to the Condominium by the Declaration.

UNIT CLOSING COSTS AND ADJUSTMENTS

General

The estimated Closing costs, expenses and adjustments to be borne by each Purchaser[1] of a Unit will be as set forth below. Such costs are only estimates and are subject to change:

(a) Payment to Westminster Abstract Company, 250 Gibraltar Road – 1 West, Horsham, Pennsylvania 19044, 800-265-0425, (the "Title Company") or any other title company that Purchaser selects, of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Fee title insurance rates, when title insurance is underwritten by First American, Fidelity or Stewart Title, as of the Filing Date of this Plan are as follows:

A base rate of $ 402.00 for the first $35,000.00 in coverage; plus $6.67 per additional thousand dollars of coverage from $35,001.00 up to $50,000.00; plus $5.43 per thousand dollars of coverage in excess of $50,000.00 up to $100,000.00; plus $4.36 per thousand dollars of coverage in excess of $100,000.00 up to $500,000.00; plus $3.98 per thousand dollars of coverage in excess of $500,000.00 up to $1,000,000.00; plus $3.66 per thousand dollars of coverage in excess of $1,000,000.00 to $5,000,000.00; plus $3.25 per thousand dollars of coverage in excess of $5,000,000.00 to $10,000,000.00, plus $3.07 per thousand dollars of coverage in excess of $10,000,000.00 to $15,000,000.00; plus $2.76 per thousand dollars of coverage in excess of $15,000,000.00. These rates do not include charges for endorsements that purchasers may request. Such endorsements range in cost from $25.00 per endorsement to 20% of the amount of the fee insurance issued.

PURCHASERS MAY PURCHASE TITLE INSURANCE THROUGH ANY TITLE INSURANCE COMPANY AND ARE NOT REQUIRED TO PURCHASE TITLE INSURANCE THROUGH WESTMINSTER ABSTRACT COMPANY.

(b) Recording fee for recording the deed and power of attorney of approximately $330.00.

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

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

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[1] Pursuant to a directive from HPD, 421-a Affordable Unit Purchasers shall be not be required to pay New York City and New York State Transfer Taxes and the Closing legal fees of Seiden & Schein, P.C, as they are disclosed herein. Sponsor intends to pay the New York City and New York State Transfer Taxes for each 421-a Affordable Unit Closing from the AHC grant, if awarded. In the event that the AHC Grant is not awarded, Sponsor will pay such Transfer Taxes. The remainder of each Unit's AHC grant allocation will be applied toward the payment of each 421-a Affordable Unit Purchaser's bona fide closing costs, and any balance thereafter will be paid over to the Board to pre-pay such 421-a Affordable Unit Owner's Common Charges.

(ii) Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates as quoted by the Title Company as of the Filing Date of this Plan will cost a base rate of $344.00 for the first $35,000.00 in coverage; plus $5.55 per additional thousand dollars of coverage from $35,001.00 up to $50,000.00; plus $4.54 per thousand dollars of coverage in excess of $50,000.00 up to $100,000.00; plus $3.64 per thousand dollars of coverage in excess of $100,000.00 up to $500,000.00; plus $3.31 per thousand dollars of coverage in excess of $500,000.00 up to $1,000,000.00 plus $3.05 per thousand dollars of coverage in excess of $1,000,000.00 to $5,000,000.00, $2.71 per thousand dollars of coverage in excess of $5,000.000.00 to $10,000,000.00, $2.55 per thousand dollars of coverage in excess of $10,000,000.00 to $15,000,000.00, $2.31 per thousand dollars of coverage in excess of $15,000,000.00. Mortgage title insurance, when purchased from the Title Company simultaneously with fee title insurance, will be discounted by a rate of 70%. Purchasers who chose not to purchase fee title insurance from the Title Company will receive a 30% discount on a mortgage title insurance policy;

Lending institutions may require certain endorsements to their policies. Such endorsements range in cost from $25.00 per endorsement to 20% of the full mortgage insurance premium.

(iii) A mortgage recording tax of 2.05% of the amount of the mortgage actually executed by Purchaser for mortgages in the amount of less than $500,000.00. The mortgage recording tax for mortgages in the amount of $500,000.00 or more is 2.175% after the $30.00 deduction on the first ten thousand dollars of mortgage amount. Lenders are required to pay one quarter of one percent of the 2.05% tax or 2.175% tax, as the case may be, thereby reducing Purchaser's cost to 1.80% less $30.00 or 1.925% less $30.00, as the case may be;

(iv) Recording fee for recording of the mortgage, approximately $350.00; and

(v) Commitment fee or origination fee, appraisal fee, application fee, credit fee, and/or other fees and charges if any, charged by the lending institution.

(d) New York City Real Property Transfer Tax, currently equal to one percent (1%) of the purchase price with respect to single Units which are sold for $500,000.00 or less, and 1.425% of the purchase price where the consideration is greater than $500,000.00. Although it is often customary in real estate transactions involving sales of multi-family buildings or single family homes for the seller to pay these transfer taxes and the transfer taxes in (e) immediately below, it is now customary in condominium development projects in the New York Metropolitan area, for the Purchaser to pay such transfer taxes. Under this Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes as a Closing cost. For purposes of paying this tax with respect to this Project, consideration also includes the amount of New York City Real Property Transfer Tax and New York

State Transfer Taxes (deed stamps) to be paid for the Unit, so that the effective tax rate is 1.014% of the purchase price where the purchase price is $500,000.00 or less and 1.451% where the purchase price is $500,000.00 or more.

The New York City Department of Finance has taken the position that when a Purchaser purchases two or more Units, the New York City Transfer Tax will be 1.425% where the consideration is $500,000.00 or less and 2.625% where the consideration is greater than $500,000.00.

(e) New York State Transfer Taxes (deed stamps), which are currently at the rate of $2.00 per each $500.00 of consideration or part hereof. Pursuant to the terms of this Plan, this tax is an obligation of the Purchaser. For purposes of paying this tax with respect to this Project, consideration also includes the amount of New York City Real Property Transfer Tax and New York State Transfer Taxes (deed stamps) to be paid for the Residential Unit, so that the effective rate of State Transfer Tax is $2.03 per $500.00 of consideration, where the purchase price is less than $500,000.00 and $2.038 per $500.00 where the purchase price is $500,000.00 or more.

(f) Under Section 1402-a of the Tax Law of the State of New York, a "Mansion Tax" of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (i.e., Purchaser) on each conveyance of residential real property, including condominium units, where the consideration for the entire conveyance is $1,000,000.00 or more. For purposes of paying this tax, consideration also includes the amount of New York City Real Property Transfer Tax and New York State Transfer Taxes (deed stamps) to be paid for the Residential Unit by Purchaser. Residential real property includes a 1-3 family house, an individual condominium unit and a cooperative unit that is or may be used, in whole or in part, as a personal residence.

(g) The legal fees of Sponsor's attorneys in the amount of $2,350.00 will be payable by Purchaser to Seiden & Schein, P.C. An additional fee of $500.00 per Closing shall be due and payable to Sponsor's attorneys for any Unit Closing which occurs outside the office of Seiden & Schein, P.C. Further, an additional fee of $500.00 shall be payable by Purchaser to Sponsor's attorneys for the work involved for each assignment and/or cancellation of a Purchase Agreement or contract. Assignments are permitted only pursuant to the terms of the Offering Plan. An additional fee of $500.00 shall be due and payable to Sponsor's attorneys for any previously scheduled Unit Closing which is adjourned by Purchaser less than five (5) business days before such Unit Closing is scheduled to occur. A further additional fee of $350.00 shall be payable by Purchaser to Sponsor's attorneys for reviewing and clearing title prior to closing.

(h) At the time of the closing of title to each Unit, the Purchaser of such Unit shall pay into the Working Capital Fund of the Condominium an amount equal to two (2) month's Common Charges then in effect for the Unit being purchased.

(i) Real estate taxes from the midnight preceding the date of the Closing through the end of the tax payment period within which the Closing Date occurs, which shall be either a quarter of a year or one half of a year, provided, however, that Sponsor

shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser.

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

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

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

If the Units have not been separately assessed for real estate tax purposes on the date of the First Unit Closing, Sponsor will have previously paid the real estate taxes through the end of such tax payment period. For example, if the First Unit Closing occurs on January 2, 2017 Sponsor will have paid the real estate taxes for the Property through June 30, 2017. At Unit Closings, individual Purchasers shall adjust real estate taxes with the Sponsor from 11:59 pm preceding the date of the Unit Closing through the end of the tax payment period within which the Closing Date occurs. However, Sponsor shall also be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in Closing of title by Purchaser. If no separate apportionment of real estate taxes has occurred as of the Closing date, such adjustment shall be made on the basis of the percentage of Common Interest attributable to such Unit.

Sponsor shall also collect from each Purchaser, at each Unit Closing, the amount necessary, on the basis of allocations set forth in **Schedule A** contained herein, to cover the six (6) month tax period subsequent to the tax period in which the Unit Closing occurs. The Managing Agent, on behalf of the Board of Managers, shall hold such funds in a separate account for the purpose of paying the real estate taxes on the Property when they are actually due and payable. At the time that such real estate taxes are due and payable, Sponsor shall pay over to the Board of Managers, out of its own funds, Sponsor's proportionate share of the real estate taxes then due, pro rata, on the Unsold Units.

In the event the actual real estate taxes in the six (6) month tax period subsequent to the Unit Closing are greater than the amounts collected at Closing, each Unit Owner shall pay his pro rata share of the additional real estate taxes promptly upon demand. If any Unit Owner fails

to pay such Unit Owner's pro rata share of real estate taxes upon demand, the Board of Managers shall have the right to place a lien on such Unit for the non-payment thereof, as if such charges were Common Charges. In the event the actual real estate taxes are less than collected at Closing, Sponsor will direct the Managing Agent to refund to each Unit Owner the pro rata share of such excess collections. This provision shall survive the Closing.

Until a separate assessment for each Unit has occurred, each Unit Owner shall, upon demand, on January 1st and July 1st of each year, pay over to the Board of Managers such Unit Owner's pro rata share of real estate taxes. Sponsor shall also pay over to the Board of Managers its pro rata share of the real estate taxes with respect to any Unsold Units.

Mortgage Tax Credit

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

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

If a mortgage tax credit becomes available, pursuant to the above Section of the New York Real Property Law, it is specifically understood that such credit shall inure to the benefit of the Sponsor and not to the Purchaser. Accordingly, at Closing, each Purchaser electing mortgage financing shall pay an amount equal to the full amount (but not in excess thereof) of the

mortgage recording tax chargeable on the entire amount being financed. Sponsor, at Closing will be paid by such Purchaser to the extent of any mortgage tax credit allowed.

Partial Assignments of Sponsor's Construction Loan Mortgage

In the event that Sponsor is ineligible for a Mortgage Tax Credit, in whole or in part, Sponsor's intention is for its mortgage lender to assign a portion of its mortgage(s) ("Mortgage") to each Purchaser's lender, with the lender's cooperation, when and if a Purchaser obtains financing. Each Purchaser's loan would, therefore, consist of a portion of the assigned Mortgage, for mortgage tax purposes.

Mortgage assignments (as opposed to new mortgages) are exempt from mortgage recording tax. Since a portion of the Mortgage would be assigned to each Purchaser's lender as each Unit is conveyed from Sponsor to Purchaser, the Purchaser would be exempt from paying mortgage recording tax to the City and State of New York to the extent that his mortgage consists of the assigned Mortgage. At the Closing, Sponsor would receive a payment from Purchaser equal to (but not in excess thereof) the mortgage tax that would otherwise be payable to the City and State of New York on the recording of Purchaser's mortgage.

The partial mortgage assignment would have no adverse impact on the purchase price of the Unit or on Purchaser's mortgage payment. Pursuant to the terms of the Purchase Agreement, a form of which is located in Part II of this Offering Plan, all Purchasers will be required to advise their lender of this provision in the Offering Plan and in the Purchase Agreement, and make a good faith effort to cooperate with Sponsor and Sponsor's lender in connection with the partial assignment of its Mortgage.

The entire contents of the Sections entitled "Mortgage Tax Credit," "Partial Assignments of Sponsor's Construction Loan Mortgage," as well as those in the immediately preceding section above entitled "General," as same may be revised or amended, shall be deemed to be incorporated into the Purchase Agreement for each Unit.

Example of Closing Costs

A numerical example for the costs set forth in this section of the Offering Plan for a hypothetical Residential Unit with a purchase price of $1,200,000.00 and a mortgage of $600,000.00 are set forth below. Tax, insurance and recording rates are subject to change:

1. title insurance for fee and mortgage, including the simultaneous mortgage discount: $5,972.00;
2. recording costs for deed and power of attorney: approximately $330.00;
3. mortgage recording tax: $11,520.00 (paid by the Purchaser-borrower);

4. recording cost of mortgage: approximately $350.00;
5. New York City Real Property Transfer Tax: $17,412.00;
6. New York State Transfer Tax (deed stamps): $4,888.00;
7. New York State Transfer Form RP-5217: $125.00;
8. New York State Mansion Tax: $12,223.00;
9. legal fee of Sponsor's attorney for closing title (at the office of Sponsor's attorney): $2,350.00;
10. legal fee of Sponsor's attorney for reviewing and clearing title: $350.00;
11. real estate tax escrow (and/or reimbursement of real estate taxes paid by Sponsor);
12. two (2) month's Common Charges as a contribution to the Condominium's Working Capital Fund.

Other fees which cannot be estimated because they pertain to events outside of Sponsor's control and/or statutory requirement include, but are not limited to, Purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee, and other fees and expenses payable to Purchaser's lender, and monthly Common Charges prospectively from the Closing Date.

RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time.

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

1. Prior to the First Unit Closing, Sponsor will obtain a permanent or temporary Certificate of Occupancy for the Building, or, alternatively, will obtain a temporary Certificate of Occupancy for the Unit that is being closed. If the First Unit Closing occurs prior to the issuance of a permanent Certificate of Occupancy for the Building, Sponsor shall maintain in escrow an amount reasonably necessary to complete the work required to obtain a permanent Certificate of Occupancy, as determined and certified by Sponsor's architect.

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

3. Notwithstanding any disclosure to the contrary in this Plan, Sponsor reserves the right to cause the Condominium Board not to bill Common Charges to any Unit Owner for so long as Sponsor pays the actual Condominium expenses, in lieu of Common Charges, from the date of the First Unit Closing up until such time as title to fifty percent (50%) of the Residential Units have been conveyed by Sponsor to third-party Purchasers. In the event that Sponsor makes such election, Common Charges will not be assessed by the Board of Managers to any Unit Owners. At such time that Sponsor causes the Board of Managers to assess Common Charges, each Unit Owner, including Sponsor, shall pay Common Charges, as discussed in this Plan. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Sponsor's financial obligations to the Condominium will be funded from sales proceeds and/or its own funds.

4. As a condition of closing title to any Unit any liens affecting such Unit shall be removed or otherwise remedied to the extent Sponsor is required to do so under the Purchase Agreement.

5. Within six (6) months after the First Unit Closing, Sponsor will assign to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume, all assignable service and maintenance contracts and agreements relating to the Property and apportion charges thereunder, if any. The Condominium will indemnify Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the First Unit Closing occurs.

6. Sponsor shall be responsible for the repair of any damage to an Unsold Unit from a casualty or other cause that occurs before the Closing of that Unit, except as otherwise stated in this Offering Plan.

7. Sponsor shall procure fire and casualty insurance coverage on behalf of the Condominium, at the Condominium's expense, to be effective at the First Unit Closing, in the amount set forth in to **Schedule B** in Part I of this Plan, which Schedule sets forth the projected budget for the first year of Condominium operation.

8. In the event of the transfer of ten (10) or more Unsold Units in the Condominium to the same Purchaser, such Purchaser will assume the status and the obligations of the Sponsor for those Unsold Units under the Offering Plan.

9. Sponsor shall be obligated to defend any suits or proceedings arising out of its acts or omissions which constitute negligence or willful misconduct, but shall not be obligated to indemnify the Board of Managers or the Unit Owners against any such suits or proceedings.

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

10. Sponsor shall deliver a set of "as-built" plans to the Board of Managers within 180 days of the first Unit closing.

11. At the Unit closing, Sponsor shall assign to the Unit Owner, to the extent assignable, any manufacturer's warranties with respect to equipment,

manufactured wood flooring, and appliances installed in the purchased Unit(s). Any warranties with respect to equipment and appliances installed in the Common Elements, to the extent assignable, shall be assigned to the Board of Managers.

12. Sponsor shall build and complete the Building in accordance with the Building plans and specifications identified in the Plan. However, Sponsor reserves the right to substitute equipment, appliances, or materials of equal or greater quality or design, and Sponsor reserves the right to amend the Plan to disclose modified Unit layouts and Unit combinations. No change will be made by Sponsor in the size, location or number of Units, their respective percentages of Common Interest, or in the size or quality of Common Elements except by amendments to the Offering Plan and the Declaration. Unless the affected Purchaser provides a written consent, no material change will be made by Sponsor in the size, layout or percentage of Common Interest of a Unit if a Purchase Agreement has been fully executed and delivered by the Sponsor to Purchaser for that Unit and such Purchaser is not in default.

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

14. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the Declaration, and all amendments thereto, if any, are a substantially accurate copy of portions of the plans (as may be amended) 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 buildings.

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

16. Sponsor shall hold a majority of seats on the 5-member Residential Board until the later to occur of (i) five (5) years from the date of the First Unit Closing or (ii) the date upon Sponsor shall own Unsold Residential Units having a percent interest in the Residential Section in the aggregate of ten (10%) percent or less.

17. Sponsor shall construct the Units in accordance with the terms of the Plan. However, the existence of any incomplete or defective items of construction at Closing which do not materially affect the use and

operation of the Unit shall not entitle Purchaser to any abatement of the purchase price for Purchaser's Unit or be grounds for Purchaser to (i) adjourn the Closing, or (ii) to refuse to pay the balance of the Purchase Price of such Purchaser's Unit and close title to Purchaser's Unit.

18. 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 which is five (5) stories or less in which title is transferred to purchasers under a cooperative or condominium regime. Sponsor has the obligation, nevertheless, to construct the Building in accordance with applicable Law, codes and regulations.

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Unit Owner as to its Unit or the Board of Managers on behalf of the Unit Owners as to Common Elements. The representations contained in paragraphs 1 through 18 of this Section shall survive delivery of the deed, as stated. All representations under the Plan, all obligations pursuant to the GBL, and such additional obligations under the Plan which are to be performed subsequent to the closing of each Unit, will survive delivery of the deed. Sponsor makes no other representation or warranties except as provided herein. However, nothing herein shall be construed to limit any rights which Purchasers may otherwise have pursuant to Article 23-A of the General Business Law, Part 20 of the Regulations promulgated by the Attorney General, and this Offering Plan which are not validly waived by Purchasers or Unit Owners pursuant to the provisions of this Plan or the Purchase Agreement with the Purchaser.

Warranties

The Sponsor will promptly correct any material defects in the initial construction and/or renovation of the Building and the Units therein, or in the initial installation or operation of any mechanical equipment therein provided by Sponsor, due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, (a) provided that Sponsor is notified in writing of such defects by the Unit Owner as to the Unit affected within 180 days after the date of Closing of title to such Unit or, (b) with respect to Common Elements, provided that Sponsor is notified in writing by the Board within one (1) year after the First Unit Closing. If any such defect in the Common Elements can only be detected by the occupancy of a particular Unit, Sponsor will correct said defect in the construction of the Common Elements or in the installation or operation of any such mechanical equipment therein due to improper workmanship or materials substantially at variance with the architectural plans and specifications, including if such defect is discovered more than one (1) year from the First Unit Closing, provided that Sponsor is notified by the Board within thirty (30) days after the Closing of title to or first leasing of the Unit in which the defect was discovered.

The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications.

Sponsor shall be deemed to have discharged any obligation it may have with respect to defects, as the case may be, if (i) Sponsor is not notified within the time periods specified herein or (ii) the Board and/or the Unit Owner in question prevents Sponsor, Sponsor's contractors and/or the Managing Agent access to the Unit in question as provided herein, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's general contractor or architect or engineer, in their sole discretion.

Sponsor makes no warranties as to appliances, equipment, or fixtures, except that it will assign to the Purchaser any assignable manufacturer's warranties thereon. Purchasers are advised that warranties vary in length, depending partly on when the appliances, equipment, or fixtures covered by such warranties are first installed. Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing date of any particular Unit, nor does Sponsor make any representation as to the length of time any such warranty will remain in effect.

Notwithstanding the foregoing, Sponsor makes not representation or warranties relating to, and will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, or others, are assigned to the Board or Unit Owners. **In addition, in no event shall the Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in stone or porcelain surfaces, bath and kitchen tile grouting, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any stone used in**

bathrooms or cracks, variations in tone, finish or color of vanity tops or other stone surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, formica, granite, Corian, and porcelain surfaces, which repair shall be made by filling the stone, formica, granite, or Corian, or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica, granite, Corian or porcelain surfaces.

In no event shall Sponsor be responsible for Unit-to-Unit and/or hallway-to-Unit odor and noise transmission which is the result of activities such as, but are not limited to, cooking and cigarette smoking, by the Commercial Unit Owner(s), Residential Unit Owners, or other Building occupants.

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

THE ITEMS AND CONDITIONS DESCRIBED ABOVE IN ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING. PURCHASERS WHO PURCHASE A UNIT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR UNITS OR THE COMMON ELEMENTS. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF SUCH ITEMS AND CONDITIONS AND SHALL NOT BE LIABLE TO ANY PURCHASER OR CONDOMINIUM BOARD THEREFOR. IF PURCHASER OR CONDOMINIUM BOARD DESIRES TO CORRECT OR REPAIR ANY SUCH ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THE PURCHASER OR CONDOMINIUM BOARD WILL HAVE TO PROCEED AT ITS SOLE COST AND EXPENSE AND/OR ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO IT BY SPONSOR.

NOTHING CONTAINED IN THIS SECTION WILL BE CONSTRUED SO AS TO RENDER SPONSOR LIABLE FOR, AND SPONSOR SHALL HAVE NO LIABILITY FOR, CONSEQUENTIAL DAMAGES (WHETHER BASED ON NEGLIGENCE, BREACH OF CONTRACT, BREACH OF WARRANTY, OR OTHERWISE), IT BEING INTENDED THAT SPONSOR'S SOLE OBLIGATION UNDER THIS SECTION WILL BE TO REPAIR OR REPLACE ANY DEFECTIVE ITEM OF

CONSTRUCTION UPON, AND SUBJECT TO, THE TERMS AND CONDITIONS SET FORTH ABOVE. ADDITIONALLY, EXCEPT AS EXPRESSLY SET FORTH ABOVE, SPONSOR WILL HAVE NO OBLIGATION TO CORRECT OR REPAIR ANY DEFECTIVE OR OTHER CONDITIONS IN THE BUILDING (INCLUDING IN THE UNSOLD UNITS AND THE COMMON ELEMENTS) OR IN, OR WITH RESPECT TO, ITS INSTALLATIONS, APPARATUSES, EQUIPMENT, FIXTURES, FINISHES, MATERIALS, AND APPURTENANCES ASIDE FROM ANY SPONSOR WARRANTIES AND UNDERTAKINGS WITH RESPECT TO THE CONSTRUCTION AND COMPLETION OF THE BUILDING CONTAINED IN THIS SECTION, AND NO OTHER WARRANTIES OR UNDERTAKINGS SHALL BE IMPLIED.

Sponsor's Rights of Access

(a) General

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

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

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

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

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

3) Right to show vacant or leased Units;

4) Right to obtain unlimited front door keys upon request; and

5) Utility and other easements for the benefit of Unit Owners, Common Elements and Limited Common Elements;

Sponsor's Right to Perform Alterations

Sponsor (and its successors, assigns and designees) shall have the right to alter any Unit, Common Element or Limited Common Element consistent with the terms of this Plan, including, but not limited to, the right to combine two or more Units.

Sponsor or its designee and the Commercial Unit Owners and its successors and assigns shall, to the extent permitted by Law, 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 (i) the sale or lease of any Unsold Residential Unit, the sale or lease of all or any portion of the Commercial Units and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Units or of any Unsold Residential Units, as the case may be. In addition, Sponsor and the Commercial Unit Owners shall have an easement and the right to alter, replace, restore, renovate, remodel and reconstruct the facade of the Building from the ground floor level through and including the bottom of the third floor of the Building with the consent of the Commercial Board but without the consent of the Residential Board or the Condominium Board; provided that any such alteration, replacement, restoration, renovation, remodeling, and/or reconstruction of the façade of the Building by the Commercial Unit Owners while Sponsor or Sponsor's designee owns any Unsold Units shall require the prior written consent of Sponsor or Sponsor's designee.

Sponsor's Right to Withhold Residential Units from Sale

All the Residential Units being offered are intended to be sold as Condominium Units in accordance with this Plan at the prices noted in Schedule A, subject to Sponsor's right to change offering prices, in accordance with this Plan. These prices have been established solely by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

Sponsor is retaining the unconditional right to rent eighty-five percent (85%) of the Residential Units in the Building that are being offered under this Plan. Unless and until this Plan is abandoned, Sponsor will endeavor in good faith to sell fifteen percent (15%) of the Residential Units, but makes no representation that it will execute Purchase Agreements to sell more than fifteen percent (15%) of the Residential Units.

Sponsor's Right to Sell Units to Investors and Enter Into Use and Occupancy Agreements

In accordance with the terms of this Plan, Sponsor has the right to sell Units to Purchasers for investment or resale. Accordingly, it is possible that certain Unit Owners will not be residents of the Building. Sponsor has further reserved the right to enter into Use and Occupancy Agreements for any Unit prior to Closing of the sale with the

Purchaser thereof or with any other party, and residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or the Unit Owners. Individuals leasing Units from Sponsor will not, except as expressly provided in their respective Use and Occupancy Agreements, have any special rights to purchase such Units. In addition, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. Sponsor's right to rent or lease any Unsold Unit will not be subject to any right of first refusal in favor of the Condominium Board to lease such Unit from Sponsor on the same terms offered to the prospective tenant or occupant. Sponsor anticipates that the Interim Use and Occupancy Agreement will not be subject to governmental regulation.

Any Use and Occupancy Agreement for a Unit entered into with a Purchaser will provide, among other things, that an uncured default by the Purchaser under the Agreement with respect to the Unit which is the subject of the Use and Occupancy Agreement will constitute a default under the lease entitling Sponsor, at its sole discretion, to terminate such Use and Occupancy Agreement in accordance with applicable law. In addition, each Agreement may provide that an uncured default by the Purchaser under any Use and Occupancy Agreement with respect to the Unit which is the subject of the Agreement will constitute a default under the Agreement entitling Sponsor, at its sole discretion, to terminate such Agreement and to exercise any remedies therein provided.

Purchasers or any other persons entering into a Use and Occupancy Agreement for a Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Use and Occupancy Agreement. All other charges or other fees due under a Use and Occupancy Agreement shall be adjusted as of the Closing of the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Use and Occupancy Agreement.

Sponsor's Right to Adjust Common Interest Allocations Prior to Recording the Declaration of Condominium

The Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act and accordingly based upon a comparison of the 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. Based upon final specifications, construction conditions and/or "as-built" plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in the aggregate Common Interest appurtenant to certain Units, or all Units. In such event, the Common Interest appurtenant to such Units would be adjusted (by a minimal amount) pro-rata. Sponsor expressly reserves the right, from time to time, to effect such a change in the Common Interests and to amend the Plan so as to reflect the same. Notwithstanding the foregoing, after the recording of

the Declaration of Condominium, no change in any Unit's Common Interest will be made without obtaining the prior consent of all Unit Owners affected by such change.

CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide Purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of two (2) persons designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. Sponsor shall hold a majority of seats on the 5-member Residential Board until the later to occur of (i) five (5) years from the date of the First Unit Closing or (ii) the date upon Sponsor shall own Unsold Residential Units having a Percent Interest in the Residential Section in the aggregate of ten (10%) percent or less (the "Sponsor Control Period"). Sponsor, during the time there are Unsold Residential Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board.

Notwithstanding the foregoing, Sponsor may not exercise veto power over the Board regarding expenses required (i) to comply with applicable laws or regulations; (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. Sponsor may exercise veto power over other expenses for a period ending not more than the earlier of five (5) years after the First Unit Closing or whenever Unsold Units constitute less than twenty-five percent (25%) of the Common Interest.

Sponsor shall hold both seats on the Commercial Board until Sponsor no longer owns any Unsold Commercial Units.

As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Sponsor or its designees, or (ii) interfere with: the offer, sale or leasing of Units at the Property; the operations of general or sales or leasing offices at the Property; or actions necessary for renovation, repair or correction at the Property, as required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law.

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

any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

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

Additionally, 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 must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Therefore, PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. Further, Unit Owners who are owner-occupants and Unit Owners who are non-residents (including Sponsor) may have in inherent conflicts about how the Condominium should be managed because of their differing reasons for purchasing (i.e. purchase of a Unit as a home as opposed to an investment).

BOARD OF MANAGERS

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of seven (7) persons, five (5) persons of whom shall comprise the "Residential Board," and two (2) persons of whom will comprise the "Commercial Board." The Residential Board will initially consist of one (1) person designated by Sponsor and the Commercial Board will initially consist of one (1) person designated by Sponsor.

From and after the first annual meeting of Unit Owners (which shall be called within 365 days after the First Unit Closing), the Board of Managers will consist of a Residential Board of five (5) persons elected or designated by the Residential Unit Owners and a Commercial Board consisting of two (2) persons elected or designated by the Commercial Unit Owner(s). The two (2) members of the Commercial Board shall be designated by Sponsor or a Sponsor-designee for so long as the Commercial Unit remains an Unsold Unit. Upon the transfer of title to the Commercial Unit to a party other than a Sponsor-designee, the two (2) members of the Commercial Board shall be designated by such Commercial Unit Owner. The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote for each .0001% of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners except that, when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one vote for each .0001% of Common Interest attributable to its Unit per member to be elected, and (ii) shall not have the right to cumulate its votes in favor of any one or more members to be elected. If Units are owned by more than one person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit shall agree among themselves and cast the votes for their Unit.

Upon the later of (i) the date upon which Sponsor shall own Unsold Residential Units having a percent interest in the Residential Section in the aggregate of ten (10%) percent or less or (ii) five (5) years from the First Unit Closing (the "Sponsor Control Period"), Sponsor, including any designee thereof, will relinquish control of the Residential Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though its total percentage of Common Interest may otherwise enable it to do so. Sponsor, during the time there are Unsold Residential Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to relinquishing voting control of the Residential Board of Managers, Sponsor will not use such vote to elect a particular individual to the Residential Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board. Notwithstanding the foregoing, Sponsor may, at its discretion, relinquish voting control of the Residential Board prior to the end of the Sponsor Control Period.

Sponsor, or any Sponsor designee, shall have exclusive control over the Commercial Board for so long as Sponsor or its designee owns any Commercial Units.

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 must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Therefore, PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. Further, Unit Owners who are owner-occupants and Unit Owners who are non-residents (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their differing reasons for purchasing (i.e., purchase of a Residential Unit as a home as opposed to an investment).

The Unit Owners annual meetings shall be held on or about the anniversary of the date of the first annual meeting. A special meeting of the Unit Owners shall be called by the President of the Condominium as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Notice of the annual meeting of Unit Owners or of any special meetings of Unit Owners shall be given by the Secretary, as directed by the Board of Managers, to all Unit Owners not less than ten (10) days or more than thirty (30) days before such meeting. Minutes of all meetings of Unit Owners and of all meetings of the Board of Managers shall be kept by the Board, together with records of all actions taken by the Board and the financial records of the Condominium. The Board shall retain an independent certified public accountant to prepare an annual report of the receipts and expenditures of the Condominium, which report shall be promptly sent to each Unit Owner.

Each of the members of the seven (7) member Condominium Board will serve until the next regular annual meeting of Unit Owners and until a successor is elected and qualified. Members of the Board of Managers, except for those members elected by the Sponsor, to be eligible for election, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers designated by Sponsor or a Sponsor-designee, Residential Board members may be removed from office, with or without cause, by the affirmative vote of Residential Unit Owners owning, in the aggregate, a percentage of Residential Common Interest in excess of fifty percent (50%). Residential Board members designated by the Sponsor or a Sponsor-designee may only be removed for gross negligence, willful misconduct, or fraud by the affirmative vote of Residential Unit Owners owning, in the aggregate, a percentage of Residential Common Interest in excess of fifty (50%) percent of the Residential Common Interest of the Condominium. In the event of such removal, the Sponsor or Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers.

Subsequent to the date when the Sponsor relinquishes control of the Board and so long as the Sponsor or a Sponsor-designee shall continue to own Unsold Residential Units having an aggregate Percentage Interest at least five (5%) percent, the Sponsor or Sponsor-designee shall have the right to elect two (2) of the five (5) members of the

Residential Board or one member less than a majority of the Residential Board, as the case may be. Also, subsequent to the date when the Sponsor relinquishes control of the Board and as long as the Sponsor or a Sponsor-designee shall continue to own at least one Unsold Residential Unit the Sponsor or Sponsor-designee shall have the right to elect one (1) of the members of the Residential Board.

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

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to: determination of the Common Charges; adoption of rules and regulations covering the details of the Property; opening of bank accounts; purchasing, leasing or otherwise acquiring Units; selling, leasing or mortgaging of Units owned by the Board of Managers; and generally managing or supervising the Condominium property as provided in the Declaration and the By-Laws. The Common Expenses shall include such amounts as the Board of Managers deems proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of Managers is authorized to employ a Managing Agent for the Condominium on such terms as the Board of Managers may deem proper. See the Section entitled "Management Agreement" in Part I of this Plan for further discussion.

In order to limit the liability of the Unit Owners, as members of the Board of Managers, the Managing Agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the Managing Agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Board of Managers, the Managing Agent or the officer, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. The Board of Managers and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, or otherwise, except for willful misconduct, negligence or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers and the officers of the Condominium against any liability or claims except those arising out of the bad faith, negligence or willful misconduct of the members of the Board of Managers or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners.

Officers

The principal officers of the Condominium shall be (a) for the Residential Section, a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the Residential Board, (b) for the Commercial Section, a President and Secretary/Treasurer thereof, both of whom shall be elected by the Commercial Board, and (c) for the entire Condominium, (i) a President thereof, who shall be the same person serving as President of the Residential Board, (ii) a Vice President and Treasurer thereof, who shall be the same person serving as President of the Commercial Board, and (iii) a Secretary thereof, who shall be the same person serving as Secretary of the Residential Board. The Condominium Board, the Residential Board and the Commercial Board may each appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. Any officer or director of the Residential Board may be an officer or director of the Commercial Board, and any officer or director of the Commercial Board may be an officer or director of the Residential Board. None of the officers of the Condominium Board, the Residential Board or the Commercial Board need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Residential Board after the first annual meeting of Residential Unit Owners. Thereafter, the President and Vice President of the Residential Board must be Residential Unit Owners.

The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners.

The Vice President shall take the place of the President of the Condominium in his or her absence.

The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium.

The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium.

The Board of Managers, in its discretion, shall delegate such powers to the officers as it sees fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

Severance of Ownership Prohibited

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, its undivided interest in the Common Elements, together with its interest in any Unit or Units acquired by the Board of Managers from Unit Owners electing to sell or lease such Unit or at a foreclosure or other judicial sale involving such Unit or Units, in accordance with the provisions of the By-Laws, all of which are interests appurtenant to its Unit.

Right of First Refusal; Units Acquired or Leased by Board of Managers

In administering the right of first refusal granted to the Board of Managers with respect to any sale or lease of a Residential Unit, the Board shall be required to exercise such rights, if at all, within twenty (20) days of its receipt of written notice from a Residential Unit Owner of the Residential Unit Owner's intention to sell or lease the Unit to a bona fide grantee or lessee. Notice of the decision to exercise or waive such right must be given to the Residential Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. Failure of the Board to either exercise such right or to give notice of the exercise of such right within the time periods provided above shall constitute a waiver of the right of first refusal. The Board of Managers will not have a right of first refusal with respect to the sale or lease of the Commercial Unit.

In the event the Condominium Board does exercise its right of first refusal, the acquisition or lease of the Residential Unit may be made from the working capital and Common Charges, or, if such funds are insufficient, the Condominium Board may assess each Residential Unit Owner, other than the offering Unit Owner, in proportion to each Residential Unit Owner's percentage of Common Interest, or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Condominium Board may also assess each Residential Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Residential Unit. In the event any Residential Units are acquired or leased by the Condominium Board, the title or lease shall be held by the Condominium Board on behalf of all Residential Unit Owners in proportion to their percentage of Common Interest and any sale or lease of such Residential Unit shall be made by the Condominium Board on behalf of all Residential Unit Owners in proportion to their percentage of Common Interests. Such Residential Unit, while owned or leased by the Condominium Board, may be used for any purpose for which it could be used by an individual Residential Unit Owner. In no event, however, may the Board of Managers at any meeting of Unit Owners vote the votes appurtenant thereto.

The foregoing restrictions upon the sale and lease of Units will not apply to Sponsor or its designee with respect to any Unsold Units, or to Units acquired by a Permitted Mortgagee in foreclosure or by deed in lieu of foreclosure, or to the Commercial Unit Owner, each of which will be free to sell or lease their respective units without first offering to sell or lease to the Condominium Board.

Each Unit Owner, at the Closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in Part II in the Section entitled "Power of Attorney" in Part II of this Plan designating the Board of Managers and their successors as its attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners.

Review of Real Estate Tax Assessments

It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the Land and Building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining such refund, shall belong to and be incurred by the Sponsor alone.

Amendments to Condominium Declaration and By-Laws

Any provision of the By-Laws which benefit, protect, or otherwise affect only the Residential Section or the Residential Unit Owners may be modified or amended by the affirmative vote of Residential Unit Owners owning not less than sixty-six and two-thirds percent (66 + 2/3rds%) of the Residential Units and whose percentage of Common Interest, in the aggregate equals or exceeds sixty-six and two-thirds percent (66 + 2/3rds%). However, for as long as Sponsor or its designee owns title to one or more Unsold Units, the Rules and Regulations of the Condominium, or the By-Laws may not be amended in a manner which would adversely affect the Sponsor or its designee in any way, in Sponsor's sole discretion, unless the Sponsor or its designee gives its written consent to such an amendment. Additionally, (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may change the percentage of Common Interests allocated to any Unit or Units without the written consent of such Unit Owner; (iii) no such amendment shall increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee(s) of such Unit, or Units, if any.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Sale and Lease of Units

Each Residential Unit Owner, other than Sponsor or its designee with respect to any Unsold Units, may sell or lease his or her Residential Unit, but only after such Residential Unit Owner first gives the Residential Board written notice of his or her intention to do so, accompanied by the terms of the offer as set forth in Article 8 of the By-Laws[1]. The Residential Board, on behalf of all Residential Unit Owners, will have the exclusive right to elect, within twenty (20) days after receipt of the notice of sale, to purchase the Residential Unit, or to elect, within twenty (20) days after receipt of the notice of lease, to lease the Residential Unit, on the same terms set forth in the offer, as more specifically set forth in Article 8 of the By-Laws. Notice of the decision to exercise or waive such right must be given to the Residential Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. If the Residential Board does not notify the Residential Unit Owner of its election to purchase or lease the Residential Unit within the aforementioned time periods, the Residential Unit Owner will have sixty (60) days after the expiration of the twenty (20) day period to contract to sell the Residential Unit or lease the Residential Unit in accordance with the terms stated in the offer to the Condominium Board. After the expiration of the sixty (60) day period, the Residential Unit Owner will again be required to first offer the Residential Unit to the Residential Board as provided above. In the event the Residential Board timely elects to purchase a Residential Unit or to lease such Residential Unit, or to cause it to be purchased or leased by its designee, then (a) with respect to a purchase, title shall close on the later of (i) 60 days after the giving of notice by the Residential Board of its election to accept such offer and (ii) the closing date specified in the Residential Unit Owner's bona fide offer and (b) with respect to a lease, the lease shall be executed within ten (10) days after the Residential Board elects to accept such offer.

In the event the Residential Board does exercise its right of first refusal, the acquisition or lease of the Residential Unit may be made from the working capital fund and Common Charges for the Residential Section, or, if such funds are insufficient, the Residential Board may assess each Residential Unit Owner, other than the offering Residential Unit Owner, in proportion to each Residential Unit Owner's percentage of Common Interest for any funds so borrowed for the Residential Unit to be acquired. The Residential Board may also assess each Residential Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Residential Unit. In the event that any Residential Units are acquired or leased by the Residential Board, the title or lease shall be held by the Residential Board on behalf of all Residential Unit Owners in proportion to their percentage of Common Interest, and any sale or lease of such Residential Unit shall be made by the Residential Board on behalf of all

[1] Re-sales of the 421-a Affordable Units shall also be subject to the terms of the AHC Note and Mortgage until the AHC Note and Mortgage is satisfied.

Residential Unit Owners in proportion to their percentage of Common Interests. Such Residential Unit, while owned or leased by the Residential Board, may be used for any purpose for which it could be used by an individual Residential Unit Owner.

All re-sales of 421-a Affordable Units shall be made exclusively to persons with an annual household income of not more than 125% of AMI at a re-sale price that shall not exceed the re-seller's purchase price for acquiring such 421-a Affordable Unit, plus an adjustment for inflation (as defined herein). The "adjustment for inflation" shall be calculated by multiplying the re-seller's purchase price to acquire the 421-a Affordable Unit by a fraction, the numerator of which shall be the Consumer Price Index for the full calendar month immediately preceding the date of such adjustment, and the denominator of which shall be the Consumer Price Index for the date that such re-seller acquired title to such 421-a Affordable Unit. The "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, New York, New York Northeastern New Jersey Area, All Items (1982-84 = 100), or any successor index thereto, appropriately adjusted. If the Consumer Price Index ceases to be published, and there is no successor thereto, such other reasonably similar index as is designated by the Condominium Board shall be substituted for the Consumer Price Index. For the purpose of calculating the re-sale price of a 421-a Affordable Unit, the re-seller's purchase price to acquire a 421-a Affordable Unit shall not include closing costs associated with the acquisition of such 421-a Affordable Unit. The Residential Board of Managers shall certify the household income of all 421-a Affordable Unit re-sale purchasers and the re-sale purchase price of all 421-a Affordable Units in accordance with the Article 8 of By-Laws simultaneously with the Residential Board's exercise of its rights of first refusal.

All leasing of 421-a Affordable Units shall be exclusively persons with an annual household income of not more than 125% of AMI, as determined by the Residential Board of Managers. The aggregate payments made by any lessee of a 421-a Affordable Unit in any calendar month shall not exceed the combined cost of such 421-a Affordable Unit Owner's bona fide Common Charges, mortgage payments, utility costs and real estate taxes, plus ten percent (10%) of all such costs, as determined by the Residential Board. The AHC Note and Mortgage prohibits the renting of 421-a Affordable Units during the term of the AHC Note and Mortgage.

The foregoing restrictions upon the sale and lease of Units will not apply to Sponsor or its designee with respect to any Unsold Units, or to Units acquired by a Permitted Mortgagee in foreclosure or by deed in lieu of foreclosure, each of which will be free to sell or lease without first offering to sell or lease to the Condominium Board.

Additionally, the Commercial Unit Owners shall have the right to freely sell or lease their Commercial Units or any part thereof without the Condominium Board having any right of first refusal to purchase or lease, or to procure a third party to purchase or lease the same.

Each Unit Owner, at the closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney," designating the Board of Managers and their successors, as

his or her attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Residential Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners. The Power of Attorney also grants Sponsor the right to amend the Declaration with respect to Unsold Units.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's: (i) Common Interest; (ii) undivided interest in any Residential Unit or Residential Units acquired by the Condominium Board from Residential Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Residential Unit); and (iii) undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit, other than mortgages placed on such Unit in compliance with the By-Laws, are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner will be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board, in the form set forth in Part II of this Plan.

The lease for any Residential Unit (other than Unsold Units) will be in substantially the form of lease printed by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Condominium Board. The terms of the lease, the rents and any rent increases upon the renewal of such lease are not subject to the New York State Rent Stabilization Law or the New York City Rent Stabilization Code.

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

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

Mortgage of Units

Each Unit Owner, after notice to the Condominium Board, is free to mortgage his or her Unit to a "Permitted Mortgagee," provided that prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearages for any unpaid Common Charges and Special Assessments owed by such Unit Owner and discharge any liens affecting the Unit, other than Permitted Mortgages.

Determination of and Liens for Nonpayment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges and Special Assessments on other expenses when due. Common Charges for each Unit may be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be a part of the Common Expenses and to be paid as Common Charges, all in accordance with Article 6, Section 1 of the By-

Laws of the Condominium. However, Section 339-m of the Condominium Act provides authority for the Board of Managers to set and collect Common Charges payable by the 421-a Affordable Unit Owners[2], that are less than the amount that would be payable if the Common Charges were allocated based on such Unit's percentage of Common Interest. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. The Board of Managers may, in accordance with Article 6, Section 1 of the By-Laws, impose Special Assessments as it deems necessary, to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. Special Assessments to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest, or such other method determined by the Board in accordance with Section 339-m.

The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by Special Assessment or by increases in Common Charges.

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

Upon the failure of a Unit Owner to pay Common Charges for the Unit within sixty (60) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above. Failure of the Board of Managers to place such a lien shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time.

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[2]28 RCNY §6-09 provides that the sum of an 421-a Affordable Unit Purchaser's initial annual mortgage payments and Common Charges shall not exceed 30% of 125% AMI, adjusted for family size. The rule is silent as to limitations on future Common Charges payable by 421-a Affordable Unit Owners. Sponsor assumes that future Common Charges payable by 421-a Affordable Unit Owners are not subject to regulation but makes no guarantee that HPD or any other government agency will concur with this position. In addition, Sponsor makes no guarantee that the 421-a rules or statute will not be amended at some future date to provide for the regulation of Common Charges payable by 421-a Affordable Unit Owners after initial sale.

The Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the Real Property Law on Units in which Sponsor is more than 30 days in arrears on Common Charges while it is in control of the Board of Managers.

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

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

Repairs

All maintenance of and repairs to any Unit, including, but not limited to, electrical (except Common Elements), plumbing (except Common Elements) as well as the washing of exterior windows shall be at the Unit Owner's expense, excepting as otherwise specifically provided in the By-Laws.

All maintenance, repairs and replacements to the "General Common Elements" (as defined in the Declaration) shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the "Residential Common Elements" or the "Residential Limited Common Elements" (as such terms are defined in the Declaration) will be performed by (a) the Residential Board as a Residential Common Expense, if involving a Residential Common Element, or (b) by the Residential Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving a Residential Limited Common Element such as a roofing surface and/or a roof deck above such surface or as a result of the Unit Owner's negligence, misuse or neglect. Maintenance, repair and replacements in or to the "Commercial Common Elements" or "Commercial Limited Common Elements" (as such terms are defined in the Declaration) will be performed by (a) the Commercial Board as a Commercial Common Expense, if involving a Commercial Common Element or (b) by the Commercial Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving a Commercial Limited Common Element such as a roofing surface and/or a roof deck above such surface or as a result of the Unit Owner's negligence, misuse or neglect.

The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law, 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 the By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such

violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the By-Laws (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and (c) in any event charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Necessary repairs and replacements to each Residential Unit's windows, doors and skylights are to be performed by the Residential Board at such Residential Unit Owner's sole cost and expense, subject to Board approval in order to ensure that uniform materials are used throughout the Building. It shall be the responsibility of the Residential Board to ensure that replacement Residential Unit windows contain safety "stops" designed specifically to prevent a child from falling out of the window.

Additions, Alterations and Improvements

Sponsor or its designee may make structural or non-structural alterations in any Unit owned by it or with respect to any Limited Common Element for which it has exclusive use without prior consent of the Board of Managers. With respect to other Residential Unit Owners, a non-structural alteration to a Residential Unit that does not affect the exterior of the Building or the value of other Units may be made by any Residential Unit Owner with the consent of the Board of Managers. The Residential Board shall have the authority to establish rules for non-structural alterations, additions, improvements, and repairs made by any Residential Unit Owner to his Residential Unit. No Unit Owner, other than the Sponsor or its designee, as a holder of Unsold Units, may make a structural alteration in its Unit or with respect to any Limited Common Element for which it has exclusive use or which affects the exterior of the Building or the value of other Units without the prior written approval of the Board of Managers. The Sponsor or its designee needs no such consent for any of its Units. Any approval, if granted, shall provide that such alteration shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate insurance coverage for liability, property damage and worker's compensation (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such addition in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration. Such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any

services provided to such alteration. Such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with the request by a Unit Owner for approval of a structural alteration.

Finally, any approval, if granted shall be subject to regulation by the Condominium Board as to any one or more of the following aspects of construction:

(1) time periods during which work is permitted;

(2) the manner in which construction debris will be handled;

(3) measures which must be taken to prevent compromising security of the Building during construction;

(4) the interruption of services during construction; and

(5) liability insurance for contractors during construction.

The Board of Managers and/or the manager or managing agent shall have a right of access to any Unit for the purpose of inspection, making any repairs or replacements to any of the Common Elements or Limited Common Elements contained in such Unit or elsewhere in the Building, remedying any condition which would result in damage to any other Unit or to the Common Elements or Limited Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws.

Certain structures cannot be built as-of-right with respect to the City of New York Building Code and require a variance from the City Board of Standards and Appeals. If the Board does not consent to the proposed alteration, an application for a variance is moot, since the Board would not permit the proposed alteration in any event.

In the event that a variance is needed, such a variance may be approved or denied by the Board of Managers at the Condominium in the Board's sole discretion. Structures that increase the size of the Building require a variance. These structures include: additional floors, additions to the rear of the Building above the cellar level, additional penthouses, roof mezzanines, greenhouses and gazebos.

Subject to the By-Laws and Rules and Regulations of the Condominium, which, among other requirements, assigns responsibility for negligence, misuse or neglect, a Residential Unit Owner who has an exclusive roof terrace area may, without a Department of Buildings permit, install plantings and furniture on it.

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance: fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units, including all of the Units and all fixtures installed therein by the Sponsor and any property customary to the servicing

and general occupancy, (but not including furniture, furnishings, equipment or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an aggregate amount to be determined by the Board of Managers but in no event to be less than eighty percent (80%) of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker. All such policies shall provide that adjustment of loss, if over $1,000,000.00, shall be made by the Board of Managers with approval of the "Insurance Trustee" (as defined in the By-laws), if any. The Board of Managers shall have the right to select an Insurance Trustee. Additionally, the net proceeds of such adjustment, if $1,000,000.00 or less, shall be payable to the Board of Managers, and if more than $1,000,000.00 shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. At the First Unit Closing, the fire insurance coverage of the Building shall be $70,000,000.00. Said coverage shall be maintained while Sponsor is in control of the Board of Managers.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that each Unit Owner is an additional insured party and that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. The standard mortgagee loss payable clause shall be attached to all policies.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense.

The Board of Managers shall also obtain and maintain to the extent obtainable: (1) worker's compensation insurance for Condominium employees, if any; (2) public liability insurance covering each member of the Board of Managers and each Unit Owner in such limits as the Board of Managers may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit. The Board of Managers shall review such limits once each year. The public liability insurance will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 covering all claims for bodily injury with respect to any one occurrence.

If, by reason of the occupancy or use of any particular Unit, the rate of fire or liability insurance for the Property shall be increased, such Unit Owner shall (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Use of Units

The Residential Units may be used only for private residences. However, a Residential Unit Owner may use his or her Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinances and provided further that the prior written consent of the Board of Managers to such professional use is obtained. No illuminated or other sign may be used in connection with the aforementioned use.

Sponsor, so long as Sponsor owns at least one (1) Unit may, without the consent of the Board of Managers, cause the Building's amenity spaces and lobby to be filmed or photographed for sales, promotional, or any other purpose that Sponsor deems reasonable, during regular business hours, subject only to the requirements of applicable Law.

Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Residential Units or Residential Common Elements, nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Residential Unit therein or adjoining Residential Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by the Sponsor, its designee, and the Board of Managers, or its agent, to place "For Sale," "For Rent," or "For Lease" or similar signs on any Unsold Units or unoccupied Units. Sponsor and its designee shall have the right to place "For Sale", "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building or on the facade of the Building without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs. Additionally, the right is reserved by Sponsor and its designee to (i) maintain staff in one or more vacant and Unsold Units in the Building as a sales office and/or model Unit, (ii) maintain staff in the Common Elements for the purpose of marketing Unsold Units and (iii) maintain staff in all portions of the Building for the purpose of completing construction on the Building and to otherwise comply with its obligations under the Plan.

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

Except as elsewhere provided, no exterior of any Residential Unit or the windows or doors thereof or any other portions of the Common Elements shall be painted or decorated by any Residential Unit Owner in any manner without prior written consent of the Condominium Board.

No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or in other Common Elements.

No Unit Owner shall make or permit any noise that will disturb or annoy the occupants of any of the Units in the Building or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.

Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, any dirt or other substances. In addition, where applicable, each Unit Owner shall keep his or her terrace(s) and terrace drain(s) free of debris.

Except as otherwise provided above, no exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers or as required by Law.

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

All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct. Unit Owners shall be responsible for complying with all applicable recycling laws pertaining thereto.

No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit or its appurtenant Limited Common Elements.

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

No Residential Unit Owner shall engage any employee of the Condominium for any private business of the Residential Unit Owner without prior written consent of the Residential Board.

No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) shall permitted be kept or harbored in any Residential Unit unless the same in each instance be expressly permitted in writing by the Residential Board. Any such consent, if given, shall be revocable at any time by the Residential Board. In no event shall any Unit Owner maintain more than two (2) pets (other than fish) in a Residential Unit without the consent of the Residential Board and in no event shall any animal be permitted in any of the public portions of the Building unless carried or on a leash. The individual Residential Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having any animal in the Building. 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. The Board of Managers shall have the right to prohibit an animal from residing or visiting the Building if, in the Board's judgment, such animal creates a nuisance, health hazard or an unsanitary condition.

No radio or television aerial or dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers.

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

The Board of Managers or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

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

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

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

No Unit Owner shall interfere in any manner with any portion of the Common Elements which are not appurtenant to the Unit Owner's Unit.

Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his family members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit or Limited Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Limited Common Elements.

The exterior of all front doors of Residential Units shall not be painted or decorated other than with the consent of the Residential Board. .

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

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

No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or Unit Owners above, below and to each side of other Units; nor shall any nuisance or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

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

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 eliminated, by and at the sole expense of the Unit

Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

Smoke detectors and carbon monoxide detectors must be installed in every Residential Unit as required by New York City Building Code. It is the obligation of the Residential Unit Owner to maintain the alarms and to make certain the units are in working order at all times.

Portions of all curtains, drapes, shades or blinds ("Window Treatments") in each Unit which are visible from the exterior of the Building shall be white to give the Building a uniform exterior appearance. Such Window Treatments shall be hung from each such window within sixty (60) days of the Closing Date, unless otherwise provided by the Board in writing. Notwithstanding the foregoing, under no circumstances shall newspapers, blankets, bed sheets, clothes or other articles of any kind be hung in such windows in lieu of Window Treatments.

The cost of maintenance and repair of the sidewalks, and adjacent curbs, including keeping them free from snow, ice, dirt and rubbish, shall be the responsibility of the Condominium, to be charged to all Unit Owners as a Common Expense.

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

Plantings on any terrace or balcony shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace or balcony surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace or balcony, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. No planter shall be placed on any private terrace area or balcony if it imposes a load exceeding 60 pounds per square foot, without the express written consent of the Board and, if required, the New York City Department of Buildings.

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

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

Real Property Law §339-kk

Subsection kk to Section 339 of the Real Property Law ("RPL"), a copy of which is set forth in Part II of the Plan, was enacted into law July 22, 1998. RPL §339-kk is intended to provide additional financial protection for a condominium association if a sponsor or other non-occupant owner fails to make monthly payments for Common Charges, Special Assessments and late fees due in connection with such owner's Condominium Unit(s).

RPL §339-kk provides, by its terms, among other things, that with respect to unsold units of a condominium owned by a sponsor or by any other non-occupant owner and occupied by a tenant:

(a) If payment of common charges, assessments or late fees by any non-occupant condominium unit owner is more than sixty (60) days late after the expiration of any grace period within which they are due, payments from a tenant of such condominium unit may become directly payable to the condominium upon written notice by the condominium to the tenant and the non-occupant condominium unit owner. Where a majority of the condominium board has been elected by condominium unit owners who are in occupancy of their respective condominium units, the condominium board may elect not to require that the rental payments be paid to the condominium. Once the common charges, assessments and late fees of the non-occupant condominium unit owner have been brought current, the condominium board must notify the non-occupant condominium unit owner and the tenant within three (3) business days and thereafter the rent will be payable to the non-occupant condominium unit owner or a designated agent.

(b) Payment by a tenant of rent or the amount required pursuant to the tenant's lease or statutory tenancy to the Condominium pursuant to the RPL §339-kk, relieves the tenant from the obligation to pay rent to the non-occupying condominium unit owner.

(c) Any rights existing under any other laws are not limited by RPL §339-kk.

(d) A non-occupant condominium unit owner who disputes the condominium's claim to rental payments is entitled to present facts supporting such owner's position at the next scheduled meeting of the condominium board, which must be held within thirty (30) days after

receipt of notice that the non-occupant condominium unit owner seeks to dispute the condominium's claim.

Sponsor makes no representation or guarantee that any Unit Owner (other than Sponsor), any tenant, or the Condominium, will in fact comply with RPL §339-kk, and Sponsor shall have no liability for their failure to do so.

RPL §339-kk does not address a number of issues. Accordingly, Sponsor makes no representation as to (i) RPL §339-kk's effect on the lien priority of a loan heretofore or hereafter made to a non-occupant Unit Owner and secured by the Unit, or whether RPL §339-kk's enactment or compliance therewith by a tenant constitutes a default by the Unit Owner under said loan, (ii) RPL §339-kk's effect on assignments of leases and rents given by a non-occupant Unit Owner to a mortgagee in connection with purchase-money financing or otherwise, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Condominium Board after notice from the Condominium Board (in accordance with RPL §339-kk) to do so, (iv) the consequence of the Condominium Board's failure to give notice to a tenant, or (v) who is responsible for designating an agent to whom rental payments are to be made after the non-occupant Unit Owner is brought current in payment of common charges, assessments and late fees.

Finally, no representation is made about the tax effects of RPL §339-kk.

All prospective Purchasers should review RPL §339-kk to determine its effect on their own situation.

REAL ESTATE TAXES

Real estate taxes are assessed and collected by the City of New York. The Property will be classified as a Tax Class 2 property (Residential Units) and Tax Class 4 (Commercial Units) upon completion of the improvements.

Each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will his Unit subjected to, any lien arising from the non-payment of taxes on other Units.

Until the Units are separately assessed, the Condominium Board will pay all real estate taxes with respect to the property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest. Such allocation shall be final; there will be no adjustment of real estate taxes subsequent to the allocation by the Condominium Board.

Real Estate Tax Benefits

Pursuant to Section 421-a of the Real Property Tax Law, Sponsor anticipates the Property to be exempt from real estate taxes, other than assessments for local improvements, upon any increase in assessment over the "prior assessed value" of the Property ("421-a Benefits"). The 421-a Benefits term is for the construction period or three (3) years, whichever is earlier, and twenty (20) years post-construction, as disclosed below. Construction is deemed to be complete upon the issuance of at least a temporary Certificate of Occupancy which covers all Residential Units.

The Section 421-a "prior assessed value" is the lower of the actual or transitional assessed value of the Land and Building (if any) during the tax year prior to the commencement of construction. Sponsor purchased the Property from another developer that had partially constructed the Building's foundation in the 2007/2008 tax year. In the event that, upon reviewing the 421-a Benefits application, the New York City Department of Housing Preservation and Development ("HPD") determines that the basis for the "prior assessed value" of the Property is the commencement of construction by the prior developer, then construction commencement shall be deemed to have been in the 2007/2008 tax year and the Section 421-a "mini-tax" will be based on the transitional assessed value of the Property during the 2006/2007 tax year, which is $2,026,926. After Sponsor acquired title to the Property, it applied for, and received, its own "new building" permit from the New York City Department of Buildings in the 2013/2014 tax year. If HPD determines that such "new building" permit is the basis for construction commencement, then the 421-a "mini-tax" will be based on the transitional assessed value of the Property during the 2012/2013 tax year, which is $4,227,377. Real estate taxes based on the prior assessed value may be higher or lower depending on the tax rate in effect in a given tax year.

The schedule for the twenty (20) year post-construction partial 421-a real estate tax exemption is as follows: one hundred percent (100%) exemption on any increase in the assessed value of the Property over the "prior assessed value" for years one (1) through twelve (12), commencing on the July 1st following the taxable status date (January 5) after receipt of at least a temporary or permanent Certificate of Occupancy covering all Residential Units in the Building; eighty percent (80%) exemption in years thirteen (13) and fourteen (14); sixty percent (60%) exemption in years fifteen (15) and sixteen (16); forty percent (40%) exemption in years seventeen (17) and eighteen (18); and twenty percent (20%) exemption in years nineteen (19) and twenty (20), with full real estate taxes due and payable commencing with the twenty-first (21th) year. In the event that HPD determines that the Section 421-a "mini-tax" is based on the assessed value of the Property in the 2006/2007 tax year, then the twenty-year Section 421-a Benefits will be implemented retroactively to the 2012/2013 tax year, in which case Sponsor anticipates that the First Unit Closing would coincide with the fifth year of 421-a Benefits. However, if HPD determines that the Section 421-a "mini-tax" is based on the assessed value of the Property in the 2012/2013 tax year, then the twenty-year Section 421-a Benefits would commence during the first year of Condominium operation.

Sponsor represents that it will use reasonable efforts to obtain 421-a Benefits. Sponsor will keep all records required by HPD to obtain 421-a Benefits and will make said records available to HPD whenever reasonably requested to do so. Sponsor will make all 421-a Benefits documents available to the Condominium upon request, for inspection and copying for the duration of the 421-a Benefits.

Notwithstanding anything above or in the attached letter to the contrary, Sponsor makes no representation or warranty that the Building will receive Section 421-a Benefits, and no representation or warranty as to the date such 421-a Benefits will take effect if they are received. In the event that 421-a Benefits are not granted for any reason, then the real estate tax obligation for the Units will be based on the Units' assessed valuation, as determined by the New York City Department of Finance, multiplied by the then-applicable tax rate and, as a result, real estate taxes would be significantly higher than if the Section 421-a Benefits had been granted.

Effect of Expiration of 421-a Benefits on All Unit Owners

As 421-a Benefits, if granted, phase-out and expire, the Department of Finance will impose real estate taxes that are substantially higher than the estimated real estate taxes disclosed in **Schedule A** to the Plan. As of the Filing Date, it is not the policy of the Department of Finance to skew real estate taxes in favor of any Unit, and real estate taxes will not be subsidized by any other Unit Owner. Also, Purchasers are advised that the real estate taxes imposed by the Department of Finance during the 421-a Benefits phase-out period, and thereafter, will likely be higher than the projected real estate taxes without 421-a Benefits that are disclosed in the real estate tax analysis by Sponsor's real estate consultant, Israel Schechter, PLLC, which is located in Part II of this Plan. SPONSOR MAKES NO PROJECTION OR OTHER REPRESENTATION ABOUT THE REAL ESTATE TAXES THAT THE DEPARTMENT OF FINANCE WILL IMPOSE ON THE UNITS BEYOND THE FIRST YEAR OF CONDOMINIUM OPERATION.

Real Estate Tax Projections

Prospective Purchasers are advised to read the full text of the real estate tax analysis by Sponsor's real estate consultant, Israel Schechter, PLLC ("Schechter"), located at 570 Lexington Avenue New York, New York 10022, located in Part II of this Plan, for details about the projected real estate tax assessments, both with and without 421-a Benefits.

SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS, OR THE TAX RATE WILL NOT BE CHANGED.

There is no assurance the taxing authority will allocate taxes based on relative apartment size, apartment height, and unit-specific features, as provided in the analysis by Schechter. It is therefore possible that owners of Units having the same percentage of Common Interest will pay different amounts of real estate taxes.

No representation or warranty can be made as to (a) whether there will be (i) a further increase in the actual valuation of the Property during the projected budget year or (ii) an increase in the assessed valuation of the Property by reason of the condominium conversion or otherwise, or (b) the method of determining the assessed valuation (whether on a rent roll, market or other basis) or (c) the amount of any increase in the assessed valuation of the Property.

Purchasers should note that in the absence of the 421-a Benefits, if the assessed valuation of the Property for real estate tax purposes is increased at any time as result of improvements to the Property or for any other reason, then greater amounts of real estate taxes than is shown in the Schechter assessed valuation analysis may be due with respect to the Property.

Real estate taxes paid by Sponsor are one of the items to be adjusted between Sponsor and each Purchaser at the Closing of each Unit. In addition, at Closing, each Purchaser will be required to deposit with Sponsor a sum equal to the estimated real estate taxes attributable to his Unit for the period of six months following the next tax period. The Sponsor shall utilize such fund to pay the real estate taxes against the Property, until such time as each Unit is separately assessed. See the Section entitled "Unit Closing Costs and Adjustments" in Part I of this Plan for further discussion.

The By-Laws provide that the Board is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect Unit Owners, for the benefit and on behalf of (i) all Unit Owners, or (ii) for individual Unit Owners, provided that each such Unit Owner indemnifies the Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

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

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

As fully set forth in the tax opinion of Seiden & Schein, P.C. counsel to the Sponsor, found in Part I of this Plan (the "Tax Opinion"), under present law, a Unit Owner will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid or accrued under Sections 163 and 164.* These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion. These deductions may also affect an individual Unit Owner's liability for the alternative minimum Federal income tax. Each individual Unit Owner will, for New York State and New York City income tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid or accrued during the taxable year. Such deductions may also affect his or her New York City minimum tax liability.

Once the Building is converted to condominium ownership, the affairs of the Condominium will be governed by a Condominium Board. Common Charges will be borne by all Unit Owners and assessed and collected by the Condominium Board. Under present law, the exact tax status of the Condominium Board is uncertain and no opinion has been rendered with respect to it. The Federal income tax consequences to the Condominium Board with respect to the receipt of the Common Charges and of the expenditure of Condominium funds will depend on whether the Condominium Board:

(i) is treated as a conduit,

(ii) qualifies and elects to be taxed under Section 528, or

(iii) is treated as a corporation.

If the Condominium Board is treated as a conduit, it will not be subject to tax. Rather, items of income, expenses, credits and deductions will be attributed to each Unit Owner in proportion to his Common Charges. Thus, for example, interest earned on funds reported by the Condominium Board would be taxed to the Unit Owners. There appear to be no judicial precedents directly supporting such treatment, and the position of the Internal Revenue Service (the "Service"), which is described more fully below, appears to be that a condominium management association is an association taxable as a corporation.

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* All section references are to the Internal Revenue Code of 1986 (the "Code") unless otherwise indicated.

If it satisfies the requirements of Section 528, the Condominium Board may elect to be exempt from Federal income tax on the Common Charges. Generally, those requirements are:

(i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;

(ii) Sixty percent (60%) or more of the gross income of the condominium management association must consist of assessments from residential unit owners ("Exempt Function Income");

(iii) Ninety percent (90%) of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;

(iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments; and

(v) Substantially all of the units must be used as residences.

Under the Treasury regulations issued pursuant to Section 528, a condominium management association must qualify annually for the election under Section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue. It appears that the aforementioned requirements will be met for a Section 528 election for at least the first year of operation.

A condominium management association meeting the requirements of Section 528 and electing to be exempt from Federal income tax on Exempt Function Income would be taxable at a rate of 30% on the amount by which its other income exceeds the amount of allowable deductions that are directly connected with the production of such income. Such an association, however, would not be allowed certain deductions that are available to corporations that are not taxable under Section 528.

If the Condominium Board either cannot qualify or chooses not to elect the benefits of Section 528, certain published rulings of the Service implicitly state that a condominium management association will be treated as an association taxable as a corporation. Consequently, unless a valid election pursuant to Section 528 has been made, it appears that the Condominium Board would be taxable on that portion of the Common Charges which exceeds the deductible expenses paid or incurred by the Condominium Board for the operation of the Condominium property. The Condominium would also be taxable on income derived from the interim investment of the Common Charges, on income from nonresidential leases of Common Elements, and on income from the operation of facilities that are available to outsiders, net of deductible expenses related to the production of such income.

If the Condominium is treated as a corporation for Federal income tax purposes, the Condominium Board might still contend that a portion of the Common Charges that it receives should not be included in its gross income. For example, published rulings of the Service indicate that assessments collected by a condominium management association and expressly designated for use for specified capital improvements that are owned in common, and which are not commingled with funds collected for operating expenses or as contingency reserves, should not be included in the gross income of a condominium management association. No part of such an assessment may, however, be expended by the condominium management association for the benefit of an individual owner.

In addition, in connection with assessments for ordinary operating expenses, such as the Common Charges, a condominium management association may not have any taxable income if the expenses of the condominium management association with respect to managing, operating, and replacing the common elements of the Condominium either equal the assessment or any excess amount is annually returned to unit owners or applied to the next year's assessment. Based on the facts in existence at the present time, it appears that the Condominium Board is unlikely to have a substantial amount of income other than the Common Charges.

If Section 528 is not applicable, moreover, the Service has noted that a condominium management association may be eligible for the tax treatment afforded to certain cooperatives under Subchapter T of the Code. However, there is very little guidance with respect to the applicability of these provisions to an association managing residential condominium units since generally only farming cooperatives avail themselves of these provisions.

If the Condominium Board makes additional assessments to cover the amounts of any Federal, New York State, or New York City tax liability incurred, such additional assessments may also be taxable to the Condominium.

The foregoing summary is for informational purposes only and Sponsor's counsel expresses no opinion with respect to the likelihood of which method of taxation will be applied to the Condominium.

IRS Circular 230 Disclosure: In May 2005 the U.S. Treasury Department amended the regulations known as "Circular 230," which, among other things, set forth rules and standards with respect to the rendering of Federal tax advice. In general, the amended rules require such Federal tax advice to include a certain level of detail and discussion and to satisfy certain other requirements, unless the advice meets certain exceptions or is accompanied by a disclosure of certain limitations of the advice. In compliance with Circular 230, the following disclosure sets forth these limitations. Specifically, taxpayers are hereby informed that (i) this Offering Plan was not intended or written to be used, and it cannot be used, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this Offering Plan was written to support the promotion or marketing of the transactions(s) or matter(s) addressed in this Offering Plan; (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

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OF COUNSEL:
DAVID F. YAHNER

COUNSEL'S TAX OPINION LETTER

July 25, 2014

Toll First Avenue LLC
75 Broad Street, Suite 2100
New York, New York 10004

RE: Condominium Offering Plan ("the Plan") for 959 First Avenue, New York, New York

Gentlemen:

You have requested our opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes (but not for purposes of the New York City earnings tax on nonresidents) to persons who purchase Units for private residential use ("Unit Owners") under the Plan and (ii) the proper treatment by the Condominium Board for such income tax purposes of the Common Charges paid or borne by all Unit Owners. Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the Plan.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986 ("Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder and such other materials as we deemed relevant, and we have assumed that the first closing under the Plan will occur in 2017.

I. Deductions for Mortgage Interest and Real Estate Taxes

A Unit Owner will own his Unit and its Appurtenant Interest in the Common Elements in fee simple absolute. Accordingly, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will be individually liable for the payment of such real estate taxes. A Unit Owner, per terms of the Offering Plan, may also mortgage such Unit(s) and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness.

In our opinion, a non-corporate Unit Owner who itemizes his deductions will be entitled to a deduction in computing his taxable income for Federal income tax purposes for bona fide mortgage interest incurred with respect to his Unit in the year paid or accrued provided that, up to the aggregate amount of $1,000,000.00 for all qualifying mortgages on all qualifying Units, A) the mortgage does not exceed the lesser of (i) the Owner's original basis in his Unit plus the cost of improvements, if any, or (ii) the fair market value of the Unit and B) his Unit is a "qualified residence." A Unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" as that term is defined by Section 1034 or (ii) a residence as defined by Section 280A(d)(1) and the Owner selects it as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. In the case of a married couple filing separate returns, each taxpayer may take into account a single "qualified residence," unless by written agreement they consent to one of them taking into account a principal residence and one other residence. Under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

In our opinion, a Unit Owner whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid or accrued under Section 164 of the Code.

It is also our opinion that each Unit Owner whose Unit is used in an active profession and/or trade or business, other than the rental of such Unit, in which the Unit Owner materially participates, will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid or accrued under Section 164 of the Code.

Other rules are applicable to a Unit Owner if the Unit is to be used in a trade or business or is to be held for rental. In these cases, the Tax Reform Act of 1986 will have broad impact, and no opinion is offered as to the consequences to such a Unit Owner.

It is also our opinion that each Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. Section 615 of the New York State Tax Law.

It should be noted, however, that the benefit of a Unit Owner's deductions for interest and real estate taxes may be reduced if the Unit Owner is subject to the Federal alternative minimum tax, or the State or City minimum taxes (Section 55 of the Code; Sections 615 and 622 of the New York State Tax Law; Sections 11-1715 and 11-1722 of the New York City Code). In addition, it should be noted that state and local taxes, including real estate taxes, are not deductible for purposes of calculating an individual's federal alternative minimum taxable income, and that interest with respect to a "qualified

residence" is generally deductible only to the extent incurred in acquiring, constructing or rehabilitating a "qualified residence" or in refinancing, without an increase in the principal amount thereof, such an indebtedness; the difference in the treatment of these and other items, for federal alternative minimum tax purposes may result in a taxpayer becoming subject to such tax even though he has no items of tax preference.

It should be noted that our opinion as to the availability of deductions to a Unit Owner with respect to mortgage interest and real estate taxes in connection with his or her Unit used in an active profession and/or trade or business, other than the rental of such unit, is based on the assumption that such owner will have "at risk," within the meaning of Section 465 of the Code, in such profession, trade or business, an amount equal to, or in excess of his losses in connection with said profession, trade or business, including such deduction.

II. Common Charges

Common Charges will be borne by the Unit Owners and assessed and collected by the Board of Managers ("Condominium Board").

Under Section 528 some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. Generally, these requirements are:

(i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance and care of association property;

(ii) Sixty percent or more of the gross income of the condominium management association must consist of assessments from residential unit owners ("Exempt Function Income");

(iii) Ninety percent of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;

(iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments; and

(v) Substantially all of the units must be used as residences.

Under the Treasury regulations issued pursuant to Section 528, a condominium management association must qualify annually for the election under Section 528, and

additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

It appears, based upon your representations to us, that the requirements will be met as the Offering Plan is currently structured. With respect to requirement (v) above "Substantially all" is interpreted in Treasury Regulation 1.528-4(b) as meaning at least 85% of the total square footage of all units in the project. Since more than 85% of the total square footage of the units in the project will be used as residences, the "Substantially all" requirement is met.

Assuming the Condominium Board is eligible to make a Section 528 election, it would still be subject to tax on any income not received as assessments or other such payment from Unit Owners; thus, if the Condominium Board realized interest income from funds on deposit, such interest may be taxable to it.

If an election under Section 528 is not in effect for the taxable year, the tax status of the Condominium Board will be governed by the rules in effect prior to the enactment of Section 528 ("existing law").

Under existing law, the tax status of the Condominium Board is uncertain. The Bylaws provide that the Condominium Board will act as the agent of the Unit Owners. Thus, the Condominium Board may take the position that it is simply a conduit for receipts and payments of the Unit Owners for whom it acts as agent and not a separate entity. In such case, the Unit Owners would themselves be taxable on any interest or similar income which is earned from investments of the amounts which are assessed and collected from the Unit Owners and/or held as reserve funds.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board, constitute an association taxable as a corporation. In such event, such association may be deemed subject to the Federal corporate income tax (and also to New York State and New York City corporate income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for Federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected (Revenue Ruling 75-370, 1975 - 2 Cumulative Bulletin 25), or because the

assessed Common Charges are deemed to be nontaxable contributions to the capital of the association (Revenue Ruling 75-371, 1975 - 2 Cumulative Bulletin 52, *cf.* Concord Village, Inc., 65 T.C. 142 (1975)). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributions of associations, a distribution is first treated as taxable ordinary income to the extent of the distributee's proportionate share of the association's earnings and profits, then as a tax-free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

In this connection, it should be noted that if the Condominium Board is determined to be a separate taxable entity for federal income tax purposes, it is possible that the limitations of Section 277 may be found to apply. If this were the case, the Condominium Board's income from sources other than Unit Owners, if any, could not be offset by the Condominium Board's expenses incurred in the provision of services to Unit Owners. It is unclear how interest or other income earned on the investment of a required reserve fund would be treated for this purpose; if such income were treated as not derived from the Unit Owners in consideration of services rendered them by the Condominium Board, then such income may not be reduced by the Condominium Board's operating expenses with respect to the property and may result in a liability for taxes.

In the event that the Condominium Board is required to pay any Federal, New York State or New York City income tax and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax (*see* Old Colony Trust Co. v. Commission, 279 U.S. 716 (1929); Revenue Ruling 74-75, 1974 - 1 Cumulative Bulletin 19; Revenue Ruling 86-14 I.R.B. 1986-5, 33).

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan of a Unit under the laws of any other U.S. or foreign jurisdiction.

Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business, other than set forth herein, or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units or Limited Common Elements are acquired and/or leased by the Condominium Board. It is also to be noted that under certain circumstances an owner of any Unit, by virtue of such ownership, may be deemed to become a resident of New York City and that this opinion does not deal with the circumstances under which this may occur, or with the income, estate or other tax

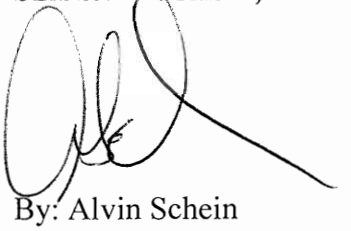
consequences that may arise therefrom. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

In our opinion, Unit Owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or rulings of the Internal Revenue Service on which counsel relied which cause Unit Owners not to be entitled to income tax deductions.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan.

IRS Circular 230 Disclosure: In May 2005 the U.S. Treasury Department amended the regulations known as "Circular 230," which, among other things, set forth rules and standards with respect to the rendering of Federal tax advice. In general, the amended rules require such Federal tax advice to include a certain level of detail and discussion and to satisfy certain other requirements, unless the advice meets certain exceptions or is accompanied by a disclosure of certain limitations of the advice. In compliance with Circular 230, the following disclosure sets forth these limitations. Specifically, taxpayers are hereby informed that (i) this Offering Plan was not intended or written to be used, and it cannot be used, by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer by the IRS; (ii) this Offering Plan was written to support the promotion or marketing of the transactions(s) or matter(s) addressed in this Offering Plan; (iii) the taxpayer should seek advice based on taxpayer's particular circumstances from an independent tax adviser.

Very truly yours,
SEIDEN & SCHEIN, P.C.



By: Alvin Schein

RESERVE FUND

A reserve fund is being established for the Condominium during the first year of Condominium operation, through the collection of Common Charges. The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may, decide in future years to increase or decrease the reserve fund line item in the Condominium's annual budget, or the Condominium Board may impose a Special Assessment on Unit Owners.

WORKING CAPITAL FUND AND APPORTIONMENTS

Each Purchaser of a Unit shall be required at the Closing of such Unit to make a contribution to the working capital fund of the Condominium (the "Working Capital Fund"). Such contribution shall be in an amount equal to two (2) month's Common Charges in effect for such Unit(s).

At the First Unit Closing, Sponsor will apportion with the Board the following items as of midnight of the date preceding said Closing:

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

(2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any;

(3) charges for electricity and other utilities for the Common Elements and the Limited Common Elements;

(4) cost of fuel on hand (plus sales tax), if any;

(5) charges and receipts in connection with service, maintenance and concession contracts;

(6) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);

(7) cost of Building supplies on hand at Sponsor's cost (including sales tax);

(8) premiums for transferable insurance policies; if any;

(9) management fees; and

(10) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Unit Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Unit Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real

Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

The Working Capital Fund will be held and used for working capital, or such other appropriate purposes as will be determined by the Board and may be augmented by allocations from the monthly Common Charges collected from each Unit. While Sponsor controls the Board (see the Section entitled "Control By Sponsor" in Part I of this Plan), the Working Capital Fund will not be used to reduce estimated Common Charges.

The Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges or Common Charges attributable to Unsold Units.

In the event that capital expenditures for renewal or replacement of Building components or systems or to remedy major building defects are needed, it may be necessary to increase Common Charges or make special assessments payable by Unit Owners who are responsible for the repair and replacement of the Common Element in need of such renewal, replacement or remedy. Alternatively, the Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the By-Laws each Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets.

When the Condominium initially commences operation, it may be necessary for the Sponsor to advance funds for the purchase of certain equipment, tools and other essential items and/or to pre-pay certain expenses such as, but not limited to, insurance. In the event that Sponsor advances any monies for the initial operation of the Condominium, the Sponsor shall be reimbursed by the Condominium within twelve (12) months of the first day of Condominium operation pursuant to a note that will be signed by both Sponsor and the Board of Managers. As of the Filing Date, it is not possible to estimate the amount of the note. If the Condominium does not have sufficient funds to timely reimburse Sponsor, it may be necessary to impose a Special Assessment on each Unit Owner.

NO REPRESENTATION OR WARRANTY IS MADE THAT THE WORKING CAPITAL FUND WILL BE, OR IS INTENDED TO BE, ADEQUATE TO COVER CURRENT OR FUTURE EXPENSES, FOR THE FIRST OR ANY SUBSEQUENT YEAR OF CONDOMINIUM OPERATION. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

MANAGEMENT AGREEMENT

At or prior to the First Unit Closing, the Condominium Board will enter into a management agreement with a managing company to manage the Condominium (the "Managing Agent"). Sponsor has received a proposal from Douglas Elliman Property Management, which an office at 675 Third Avenue, New York, New York 10017 ("DEPM"), to be the Managing Agent. However, Sponsor reserves the right to substitute another Managing Agent for DEPM prior to the First Unit Closing on substantially the same terms as proposed by DEPM. During the initial term of the management agreement with DEPM (the "Management Agreement"), the Managing Agent will receive a stated annual fee of $60,000.00, to be paid in advance in equal monthly installments on the first day of each month. If either party fails to perform or abide by its material obligations under the terms of the Management Agreement, the other party shall have the right to terminate the Management Agreement on at least thirty (30) days prior written notice, unless such default is cured within such thirty (30) day period. The Management Agreement may not be assigned by either the Board or Managing Agent. The Condominium Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or wilful failure to comply with its obligations under the Management Agreement.

All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium Board and charged to the Unit Owners as a Common Expense. Any payments made by the Managing Agent shall be made out of such funds as the Managing Agent may from time to time hold for the account of the Condominium, or as may be provided by the Condominium.

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

1. Supervise Building employees as necessary;

2. Cause the Building to be maintained in such condition as may be advisable by the Board;

3. Recommend and, with the approval of the Board, cause all such acts and things to be done in or about the Building as shall be necessary or desirable to comply with any and all orders or violations affecting the Building, placed thereon by any federal, state, or municipal authority having jurisdiction thereof, and orders of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange or other similar body;

4. Procure and enter into service contracts on behalf of the Board;

5. Purchase supplies which shall be necessary to properly maintain and operate the Building;

6. Advise the Board with respect to proper insurance coverage of the Building and, if requested by the Board, cause to be procured and maintained such insurance coverage. Managing Agent shall require that any subcontractor or independent contractor brought into the Building have adequate insurance coverage as required and approved by the Board.

7. Check all bills received for services, work, and supplies ordered in connection with maintaining and operating the building, and pay or cause to be paid from funds of the Condominium, all such bills, water charges, sewer rent, assessments, and income, and other taxes assessed against the Condominium or the building as and when the same shall become due and payable;

8. Supervise the moving in and out of Unit Owners, tenants, and subtenants;

9. Billing and collecting of monthly Common Charges and Assessments from Unit Owners;

10. Consider and attend to the reasonable complaints of Unit Owners, tenants, and subtenants;

11. Cause to be rendered regular monthly statements supported by disbursement vouchers;

12. Accurately maintain the books and records of the Condominium;

13. Cooperate with the Condominium's accountants in regard to the annual audit of the books of account of the Condominium, and the preparation and filing of federal, state, and city tax returns;

14. Cooperation with the Condominium's accountants in the preparation and submission to the Board of an annual operating budget;

15. Send notices to the Board and Unit Owners, prepare agendas for, and attend meetings of the Board and Unit Owners;

16. Prepare and send out all letters and reports as the Board may reasonably request;

17. Annually, inform the Board of the tentatively assessed valuation of the Building and Land by the City of New York, and cooperate with the Board's attorneys in the preparation of an application for correction of the

assessed valuation;

18. If requested, coordinate and assist in the processing of insurance claims for losses sustained to the Building;

19. Do all things reasonably deemed necessary or desirable by the Board for the proper management of the Condominium.

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan Toll First Avenue LLC, a New York limited liability company formed on December 6, 2012. Sponsor's office address is 75 Broad Street, Suite 2100, New York, New York 10004.

Sponsor's principals are David Von Spreckelsen and Richard Hartman. Toll First Avenue LLC has not been the sponsor or a principal of the sponsor of any other cooperative or condominium conversion plan within the last five (5) years.

David Von Spreckelsen and Richard Hartman have been involved in the following condominium offerings within the last five (5) years:

NAME	ADDRESS	YEAR OF FILING
The Touraine	132 East 65th Street New York, New York	2011
205 Water	205 Water Street, Brooklyn, New York	2011
160 East 22nd Street Condominium	160 East 22nd Street New York, New York	2013
The 1110 Park Condominium	1110 Park Avenue New York, New York	2014

Mr. Von Spreckelsen founded Toll Brothers' New York City office in 2004. He is responsible for all New York City acquisitions and development, from site identification through construction and sales.

Prior to joining Toll Brothers, Mr. Von Spreckelsen was the Director of Acquisitions and Development for Silvercup Studios. At Silvercup, he oversaw the completion of The Renaissance, a 241-unit limited equity co-op in Harlem, including leasing the 65,000 square feet of retail space. Mr. Von Spreckelsen also started the re-zoning of a Silvercup site on the East River that was recently certified under ULURP at 2 million square feet of buildable space for residential, office, retail, sound stages, and cultural uses.

Mr. Hartman is the Chief Operating Officer of Toll Brothers Inc.

During the past fifteen (15) years there have been no convictions, injunctions or judgments against Sponsor or its principals.

Managing Agent

Sponsor intends to retain Douglas Elliman Property Management located at 675 Third Avenue, 6th Floor, New York, New York 10017, to manage the Building. Douglas Elliman Property Management has been in the real estate management business for more than fifty (50) years and currently manages many cooperative and condominium properties in New York City such as 1060 Fifth Avenue, 1185 Park Avenue, 1435 Lexington Avenue, 1 Sutton Place South, and 351 East 51st Street. Douglas Elliman Property Management has no financial relationship, past or present, to the Building or the Sponsor, except that it shall be paid a fee for its services.

Architect

Sponsor has retained Goldstein Hill & West Architects, LLP ("GHWA"), 11 Broadway, Suite 1700, New York, New York 10004 to prepare the Description of Property and Specifications, located in Part II of the Plan. GHWA has worked on projects such as, but not limited to, 885 Avenue of the Americas and 511 Ninth Avenue, in Manhattan. GHWA has no financial relationship, past or present, to the Property or to the Sponsor, except in its capacity as architect and is being paid a fee for its services.

Counsel to Sponsor

The Sponsor has retained the law firm of Seiden & Schein, P.C., 570 Lexington Avenue, New York, New York, 10022 (Tel. # (212) 935-1400) to represent it in the preparation and consummation of the Offering Plan. The principal attorney who is responsible for this matter is Alvin Schein, Esq. This firm drafted the Declaration, the Bylaws, this Plan, the form of Purchase Agreement, the form of Unit Deed and all other documents necessary in connection with the formation of the Condominium, and is advising the Sponsor in connection with all legal matters incidental thereto. No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by his own counsel in connection with this Plan.

Seiden & Schein, P.C. has no financial relationship, past or present, in the Property or to the Sponsor, except that it is being paid a fee for its services.

Selling Agent

The Sponsor has retained Toll Brothers Real Estate Inc., having its principal office at 80 Merritt Boulevard, Fishkill, New York 12524, as Selling Agent for this Offering Plan. Toll Brothers Real Estate Inc. is an entity which is affiliated with Sponsor.

Agent for 421-a Affordable Unit Lottery

The Sponsor has retained New York City Housing Partnership Development Corporation (the "Partnership"), having an office at 242 West 36th Street, 3rd Floor, New York, New York 10018, for assistance with the administration of the 421-a Affordable Unit lottery. The Partnership has no financial relationship, past or present, in the Property or to the Sponsor, except that it is being paid a fee for its services.

REPORTS TO UNIT OWNERS

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

(a) the financial statement of the Condominium prepared by a certified public accountant or public accountant by March 15th of each calendar year for the prior fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;

(b) a prior notice of the annual Unit Owner's meeting; and

(c) a copy of the proposed annual budget, if any, of the Condominium within ten (10) days, prior to the date set for adoption thereof by the Board of Managers. While the Sponsor is in control of the Board of Managers such budget shall be certified.

DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection for no charge, and for copying at reasonable charge, by prospective Purchasers and by any person who shall have purchased a Unit offered under this Plan, or shall have participated in the offering of such Unit, at the office of Sponsor during convenient weekday hours, and shall remain available for such inspection for a period of six years from the date of the First Unit Closing. Sponsor shall, within 180 days after the First Unit Closing, deliver to the Condominium Board a copy of all documents filed with the appropriate recording office. The Plan may also be borrowed by a prospective Purchaser from the Sponsor upon payment of a one hundred dollar ($100.00) deposit, which amount will be fully refunded upon the execution of a Purchase Agreement that has been subsequently accepted by Sponsor or upon return of the Plan in good condition.

GENERAL

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

As of the Filing Date, there were no lawsuits or other legal proceedings pending or any judgments outstanding that could materially affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof, or the Sponsor's capacity to perform all its obligations under the Plan.

To the best of Sponsor's knowledge, the Property has not been the subject of any prior public offering. As of the acceptance date of this Offering, Sponsor has not entered into any preliminary binding agreements and has not collected any money from prospective Purchasers for the sale of Units in the Building. The Sponsor has previously tested the market pursuant to Cooperative Policy Statement No. 1.

In accordance with the provisions of the laws of the State and City of New York, neither Sponsor nor any Selling Agent engaged by Sponsor will discriminate against any person because of gender, sexual orientation, race, creed, color, national origin, ancestry, disability, marital status, age, religion or other ground proscribed by law in the sale of Units offered by Sponsor pursuant to this Plan, or in the leasing of any such Units or any other portion of the Building.

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers or prospective Purchasers, without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in case of an uncured default), nor unilaterally change the purchase price or the payment terms contained in such Purchase Agreement. All substantive or material revisions to the offering will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to Sponsor and be refunded their deposits paid thereunder, with any interest earned thereon. However, as to a Purchaser who first became an interim tenant of the Building after the acceptance date of this Plan pursuant to a Purchase Agreement, such rescission will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Unit within thirty (30) days thereafter.

All statements and representations made in this Plan with respect to items prepared by others such as the Section entitled "Sponsor's Statement of Building Condition" in Part I of this Plan and the Floor Plans of the Building, have been made in reliance upon the respective firms and their authority as experts.

As of the date that this Offering Plan has been accepted for filing by the New York State Department of Law, no contracts or agreements were entered into and no deposits or advances of funds for the purchase of any Units were accepted by Sponsor.

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

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

Sponsor is not reserving the right to add floor area to the Building, except as is necessary to complete the Units being offered hereunder.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the Architect's Description of Property and Specifications set forth in Part II of this Plan. Sponsor represents that, to the best of its knowledge, the Description of Property and Specifications set forth in Part II of this Plan, prepared by Goldstein, Hill & West Architects, LLP, registered architects in the State of New York, accurately states the description of the Property and its specifications, as it will be built upon the plans that it has examined.

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Part II

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FORM OF
MARKET-RATE UNIT
PURCHASE AGREEMENT

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THE SUTTON CONDOMINIUM
PURCHASE AGREEMENT
UNIT NUMBER ____
959 FIRST AVENUE, NEW YORK, NEW YORK 10022

CONTRACT DATE: _____

RESIDENTIAL UNIT NUMBER: _____ **PERCENTAGE OF GENERAL COMMON INTEREST:** _____%

STORAGE UNIT NUMBER: _____ **PERCENTAGE OF GENERAL COMMON INTEREST:** _____%

PURCHASER(S) NAME(S):

(1) _____ (2) _____

PURCHASER(S) MAILING ADDRESS(ES):

(1) _____ (2) _____

_____ _____

BROKER (IF ANY): _____

PURCHASER'S ATTORNEY: _____

ADDRESS OF PURCHASER'S ATTORNEY: _____

_____

TELEPHONE: (____) _____ - _____ **FAX:** (____) _____ - _____

PURCHASE PRICE FOR RESIDENTIAL UNIT: $_____

10% DOWN PAYMENT FOR RESIDENTIAL UNIT: $_____

PURCHASE PRICE FOR STORAGE UNIT: $_____

10% DOWN PAYMENT FOR STORAGE UNIT: $_____

BALANCE DUE AT CLOSING: $_____

Statement of Seller

Toll First Avenue LLC, having an office at 75 Broad Street, 21st Floor, New York, New York 10004 ("Seller"), has promulgated a Plan of Condominium Ownership for The Sutton Condominium, located at 959 First Avenue, New York, New York (the "Plan") pursuant to which the land, the appurtenances and the Units (the "Units") located in the County, City, and State of New York, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser

Purchaser acknowledges as follows:

A. Purchaser acknowledges having received and read the Plan and all amendments thereto, if any, filed with the Department of Law of the State of New York (the Plan, together with all such filed amendments, if any, are hereinafter collectively referred to as the "Offering Plan") at least three (3) business days prior to Purchaser's signing this Agreement. Purchaser understands that if Purchaser has not been afforded at least three (3) business days prior to Purchaser's signing this Agreement to receive and read the Offering Plan, then in such event, Purchaser shall have seven (7) days after delivering this Agreement together with the Down Payment to rescind this Agreement and have the Down Payment refunded promptly by either personally delivering a written notice of rescission to Seller or Selling Agent with the seven (7) day period or mailing the notice of rescission to Seller or the Selling Agent and having the mailing postmarked within the seven (7) day period. The Offering Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Offering Plan, the provisions of the Offering Plan will govern and be binding.

B. Purchaser has been given an opportunity to examine the architectural plans for the above numbered Unit and for the building in which it is located (the "Building").

C. The Offering Plan, which includes the Declaration to be made by the Seller which is to be recorded in the Office of the Register of the City of New York, County of New York, and the schedules, the By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Purchase Agreement with the same force and effect as if fully set forth herein.

D. Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together with an undivided interest in the Common Elements appurtenant thereto as set forth in the Offering Plan (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit").

Agreement Between Seller and Purchaser

For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. Payment for Unit. (a) Seller hereby agrees to sell and convey, and Purchaser hereby agrees to purchase, the Unit for the Purchase Price stated above. The Down Payment(s) stated above has been made on the signing of this Purchase Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. In the event that the Down Payment check is dishonored, this Purchase Agreement shall be deemed to be terminated, and Seller shall have the right to pursue all rights and remedies available to it by law or equity. In the event that Purchaser is purchasing a Residential Unit and a Storage Unit, or more than one Residential Unit, the term "Unit" shall be deemed to be "Units" throughout this Purchase Agreement.

(b) The Balance Due at Closing, as modified or adjusted by any rider to this Purchase Agreement, shall be payable at the Closing (as hereinafter defined in Paragraph 2) by unendorsed certified or official bank check of Purchaser, or Purchaser's lender, drawn on a bank or trust company which is a member of the New York Clearing House Association (or any successor organization) to the order of Seller or as otherwise directed by Seller.

2. Closing of Title.

2.1 The closing of title to the Unit (the "Closing") shall take place on no less than thirty (30) days prior written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Seller. If Seller consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay an extra fee to Seller's attorney as set forth in Paragraph 6 hereof. Seller shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for the Closing and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. In addition to any other rights Seller may have by reason of Purchaser's failure to timely close title when requested, Seller shall be reimbursed by Purchaser for the cost of any real estate taxes and Common Charges which Seller would not otherwise have had to pay if there had been no unauthorized delay in closing of title by Purchaser.

2.2 The Closing shall occur only after or concurrently with the prerequisites as set forth under the Section entitled "Terms of Sale" in Part I of the Offering Plan.

2.3 At the Closing, Seller shall deliver to Purchaser, or direct the delivery to Purchaser of, a bargain and sale deed, with covenant against grantor's acts, conveying the Unit to Purchaser, such deed to be substantially in the form contained in Part II of the Offering Plan, executed and acknowledged by Seller or as directed by Seller in form for recording.

3. Power of Attorney to Board of Managers. At the Closing and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and

acknowledge the power of attorney to the Board of Managers substantially in the form contained in Part II of the Offering Plan. Purchaser agrees to deliver such power of attorney to Seller or as directed by Seller at the closing of title for recording and to pay the recording fee.

4. Binding Effect of Declaration, Bylaws, Offering Plan, Rules and Regulations. Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations, and the Offering Plan. The provisions of this Section 4 shall survive the Closing.

5. Condition of Title. Seller shall give and Purchaser accept such title to the Unit, as Westminster Abstract Company or any other reputable title insurance company licensed to do business in the State of New York will be willing to insure in accordance with its standard form of title policy which has been approved by the New York State Insurance Department, in fee simple, without exceptions for any liens and encumbrances other than those set forth in the Offering Plan, specifically in Part I thereof in the section entitled "Terms of Sale," and any mortgages obtained by Purchaser.

Notwithstanding the above, the existence of unpaid taxes or liens and encumbrances of any kind at the time of Closing shall not constitute an objection to title, provided that Westminster Abstract Company, as agent, or another reputable title insurer licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that Seller may pay and discharge any liens and encumbrances upon the Property, not provided for in the Offering Plan or this Purchase Agreement, out of the monies to be paid by Purchaser at the time of closing title.

6. Expenses of Closing and Closing Adjustments.

6.1 At Closing, Purchaser will pay the Closing costs and expenses referred to in the section of the Offering Plan (as same may be amended to date) titled "Unit Closing Costs and Adjustments," which costs and expenses include, but are not limited to, the amount of any credit for mortgage recording tax as set forth in such section, payment for title insurance, if Purchaser elects or is required by its lender to obtain same, recording fees for recording the Deed and Power of Attorney, New York City Real Property Transfer Tax, New York State Transfer Tax, transfer tax on Units which are $1,000,000.00 or more in price, Seller's attorney's fees for closing the Unit, and, if Purchaser obtains a mortgage loan, the costs associated with obtaining such mortgage loan. The legal fees of Seller's attorneys in the amount of $2,350.00, will be payable by Purchaser to Seiden & Schein, P.C., provided that an additional fee of $500.00 per Closing shall be due and payable for any Unit closing which occurs in a location other than in the office of Seller's attorneys. An additional sum of $350.00 shall be payable by Purchaser to Seller's attorneys for services rendered in connection with the review and clearing of title. An additional fee of $500.00 shall be due and payable to Seller's attorneys for any previously scheduled Unit Closing which is adjourned by Purchaser less than five (5) business days before such Unit Closing is scheduled to occur. A further fee of $500.00 shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment of a Purchase Agreement that is permitted by Seller. Assignments are permitted only pursuant to the terms of the Offering Plan. Any fees payable to Seller's attorney by Purchaser will be paid by certified check or official bank check drawn on a bank or trust company which is which is a member of the New York Clearing House Association or any successor organization. At Closing, Purchaser will also pay to the Board of Managers a sum equal to two (2) months of Common Charges then in effect for

the Unit being purchased as a contribution toward the Working Capital Fund of the Condominium.

6.2 Except as otherwise provided in this Purchase Agreement or in the Offering Plan, real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Offering Plan. Any such expenses or adjustments payable to Seller in excess of $500.00 will be paid by unendorsed certified check or official bank check drawn on a bank or trust company which is a member of the New York Clearing House Association (or any successor organization). This paragraph shall survive the Closing.

6.3 If Seller obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on the Unit, Purchaser and Seller will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing.

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

7. Purchase Agreement Subject to Mortgages. Purchaser agrees that all terms and provisions of this Purchase Agreement are and shall be subject and subordinate to the lien of any mortgage(s) heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 7, however, as of the conclusion of the Closing the only mortgage(s) to which the Unit will be subject to a title exception will be the mortgage(s) obtained by Purchaser.

8. Mortgage Application.

8.1 A Purchaser who desires mortgage financing shall in good faith make a truthful and complete loan application to TBI Mortgage Company ("TBI"), 250 Gibraltar Road, Horsham, Pennsylvania, 19044, (Telephone: 1-866-327-8173) at no cost to Purchaser within fourteen (14) days of Purchaser's execution of this Purchase Agreement ("Mortgage Application Period"), under the conditions herein stated. Purchaser may also submit an application, at Purchaser's own expense, to any mortgage lender of Purchaser's choosing within the Mortgage Application Period. If Purchaser chooses to apply to a lender other than TBI, Purchaser shall, within the Mortgage Application Period, complete and return to Seller the Request for Lender Information form attached as **"Exhibit A"** to this Purchase Agreement.

8.2 Purchaser shall furnish, within five (5) days of any request, all information required by any lender. Purchaser agrees immediately to send Seller copies of any notice

from Purchaser's lender(s) rejecting Purchaser's loan application(s). If Purchaser is not approved for a mortgage within sixty (60) days after the date of Purchaser's execution of this Purchase Agreement, Seller shall have the right (but not the obligation) to extend the mortgage application approval process until such time as: (1) Seller submits a loan application on substantially the same terms described TBI loan application to one (1) additional lender chosen by Seller, with no additional application fee to Purchaser, or (2) Seller declares this Purchase Agreement null and void in which event all sums paid on account of the Purchase Price and extras shall be returned to Purchaser with interest, if any earned thereon, and neither party shall have any further rights or liabilities hereunder.

8.3 Purchaser agrees within five (5) days of receipt (i) to accept a loan commitment from the lender that Purchaser intends to use for settlement and (ii) to mail an executed copy of the commitment to Seller. Purchaser further agrees to execute all documents and pay all fees required to consummate the mortgage transaction. SPECIAL RISKS: By accepting the loan commitment, Purchaser agrees to be responsible for and bear the risk of meeting all conditions, if any, including but not limited to, the sale of other real estate presently owned by Purchaser. Purchaser's failure to fulfill any of such conditions or the termination or expiration of the mortgage commitment after it is received, for any reason, shall not release Purchaser from its obligations under this Purchase Agreement. Purchaser shall be obligated to close title to the Unit irrespective of whether Purchaser's lender funds Purchaser's mortgage loan.

8.4 If Purchaser has no intention to seek financing from any lender, then Purchaser is required to sign the "True Cash Sale Endorsement," in the form attached to the Purchase Agreement as **"Exhibit B,"** which excuses Purchaser from the obligation to complete and return the TBI Mortgage Application. Purchaser understands and acknowledges that by signing the True Cash Sale Endorsement, Purchaser will lose the opportunity to seek financing from TBI and Purchaser's desire to purchase a Unit will be evaluated on Purchaser's present financial ability to complete the purchase without financing.

9. Default by Purchaser. If Purchaser shall fail to pay any portion of the Purchase Price when due, or shall fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 2 hereof, or shall fail to perform any of Purchaser's other obligations hereunder (including, without limitation, the obligation to furnish any lender promptly with such information as such lender may require), Seller may send notice to Purchaser of Seller's intention to cancel this Purchase Agreement if such default shall not be cured within thirty (30) days from the mailing date of such notice. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS PURCHASE AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date of such written notice, Seller may (but shall not be obligated to) elect to cancel this Purchase Agreement by notice of cancellation to Purchaser sent after the cure period has expired. In the event that Seller shall elect so to cancel this Purchase Agreement, Seller shall certify to its attorneys, Seiden & Schein, P.C., that title has not closed because of Purchaser's default and that Seller has elected to cancel this Purchase Agreement by reason thereof, and Seiden & Schein, P.C., pursuant to Paragraph 16 hereunder, shall cause to have paid over to Seller, as liquidated damages, the Down Payment and the interest earned thereon (if any), and upon such payment being made, each of the parties hereto shall be relieved of any further liabilities or obligations hereunder, except as to provisions in this Purchase Agreement which specifically survive the cancellation of this Purchase Agreement. If this Purchase Agreement

shall be canceled by Seller pursuant to the provisions of this Paragraph 9, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Seiden & Schein, P.C. may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

10. No Assignment. Purchaser shall have no right to assign this Purchase Agreement without Seller's prior written consent, which consent may be withheld or denied by Seller for any reason or no reason. Any purported assignment of this Purchase Agreement in violation thereof shall be voidable at the option of Seller.

11. Notices. Any notice to be given hereunder shall be in writing and sent by registered or certified mail, a nationally recognized private courier (such as, but not limited to United Parcel Service), or personal delivery to Purchaser at the address given above with a copy to Purchaser's attorney (named on Page 1 of this Purchase Agreement) and to Seller at 75 Broad Street, 21st Floor, New York, New York 10004 (with copy to Seiden & Schein, P.C., 570 Lexington Avenue, New York, New York 10022, Attention: Alvin Schein, Esq.) or at such other address as either party may hereafter designate to the other in writing. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

12. No Representation. Except as herein or in the Offering Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's attorney or Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the Building services, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if any such estimate of Common Charges or expenses is incorrect, or any such income tax deduction is not permitted to Purchaser, or the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building is not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building in accordance with the Offering Plan and that Purchaser will not be relieved from its obligations hereunder by reason of any minor inaccuracy or error. Further, Seller shall not be liable for any condition to the Unit or the Common Elements of the Building which is disclosed in the section of the Offering Plan entitled "Rights and Obligations of Sponsor". All of the provisions of the Offering Plan which disclaim or limit any liabilities, warranties, or other obligations of Seller are incorporated by reference into this Purchase Agreement.

13. Recording of Deed and Power of Attorney. At the Closing, Purchaser will deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, County of New York. Such deed and power of attorney will be substantially in the forms for such documents which are set forth in the Offering Plan.

14. Binding Effect. This Purchase Agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

15. Purchase Agreement Subject to Offering Plan Becoming Effective; Seller's Right to Cancel. This Purchase Agreement is contingent upon the Offering Plan being declared effective. The Offering Plan may be abandoned by Seller at any time for any reason or no reason prior to its being declared effective, provided Purchase Agreements for not more than 80% of the Units have been fully executed, delivered, and accepted. If the Offering Plan is abandoned prior to becoming effective, this Purchase Agreement shall be deemed canceled, and the Offering Plan terminated, and Purchaser shall receive back, not later than twenty (20) days thereafter, in full, the Down Payment, plus any interest accrued thereon, and upon such repayment each party shall be relieved of any further liabilities and shall be released from all obligations hereunder and under the Offering Plan, except those liabilities and obligations that are herein expressly provided to survive the cancellation or termination of this Agreement.

16. Monies to be Held in Trust; Down Payments to be Secured by Surety Bonds.

16.1 The law firm of Seiden & Schein, P.C., with an address at 570 Lexington Avenue, 14th Floor, New York, New York 10022, telephone number (212) 935-1400, shall serve as escrow agent (the "Escrow Agent") for Seller and Purchaser. Escrow Agent has designated Jay G. Seiden, Esq. and Alvin Schein, Esq. to serve as signatories on the "Escrow Account," as defined below. Both 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 Seller, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in the Escrow Account.

16.2 Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its courts for any cause of action arising out of this Purchase Agreement or otherwise concerning the release of the Deposit from Escrow.

16.3 The required Down Payment pursuant to this Purchase Agreement will be ten percent (10%) of the Purchase Price for the Unit. All monies, including all deposits for special work ("Special Work Deposits"), the Down Payment, or advances, received by Seller (collectively, "Deposits") through its agents or employees pursuant to this Purchase Agreement either prior to or subsequent to the consummation of the Offering Plan will be deposited by Escrow Agent in a segregated, special escrow account or accounts titled "Seiden & Schein, P.C., Attorney Escrow Account", or similar name, with the name of Purchaser and Unit number added to the title of a sub-account with Citibank, N.A. at its branch located at 399 Park Avenue, New York, New York (the "Escrow Account"). Such account or accounts shall be interest bearing if so requested by Purchaser in accordance with Section 71-a(3) of the Lien Law. The Escrow Account is not an IOLA account. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Such funds will be held in trust in accordance with the escrow and trust provisions of Sections 352(h) and 352-e(2-b) of the New York General Business Law, the terms and conditions of the Offering Plan, and the Regulations promulgated pursuant to said Section 352-e(2-b) by the Attorney General's Office. Down Payments, with any accumulated interest, shall remain the property of Purchaser, except as provided by law, and as

provided herein. Any Federal 1099 forms or other tax forms required to be forwarded by Escrow Agent to recipients of interest will be mailed by Escrow Agent to Purchaser (or to the designated interest-earning recipient of Purchaser, if Purchaser comprises two or more parties).

16.4 All Deposits tendered by Purchaser shall be in the form of a check which identifies Purchaser, and is made payable by Purchaser to the order of Seiden & Schein, P.C., as Escrow Agent.

16.5 Within five (5) business days after this Purchase Agreement has been executed by Purchaser, Seller, and Escrow Agent, Escrow Agent shall place the Deposit into the Escrow Account. Within ten (10) business days after the Deposit has been placed into the Escrow Account, Escrow Agent shall send written notice to the Purchaser and Seller. The notice shall provide the account number and the initial interest rate to be earned on the Down Payment. Any Special Work Deposit shall be initially deposited into the Escrow Account, and released in accordance to the terms of this Purchase Agreement.

16.6 If Purchaser does not receive written notice of such deposit within fifteen (15) business days after tender of the executed Purchase Agreement and Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the executed Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Down Payment 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.

16.7 All Down Payments, but not Special Work Deposits 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 Seller, as per GBL § 352-h.

16.8 Under no circumstances shall Seller seek or accept release of the Down Payment of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Seller of its obligations pursuant to GBL §§ 352-e and 352-h.

16.9 The Escrow Agent shall release the Down Payment if so directed:

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

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

(c) by a final, non-appealable order or judgment of a court of competent jurisdiction; or

(d) pursuant to the terms of an award issued upon the completion of binding arbitration conducted in accordance with Paragraph 27 herein.

In the event that the Down Payment is to be released pursuant to an arbitration award pursuant to paragraph (d), above, Escrow Agent shall release such Down Payment no earlier than ninety (90) days after the delivery such award determination to Seller and Purchaser.

If the Escrow Agent is not directed to release the Down Payment pursuant to paragraphs (a) through (d) above, and the Escrow Agent receives a request by either party to release the Down Payment, then the Escrow Agent must give both the Purchaser and Seller prior written notice of not fewer than thirty (30) days after the expiration of the thirty (30) day default cure period (time being of the essence), as provided in Paragraph 9 hereof, before releasing the Down Payment (the "30 Day Escrow Notice"). If the Escrow Agent has not received notice of objection to the release of the Down Payment prior to the expiration of the 30 Day Escrow Notice, the Down Payment and shall be released to Seller as liquidated damages and the Escrow Agent shall provide further written notice to both parties informing them of said release. The disposition of the Special Work Deposit shall be determined in accordance with the rider to this Purchase Agreement [delete if there is no Special Work Deposit]. If the Escrow Agent receives a written notice from either party objecting to the release of the Down Payment within the thirty (30) day period pursuant to the 30 Day Escrow Notice, the Escrow Agent shall continue to hold the Down Payment until otherwise directed pursuant to paragraphs (a) through (d) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Down Payment contained in the Escrow Account with the New York County Clerk and shall give written notice to both parties of such deposit.

16.10 Seller shall not object to the release of the Down Payment to:

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

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

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

16.11 Any provision of 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 Down Payment 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.

16.12 Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

16.13 A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e and 352-h

16.14 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.

16.15 Seller agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e and 352-h and the New York State Department of Law's regulations.

16.16 Prior to release of the Down Payment, Escrow Agent's fees and disbursements shall neither be paid by Seller from the Down Payment nor deducted from the Down Payment by any financial institution under any circumstance.

16.17 In the event of an uncured default by Purchaser in its obligations under this Purchase Agreement, the Down Payment and all other monies deposited by Purchaser with Escrow Agent or Seller pursuant to this Purchase Agreement or any amendment thereto, plus all interest earned thereon, shall be paid over to Seller as liquidated damages; provided that Purchaser shall also be liable to Seller for the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser, less any monies which were deposited by Purchaser on account of special work and either paid over to or retained by Seller as liquidated damages. Seller agrees not to seek the remedy of specific performance for the payment of the Balance of the Purchase Price in connection with this Purchase Agreement as to which there has been a default by Purchaser.

16.18 (a) Notwithstanding the foregoing, in accordance with the Plan Seller intends to secure Down Payments made by Purchasers pursuant to this Purchase Agreement with surety bonds issued by Federal Insurance Company, 15 Mountain View Road, Warren, New Jersey 07059 ("FIC"). FIC is licensed to write insurance in the State of New York. A copy of FIC's specimen bond located in Part II of the Plan.

(b) All Down Payments received after the Filing Date, shall be initially placed, within five (5) business days after the Purchase Agreement has been signed by Purchaser and Seller, in a segregated special escrow account titled, "Seiden & Schein, P.C., Attorney Account," as described herein. Such Down Payments shall be released by Seiden & Schein, P.C., as Escrow Agent, to the Seller, upon receipt by Escrow Agent of a copy of the surety bond issued to the Purchaser whose funds are being released.

(c) A surety bond shall be issued to each Purchaser in the amount of his or her Down Payment. The bond shall remain in full force and effect until the earlier of the conveyance of title of the subject Unit; an undisputed default by the Purchaser and cancellation of the Purchase Agreement; or mutual consent of the Purchaser and Seller. Upon the issuance of the bond, the Purchaser's Down Payment shall be released from escrow.

(d) Seller shall cause FIC to mail or personally deliver the surety bond to the Purchaser before the funds are released to the Seller from the escrow account. The Seller, Escrow Agent and FIC shall each retain a copy of the surety bond.

(e) In the event that a Purchaser whose Down Payment has been released from escrow and is secured by a surety bond becomes entitled to a refund of the Down Payment, the Purchaser shall be required to collect it from FIC. A Purchaser who becomes entitled to a refund of his or her Down Payment shall have the right to demand payment of the amount secured by the surety bond directly from FIC, without first requesting payment from Seller. FIC shall be obligated to pay the amount secured by the bond to the Purchaser without the consent or despite the objection of the Seller, upon the following events or circumstances:

1) timely rescission of a Purchase Agreement by a Purchaser pursuant to an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan;

2) acceptance for filing by the Department of Law of an amendment abandoning the Offering Plan;

3) a determination by the Department of Law that rescission or the return of funds is required;

4) failure by the Seller to obtain a commitment by FIC to renew the surety bond 60 days prior to its expiration;

5) direction by the Seller, upon request by the Purchaser.

A Purchaser's inability to produce a copy of the surety bond shall not be a basis for FIC to reject the Purchaser's claim. FIC shall retain a copy of the bond and shall pay the secured funds to the Purchaser without a copy of the bond as long as the Purchaser is able to provide proof of identity as the obligee on the bond.

17. Equipment and Furnishings. Seller shall have no obligation to provide Purchaser with any fixtures, equipment, hardware, appliances and/or furnishings other than those which are specifically referred to in the Offering Plan to be provided to Purchaser with the Unit as part of the Purchase Price. Furnishings, equipment, appliances and/or decorations in any model unit or sales office not referred to in the Offering Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the Purchase Price of the Unit.

18. Acceptance of Condition of Unit; Risk of Loss.

18.1 The signing of this Purchase Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property as represented by Seller in the Offering Plan, including the Building, the Common Elements, and the Unit and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called "Installations") in their respective existing conditions, ordinary wear and tear excepted between the date Purchaser signs this Purchase Agreement and delivery of the deed to Purchaser. Purchaser acknowledges having read the Section of the Offering Plan

entitled "Description of Property and Specifications" set forth in Part II of the Offering Plan, which sets forth a description of the physical condition of the Building, and acknowledged having been given the opportunity to review the reports referred to in the Section of the Offering Plan entitled "Sponsor's Statement of Building Condition." Purchaser understands that Seller has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Unit or the Installations, except as may otherwise be set forth in the Offering Plan. In connection therewith, Purchaser acknowledges having read the Section of the Offering Plan entitled "Rights and Obligations of Sponsor."

18.2 Prior to the Closing of title to the Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Seller. Purchaser shall have the right to enter and inspect such Unit on one (1) occasion prior to the Closing of title in the presence of a representative of Seller, but shall be obligated to make an inspection appointment with Seller. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the Closing of title thereto. Purchaser understands that the existence of any incomplete items of construction at Closing which do not materially affect the use and operation of the Unit shall not be grounds for Purchaser to adjourn the Closing or to refuse to pay the balance of the Purchase Price of such Purchaser's Unit and close title to Purchaser's Unit.

18.3 (a) Except as set forth below, the risk of loss from fire or other casualty with respect to the Unit shall remain with Seller until the Closing of title for the Unit. Seller, at its sole discretion, reserves the right either (i) to repair or restore such Unit, whereupon Purchaser shall be obligated to close title without an abatement in the Purchase Price and without any claim against Seller by reason of any damage to the Unit or the Building resulting from such fire or casualty, or (ii) to not repair or restore, or, having commenced any such repair or restoration, to thereafter elect not to complete such repairs or restoration, and, in either case (as to subparagraph (ii)), grant Purchaser the right to rescind this Purchase Agreement. If Purchaser does not exercise such right of rescission by written notice to Seller, within ten (10) days after Seller grants such right to Purchaser by written notice to Purchaser, then Purchaser shall be deemed to have irrevocably waived such right to rescind, and shall be obligated to close title to the Unit without any abatement of the Purchase Price and without any other claim against Seller by reason of any damage to the Unit or the Building by fire or other casualty. If Purchaser timely elects to cancel this Purchase Agreement, Seller shall return Purchaser's Down Payment, plus all interest accrued thereon.

(b) Notwithstanding Section 18.4(a) above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the Closing of title (which Purchaser shall have no right to do without the prior consent of Seller, and which Seller may withhold in its sole and absolute discretion), then Purchaser shall bear the risk of loss or other casualty with respect to the Unit, except as otherwise provided in the Offering Plan. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Seller shall not be obligated to repair any damages to the Unit or his appliances, fixtures and equipment, except as otherwise provided in the Offering Plan. However, Purchaser does not assume the risk of loss to the Unit if the cause of such loss originated outside his Unit and did not result from the acts of Purchaser or the other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the balance due under this Purchase Agreement and accepting title to the Unit.

18.4 With respect to all risk of loss after an amendment substantiating the effectiveness of the Offering Plan has been filed, but prior to Closing, Seller is not obliged or liable to repair the damage or restore the Unit other than to repair damage or destruction from fire or other casualty to the Property in order to cure or comply with any work order from an insurer, or to cure or comply with a defect in title or hazardous or dangerous condition against the Property which did not exist on the date of acceptance of the Offering Plan. If Seller or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage (i) this Purchase Agreement shall continue in full force and effect, (ii) Purchaser will not have the right to reject title to the Unit or to receive a credit against, or abatement of, the Purchase Price, and (iii) Seller will be entitled to a reasonable period of time to complete (or to permit the Condominium Board to complete) such repairs or replacements. Purchaser will not be required to pay the balance of the Purchase Price unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty, and (ii) its essential services (such as gas, electricity and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss will belong entirely to Seller (subject to the rights, if any, of the Condominium Board or other Unit Owners under the provisions of the Declaration and By-Laws) and if such proceeds are paid to Purchaser, Purchaser will promptly, upon receipt, turn them over to Seller. The provisions of the preceding sentence will survive the Closing.

18.5 In the event that Seller is not obligated to restore or repair, and elects not to restore or repair, or, having commenced any such restoration or repair, elects not to complete such restoration or repair, as set forth above, and notifies Purchaser that it does not elect to repair or restore the Unit or complete any such repair or restoration that shall have commenced, or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Purchase Agreement will be deemed canceled and of no further force or effect and Purchaser shall be entitled to a return of the Down Payment (with interest, if any), whereupon the parties will be released and discharged from all obligations and liability hereunder and under the Offering Plan, except those liabilities and obligations that are herein expressly provided to survive the cancellation or termination of this Purchase Agreement. However, if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Seller shall be entitled to receive and/or retain the Down Payment, and any interest accrued thereon, as liquidated damages.

19. <u>Possession of Unit Prior to Closing</u>. Seller may, in its discretion, grant Purchaser possession of the Unit prior to Closing under an Interim Use and Occupancy Agreement. If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest thereon, within forty-five (45) days following the Closing, provided Purchaser is not in default under the Interim Use and Occupancy Agreement. If the Unit is occupied by a person other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred at Closing to Purchaser, who will upon receipt, sign and deliver to Seller an agreement acknowledging the amount received, indemnifying Seller from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Seller). In either event, Seller will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Seller and to sue the tenant to the extent such security is insufficient.

20. Limitation of Seller's Liability. Seller's liability under this Purchase Agreement for failure to complete and/or deliver or have delivered title for any reasons whatsoever shall be limited to the return of the Down Payment deposited hereunder (with interest, if any), and upon the return of said Down Payment (and interest, if any), this Purchase Agreement shall be null and void and the parties hereto released from any and all liability hereunder and under the Offering Plan except those liabilities and obligations that are expressly provided to survive the cancellation or termination of this Purchase Agreement. In any event, Seller shall not be required to bring any action or proceeding or incur any expense to render the title to the Unit marketable or insurable, or to cure any objection to title.

21. Definitions.

21.1 The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers hereunder, in which case their obligations shall be deemed joint and several.

21.2 Except where otherwise herein defined, capitalized terms used herein shall have the same meanings as are ascribed thereto in the Offering Plan.

21.3 The "Contract Date" on page 1 of this Purchase Agreement shall be filled in by Seller only upon signing this Purchase Agreement by both Seller and Purchaser, and shall be the date that this Purchase Agreement is delivered to Purchaser or Purchaser's counsel, fully executed by all of the parties hereto.

22. Gender. The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. Other Agreements. This Purchase Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them, and no oral representations or statements shall be considered a part hereof.

24. Amendment of Purchase Agreement. This Purchase Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. Brokerage. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than the Selling Agent and the Broker named on Page 1 of this Purchase Agreement. Purchaser and Seller each agree to indemnify and hold each other harmless from any and all liabilities arising from claims made against them for commissions by any broker other than the above-named on account of each other's act or the acts of each other's representatives. Seller shall pay the commission of the above named broker(s) pursuant to a separate agreement. The provisions of this Paragraph shall survive the Closing or the cancellation of this Purchase Agreement.

26. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York.

27. Jury Waiver. Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Purchase Agreement or the relationship of the parties as Purchaser and Seller, or the right of

Purchaser to any statutory relief or remedy. Purchaser, on behalf of Purchaser and all permanent residents of the Unit(s), including minor children, hereby agrees that any and all disputes with Seller, Seller's parent company or its subsidiaries or affiliates arising out of the Unit(s), this Purchase Agreement, any other agreements, communications or dealings involving Purchaser, or the construction or condition of the Unit(s) including, but not limited to, disputes concerning breach of contract, express and implied warranties, personal injuries and/or illness, mold-related claims, representations and/or omissions by Seller, on-site and off-site conditions and all other torts and statutory causes of action ("Claims") shall be resolved by binding arbitration in New York County in accordance with the rules and procedures of Arbitration of the American Arbitration Association or its successor or an equivalent organization mutually agreed upon by the parties. The arbitrator will be neutral and independent of both the Sponsor and its principals. In addition, Purchaser agrees that Purchaser may not initiate any arbitration proceeding for any Claim(s) unless and until Purchaser has first given Seller specific written notice of each claim (at 250 Gibraltar Road, Horsham, PA 19044, Attn: Warranty Dispute Resolution) and given Seller a reasonable opportunity after such notice to cure any default, including the repair of the Unit(s), in accordance with the Offering Plan. The provisions of this paragraph shall be governed by the provisions of the Federal Arbitration Act, 9 U.S.C. §1, et seq. and shall survive settlement.

Arbitration is a less formal method of resolving disputes than litigation in a court, and arbitration has certain limitations, as compared to litigation in court. Such limitations include, but are not limited to, (i) giving up the right to bring a legal action against one another in court, except as may be provided by the rules of the arbitration forum in which a claim is filed; (ii) limiting the ability of the parties to obtain documents and perform discovery; (iii) arbitrators may not have to explain the reasons for their award; (iv) a notice of pendency may not be filed against a property based on ongoing arbitration proceedings.

As with litigation, certain time limits are imposed for bringing a claim in litigation.

Arbitration awards are generally binding and, therefore, a party's ability to have a court reverse an arbitration award is limited (see New York Civil Practice Law and Rules §7511). PURCHASER SHALL BE OBLIGATED TO REIMBURSE SPONSOR FOR ANY LEGAL FEES AND DISBURSEMENTS INCURRED BY SPONSOR IN DEFENDING SPONSOR'S RIGHTS AND ENFORCING PURCHASER'S OBLIGATIONS UNDER THIS PURCHASE AGREEMENT.

For further information about arbitration, please visit www.adr.org.

The provisions of this paragraph 27 shall survive the closing of title or the cancellation of this Purchase Agreement.

28. Acceptance by Seller. THE SUBMISSION OF THIS PURCHASE AGREEMENT SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER TO SELL, OR AN OPTION TO PURCHASE, AND THIS PURCHASE AGREEMENT SHALL NOT BE BINDING UPON SELLER UNLESS AND UNTIL IT IS EXECUTED AND DELIVERED BY BOTH PURCHASER AND SELLER AND, IN SUCH EVENT, SUBJECT TO ALL THE TERMS AND CONDITIONS HEREOF.

29. Transfer Tax Return. At Closing, Purchaser will duly complete and sign before a Notary Public the Real Property Transfer Tax Return required to be filed with the City of New

York and the appropriate New York State Real Estate Transfer Tax Return and Credit Line Mortgage Certificate (NYS form TP-584 or its successor) required to be filed with the New York County Register's office. These transfer tax returns shall be delivered at Closing to the representative of Purchaser's title insurance company (or, if none, to Seller's attorney) for filing with the proper governmental offices. Purchaser shall also execute and deliver to Seller a W-8 or W-9 Internal Revenue Service form upon signing this Purchase Agreement.

30. Survival. The Closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

31. Conflict with Offering Plan. Any conflict between the Offering Plan and this Purchase Agreement will be resolved in favor of the Offering Plan.

32. Foreign Investment in Real Property Tax Act. Pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA), upon disposition of a United States real property interest by a foreign person on or after January 1, 1985, the purchaser of such real property interest must deduct and withhold a tax equal to ten percent (10%) of the purchase price unless the seller furnishes a certificate that it is not a foreign entity or individual. Seller will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations.

33. Prohibition Against Advertising. Prior to Closing, Purchaser shall not list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease without Seller's prior written consent.

34. Rules of Construction. There shall be no presumption against the draftsman of this Purchase Agreement or the Offering Plan.

35. Costs of Enforcing and Defending This Purchase Agreement. Purchaser shall be obligated to reimburse Seller for any legal fees and disbursements incurred by Seller in defending Seller's rights under this Purchase Agreement or, in the event Purchaser defaults under this Purchase Agreement beyond any applicable grace period, in canceling this Purchase Agreement or otherwise enforcing Purchaser's obligations or Seller's rights hereunder. This provision shall survive the Closing or the cancellation of this Purchase Agreement.

36. Strict Compliance. Any failure by Seller to insist upon the strict performance by Purchaser of any of the provisions of this Purchase Agreement shall not be deemed a waiver of any of the provisions hereof, and Seller notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Purchase Agreement to be performed by Purchaser.

37. Performance by and Liability of Seller. Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Purchase Agreement, the Offering Plan, General Business Law §352-e, and applicable regulations thereunder, except those (if any) herein or therein expressly stated to survive delivery of such deed.

38. Partial Assignment of Mortgage. In the event that Purchaser applies for mortgage financing, and in the event that Seller has an outstanding mortgage loan ("Mortgage") at the time of Closing, Purchaser shall make a good faith effort to cooperate with Seller and Seller's lender to facilitate a partial assignment of Seller's Mortgage to Purchaser, as more fully described in the "Unit Closing Costs and Adjustments" section of the Offering Plan.

39. **Completion within Two (2) Years.** Seller shall substantially complete construction of the Unit, as evidenced by the issuance of at least a temporary Certificate of Occupancy covering the Unit, within a period of two (2) years from the date that this Agreement is signed by Purchaser. Notwithstanding the foregoing, if an "Event of Delay" occurs, this 2-year period shall be extended for a period of time equal to the length of the Event of Delay. An Event of Delay is defined as strikes or other labor disputes, shortages of labor or materials, weather conditions, acts of God, acts of the federal, state or municipal governments or any governmental agency, including, but not limited to, building or other code inspections and approvals, governmental regulations, fire or other casualties and any other delays allowed by Law. It is the express intent of the parties hereto that the parties' rights and obligations under the Agreement be construed in the manner necessary to exempt the Agreement and the sale of the Unit from registration under the Interstate Land Sales Full Disclosure Act, and both Purchaser and Seller hereby expressly waive any right or provision of the Agreement that would otherwise preclude any exemption, and such right or provision shall be severed from the Agreement and given no effect.

Notwithstanding anything contained in the Agreement to the contrary, in the event of Seller's default of this provision, Purchaser shall have all remedies available at law and in equity without limitation or restriction, including the right of rescission.

40. **Captions**. The captions in this Purchase Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Purchase Agreement, or the intent of any provision hereof.

IN WITNESS WHEREOF, Seller and Purchaser have executed this Purchase Agreement as of the Contract Date.

_____

PURCHASER:
DATE: _____

_____

PURCHASER
DATE: _____

ACCEPTED:

Toll First Avenue LLC

By:_____

DATE: _____

WITH RESPECT TO PARAGRAPH 16:

SEIDEN & SCHEIN, P.C.

By: _____

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EXHIBIT A

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REQUEST FOR LENDER INFORMATION

PLEASE COMPLETE AND RETURN TO OUR SALES OFFICE NOT LATER THAN FOURTEEN (14) DAYS FROM THE DATE OF BUYER'S EXECUTION OF AGREEMENT OF SALE

Customer _____
Lot: _____
Community: _____

Please be advised that we made mortgage application with:

Lender: _____
Address: _____
Telephone No.: _____
Fax No.: _____
Email Address: _____
Date of Application: _____
Mortgage Amount: _____
Mortgage Commitment Anticipated: _____
(Date)

Mortgage Type:		Fixed		1 Yr. ARM	3 Yr. ARM		Other
Interest Rate:		Floating		Locked	If Locked:		Rate

Person with Whom Application was Filed: _____

Also, please send copies of correspondence and closing information to:
Name: _____
Address: _____
Telephone No.: _____

Authorization is hereby expressly given for the above mentioned Lender to release to TOLL BROTHERS, INC. and its affiliates and related companies any or all requested information concerning bank accounts, insurance policies, employment or mortgage verifications, and status reports related to the approval of my/our application for a mortgage loan in connection with the above property. The information requested is being requested for use in connection with a bona fide "permissible purpose" as defined in the Fair Credit Reporting Act.

Date: _____ Purchaser: _____

Date: _____ Purchaser: _____

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EXHIBIT B

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TRUE CASH SALE ENDORSEMENT TO PURCHASE AGREEMENT

ENDORSEMENT TO PURCHASE AGREEMENT dated _____ between Toll First Avenue LLC. (**"Seller"**) and _____ (**"Purchaser"**) of Unit ___ in the Condominium known as The Sutton Condominium (**the "Agreement").**

NOTWITHSTANDING anything contained in the Agreement to the contrary, Seller and Purchaser further agree as follows:

CASH SALE. Seller and Purchaser agree that the section of the Agreement entitled "Mortgage Application" is eliminated in its entirety and is deemed replaced with the following language:

"CASH SALE: Purchaser acknowledges that this Agreement is not contingent upon the Purchaser obtaining financing for the purchase of the Unit and that Purchaser warrants that Purchaser will have sufficient funds on hand to complete the Closing hereunder without obtaining mortgage financing."

THIS ENDORSEMENT is intended to be incorporated into and made a part of the Agreement and all other terms and conditions contained in the Agreement, unless expressly modified herein, remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have hereunto set their hands and sales the day and year written.

SELLER: _____ **DATE:** _____

PURCHASER: _____ **DATE:** _____

PURCHASER: _____ **DATE:** _____

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FORM OF
421-A AFFORDABLE UNIT
PURCHASE AGREEMENT

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THE SUTTON CONDOMINIUM
PURCHASE AGREEMENT
UNIT NUMBER _____
959 FIRST AVENUE, NEW YORK, NEW YORK 10022

CONTRACT DATE: _____

RESIDENTIAL UNIT NUMBER: _____ **PERCENTAGE OF GENERAL COMMON INTEREST:** _____%

STORAGE UNIT NUMBER: _____ **PERCENTAGE OF GENERAL COMMON INTEREST:** _____%

PURCHASER(S) NAME(S):

(1) _____ (2) _____

PURCHASER(S) MAILING ADDRESS(ES):

(1) _____ (2) _____

_____ _____

BROKER (IF ANY): _____

PURCHASER'S ATTORNEY: _____

ADDRESS OF PURCHASER'S ATTORNEY: _____

_____

TELEPHONE: (____) ____-_____ **FAX:** (____) ____-_____

PURCHASE PRICE FOR 421-A AFFORDABLE UNIT: $_____

10% DOWN PAYMENT FOR 421-A AFFORDABLE UNIT: $_____

PURCHASE PRICE FOR STORAGE UNIT: $_____

10% DOWN PAYMENT FOR STORAGE UNIT: $_____

BALANCE DUE AT CLOSING: $_____

Statement of Seller

Toll First Avenue LLC, having an office at 75 Broad Street, 21st Floor, New York, New York 10004 ("Seller"), has promulgated a Plan of Condominium Ownership for The Sutton Condominium, located at 959 First Avenue, New York, New York (the "Plan") pursuant to which the land, the appurtenances and the Units (the "Units") located in the County, City, and State of New York, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser

Purchaser acknowledges as follows:

A. Purchaser acknowledges having received and read the Plan and all amendments thereto, if any, filed with the Department of Law of the State of New York (the Plan, together with all such filed amendments, if any, are hereinafter collectively referred to as the "Offering Plan") at least three (3) business days prior to Purchaser's signing this Agreement. Purchaser understands that if Purchaser has not been afforded at least three (3) business days prior to Purchaser's signing this Agreement to receive and read the Offering Plan, then in such event, Purchaser shall have seven (7) days after delivering this Agreement together with the Down Payment to rescind this Agreement and have the Down Payment refunded promptly by either personally delivering a written notice of rescission to Seller or Selling Agent with the seven (7) day period or mailing the notice of rescission to Seller or the Selling Agent and having the mailing postmarked within the seven (7) day period. The Offering Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Offering Plan, the provisions of the Offering Plan will govern and be binding.

B. Purchaser has been given an opportunity to examine the architectural plans for the above numbered Unit and for the building in which it is located (the "Building").

C. Purchaser has been given an opportunity to examine the architectural plans for the above numbered Unit and for the building in which it is located (the "Building").

D. The Offering Plan, which includes the Declaration to be made by the Seller which is to be recorded in the Office of the Register of the City of New York, County of New York, and the schedules, the By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Purchase Agreement with the same force and effect as if fully set forth herein.

E. Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together with an undivided interest in the Common Elements appurtenant thereto as set forth in the Offering Plan (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit").

Agreement Between Seller and Purchaser

For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. Payment for Unit. (a) Seller hereby agrees to sell and convey, and Purchaser hereby agrees to purchase, the Unit for the Purchase Price stated above. The Down Payment(s) stated above has been made on the signing of this Purchase Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. In the event that the Down Payment check is dishonored, this Purchase Agreement shall be deemed to be terminated, and Seller shall have the right to pursue all rights and remedies available to it by law or equity. In the event that Purchaser is purchasing a Residential Unit and a Storage Unit, or more than one Residential Unit, the term "Unit" shall be deemed to be "Units" throughout this Purchase Agreement.

(b) The Balance Due at Closing, as modified or adjusted by any rider to this Purchase Agreement, shall be payable at the Closing (as hereinafter defined in Paragraph 2) by unendorsed certified or official bank check of Purchaser, or Purchaser's lender, drawn on a bank or trust company which is a member of the New York Clearing House Association (or any successor organization) to the order of Seller or as otherwise directed by Seller.

2. Closing of Title.

2.1 The closing of title to the Unit (the "Closing") shall take place on no less than thirty (30) days prior written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Seller. If Seller consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay an extra fee to Seller's attorney as set forth in Paragraph 6 hereof. Seller shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for the Closing and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. In addition to any other rights Seller may have by reason of Purchaser's failure to timely close title when requested, Seller shall be reimbursed by Purchaser for the cost of any real estate taxes and Common Charges which Seller would not otherwise have had to pay if there had been no unauthorized delay in closing of title by Purchaser.

2.2 The Closing shall occur only after or concurrently with the prerequisites as set forth under the Section entitled "Terms of Sale" in Part I of the Offering Plan.

2.3 At the Closing, Seller shall deliver to Purchaser, or direct the delivery to Purchaser of, a bargain and sale deed, with covenant against grantor's acts, conveying the Unit to Purchaser, such deed to be substantially in the form contained in Part II of the Offering Plan, executed and acknowledged by Seller or as directed by Seller in form for recording.

3. Power of Attorney to Board of Managers. At the Closing and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and

acknowledge the power of attorney to the Board of Managers substantially in the form contained in Part II of the Offering Plan. Purchaser agrees to deliver such power of attorney to Seller or as directed by Seller at the closing of title for recording and to pay the recording fee.

4. Binding Effect of Declaration, Bylaws, Offering Plan, Rules and Regulations. Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations, and the Offering Plan. The provisions of this Section 4 shall survive the Closing.

5. Condition of Title. Seller shall give and Purchaser accept such title to the Unit, as Westminster Abstract Company or any other reputable title insurance company licensed to do business in the State of New York will be willing to insure in accordance with its standard form of title policy which has been approved by the New York State Insurance Department, in fee simple, without exceptions for any liens and encumbrances other than those set forth in the Offering Plan, specifically in Part I thereof in the section entitled "Terms of Sale," and any mortgages obtained by Purchaser.

Notwithstanding the above, the existence of unpaid taxes or liens and encumbrances of any kind at the time of Closing shall not constitute an objection to title, provided that Westminster Abstract Company as agent, or another reputable title insurer licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that Seller may pay and discharge any liens and encumbrances upon the Property, not provided for in the Offering Plan or this Purchase Agreement, out of the monies to be paid by Purchaser at the time of closing title.

6. Expenses of Closing and Closing Adjustments.

6.1 At Closing, Purchaser will pay the Closing costs and expenses referred to in the section of the Offering Plan (as same may be amended to date) titled "Unit Closing Costs and Adjustments," which costs and expenses include, but are not limited to, the amount of any credit for mortgage recording tax as set forth in such section, payment for title insurance, if Purchaser elects or is required by its lender to obtain same, recording fees for recording the Deed and Power of Attorney, and, if Purchaser obtains a mortgage loan, the costs associated with obtaining such mortgage loan. A fee of $500.00 per Closing shall be due and payable for any Unit closing which occurs in a location other than in the office of Seller's attorneys. An additional fee of $500.00 shall be due and payable to Seller's attorneys for any previously scheduled Unit Closing which is adjourned by Purchaser less than five (5) business days before such Unit Closing is scheduled to occur. At Closing, Purchaser will also pay to the Board of Managers a sum equal to two (2) months of Common Charges then in effect for the Unit being purchased as a contribution toward the Working Capital Fund of the Condominium.

6.2 Except as otherwise provided in this Purchase Agreement or in the Offering Plan, real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Offering Plan. Any such expenses or adjustments payable to Seller in excess of $500.00 will be paid by unendorsed certified check or official bank check drawn on a bank or trust company which is a member of the New York Clearing House Association (or any successor organization). This paragraph shall survive the Closing.

6.3 If Seller obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on the Unit, Purchaser and Seller will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing.

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

7. Purchase Agreement Subject to Mortgages. Purchaser agrees that all terms and provisions of this Purchase Agreement are and shall be subject and subordinate to the lien of any mortgage(s) heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 7, however, as of the conclusion of the Closing the only mortgage(s) to which the Unit will be subject to a title exception will be the mortgage(s) obtained by Purchaser.

8. Mortgage Application.

8.1 A Purchaser who desires mortgage financing shall in good faith make a truthful and complete loan application to TBI Mortgage Company ("TBI"), 250 Gibraltar Road, Horsham, Pennsylvania, 19044, (Telephone: 1-866-327-8173) at no cost to Purchaser within fourteen (14) days of Purchaser's execution of this Purchase Agreement ("Mortgage Application Period"), under the conditions herein stated. Purchaser may also submit an application, at Purchaser's own expense, to any mortgage lender of Purchaser's choosing within the Mortgage Application Period. If Purchaser chooses to apply to a lender other than TBI, Purchaser shall, within the Mortgage Application Period, complete and return to Seller the Request for Lender Information form attached as **"Exhibit A"** to this Purchase Agreement.

8.2 Purchaser shall furnish, within five (5) days of any request, all information required by any lender. Purchaser agrees immediately to send Seller copies of any notice from Purchaser's lender(s) rejecting Purchaser's loan application(s). If Purchaser is not approved for a mortgage within sixty (60) days after the date of Purchaser's execution of this Purchase Agreement, Seller shall have the right (but not the obligation) to extend the mortgage application approval process until such time as: (1) Seller submits a loan application on substantially the same terms described TBI loan application to one (1) additional lender chosen by Seller, with no additional application fee to Purchaser, or (2) Seller declares this Purchase Agreement null and void in which event all sums paid on account of the Purchase Price and extras shall be returned to Purchaser with interest, if any earned thereon, and neither party shall have any further rights or liabilities hereunder.

8.3 Purchaser agrees within five (5) days of receipt (i) to accept a loan commitment from the lender that Purchaser intends to use for settlement and (ii) to mail an executed copy of the commitment to Seller. Purchaser further agrees to execute all documents and pay all fees required to consummate the mortgage transaction. SPECIAL RISKS: By accepting the loan commitment, Purchaser agrees to be responsible for and bear the risk of meeting all conditions, if any, including but not limited to, the sale of other real estate presently owned by Purchaser. Purchaser's failure to fulfill any of such conditions or the termination or expiration of the mortgage commitment after it is received, for any reason, shall not release Purchaser from its obligations under this Purchase Agreement. Purchaser shall be obligated to close title to the Unit irrespective of whether Purchaser's lender funds Purchaser's mortgage loan.

8.4 If Purchaser has no intention to seek financing from any lender, then Purchaser is required to sign the "True Cash Sale Endorsement," in the form attached to the Purchase Agreement as **"Exhibit B,"** which excuses Purchaser from the obligation to complete and return the TBI Mortgage Application. Purchaser understands and acknowledges that by signing the True Cash Sale Endorsement, Purchaser will lose the opportunity to seek financing from TBI and Purchaser's desire to purchase a Unit will be evaluated on Purchaser's present financial ability to complete the purchase without financing.

9. Default by Purchaser. If Purchaser shall fail to pay any portion of the Purchase Price when due, or shall fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 2 hereof, or shall fail to perform any of Purchaser's other obligations hereunder (including, without limitation, the obligation to furnish any lender promptly with such information as such lender may require), Seller may send notice to Purchaser of Seller's intention to cancel this Purchase Agreement if such default shall not be cured within thirty (30) days from the mailing date of such notice. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS PURCHASE AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date of such written notice, Seller may (but shall not be obligated to) elect to cancel this Purchase Agreement by notice of cancellation to Purchaser sent after the cure period has expired. In the event that Seller shall elect so to cancel this Purchase Agreement, Seller shall certify to its attorneys, Seiden & Schein, P.C., that title has not closed because of Purchaser's default and that Seller has elected to cancel this Purchase Agreement by reason thereof, and Seiden & Schein, P.C., pursuant to Paragraph 16 hereunder, shall cause to have paid over to Seller, as liquidated damages, the Down Payment and the interest earned thereon (if any), and upon such payment being made, each of the parties hereto shall be relieved of any further liabilities or obligations hereunder, except as to provisions in this Purchase Agreement which specifically survive the cancellation of this Purchase Agreement. If this Purchase Agreement shall be canceled by Seller pursuant to the provisions of this Paragraph 9, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Seiden & Schein, P.C. may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

10. **No Assignment**. Purchaser shall have no right to assign this Purchase Agreement without Seller's prior written consent, and without the consent of the New York City Department of Housing Preservation and Development, which consent may be withheld or denied for any reason or no reason. Any purported assignment of this Purchase Agreement in violation thereof shall be voidable at the option of Seller.

11. **Notices**. Any notice to be given hereunder shall be in writing and sent by registered or certified mail, a nationally recognized private courier (such as, but not limited to United Parcel Service), or personal delivery to Purchaser at the address given above with a copy to Purchaser's attorney (named on Page 1 of this Purchase Agreement) and to Seller at 75 Broad Street, 21st Floor, New York, New York 10004 (with copy to Seiden & Schein, P.C., 570 Lexington Avenue, New York, New York 10022, Attention: Alvin Schein, Esq.) or at such other address as either party may hereafter designate to the other in writing. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

12. **No Representation**. Except as herein or in the Offering Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's attorney or Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the Building services, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if any such estimate of Common Charges or expenses is incorrect, or any such income tax deduction is not permitted to Purchaser, or the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building is not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building in accordance with the Offering Plan and that Purchaser will not be relieved from its obligations hereunder by reason of any minor inaccuracy or error. Further, Seller shall not be liable for any condition to the Unit or the Common Elements of the Building which is disclosed in the section of the Offering Plan entitled "Rights and Obligations of Sponsor". All of the provisions of the Offering Plan which disclaim or limit any liabilities, warranties, or other obligations of Seller are incorporated by reference into this Purchase Agreement.

13. **Recording of Deed and Power of Attorney**. At the Closing, Purchaser will deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, County of New York. Such deed and power of attorney will be substantially in the forms for such documents which are set forth in the Offering Plan.

14. **Binding Effect**. This Purchase Agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the

provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

15. Purchase Agreement Subject to Offering Plan Becoming Effective; Seller's Right to Cancel. This Purchase Agreement is contingent upon the Offering Plan being declared effective. The Offering Plan may be abandoned by Seller at any time for any reason or no reason prior to its being declared effective, provided Purchase Agreements for not more than 80% of the Units have been fully executed, delivered, and accepted. If the Offering Plan is abandoned prior to becoming effective, this Purchase Agreement shall be deemed canceled, and the Offering Plan terminated, and Purchaser shall receive back, not later than twenty (20) days thereafter, in full, the Down Payment, plus any interest accrued thereon, and upon such repayment each party shall be relieved of any further liabilities and shall be released from all obligations hereunder and under the Offering Plan, except those liabilities and obligations that are herein expressly provided to survive the cancellation or termination of this Agreement.

16. Monies to be Held in Trust; Down Payments to be Secured by Surety Bonds.

16.1 The law firm of Seiden & Schein, P.C., with an address at 570 Lexington Avenue, 14th Floor, New York, New York 10022, telephone number (212) 935-1400, shall serve as escrow agent (the "Escrow Agent") for Seller and Purchaser. Escrow Agent has designated Jay G. Seiden, Esq. and Alvin Schein, Esq. to serve as signatories on the "Escrow Account," as defined below. Both 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 Seller, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in the Escrow Account.

16.2 Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its courts for any cause of action arising out of this Purchase Agreement or otherwise concerning the release of the Deposit from Escrow.

16.3 The required Down Payment pursuant to this Purchase Agreement will be ten percent (10%) of the Purchase Price for the Unit. All monies, including all deposits for special work ("Special Work Deposits"), the Down Payment, or advances, received by Seller (collectively, "Deposits") through its agents or employees pursuant to this Purchase Agreement either prior to or subsequent to the consummation of the Offering Plan will be deposited by Escrow Agent in a segregated, special escrow account or accounts titled "Seiden & Schein, P.C., Attorney Escrow Account", or similar name, with the name of Purchaser and Unit number added to the title of a sub-account with Citibank, N.A. at its branch located at 399 Park Avenue, New York, New York (the "Escrow Account"). Such account or accounts shall be interest bearing if so requested by Purchaser in accordance with Section 71-a(3) of the Lien Law. The Escrow Account is not an IOLA account. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Such funds will be held in trust in accordance with the escrow and trust provisions of Sections 352(h) and 352-e(2-b) of the New York General Business Law, the terms and conditions of the Offering Plan, and the Regulations promulgated pursuant to said Section 352-e(2-b) by the Attorney General's Office. Down Payments, with any accumulated interest, shall remain the property of Purchaser, except as provided by law, and as

provided herein. Any Federal 1099 forms or other tax forms required to be forwarded by Escrow Agent to recipients of interest will be mailed by Escrow Agent to Purchaser (or to the designated interest-earning recipient of Purchaser, if Purchaser comprises two or more parties).

16.4 All Deposits tendered by Purchaser shall be in the form of a check which identifies Purchaser, and is made payable by Purchaser to the order of Seiden & Schein, P.C., as Escrow Agent.

16.5 Within five (5) business days after this Purchase Agreement has been executed by Purchaser, Seller, and Escrow Agent, Escrow Agent shall place the Deposit into the Escrow Account. Within ten (10) business days after the Deposit has been placed into the Escrow Account, Escrow Agent shall send written notice to the Purchaser and Seller. The notice shall provide the account number and the initial interest rate to be earned on the Down Payment. Any Special Work Deposit shall be initially deposited into the Escrow Account, and released in accordance to the terms of this Purchase Agreement.

16.6 If Purchaser does not receive written notice of such deposit within fifteen (15) business days after tender of the executed Purchase Agreement and Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the executed Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Down Payment 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.

16.7 All Down Payments, but not Special Work Deposits 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 Seller, as per GBL § 352-h.

16.8 Under no circumstances shall Seller seek or accept release of the Down Payment of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Seller of its obligations pursuant to GBL §§ 352-e and 352-h.

16.9 The Escrow Agent shall release the Down Payment if so directed:

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

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

(c) by a final, non-appealable order or judgment of a court of competent jurisdiction; or

(d) pursuant to the terms of an award issued upon the completion of binding arbitration conducted in accordance with Paragraph 27 herein.

In the event that the Down Payment is to be released pursuant to an arbitration award pursuant to paragraph (d), above, Escrow Agent shall release such Down Payment no earlier than ninety (90) days after the delivery such award determination to Seller and Purchaser.

If the Escrow Agent is not directed to release the Down Payment pursuant to paragraphs (a) through (d) above, and the Escrow Agent receives a request by either party to release the Down Payment, then the Escrow Agent must give both the Purchaser and Seller prior written notice of not fewer than thirty (30) days after the expiration of the thirty (30) day default cure period (time being of the essence), as provided in Paragraph 9 hereof, before releasing the Down Payment (the "30 Day Escrow Notice"). If the Escrow Agent has not received notice of objection to the release of the Down Payment prior to the expiration of the 30 Day Escrow Notice, the Down Payment and shall be released to Seller as liquidated damages and the Escrow Agent shall provide further written notice to both parties informing them of said release. The disposition of the Special Work Deposit shall be determined in accordance with the rider to this Purchase Agreement [delete if there is no Special Work Deposit]. If the Escrow Agent receives a written notice from either party objecting to the release of the Down Payment within the thirty (30) day period pursuant to the 30 Day Escrow Notice, the Escrow Agent shall continue to hold the Down Payment until otherwise directed pursuant to paragraphs (a) through (d) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Down Payment contained in the Escrow Account with the New York County Clerk and shall give written notice to both parties of such deposit.

16.10 Seller shall not object to the release of the Down Payment to:

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

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

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

16.11 Any provision of 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 Down Payment 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.

16.12 Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

16.13 A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e and 352-h

16.14 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.

16.15 Seller agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e and 352-h and the New York State Department of Law's regulations.

16.16 Prior to release of the Down Payment, Escrow Agent's fees and disbursements shall neither be paid by Seller from the Down Payment nor deducted from the Down Payment by any financial institution under any circumstance.

16.17 In the event of an uncured default by Purchaser in its obligations under this Purchase Agreement, the Down Payment and all other monies deposited by Purchaser with Escrow Agent or Seller pursuant to this Purchase Agreement or any amendment thereto, plus all interest earned thereon, shall be paid over to Seller as liquidated damages; provided that Purchaser shall also be liable to Seller for the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser, less any monies which were deposited by Purchaser on account of special work and either paid over to or retained by Seller as liquidated damages. Seller agrees not to seek the remedy of specific performance for the payment of the Balance of the Purchase Price in connection with this Purchase Agreement as to which there has been a default by Purchaser.

16.18 (a) Notwithstanding the foregoing, in accordance with the Plan Seller intends to secure Down Payments made by Purchasers pursuant to this Purchase Agreement with surety bonds issued by Federal Insurance Company, 15 Mountain View Road, Warren, New Jersey 07059 ("FIC"). FIC is licensed to write insurance in the State of New York. A copy of FIC's specimen bond located in Part II of the Plan.

(b) All Down Payments received after the Filing Date, shall be initially placed, within five (5) business days after the Purchase Agreement has been signed by Purchaser and Seller, in a segregated special escrow account titled, "Seiden & Schein, P.C., Attorney Account," as described herein. Such Down Payments shall be released by Seiden & Schein, P.C., as Escrow Agent, to the Seller, upon receipt by Escrow Agent of a copy of the surety bond issued to the Purchaser whose funds are being released.

(c) A surety bond shall be issued to each Purchaser in the amount of his or her Down Payment. The bond shall remain in full force and effect until the earlier of the conveyance of title of the subject Unit; an undisputed default by the Purchaser and cancellation

of the Purchase Agreement; or mutual consent of the Purchaser and Seller. Upon the issuance of the bond, the Purchaser's Down Payment shall be released from escrow.

(d) Seller shall cause FIC to mail or personally deliver the surety bond to the Purchaser before the funds are released to the Seller from the escrow account. The Seller, Escrow Agent and FIC shall each retain a copy of the surety bond.

(e) In the event that a Purchaser whose Down Payment has been released from escrow and is secured by a surety bond becomes entitled to a refund of the Down Payment, the Purchaser shall be required to collect it from FIC. A Purchaser who becomes entitled to a refund of his or her Down Payment shall have the right to demand payment of the amount secured by the surety bond directly from FIC, without first requesting payment from Seller. FIC shall be obligated to pay the amount secured by the bond to the Purchaser without the consent or despite the objection of the Seller, upon the following events or circumstances:

1) timely rescission of a Purchase Agreement by a Purchaser pursuant to an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan;

2) acceptance for filing by the Department of Law of an amendment abandoning the Offering Plan;

3) a determination by the Department of Law that rescission or the return of funds is required;

4) failure by the Seller to obtain a commitment by FIC to renew the surety bond 60 days prior to its expiration;

5) direction by the Seller, upon request by the Purchaser.

A Purchaser's inability to produce a copy of the surety bond shall not be a basis for FIC to reject the Purchaser's claim. FIC shall retain a copy of the bond and shall pay the secured funds to the Purchaser without a copy of the bond as long as the Purchaser is able to provide proof of identity as the obligee on the bond.

17. Equipment and Furnishings. Seller shall have no obligation to provide Purchaser with any fixtures, equipment, hardware, appliances and/or furnishings other than those which are specifically referred to in the Offering Plan to be provided to Purchaser with the Unit as part of the Purchase Price. Furnishings, equipment, appliances and/or decorations in any model unit or sales office not referred to in the Offering Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the Purchase Price of the Unit.

18. Acceptance of Condition of Unit; Risk of Loss.

18.1 The signing of this Purchase Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property as represented by Seller in the Offering Plan, including the Building, the Common Elements, and the Unit and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called "Installations") in their respective existing conditions, ordinary wear and tear excepted between the date Purchaser signs this Purchase Agreement and delivery of the deed to Purchaser. Purchaser acknowledges having read the Section of the Offering Plan entitled "Description of Property and Specifications" set forth in Part II of the Offering Plan, which sets forth a description of the physical condition of the Building, and acknowledged having been given the opportunity to review the reports referred to in the Section of the Offering Plan entitled "Sponsor's Statement of Building Condition." Purchaser understands that Seller has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Unit or the Installations, except as may otherwise be set forth in the Offering Plan. In connection therewith, Purchaser acknowledges having read the Section of the Offering Plan entitled "Rights and Obligations of Sponsor."

18.2 Prior to the Closing of title to the Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Seller. Purchaser shall have the right to enter and inspect such Unit on one (1) occasion prior to the Closing of title in the presence of a representative of Seller, but shall be obligated to make an inspection appointment with Seller. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the Closing of title thereto. Purchaser understands that the existence of any incomplete items of construction at Closing which do not materially affect the use and operation of the Unit shall not be grounds for Purchaser to adjourn the Closing or to refuse to pay the balance of the Purchase Price of such Purchaser's Unit and close title to Purchaser's Unit.

18.3 (a) Except as set forth below, the risk of loss from fire or other casualty with respect to the Unit shall remain with Seller until the Closing of title for the Unit. Seller, at its sole discretion, reserves the right either (i) to repair or restore such Unit, whereupon Purchaser shall be obligated to close title without an abatement in the Purchase Price and without any claim against Seller by reason of any damage to the Unit or the Building resulting from such fire or casualty, or (ii) to not repair or restore, or, having commenced any such repair or restoration, to thereafter elect not to complete such repairs or restoration, and, in either case (as to subparagraph (ii)), grant Purchaser the right to rescind this Purchase Agreement. If Purchaser does not exercise such right of rescission by written notice to Seller, within ten (10) days after Seller grants such right to Purchaser by written notice to Purchaser, then Purchaser shall be deemed to have irrevocably waived such right to rescind, and shall be obligated to close title to the Unit without any abatement of the Purchase Price and without any other claim against Seller by reason of any damage to the Unit or the Building by fire or other casualty. If Purchaser timely elects to cancel this Purchase Agreement, Seller shall return Purchaser's Down Payment, plus all interest accrued thereon.

(b) Notwithstanding Section 18.4(a) above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the Closing of title (which Purchaser shall have no right to do without the prior consent of Seller, and which Seller

may withhold in its sole and absolute discretion), then Purchaser shall bear the risk of loss or other casualty with respect to the Unit, except as otherwise provided in the Offering Plan. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Seller shall not be obligated to repair any damages to the Unit or his appliances, fixtures and equipment, except as otherwise provided in the Offering Plan. However, Purchaser does not assume the risk of loss to the Unit if the cause of such loss originated outside his Unit and did not result from the acts of Purchaser or the other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the balance due under this Purchase Agreement and accepting title to the Unit.

18.4 With respect to all risk of loss after an amendment substantiating the effectiveness of the Offering Plan has been filed, but prior to Closing, Seller is not obliged or liable to repair the damage or restore the Unit other than to repair damage or destruction from fire or other casualty to the Property in order to cure or comply with any work order from an insurer, or to cure or comply with a defect in title or hazardous or dangerous condition against the Property which did not exist on the date of acceptance of the Offering Plan. If Seller or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage (i) this Purchase Agreement shall continue in full force and effect, (ii) Purchaser will not have the right to reject title to the Unit or to receive a credit against, or abatement of, the Purchase Price, and (iii) Seller will be entitled to a reasonable period of time to complete (or to permit the Condominium Board to complete) such repairs or replacements. Purchaser will not be required to pay the balance of the Purchase Price unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty, and (ii) its essential services (such as gas, electricity and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss will belong entirely to Seller (subject to the rights, if any, of the Condominium Board or other Unit Owners under the provisions of the Declaration and By-Laws) and if such proceeds are paid to Purchaser, Purchaser will promptly, upon receipt, turn them over to Seller. The provisions of the preceding sentence will survive the Closing.

18.5 In the event that Seller is not obligated to restore or repair, and elects not to restore or repair, or, having commenced any such restoration or repair, elects not to complete such restoration or repair, as set forth above, and notifies Purchaser that it does not elect to repair or restore the Unit or complete any such repair or restoration that shall have commenced, or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Purchase Agreement will be deemed canceled and of no further force or effect and Purchaser shall be entitled to a return of the Down Payment (with interest, if any), whereupon the parties will be released and discharged from all obligations and liability hereunder and under the Offering Plan, except those liabilities and obligations that are herein expressly provided to survive the cancellation or termination of this Purchase Agreement. However, if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Seller shall be entitled to receive and/or retain the Down Payment, and any interest accrued thereon, as liquidated damages.

19. Possession of Unit Prior to Closing. Seller may, in its discretion, grant Purchaser possession of the Unit prior to Closing under an Interim Use and Occupancy Agreement. If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest thereon, within forty-five (45) days following the Closing, provided Purchaser is not in default under the Interim Use and Occupancy Agreement. If the Unit is occupied by a person other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred at Closing to Purchaser, who will upon receipt, sign and deliver to Seller an agreement acknowledging the amount received, indemnifying Seller from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Seller). In either event, Seller will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Seller and to sue the tenant to the extent such security is insufficient.

20. Limitation of Seller's Liability. Seller's liability under this Purchase Agreement for failure to complete and/or deliver or have delivered title for any reasons whatsoever shall be limited to the return of the Down Payment deposited hereunder (with interest, if any), and upon the return of said Down Payment (and interest, if any), this Purchase Agreement shall be null and void and the parties hereto released from any and all liability hereunder and under the Offering Plan except those liabilities and obligations that are expressly provided to survive the cancellation or termination of this Purchase Agreement. In any event, Seller shall not be required to bring any action or proceeding or incur any expense to render the title to the Unit marketable or insurable, or to cure any objection to title.

21. Definitions.

21.1 The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers hereunder, in which case their obligations shall be deemed joint and several.

21.2 Except where otherwise herein defined, capitalized terms used herein shall have the same meanings as are ascribed thereto in the Offering Plan.

21.3 The "Contract Date" on page 1 of this Purchase Agreement shall be filled in by Seller only upon signing this Purchase Agreement by both Seller and Purchaser, and shall be the date that this Purchase Agreement is delivered to Purchaser or Purchaser's counsel, fully executed by all of the parties hereto.

22. Gender. The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. Other Agreements. This Purchase Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them, and no oral representations or statements shall be considered a part hereof.

24. **Amendment of Purchase Agreement**. This Purchase Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. **Brokerage**. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than the Selling Agent and the Broker named on Page 1 of this Purchase Agreement. Purchaser and Seller each agree to indemnify and hold each other harmless from any and all liabilities arising from claims made against them for commissions by any broker other than the above-named on account of each other's act or the acts of each other's representatives. Seller shall pay the commission of the above named broker(s) pursuant to a separate agreement. The provisions of this Paragraph shall survive the Closing or the cancellation of this Purchase Agreement.

26. **Governing Law**. This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York.

27. **Jury Waiver**. Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Purchase Agreement or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy. Purchaser, on behalf of Purchaser and all permanent residents of the Unit(s), including minor children, hereby agrees that any and all disputes with Seller, Seller's parent company or its subsidiaries or affiliates arising out of the Unit(s), this Purchase Agreement, any other agreements, communications or dealings involving Purchaser, or the construction or condition of the Unit(s) including, but not limited to, disputes concerning breach of contract, express and implied warranties, personal injuries and/or illness, mold-related claims, representations and/or omissions by Seller, on-site and off-site conditions and all other torts and statutory causes of action ("Claims") shall be resolved by binding arbitration in New York County in accordance with the rules and procedures of Arbitration of the American Arbitration Association or its successor or an equivalent organization mutually agreed upon by the parties. The arbitrator will be neutral and independent of both the Sponsor and its principals. In addition, Purchaser agrees that Purchaser may not initiate any arbitration proceeding for any Claim(s) unless and until Purchaser has first given Seller specific written notice of each claim (at 250 Gibraltar Road, Horsham, PA 19044, Attn: Warranty Dispute Resolution) and given Seller a reasonable opportunity after such notice to cure any default, including the repair of the Unit(s), in accordance with the Offering Plan. The provisions of this paragraph shall be governed by the provisions of the Federal Arbitration Act, 9 U.S.C. §1, et seq. and shall survive settlement.

Arbitration is a less formal method of resolving disputes than litigation in a court, and arbitration has certain limitations, as compared to litigation in court. Such limitations include, but are not limited to, (i) giving up the right to bring a legal action against one another in court, except as may be provided by the rules of the arbitration forum in which a claim is filed; (ii) limiting the ability of the parties to obtain documents and perform discovery; (iii) arbitrators may not have to explain the reasons for their award; (iv) a notice of pendency may not be filed against a property based on ongoing arbitration proceedings.

As with litigation, certain time limits are imposed for bringing a claim in litigation.

Arbitration awards are generally binding and, therefore, a party's ability to have a court reverse an arbitration award is limited (see New York Civil Practice Law and Rules §7511). PURCHASER SHALL BE OBLIGATED TO REIMBURSE SPONSOR FOR ANY LEGAL FEES AND DISBURSEMENTS INCURRED BY SPONSOR IN DEFENDING SPONSOR'S RIGHTS AND ENFORCING PURCHASER'S OBLIGATIONS UNDER THIS PURCHASE AGREEMENT.

For further information about arbitration, please visit www.adr.org.

The provisions of this paragraph 27 shall survive the closing of title or the cancellation of this Purchase Agreement.

28. Acceptance by Seller. THE SUBMISSION OF THIS PURCHASE AGREEMENT SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER TO SELL, OR AN OPTION TO PURCHASE, AND THIS PURCHASE AGREEMENT SHALL NOT BE BINDING UPON SELLER UNLESS AND UNTIL IT IS EXECUTED AND DELIVERED BY BOTH PURCHASER AND SELLER AND, IN SUCH EVENT, SUBJECT TO ALL THE TERMS AND CONDITIONS HEREOF.

29. Transfer Tax Return. At Closing, Purchaser will duly complete and sign before a Notary Public the Real Property Transfer Tax Return required to be filed with the City of New York and the appropriate New York State Real Estate Transfer Tax Return and Credit Line Mortgage Certificate (NYS form TP-584 or its successor) required to be filed with the New York County Register's office. These transfer tax returns shall be delivered at Closing to the representative of Purchaser's title insurance company (or, if none, to Seller's attorney) for filing with the proper governmental offices. Purchaser shall also execute and deliver to Seller a W-8 or W-9 Internal Revenue Service form upon signing this Purchase Agreement. Seller shall pay the New York City and New York State transfer taxes for this sale when Seller files the applicable transfer tax returns.

30. Survival. The Closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

31. Conflict with Offering Plan. Any conflict between the Offering Plan and this Purchase Agreement will be resolved in favor of the Offering Plan.

32. Foreign Investment in Real Property Tax Act. Pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA), upon disposition of a United States real property interest by a foreign person on or after January 1, 1985, the purchaser of such real property interest must deduct and withhold a tax equal to ten percent (10%) of the purchase price unless the seller furnishes a certificate that it is not a foreign entity or individual. Seller will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations.

33. Prohibition Against Advertising. Prior to Closing, Purchaser shall not list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease without Seller's prior written consent.

34. **Rules of Construction.** There shall be no presumption against the draftsman of this Purchase Agreement or the Offering Plan.

35. **Costs of Enforcing and Defending This Purchase Agreement.** Purchaser shall be obligated to reimburse Seller for any legal fees and disbursements incurred by Seller in defending Seller's rights under this Purchase Agreement or, in the event Purchaser defaults under this Purchase Agreement beyond any applicable grace period, in canceling this Purchase Agreement or otherwise enforcing Purchaser's obligations or Seller's rights hereunder. This provision shall survive the Closing or the cancellation of this Purchase Agreement.

36. **Strict Compliance**. Any failure by Seller to insist upon the strict performance by Purchaser of any of the provisions of this Purchase Agreement shall not be deemed a waiver of any of the provisions hereof, and Seller notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Purchase Agreement to be performed by Purchaser.

37. **Performance by and Liability of Seller.** Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Purchase Agreement, the Offering Plan, General Business Law §352-e, and applicable regulations thereunder, except those (if any) herein or therein expressly stated to survive delivery of such deed.

38. **Partial Assignment of Mortgage**. In the event that Purchaser applies for mortgage financing, and in the event that Seller has an outstanding mortgage loan ("Mortgage") at the time of Closing, Purchaser shall make a good faith effort to cooperate with Seller and Seller's lender to facilitate a partial assignment of Seller's Mortgage to Purchaser, as more fully described in the "Unit Closing Costs and Adjustments" section of the Offering Plan.

39. **Completion within Two (2) Years.** Seller shall substantially complete construction of the Unit, as evidenced by the issuance of at least a temporary Certificate of Occupancy covering the Unit, within a period of two (2) years from the date that this Agreement is signed by Purchaser. Notwithstanding the foregoing, if an "Event of Delay" occurs, this 2-year period shall be extended for a period of time equal to the length of the Event of Delay. An Event of Delay is defined as strikes or other labor disputes, shortages of labor or materials, weather conditions, acts of God, acts of the federal, state or municipal governments or any governmental agency, including, but not limited to, building or other code inspections and approvals, governmental regulations, fire or other casualties and any other delays allowed by Law. It is the express intent of the parties hereto that the parties' rights and obligations under the Agreement be construed in the manner necessary to exempt the Agreement and the sale of the Unit from registration under the Interstate Land Sales Full Disclosure Act, and both Purchaser and Seller hereby expressly waive any right or provision of the Agreement that would otherwise preclude any exemption, and such right or provision shall be severed from the Agreement and given no effect.

Notwithstanding anything contained in the Agreement to the contrary, in the event of Seller's default of this provision, Purchaser shall have all remedies available at law and in equity without limitation or restriction, including the right of rescission.

40. **AHC and HPD Requirements for 421-a Affordable Units.** Purchaser shall be subject to the conditions and qualifications set forth by the New York City Department of Housing Preservation and Development ("HPD") and the New York State Affordable Housing Corporation ("AHC"), which are described in the Plan, and are incorporated herein by reference. As a condition of purchasing the 421-a Affordable Unit, Purchaser shall be required to qualify as an Eligible Purchaser, and Purchaser shall execute any documentation necessary to satisfy HPD's and AHC's requirements. Notwithstanding any provisions herein to the contrary, this Purchase Agreement may be rescinded by Seller if Purchaser is found to have falsely or fraudulently certified income or household composition in connection with the purchase of the Unit. In the event that Seller so rescinds this Purchase Agreement, Seller shall return Purchaser's Down Payment with all interest accrued and thereafter neither party shall have any further rights or obligations with respect to this Purchase Agreement.

41. **Owner-Occupancy.** Purchaser acknowledges that for so long as the AHC Mortgage to be recorded against the Unit is outstanding, Purchaser shall be required to occupy the Unit as a Primary Residence.

42. **Captions**. The captions in this Purchase Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Purchase Agreement, or the intent of any provision hereof.

IN WITNESS WHEREOF, Seller and Purchaser have executed this Purchase Agreement as of the Contract Date.

_____

PURCHASER:
DATE: _____

_____

PURCHASER
DATE: _____

ACCEPTED:

Toll First Avenue LLC

By: _____

Name:
Title:

DATE: _____

WITH RESPECT TO PARAGRAPH 16:

SEIDEN & SCHEIN, P.C.

By: _____

EXHIBIT A

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REQUEST FOR LENDER INFORMATION

PLEASE COMPLETE AND RETURN TO OUR SALES OFFICE NOT LATER THAN FOURTEEN (14) DAYS FROM THE DATE OF BUYER'S EXECUTION OF AGREEMENT OF SALE

Customer _____
Lot: _____
Community: _____

Please be advised that we made mortgage application with:

Lender: _____
Address: _____
Telephone No.: _____
Fax No.: _____
Email Address: _____
Date of Application: _____
Mortgage Amount: _____
Mortgage Commitment Anticipated: _____
(Date)

Mortgage Type:		Fixed		1 Yr. ARM	3 Yr. ARM		Other
Interest Rate:		Floating		Locked	If Locked:		Rate

Person with Whom Application was Filed: _____

Also, please send copies of correspondence and closing information to:
Name: _____
Address: _____
Telephone No.: _____

Authorization is hereby expressly given for the above mentioned Lender to release to TOLL BROTHERS, INC. and its affiliates and related companies any or all requested information concerning bank accounts, insurance policies, employment or mortgage verifications, and status reports related to the approval of my/our application for a mortgage loan in connection with the above property. The information requested is being requested for use in connection with a bona fide "permissible purpose" as defined in the Fair Credit Reporting Act.

Date: _____ Purchaser: _____

Date: _____ Purchaser: _____

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EXHIBIT B

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TRUE CASH SALE ENDORSEMENT TO PURCHASE AGREEMENT

ENDORSEMENT TO PURCHASE AGREEMENT dated _____ between Toll First Avenue LLC. (**"Seller"**) and _____ (**"Purchaser"**) of Unit ___ in the Condominium known as The Sutton Condominium (**the "Agreement").**

NOTWITHSTANDING anything contained in the Agreement to the contrary, Seller and Purchaser further agree as follows:

CASH SALE. Seller and Purchaser agree that the section of the Agreement entitled "Mortgage Application" is eliminated in its entirety and is deemed replaced with the following language:

"CASH SALE: Purchaser acknowledges that this Agreement is not contingent upon the Purchaser obtaining financing for the purchase of the Unit and that Purchaser warrants that Purchaser will have sufficient funds on hand to complete the Closing hereunder without obtaining mortgage financing."

THIS ENDORSEMENT is intended to be incorporated into and made a part of the Agreement and all other terms and conditions contained in the Agreement, unless expressly modified herein, remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have hereunto set their hands and sales the day and year written.

SELLER: _____ **DATE:** _____

PURCHASER: _____ **DATE:** _____

PURCHASER: _____ **DATE:** _____

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FORM OF

POWER OF ATTORNEY

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POWER OF ATTORNEY

The undersigned, _____, residing at _____, being the Unit Owner of Unit No. ___ in the Condominium known as The Sutton Condominium (the "Condominium"), consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 201_ , and recorded in the New York County office of the Register of the City of New York on _____, 201__ in CRFN _____ and on the Floor Plans on file in said office as Map No. _____, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of The Sutton Condominium, acting jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their Common Interests, any Unit whose Unit Owner desires to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Unit Owner desires to rent the same, at such price or on such rental, as the case may be, pursuant to the offer as required by the right of first refusal, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) to otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

The acts of majority of such persons shall constitute the acts of said attorneys-in-fact.

This Power of Attorney affects Condominium Unit No. _____ in The Sutton Condominium, located at 959 First Avenue, New York, New York, and identified on the Tax Map of the City of New York for New York County as Tax Lot ___ on Block 1345.

The undersigned do(es) hereby nominate, constitute and appoint Toll First Avenue LLC ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its Designee in accordance with the Declaration or (2) shall be required by (a) an institutional lender procured by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory

jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned have (has) executed this Power of Attorney this __ day of _____, 201_.

_____

_____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ____ day of _____in the year _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ____ day of _____in the year _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

POWER OF ATTORNEY

_____,
as Unit Owner

Unit No. _____ in The Sutton Condominium

Tax Map Identification:

Tax Block 1345
Lot ____
New York County

Record and Return to:

SEIDEN & SCHEIN, P.C.
570 Lexington Avenue
New York, New York 10022

FORM OF

RESIDENTIAL UNIT DEED

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UNIT DEED

THIS INDENTURE made the _____ day of _____, 201__, between **TOLL FIRST AVENUE LLC**, a New York limited liability company, having an office at 75 Broad Street, Suite 2100, New York, New York 10004 (the "Grantor"), and _____, residing at _____ (the "Grantee").

W I T N E S S E T H:

That the Grantor, in consideration of Ten ($10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The unit known as Unit No. _____ in the Building known as 959 First Avenue, New York, New York, and also designated and described as Unit No. _____ in the Declaration comprising The Sutton Condominium (hereinafter called the "Property") made by the Grantor under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York), dated _____, 201__ , and recorded in the New York County Office of the Register of the City of New York, on the _____ day of _____, 201__, as CRFN_____ (hereinafter called the "Declaration"), which Unit is also designated on the Floor Plan of the Building, certified by _____, and filed in the said Office of the Register of the City of New York, County of New York as CRFN _____ (hereinafter called the "Unit").

The Unit is identified in the Declaration as Condominium Unit No. _____ in The Sutton Condominium, located at 959 First Avenue, New York, New York, and is identified on the Tax Map of the City of New York for New York County as Tax Lot _____ in Block 1345.

The Property is described as follows:

SEE SCHEDULE A

TOGETHER with Grantor's right title and interest, if any in and to any strips or gores adjoining the above described premises on any of the sides thereof.

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit.

TOGETHER with an undivided _____ percent interest in the common elements of the Property described in said Declaration (hereinafter called the "Common Elements").

TOGETHER with, and subject to, the rights, obligations, easements, restrictions, and other provision set forth in the Declaration of Condominium and the By-Laws, together with any amendments thereto, all of which shall constitute covenants 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 to any state of facts that a correct, up to date, survey of the Property would show;

SUBJECT to Rights of tenants or persons in possession, if any;

SUBJECT to Taxes, tax liens, tax sales, water charges, sewer rents, and assessments as set forth herein;

SUBJECT to that certain Zoning Lot Description and Ownership Statement dated February 17, 1986, recorded on February 27, 1986 in Reel 1030 Page 1997.

SUBJECT to that certain Certification Pursuant to Zoning Lot Subdivision C dated February 20, 1986, recorded February 27, 1986 in Reel 1030 Page 2000.

SUBJECT to that certain Certification of Parties in Interest Pursuant to Subdivision (D) dated April 11, 2008, recorded on April 15, 2008 in CRFN 2008000150329.

SUBJECT to that certain Zoning Lot Description and Ownership Statement dated April 11, 2008, recorded on April 15, 2008 in CRFN 2008000150330.

SUBJECT to that certain Certification of Parties in Interest Pursuant to Subdivision (D) dated April 28, 2008, recorded on May 9, 2008 in CRFN 2008000188486.

SUBJECT to that certain Zoning Lot Description and Ownership Statement dated April 29, 2008, recorded on May 9, 2008 in CRFN 2008000188489.

SUBJECT to that certain Declaration of Zoning Lot Restrictions made by and between 951 LLC and Oliver LLC, dated as of April 11, 2008, recorded April 15, 2008 in CRFN 2008000150331.

SUBJECT to that certain Waiver and Subordination of Declaration of Zoning Lot Restrictions made by Bank of America, N.A., dated April 11, 2008, recorded April 15, 2008 in CRFN 2008000150328.

SUBJECT to that certain Declaration of Zoning Lot Restrictions made by and among 951 LLC, P.J.H. Realty Corporation and Oliver, LLC, dated as of April 29, 2008, recorded May 9, 2008 in CRFN 2008000188487.

SUBJECT to that certain Waiver of Execution of Declaration made by Bank of America, N.A., dated April 29, 2009, recorded May 9, 2008 in CRFN 2008000188488.

SUBJECT to that certain Terms, Covenants and conditions of Zoning Lot and Development Agreement made by and between 947-949 First Avenue, LLC owner of Air rights Lot 24, as Transferor, and 951 LLC, owner of Lot 25, as Transferee, dated as of August 17, 2004, recorded March 9, 2005 in CRFN 2005000138247.

SUBJECT to that certain Declaration of Zoning Lot Restrictions made by 947-949 First Avenue, LLC and 951 LLC, dated as of August 17, 2004, recorded March 9, 2005 in CRFN 2005000138248

SUBJECT to that certain Waiver of Declaration of Restrictions and Consent to Zoning Lot Development Agreement made by North Fork Bank, Mortgagee of Air Rights Lot 24, dated as of August 17, 2004, recorded October 18, 2004 in CRFN 2004000643413.

SUBJECT to that certain Waiver of Declaration of Restrictions and Consent to Zoning Lot Development Agreement made by Atlantic Bank of New York, Mortgagee of Lot 25, dated as of August 17, 2004, recorded March 9, 2005 in CRFN 2005000138246.

SUBJECT to that certain Certification Pursuant to Zoning Lot Subdivision D dated August 17, 2004, recorded March 9, 2005 in CRFN 2005000138244.

SUBJECT to that certain Zoning Lot Description and Ownership Statement dated August 17, 2004, recorded March 9, 2005 in CRFN 2005000138245.

SUBJECT to that certain Terms, Covenants, and Conditions of Zoning Lot Development and Easement Agreement made by and between 951 LLC and Oliver, LLC, dated as of April 29, 2008, recorded May 9, 2008 in CRFN 2008000188483.

SUBJECT to that certain Terms, Covenants, and conditions of Zoning Lot Development and Easement Agreement made by and between P.J.H Realty Corporation and Oliver, LLC, dated as of April 29, 2008, recorded May 9, 2008 in CRFN 2008000188485.

SUBJECT to that certain Light and Air Easement Agreement made by and between 951 LLC ("Grantor") and Oliver LLC ("Grantee"), dated April 29, 2008, recorded May 9, 2008 in CRFN 2008000188484.

SUBJECT to that certain Light and Air Easement Agreement made by and between P.J.H. Realty Corporation ("Grantor") and Oliver, LLC ("Grantee"), dated April 29, 2008, recorded May 9, 2008 in CRFN 2008000188490.

SUBJECT to that certain Zoning Lot Development and Easement Agreement made by and between First Ave 945 Realty LLC ("Owner") and Toll First Avenue LLC ("Developer"), dated May 14, 2013, recorded June 3, 2013 in CRFN 2013000218426.

SUBJECT to that certain Zoning Lot Description and Ownership Statement dated March 5, 2014, recorded on March 18, 2014 in CRFN 2014000093940.

SUBJECT to that certain Certification Pursuant to Zoning Lot Subdivision D dated April 28, 2013, recorded on June 3, 2013 in CRFN 2013000218423.

SUBJECT to that certain Declaration of Zoning Lot Restrictions dated May 14, 2013 made by and between First Ave 945 Realty LLC ("Seller") and Toll First Avenue LLC ("Developer"), dated May 14, 2013, recorded June 3, 2013 in CRFN 2013000218424.

SUBJECT to that certain Waiver of Declaration of Zoning Lot Restrictions and Subordination of Mortgage dated April 10, 2013 and recorded on June 3, 2013 in CRFN 2013000218425.

SUBJECT to all other matters affecting title to the Unit.

EXCEPT as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended for residential use only.

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid.

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the

improvement and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

The use for which the Unit is intended is as a residential dwelling, subject to applicable governmental regulations and such other restrictions as are set forth in the Declaration and Condominium By-Laws and Condominium Rules and Regulations.

The Grantee accepts and ratifies the provisions of the Declaration, the Condominium By-Laws, and the Condominium Rules and Regulations recorded simultaneously with and as part of the Declaration and, as long as Grantee shall hold title to the Unit, Grantee 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 New York County Office of the City Register of New York.

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 as of the day and year first above written.

Grantor: **TOLL FIRST AVENUE LLC**

By: _____

Grantee:

_____

_____

STATE OF NEW YORK)
COUNTY OF NEW YORK) s.s.:

On the _____ day of _____in the year 201__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual 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

STATE OF NEW YORK)
COUNTY OF NEW YORK) s.s.:

On the _____ day of _____in the year 201__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
COUNTY OF NEW YORK) s.s.:

On the _____ day of _____in the year 201__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

FORM OF

COMMERCIAL UNIT DEED

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COMMERCIAL UNIT DEED

THIS INDENTURE made the _____ day of _____, 201__, between **TOLL FIRST AVENUE LLC**, a New York limited liability company, having an office at 75 Broad Street, Suite 2100, New York, New York 10004 (the "Grantor"), and _____, residing at _____ (the "Grantee").

WITNESSETH:

That the Grantor, in consideration of Ten ($10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The unit known as Unit No. _____ in the Building known as 959 First Avenue, New York, New York, and also designated and described as Unit No. _____ in the Declaration comprising The Sutton Condominium (hereinafter called the "Property") made by the Grantor under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York), dated _____, 201__ , and recorded in the New York County Office of the Register of the City of New York, on the _____ day of _____, 201__, as CRFN_____ (hereinafter called the "Declaration"), which Unit is also designated on the Floor Plan of the Building, certified by _____, and filed in the said Office of the Register of the City of New York, County of New York as CRFN _____ (hereinafter called the "Unit").

The Unit is identified in the Declaration as Condominium Unit No. _____ in The Sutton Condominium, located at 959 First Avenue, New York, New York, and is identified on the Tax Map of the City of New York for New York County as Tax Lot _____ in Block 1345.

The Property is described as follows:

SEE SCHEDULE A

TOGETHER with Grantor's right title and interest, if any in and to any strips or gores adjoining the above described premises on any of the sides thereof.

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit.

TOGETHER with an undivided _____ percent interest in the common elements of the Property described in said Declaration (hereinafter called the "Common Elements").

TOGETHER with, and subject to, the rights, obligations, easements, restrictions, and other provision set forth in the Declaration of Condominium and the By-Laws, together with any amendments thereto, all of which shall constitute covenants 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 to any state of facts that a correct, up to date, survey of the Property would show;

SUBJECT to Rights of tenants or persons in possession, if any;

SUBJECT to Taxes, tax liens, tax sales, water charges, sewer rents, and assessments as set forth herein;

SUBJECT to that certain Zoning Lot Description and Ownership Statement dated February 17, 1986, recorded on February 27, 1986 in Reel 1030 Page 1997.

SUBJECT to that certain Certification Pursuant to Zoning Lot Subdivision C dated February 20, 1986, recorded February 27, 1986 in Reel 1030 Page 2000.

SUBJECT to that certain Certification of Parties in Interest Pursuant to Subdivision (D) dated April 11, 2008, recorded on April 15, 2008 in CRFN 2008000150329.

SUBJECT to that certain Zoning Lot Description and Ownership Statement dated April 11, 2008, recorded on April 15, 2008 in CRFN 2008000150330.

SUBJECT to that certain Certification of Parties in Interest Pursuant to Subdivision (D) dated April 28, 2008, recorded on May 9, 2008 in CRFN 2008000188486.

SUBJECT to that certain Zoning Lot Description and Ownership Statement dated April 29, 2008, recorded on May 9, 2008 in CRFN 2008000188489.

SUBJECT to that certain Declaration of Zoning Lot Restrictions made by and between 951 LLC and Oliver LLC, dated as of April 11, 2008, recorded April 15, 2008 in CRFN 2008000150331.

SUBJECT to that certain Waiver and Subordination of Declaration of Zoning Lot Restrictions made by Bank of America, N.A., dated April 11, 2008, recorded April 15, 2008 in CRFN 2008000150328.

SUBJECT to that certain Declaration of Zoning Lot Restrictions made by and among 951 LLC, P.J.H. Realty Corporation and Oliver, LLC, dated as of April 29, 2008, recorded May 9, 2008 in CRFN 2008000188487.

SUBJECT to that certain Waiver of Execution of Declaration made by Bank of America, N.A., dated April 29, 2009, recorded May 9, 2008 in CRFN 2008000188488.

SUBJECT to that certain Terms, Covenants and conditions of Zoning Lot and Development Agreement made by and between 947-949 First Avenue, LLC owner of Air rights Lot 24, as Transferor, and 951 LLC, owner of Lot 25, as Transferee, dated as of August 17, 2004, recorded March 9, 2005 in CRFN 2005000138247.

SUBJECT to that certain Declaration of Zoning Lot Restrictions made by 947-949 First Avenue, LLC and 951 LLC, dated as of August 17, 2004, recorded March 9, 2005 in CRFN 2005000138248

SUBJECT to that certain Waiver of Declaration of Restrictions and Consent to Zoning Lot Development Agreement made by North Fork Bank, Mortgagee of Air Rights Lot 24, dated as of August 17, 2004, recorded October 18, 2004 in CRFN 2004000643413.

SUBJECT to that certain Waiver of Declaration of Restrictions and Consent to Zoning Lot Development Agreement made by Atlantic Bank of New York, Mortgagee of Lot 25, dated as of August 17, 2004, recorded March 9, 2005 in CRFN 2005000138246.

SUBJECT to that certain Certification Pursuant to Zoning Lot Subdivision D dated August 17, 2004, recorded March 9, 2005 in CRFN 2005000138244.

SUBJECT to that certain Zoning Lot Description and Ownership Statement dated August 17, 2004, recorded March 9, 2005 in CRFN 2005000138245.

SUBJECT to that certain Terms, Covenants, and Conditions of Zoning Lot Development and Easement Agreement made by and between 951 LLC and Oliver, LLC, dated as of April 29, 2008, recorded May 9, 2008 in CRFN 2008000188483.

SUBJECT to that certain Terms, Covenants, and conditions of Zoning Lot Development and Easement Agreement made by and between P.J.H Realty Corporation and Oliver, LLC, dated as of April 29, 2008, recorded May 9, 2008 in CRFN 2008000188485.

SUBJECT to that certain Light and Air Easement Agreement made by and between 951 LLC ("Grantor") and Oliver LLC ("Grantee"), dated April 29, 2008, recorded May 9, 2008 in CRFN 2008000188484.

SUBJECT to that certain Light and Air Easement Agreement made by and between P.J.H. Realty Corporation ("Grantor") and Oliver, LLC ("Grantee"), dated April 29, 2008, recorded May 9, 2008 in CRFN 2008000188490.

SUBJECT to that certain Zoning Lot Development and Easement Agreement made by and between First Ave 945 Realty LLC ("Owner") and Toll First Avenue LLC ("Developer"), dated May 14, 2013, recorded June 3, 2013 in CRFN 2013000218426.

SUBJECT to that certain Zoning Lot Description and Ownership Statement dated March 5, 2014, recorded on March 18, 2014 in CRFN 2014000093940.

SUBJECT to that certain Certification Pursuant to Zoning Lot Subdivision D dated April 28, 2013, recorded on June 3, 2013 in CRFN 2013000218423.

SUBJECT to that certain Declaration of Zoning Lot Restrictions dated May 14, 2013 made by and between First Ave 945 Realty LLC ("Seller") and Toll First Avenue LLC ("Developer"), dated May 14, 2013, recorded June 3, 2013 in CRFN 2013000218424.

SUBJECT to that certain Waiver of Declaration of Zoning Lot Restrictions and Subordination of Mortgage dated April 10, 2013 and recorded on June 3, 2013 in CRFN 2013000218425.

SUBJECT to all other matters affecting title to the Unit.

EXCEPT as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended for commercial use only.

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid.

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the

improvement and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

The Unit is intended for commercial use, subject to applicable governmental regulations and such other restrictions as are set forth in the Declaration and Condominium By-Laws and Condominium Rules and Regulations.

The Grantee accepts and ratifies the provisions of the Declaration, the Condominium By-Laws, and the Condominium Rules and Regulations recorded simultaneously with and as part of the Declaration and, as long as Grantee shall hold title to the Unit, Grantee 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 New York County Office of the City Register of New York.

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 as of the day and year first above written.

Grantor: **TOLL FIRST AVENUE LLC**

By: _____

Grantee:

_____

_____

STATE OF NEW YORK)
COUNTY OF NEW YORK) s.s.:

On the _____ day of _____in the year 201__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual 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

STATE OF NEW YORK)
COUNTY OF NEW YORK) s.s.:

On the _____ day of _____in the year 201__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
COUNTY OF NEW YORK) s.s.:

On the _____ day of _____in the year 201__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

DESCRIPTION OF THE PROPERTY AND SPECIFICATIONS

The Sutton Condominium
959 First Avenue
New York, New York 10022

A. Location and Use of the Property:

1. Address: 959 First Avenue
New York, New York 10022

2. Block/Lot Number: Block 1345 Lots 26, 27, 28, 29.

Additionally, Lots 26, 27, 28, 29, 23, 24, 25 and 30 comprise a merged zoning lot in accordance with the provisions of Section 12-10(d) of the NYC Zoning Resolution and pursuant to the Zoning Lot Development and Easement Agreements ('ZLDA'), thereby permitting the transfer of development rights and protects light and air for certain windows of the Building from future development to the extent that the owners of the Lots have granted easements for light and air above horizontal planes at the elevations noted in the ZLDAs. The ZLDAs are attached as an exhibit in the Plan

Additional permitted zoning floor area has also been obtained via an inclusionary housing bonus. HPD issued a 'Certificate of Floor Area Compensation Transfer-R10' on September 3, 2013. The Inclusionary Housing will not have any impact on obtaining the Certificate of Occupancy for this Building.

The Building is not required to comply with the Quality Housing regulations of the NYC zoning resolution (ZR 28-00).

3. Zoning: R10/C1-5.

4. Permissible Uses: Use Groups 1-6 as per New York City Zoning Resolution, which permits residential, community facility and commercial uses. The Property and proposed uses will comply with all zoning and use requirements at closing.

B. Status of Construction:

1. Class of Construction: Class I-B: 2 hour protected - non-combustible (bearing walls and other major structural elements are generally of two hour fire resistance rating per Section 602.2-Table 601), conforming to all applicable regulations of

the Building Code of the City of New York, 2008, as well as any applicable accessibility requirements..

2. Status of Construction: The Building will be constructed under a New Building Permit. Documents filed with the New York City Department of Building under New Building Application No.NB121237474 were approved On March 19, 2014. Construction was commenced by Sponsor May 2014.

3. Certificate of Occupancy:

A Certificate of Occupancy will be issued for the building. The sponsor will obtain a temporary Certificate of Occupancy for each residential unit prior to the closing of each residential unit. The Sponsor expects to obtain the first temporary Certificate of Occupancy by August 2016.

Buyers are advised to visit the DOB website for further recommendations when purchasing unit(s) in a building that does not have a Final Certificate of Occupancy. In addition, see the special risk section of the offering for further disclosure regarding TCO issues.

C. Site:

1. Size: The size of the Building Lot is approximately 8,822 square feet.

2. Number and Use of The Building:

The Building, which will be the only structure on the property located on First Avenue midblock between East 52nd Street and East 53rd Street, will be used primarily for residential purposes. The building will consist of 113 Residential Units, 2 Commercial Units (COMM1, COMM2) and 12 Storage Units (SU1-SU12). The Commercial Unit Owner or tenant will be responsible for finishing the COMM Units. There will be an additional apartment for the Resident Manager as part of the General Common Elements.

The residential lobby entrance, residential service entrance/ building egress and the COMM1 and COMM2 entrances will be located on 1st Avenue.

3. Streets: First Avenue abuts the property. The street is paved with asphalt, are owned and maintained by the City of New York and are in fair condition.

The street abutting the property is pitched to drain through catch basins. The catch basins are part of the New York City storm water drainage system. They are in usable condition.

There is currently no street lighting adjacent to the property owned, operated, and maintained by the City of New York.

4. Drives, Sidewalks and Ramps:

The sidewalk adjacent to the property will be replaced with a new concrete sidewalk running full width from the property line along the street and pitched for drainage to the curb and away from the foundation. The curb abutting the property will be replaced with a new steel-faced concrete curb. There are no NYC light poles adjacent to the property.

Condominium shall be responsible for maintaining sidewalk per requirements of NYCDOT and any other authority having jurisdiction.

Sidewalk and curb will be designed to be free of tripping hazards and ponding in accordance with NYCDOT's standards and applicable accessibility requirements.

Site lighting will consist of wall-mounted fixtures. Numbers of fixtures of each type are as shown on plans.

There are no fire hydrants adjacent to the property. The closest fire hydrant is approximately 80 feet south of the property on E. 52nd St.

There are several restaurants and bars in the vicinity of the Building.

D. Utilities:

1. Electricity:

The electricity will be provided by Con Edison (Con Ed) Company. The Building will be provided with a house meter for building common areas and base building mechanical systems. Individual Con Edison meters will be provided for residential electric usage. Individual Con Edison metering will be provided for each Commercial Unit. The cost of the electric usage for the common areas will be borne by all Unit Owners as a common expense.

2. Gas:

Gas will be provided by Con Edison Company. Gas for the Residential Units will be collectively metered. The cost of the gas consumed in the Residential Section (including all gas used for cooking purposes and domestic hot water) will be borne by the Residential Unit Owners as a common expense except for the gas used for the heat exchanger at the Residential Unit PH1 which will be separated submetered, the cost of which will be Bourne by Residential Unit PH1. Gas for the Commercial Units will be individually metered by

Con Edison. Gas for the emergency generator shall be separately metered by Con Edison. The cost of the gas consumed for operation of the emergency generator will be borne by the Residential Unit Owners as a common expense.

3. Water and Sewer: Water and Sewer service will be provided by the City of New York. Water consumed by the Residential Section will be separately metered by N.Y.C. The Commercial Units will be separately sub-metered, and the cost will be borne by the Commercial Units and paid to the Condominium Board as measured by such sub-meters and the then applicable water/sewer charges of the taxing authority, plus applicable taxes. The charges for water and sewer service provided to the balance of the Building will be levied on the basis of metered usage and the cost of the same will be borne by only the Residential Unit Owners as a Residential Common Expense.

4. Telephone: Telephone service will be provided by Verizon and/or other service provider. Every Unit Owner will be required to pay their associated telephone charges and initial charges for activating individual outlets in the Unit. Similarly, the charges with respect to the telephones in the Commercial Units will be separately paid for by the respective Unit Owners or their tenants. The telephone charges with respect to the residential common areas of the Building (such as the concierge's desk, maintenance offices, elevators, etc.) will be borne by only Residential Unit Owners as a Residential Common Expense. The telephone charges with respect to the Resident Manager of the Building will be borne by all Unit Owners as a Common Expense.

5. Cable Television: Cable (or Satellite) Television service will be available for all Residential Units from Time Warner Cable (or alternate TV company). All charges for television service (including installation and subscription charges) will be paid by each Unit Owner, who subscribes directly to the TV Company. Each Residential Unit will be provided with an outlet in the living room and each bedroom.

E. Sub-Soil Conditions: According to the boring data, the building will be founded on reinforced concrete footings on bedrock. The reinforced concrete slab on grade will be placed over a waterproofing membrane that is laid on mud slab on top of gravel. A drainage system with perforated pipes below slab on grade was installed. All concrete work that is placed against soil or rock will be provided with waterproofing membrane and joint sealant to prevent water infiltration. Hence, flooding from ground water is unlikely. All foundation walls are

below grade and protected by the surrounding soil against freezing.

According to FEMA Flood Insurance Rate Maps for the city of New York, dated September 2007, the site is outside the 100-year and 500-year flood boundaries. Hence, flooding of the site is unlikely.

F. Landscaping:

1. Planting Areas, Grass: Plantings consisting of shrubs, perennials and ground cover in moveable raised planters will be provided at the 1st floor common 'Courtyard'.

2. Fencing, Gates, Garden Walls:
   Cmu wall with brick veneer, approximately 8'-0" high, surrounding south and west sides of the common 'Courtyard' at the 1st floor.

3. Display Pools and Fountains:
   None.

4. Trees: There will be 5 trees at the 1st floor common 'Courtyard', Cercidiphyllum japonicum (Katsura Tree), 5 ½"-6" caliper size, which will be planted in a recessed waterproofed planters with approximately 3 feet of structural soil.

5. Street trees: Currently, there is one existing street tree adjacent to the Building Lot. Zoning regulations are such that a total of 15 street trees are required adjacent to the zoning lot. Three new trees will be planted adjacent to the Building Lot on 1st Avenue for a total of four street trees adjacent to the Building Lot. As is customary, if all of the required trees cannot be located adjacent to the zoning lot, per above, due to other regulations and constraints, they will be planted by the Sponsor offsite or payment will be made into the Tree Fund by the Sponsor.

G. Building Size:

1. Total Height: Approximately 353'-11" from the top of slab at Residential Lobby to the top of slab at Bulkhead Roof.

2. Sub-cellar: None.

3. Cellar: There will be one cellar - height varies.

4. Number of Floors Above Grade:
   Floors above grade will be designated floors 1-26, 27, 28, 29, MECH Level, Main Roof, Bulkhead Roof.

5. Equipment Rooms: Mechanical Equipment Rooms will be located at Cellar, 2nd Floor, 4th Floor, MECH Level and Main Roof.

6. Parapet/Railing Assemblies:
The parapet and/or railing assemblies will extend a minimum of 3' -6" above finished roofs.

H. Occupancy:
(Location of Units, residential lobby, Resident Manager's Apartment)

Cellar Level:
None.

Floor 1:
Residential Lobby, Comm1 Unit, Comm2 Unit.

Floor 2:
6 Residential Units, 6 Storage Units, Resident Manager's Apartment (2AA).

Floor 3:
7 Residential Units.

Floor 4:
6 Residential Units, 6 Storage Units.

Floor 5:
4 Residential Units and Lower Level of 1 Duplex Residential Unit.

Floor 6:
3 Residential Units, Upper Level of 1 Duplex Residential Unit and Lower Level of 1 Duplex Residential Unit.

Floor 7:
5 Residential Units and Upper Level of 1 Duplex Residential Unit.

Floor 8-26:
77 Residential Units.

Floor 27:
1 Residential Unit and Lower Level of 1 Triplex Residential Unit.

Floor 28:
Lower Level of 1 Duplex Residential Unit and Middle Level of 1 Triplex Residential Unit.

Floor 29:

Upper Level of 1 Duplex Residential Unit and Upper Level of 1 Triplex Residential Unit.

MECH Level, Main Roof, Bulkhead Roof:
None.

I. Structural System:

1. Structural System: The superstructure will be a conventional concrete flat plate system with interior and perimeter reinforced concrete columns. The lateral system will be composed of a dual system of shear walls and slab-column frames designed for wind resistance and a shear wall only lateral system for seismic resistance as stipulated by NYC Local Law 17/95.

2. Exterior Walls: Although the majority of the facades will be a window-wall system, solid portions of the façades will be constructed of a 4" thick brick, 2" thick air space, 2" thick polystyrene insulation (R-10), 6" thick cmu, with an interior finish of 5/8" gypsum wallboard applied over 2½" steel studs and 3" thick batt insulation (R-13), with an aggregate nominal thickness of approximately 1'-6" to meet NYCECC. Other decorative material may be used on the exterior of the Building including stone at the base.

   Local Law 11 report will be due in accordance with the NYCDOB schedule in effect at the completion of construction.

3. Windows and Doors: Residential Unit exterior windows shall be a window wall system with a combination of inswing casement and fixed windows. Residential Unit exterior doors shall be outswing. All shall be of aluminum construction with anodized and/or kynar painted finish and glazed with factory-assembled 1" insulating Low 'E' glass units. The custom windows will be manufactured by Skyline or no less equal in quality and design with a five year guarantee from the window manufacturer on material, workmanship and weather-tightness. The windows will be provided with factory installed limit stops. No screens or separate storm windows will be provided. The perimeter of all windows will be caulked to control water and air infiltration.

   Structural performance: Withstand without excessive deflection, damage or impairment of function the higher of the wind or seismic load established by the requirements of the New York City Building

   Light and air requirements have been verified.

The Building does not currently have landmark status.

4. Lot Line windows:

Windows on the portion of the building facing Lots 23, 24 & 25 to the South (Residential Units 6-9Q, 9V, 10-20C, 10-20D, 21-25H, 26M, PH2, PH3) and Lot 30 to the North (Residential Units 6-9P, 10--26A, 10-25B, 26O, PH1) are protected by the light and air easement described above. Pursuant to this easement, no future development (alteration or new construction) on Lots 23, 24, 25 & 30 would be permitted above the existing height of the improvements on these lots except as noted in the ZLDA (see above). These windows, under the existing building code, will satisfy light, air and other requirements for the lawful use of such rooms for habitation purposes. Additionally, under the existing building codes applicable to the Building, windows on the portion of the building facing Lots 23, 24 & 25 to the South (Residential Units 6-9Q, 9V, 10-11C, 10-11D) and Lot 30 to the North (Residential Units 6-9P, 7R, 8J, 9O, 10-12A, 10-12B) will be provided with sprinklers due to the proximity and construction of the building on the adjacent lots.

Windows on the portion of the building facing Lots 31, 122 & 123 to the West (Residential Units 6-9P, 10-26A, 10-20D, 21-25H, 26M, PH1, PH2, PH3) are permitted as per Table 704.8 of the current NYC Building Code. These windows are provided with sprinklers but may be required to be closed up if the adjoining Property is ever redeveloped with one or more buildings of different configurations than that which is now located on the same. The habitable rooms having these windows have other windows that, under the existing building code, will satisfy light, air and other requirements for the lawful use of such rooms for habitation purposes. These windows in the Residential Units are identified on the floor plans that follow this Report.

5. Parapets and Coping:

Parapets will be a constructed of reinforced concrete clad with metal panels on the interior face, painted aluminum panels or brick on the exterior face with painted aluminum or painted aluminum and tempered or laminated glass rails where required, all secured with anchors to the structure. Copings will be painted aluminum. Parapets and railing assembly will be 3'-6" high minimum above adjacent floor, terrace and/or roof finishes per code. As designed, all exterior metals and fasteners shall be corrosion resistant.

6. Chimneys and Caps:

The Building will have one refuse chute. The chute will have an explosion vent and metal flashing collar terminating in accordance with the New York City Building Code at the Bulkhead Roof. The chute will be approximately 16 gauge aluminum coated cold rolled

commercial quality steel with factory applied damping material manufactured by U.S. Chutes or equal enclosed in a concrete and/or concrete block and/or gypsum wallboard shaft with 1 1/2 hour rated doors at every opening and an explosion proof cap at the termination point.

7. Balconies and Terraces:

Terraces will have concrete pavers as the deck finish with parapets and railings as described in Article I. 5; Drainage at terraces will be as described in Articles I.10 and K.6

Terraces will be located at Residential Units 6T, 6G, 8J, PH1, PH2, PH3. Additionally, there will be a common 'Courtyard' at the 1st floor.

The pool/spa and surrounds located on the 29th floor terrace appurtenant to Residential Unit PH1 will be as described in Articles I. 10 and T.

There will be no balconies.

8. Exterior Entrances:

The primary residential entrance will have a pair of swing doors with painted aluminum trim and tempered glass with a painted steel marquee above. The marquee will be provided with downlights. The marquee will be securely fastened to the structure. The residential service entrance/building egress, as well as the entrances to the Commercial Units, will each have a pair of swing doors with painted aluminum trim and tempered glass. The exterior soffit above the entrances will be finished with painted aluminum. The exterior entrances were designed in accordance with applicable accessibility requirements and free of tripping hazards. As designed, all exterior metals, including exposed fasteners, shall be corrosion resistant.

The exterior entrance swing doors will be manufactured by PPG Industries, Guardian industries, Pilkington, AFG, JE Berkowitz, LP, Viracon or approved equal and have a standard 10 year manufacturer's warranty.

Front loading, metal, USPS approved mailboxes will be located in the residential lobby at the 1st floor for the Residential Units only.

The doors to the roof will be 1.5 hour fire rated, self-closing, hollow metal doors with metal frames, complying with code.

9. Service Doors: Service doors will be 1.5 hour or 45 minute fire rated, self-closing as required, hollow metal doors with metal frames complying with code.

10. Roof and Roof Structures:

The roofing system will be an Insulated Roof Membrane Assembly (IRMA) roof comprised of a two layer torch down (90 mil minimum thickness) manufactured by Siplast, or approved equal, installed below drainage mat, installed below extruded polystyrene board insulation (R-19), installed below minimum 2" thick concrete pavers or stone ballast. The insulation is in compliance with the Energy Conservation Construction Code of New York State. Specifications require that the roofing manufacturer license and approve the applicator/installer for the specified membrane.

At the 29th floor terrace appurtenant to Residential Unit PH1, there will be a weather treated wood stair leading up to a weather treated wood deck with a weather treated wood substructure. The stair rail will be weather treated wood. The rail at the deck will be constructed of glass and painted aluminum. The pool/spa and stair surround below the level of the deck will be clad with stone.

As specified, pavers shall be professionally installed so as not to impede drainage nor void the manufacturer's warranty.

Flashing will be as follows: base flashing, fluid-applied water-proofing membrane; counter-flashing and drain-flashing; aluminum.

Cast iron roof and area drains will be provided for all roof areas, which will discharge through internal cast iron leaders into building storm drain system. Scuppers will be provided at the bulkhead roof.

The roof will have a limited warranty by the roofing manufacturer for a period of twenty years and a limited guarantee by the contractor for a period of two years. Both warranty and guarantee will include limited overburden.

There will be no skylights.

An exterior painted aluminum ladder will be provided from the Main Roof to the Bulkhead roof.

As designed, all exterior metals, including exposed fasteners shall be corrosion resistant.

Vibration isolation will be provided for all rooftop mounted mechanical equipment and mechanical equipment in indoor mechanical rooms to prevent vibration and noise from reverberating to the Units below. All steel dunnage will have a galvanized finish.

11. Fire Escapes: None.

12. Yards and Courts: The 'rear yard' at the 1st floor has a common 'Courtyard' as described in Article J. 5.

13. Interior Stairs: Stairs A and B will be a pair of scissor stairs (separately enclosed) serving the Building from floor C through the Main Roof Room Level. Stair C, a partially glass enclosed convenience stair, will serve the Building from the Fitness Center at the Cellar to the various amenities on the 1st Floor. The stairs will be constructed of concrete. The 2-hour rated stair enclosures surrounding stairs A and B will be constructed of reinforced concrete and/or concrete block and/or gypsum wallboard and will be painted. Steel pipe handrails will be provided.

Stair internal to the duplex and triplex Residential Units will be constructed of concrete wood treads and rails.

14. Interior Doors and Frames:

The entrance door to each Residential Unit will be flush-panel solid wood in painted hollow metal frames, 1 3/4" thick F.P.S.C. 1 1/2 hour rated, STC 35 db, with stone saddles as required. Residential Unit interior swing doors, inclusive of closet doors, will be 1¾" thick, flush-panel painted solid core wood doors in painted wood frames with saddles as per the door schedule.

All public corridor doors and frames and stair hall doors and frames will be painted flush-panel hollow metal, 1 3/4" thick, F.P.S.C. 1 1/2 hour rated with saddles as per the door schedule.

The entrance door and frame to each of the Storage Units at the 2nd and 4th floors will be metal mesh and metal and have metal and metal mesh dividers.

Service doors and frames will be painted flush-panel hollow metal, 1 3/4" thick, F.P.S.C. 1½ hour or 45 minute rated with saddles, as appropriate.

15. Elevators: Passenger elevator PE1 and PE2 will stop at floors C-29. Elevators PE1-2 will use gearless type machines. Elevators PE1-2 will have 2,000 pound (13 people) lifting capacity and travel at 500 feet per minute. The passenger elevator doors will be single speed side opening automatic type.

Passenger/Service elevator PSE3 will stop at floors C-29. Elevator PSE3 will use gearless type machines. Elevators PSE3 will have 2,500 pound (16 people) lifting capacity and travel at 500 feet per minute. The passenger/service elevator doors will be single speed side opening automatic type.

The make and model number of the custom elevators will be Fujitec/Custom, Kone/Custom, Otis/Custom Schindler/Custom or ThyssenKrupp/Custom or approved equal.

Various capacity air conditioning units will be provided for all Elevator Machine Rooms. These ac units will condition the outside air supply and will assure that the temperature in each room will not exceed the maximum allowed for proper operation of equipment.

Sponsor has advised that it has instructed the Management Company for the Condominium to enter into maintenance contracts for all elevators in the building. The budget reflects the cost of same.

16. Elevator Cabs: A manufacturer for the elevator cabs has not yet been selected. Similarly, the cab lighting, as well as the materials for the floor, walls and ceiling of the cabs, have not yet been finalized.

As per the NYC Elevator Code, all elevators will be equipped with an emergency lighting system to operate automatically in the event of loss of normal power and will provide the prescribed levels of illumination for a minimum of four hours.

Each car will also have a two-way, hands-free voice communication system for distressed passengers. It will be automatically activated when the emergency call buttons is pushed. As per the NYC Code the emergency alarm bell will operate on a supplemental, independent power source for a minimum of four hours.

17. Sound Insulation: Interior partitions inclusive of demising walls and walls surrounding bedrooms will contain 2" thick sound attenuation blanket, partitions will have an approximate STC55 rating. Floors will be comprised of a concrete slab (8" minimum thickness), acoustical underlayment and $^{5}/_{8}$" thick engineered wood flooring with an approximate IIC 55 rating.

J. <u>Auxiliary Features:</u>

1. Refuse Disposal: The refuse chute will be located off the public corridor at the refuse room on the residential corridor. The refuse chute will discharge into a compactor located at the Cellar Level. Building personnel will then take compacted refuse to the street via elevator for pickup up by NYC Dept. of Sanitation. The compactor (model CE-150 as manufactured by Chutes Enterprises, or no less equal in quality and design with a standard 1 year manufacturer's warranty), when installed, will receive all necessary government approvals.

2. Laundry Room: A Laundry Room will be located at the Cellar Level serving the Residential Units. The laundry room will contain one laundry sink, three electric washers and three gas dryers.

   The gas dryers will be vented by an exhaust fan to the exterior. Utility charges for the laundry room will be part of the Residential Common Expenses and will be allocated to each Residential Unit as noted in the First Year's Budget in the Offering Plan.

   All Residential Units with the exception of those on the 2nd through 5th floors will have their own clothes washer and ventless electric dryers.

3. Fitness Center: The Fitness Center will be located in the Building at the Cellar Level, accessible from the passenger elevators or convenience stair from the 1st floor. The Fitness Center will be furnished with the following equipment or approved equal: stepper (STAIR-SC5/D1), upright bike (TRU-CS400U/BAS), recumbent bike (TRU-CS400R/BASE), spinners (SCHWINN-AC/SPORT), ellipticals (TRU-CS400E/BASE), treadmills (TRU-CS400/BASE), rower (CONCEPT II/E), Bicep/tricep (HOIST-HD-3100), pulley gym (HOIST-HD-1910/CC), leg press/calf raise (HOIST-HD-3403), leg ext/curl (HOIST-HD-3400), lat/row (HOIST-HD-3200), multi-press (HOIST-HD-3300), ab/back (HOIST-HD-3600), hyper (HOIST-CF-3663), free-weights and benches. The Fitness Center will be provided with safety padding where appropriate, lighting as noted in Article R. ventilation as noted in Article O14, fire safety as noted in Article K2d and enclosed by a combination of GWB partitions and painted aluminum and glass partitions. The Fitness Center will be for residential occupants only and will be part of the Residential Common Expenses and will be allocated to each Residential Unit as noted in the First Year's Budget in the Offering Plan.

4. Children's Playroom: The Children's Playroom will be located in the Building at the Cellar Level, accessible from the passenger elevators and from the Fitness Center. The Children's Playroom will be furnished with a toilet room, custom

tables and custom chairs. Children's Playroom will be provided with safety padding where appropriate, lighting as noted in Article R. ventilation as noted in Article O14, fire safety as noted in Article K2d and enclosed by a combination of GWB partitions and painted aluminum and glass partitions. The Children's Playroom will be for residential occupants only, will be part of the Residential Common Expenses and will be allocated to each Residential Unit as noted in the First Year's Budget in the Offering Plan.

5. Courtyard: The Courtyard will be located in the Building at the 1st floor, accessible from the Residential Lobby and Residents' Lounge, and will be landscaped as noted in Article F. Paving material will be as described in Article I.10, lighting as described in Article R, drainage as described in Article K.6.b., The Courtyard will be for residential occupants only, will be part of the Residential Common Elements.

6. Residents' Lounge:

The Residents' Lounge will be located in the Building at the 1st floor, accessible from the Residential Lobby. The Residents' Lounge will be furnished with a wet bar and tables and chairs. The Residents' Lounge will be for residential occupants only, will be part of the Residential Common Expenses and will be allocated to each Residential Unit as noted in the First Year's Budget in the Offering Plan.

7. Bicycle Room: The Bicycle Room will be located at the Cellar Level, accessible from the corridor and will have racks & wall mounted hooks to store up to 70 bicycles. This facility will be for residential occupants only. The Bicycle Room will be part of the Residential Common Expenses and will be allocated to each Residential Unit as noted in the First Year's Budget in the Offering Plan.

K. <u>Plumbing and Drainage:</u>

1. Water Supply: One 4-inch domestic water service with a main shut shut-off valve, a reduced pressure zone backflow preventer and water meter, all located in the water meter room at the Cellar Level, will be provided from the public water main to triplex booster water pumps and provide feed direct to the building. The Building will have three (3) zone of cold water, hot water and hot water circulation. Domestic hot water will be provided via gas hot water heaters. Valved outlets for domestic cold water will be provided for the Commercial Units. Meter will be provided and paid for by the Commercial Unit Owners or their tenants.

The piping system will consist of type L copper tubing with 95-5 tin-antimony soldered joints. All mains and risers will be insulated. All hot and cold water piping will be insulated throughout. Domestic cold water piping will be provided with ½" thick fiberglass insulation, water mains will be provided with 1" thick fiberglass insulation. The domestic hot water piping shall be insulated with 1" thick fiberglass insulation for up to 1-1/2" piping and 1½" thick fiberglass insulation on piping 2" and larger.

Two 8,000 gallon rooftop water storage tanks will be provided for limited cold water distribution, standpipe and sprinkler reserve.

2. Fire Protection System:

a. Fire water Services:

One 6-inch fire service from 1st Avenue with 6-inch double detector check valve to supply automatic fire pump located in the cellar Level.

b. Standpipes: The fire standpipe system will consist of one 6-inch combined fire standpipe riser and one 6 inch standpipe riser. The combined fire standpipe riser will serve all sprinkler floors and will be located in the stairway. A three way roof manifold will be provided. The fire standpipes will be supplied by the automatic fire pump and (2) 15,000 gallon roof fire reserve water tanks.

Piping will be schedule 40 steel piping with rolled or cut grooved or threaded joints.

c. Hose Rack, Hoses and Nozzles:

A 2½ inch hose valve with cap and chain will be located at fire standpipe riser at each floor.

A central hose station and locked key box will be located at the first floor.

d. Sprinkler System:

Sprinkler water will be from the 6" combined standpipe/sprinkler riser.

On sprinkler water riser will be provided for the trash chute.

Automatic wet sprinklers will be supplied from combined FSP/sprinkler riser for entire Building, inclusive of the Fitness Center and Children's Playroom.

Piping will be schedule 10 or 40 steel piping with rolled or cut grooved or threaded joints.

e. Siamese Connections:
One 5"x3"x3" siamese combined fire sprinkler and standpipe connections will be provided at 1st Avenue.

3. Water Pressure and How Maintained:
Domestic water pressure will be maintained by triplex constant-pressure booster system (Peerless Model 236TMSC or approved equal with 1 year warranty for parts and labor) to provide a minimum of 25 psi at all fixtures.

4. Sanitary Sewage System:

a. Sewage Piping: Sanitary sewage will be conveyed by gravity via vented soil and waste branches, stacks and house drains, to combined house sewer. Capped outlets will be provided for the Commercial Units. Connection will be by the Commercial Unit Owners or their tenants.

Drainage and vent piping will be no-hub cast iron piping with stainless steel couplings and rubber gaskets.

b. Sanitary Ejector Pumps:
Duplex Ejector pumps (FLYGT Model DP3068 or approved equal with 1 year warranty for parts and labor) will pump waste water, sewage from the Cellar Level to the sanitary pipe downstream of the house trap.

c. Sump Pumps: Elevator sump pumps (Stancor Model SE40 or approved equal with 1 year warranty for parts and labor) are provided for the elevator pits.

d. Sewage Disposal:
One (1) 12-inch combined sewer, to be connected to street municipal sewer on 1st Avenue. Combined sewer is allowed at this location.

5. Permits required: All permits will be obtained by the plumbing and sprinkler contractors.

6. Storm Drainage System:
Gravity roof drainage from roof drains, and terrace drains to one (1) 12" combined house sewer connected to street municipal sewer on 1st Avenue.

a. Catch Basins: None.

b. Roof and Terrace Drains:
Roof and terrace drains will be located on the roof, terraces and courtyard. Scuppers will be provided at the bulkhead roofs. As designed, drainage will be adequate.

c. Piping: Cast iron piping will be no-hub cast iron piping with stainless steel couplings and rubber gaskets.

L. Heating:

1. Domestic Hot Water Heating:

Domestic hot water will be provided by instantaneous heat exchangers for each zone fed from high efficiency boilers noted below.

Domestic hot water heat exchangers (high efficiency) will be located in the 4th Floor Mechanical Room and the Boiler Room at the Mech Level. All units are sized to provide 120 degree water at peak load. Heat exchangers shall be Alfa Laval Model GEA-DW1OX20 and GEA- DW5x12 or equal, capacity of units shall be 800 MBN and 300 MBN respectively with a 1 year warranty for parts and labor.

2. Space Heating and Cooling:

Each Residential Unit will be provided with water source heat pump units. There will be central cooling tower located on the main roof. The heat pump units will be located within the apartments, typically one per bedroom and one or two per living/dining/kitchen area. Operation of each heat pump unit will be controlled by a 7-day programmable wall mounted thermostat with automatic change over to provide heating or air conditioning. Nominal capacity of each unit will vary from three quarter (3/4) tons to two and half (2.5) tons, depending on the size and exposure of the Residential Unit served.

Air conditioning and heating in common spaces and the lobby will be provided with similar heat pump systems as the apartments. Operation of each heat pump will be controlled by a 7-day programmable thermostat.

All systems will be controlled by stand-alone temperature control system(s) with capability of modulating the heating and cooling capacities of the central plant equipment.

Other common areas will be provided with electric type heating elements or water source heat pump units.

Heating boilers will be located in the Main Roof Level Boiler Room. Boilers shall be Aerco Model Benchmark 3000 (or approved equal) with 2,790 MBN output each (8,370 MBN total), 93% efficiency and provided with a 10 year manufacturer's warranty.

3. Piping, Insulation, Pumps:

Schedule 40 steel with standard weight fittings. Hot water piping will be insulated as required by the 2011 New York City Energy Code.

The insulation for Air Distribution Ducts will be installed in accordance with New York City Building Code, New York City Mechanical Code, ASTM, UL, NFPA, NYCECC (ASHRAE 90.1-2007). Insulation shall be 1½" thick 6 lb. rigid board, 1½" thick ¾ lb. density glass fiber blanket, and NFPA 96 compliant fire resistant duct wrap.

There will be two (2) cooling tower water pumps for circulating tower water to be used for heat rejection (one will be standby).

There will be three (3) condenser loop water pumps for circulating condenser water to be used for heat pump units (one will be standby).

There will be two (2) hot water pumps for circulating heating water to be used for heating system and domestic hot water heat exchangers (one will be standby).

M. Gas Supply:

1. Type:

The Building will be provided with gas service as called for on the drawings for cooking ranges, domestic hot water, emergency generator and future heating and future commercial cooking. Connections for gas service to Commercial Units will be provided. Valved and plugged outlets will be provided for future meters in the gas meter room.

2. Meters:

Common meter(s) will be provided for the Residential Units' gas cooking, and domestic hot water at a firm gas rate.

A separate meter shall be provided for the emergency generator.

Meter(s), when provided by the Commercial Units or their Tenants, will be direct metered and billed by the utility company.

3. Piping Material:

Black steel Schedule 40 pipe with malleable fittings for low pressure piping 3 inch and smaller and welded joints for low pressure piping over 3 inches. High-pressure piping upstream of pressure regulators to be welded and radiologically examined.

N. Air Conditioning:

1. Type of system:

a) Residential: Each Residential Unit will be provided with water source heat pump units. Operation of each heat pump unit will be controlled by a 7-day programmable wall mounted thermostat with automatic change over to provide heating or air conditioning. Nominal capacity of each unit will vary from three quarter (3/4) tons to two and half (2.5) tons, depending on the size and exposure of the Residential Unit served. System will be capable of maintaining minimum inside conditions of 78° F and 60% relative humidity when outside temperature is 89° DB.

Residential water source heat pump units will be as follows or no less equal in quality and design:

Symbol	Skymark by Johnson Controls Model Number	CFM	Total Capacity BTUH Cooling	Total Capacity BTUH Heating	EER
A	VSCS09	340	8,500	11,200	13
B	VSCS012	430	11,300	14,500	13
C	VSCS018	685	17,400	22,100	13.2
D	VSCS024	850	23,200	29,200	13.4
E	VSCS030	1075	28,700	34,500	13.3

All Residential Units will be connected to the building condenser water loop system.

b) Commercial Units:

Commercial Units will be provided with connections for future units to condenser water loop system. Each tenant to provide entire system in the future.

Louvers or ductwork connecting to exterior louvers will be provided for each tenant of the Commercial Units to connect future outside air and exhaust requirement.

3. Individual units: Individual units will be designed to meet all requirements of NY State Energy Code. Cooling capacities are based on ASHRAE and ARI conditions of 89 deg F DB/73 deg WB outside, 78 deg F DB/63 deg F WB inside air.

Separate fan coil units or HVAC units will be provided for main entrance lobby and miscellaneous areas such as the elevator machine rooms, telephone room.

Cooling and heating of corridor ventilation air will be provided by water source heat pump units. The corridor units have a cooling capacity of 11 tons for the low one and 17.5 tons for the high zone.

4. Cooling Tower: The Building will be provided with two open cooling towers Evapco Model UT-29-124, 225 ton each, or approved equal, which will be sized for the entire building's heat rejection load. Cooling tower shall be installed on the Main Roof. A plate and frame heat exchanger will be provided to isolate the building's condenser water loop from open tower condenser water loop.

   Piping which is exposed to weather will be covered with a PVC plastic jacket similar to Johns-Manville 'Zeston 2000' or equal, including all fittings in addition to insulation and finishes specified for piping exposed to outdoors.

5. Warranties: All air conditioning equipment with be provided with a 1 year warranty for parts and labor.

O. Ventilation:

1. Kitchens: Residential kitchens will be ventilated with a continuous exhaust ventilation system as indicated on drawings from each kitchen not provided with natural ventilation.

2. Bathrooms: Interior residential bathrooms will be ventilated with a continuous exhaust ventilation system exhausting a minimum of 25 cubic feet of air per minute from each bathroom.

3. Non-Residential Bathrooms: Interior non-residential bathrooms will be ventilated with a continuous exhaust ventilation system exhausting a minimum of 75 cubic feet of air per minute for each water closet and urinal.

4. Locker Rooms: Locker rooms will be ventilated with exhaust ventilation capable of exhausting air at a rate of four air changes per hour.

5. Public Corridors: Typical floor corridors will be provided with conditioned air as required by NYC code.

6. Laundry Room: Laundry Room on Club Level will be provided with a fan forced exhaust system from dryers.

7. Gas Meter Room: Gas meter room will be provided with vent in 2 hour fire rated enclosure.

8. Residential Units: Habitable rooms of Residential Units will be provided with natural ventilation by opening of operable windows only.

12. General: All spaces, inclusive of cellars shall be ventilated at the rate specified by the NYC Mechanical Code.

13. Noise: All rooms inside Residential Units will be provided with air outlets with noise criteria (NC) between 23-50, all other spaces between NC 30-35.

14. Fitness Center and Children's Playroom:
Ventilation shall be provided to the Fitness Center and Children's Playroom by water source heat pumps and outside air obtained through louvers on the Building fascia.

P. Electrical System:

1. Service from main switchgear:
Electrical service will be located in the cellar. The anticipated service will be 8,600 Amps, 120/208 Volt, 3 Phase, 4 Wire. The main switchgear will provide power to house load side panels and residential meter banks as well as commercial metering equipment.

2. Service to individual units:
The residential services will be 120/208 Volt, 3 Phase, 4 Wire with switch ratings ranging from 100A to 150A. The residential unit disconnect switches will be located in the cellar Electrical Room. Con Edison meters will be located in meter bank closets on various residential floor levels.

Arc Fault Circuit Interrupters (AFC) shall be provided as per latest applicable NEC requirements.

3. Unit service: The equipment will be rated to comply with New York City Code and will take into account all equipment provided in Residential Units, such as washing machines, clothes dryers, dishwashers, microwaves, etc.

4. Adequacy:
a. Service: Capacity provided for each Residential Unit will be in accordance with Code requirements in various sizes, as noted below, @ 120/208V, single phase 4W, with the exception of Residential Unit PH1 which will receive 3 phase service. Average number of circuits per Residential Unit panel boards will be provided for an average total of 30 poles. Service will be adequate for modern usage.

All Residential Units on floors 2-5, with the exception of 6T, and Resident Manager's apartment (2AA) will be provided with 60 ampere service. All Residential Units on floors 6-28, inclusive of 6T, exclusive of PH1, will be provided with 150 ampere service. Residential Unit PH1 will be provided with 200 ampere service.

b. Lighting and fixtures:

Switched lighting fixtures will be provided in bathrooms, foyers, walk-in closets, and kitchens. Fixtures will be energy efficient lamp type in foyers, baths and kitchens.

c. Convenience outlets, appliance outlets:

Switched receptacles will be provided in each bedroom and living room in compliance with NYC Electrical Code. Ground fault receptacles will be provided in all bathrooms, on top of kitchen counters and at Residential Unit terraces, where applicable. Water-proof receptacles shall be used in all exterior uses. Appliance receptacles will be provided in kitchens and dining rooms. All receptacles in Residential Units will be tamper resistant as per NEC and NYC code. Convenience receptacles will be provided to meet the requirements of the NYC Electrical Code.

Tamper resistant receptacles will be provided at the Children's Playroom. Three-way switches shall be provided for below grade spaces and other areas, where required.

5. Emergency System: Roof mounted gas fired emergency generator (Olympian G1OOLTA or approved equal) with capacity of 200kw will be provided at the main roof as required by NYC Building Code. Generator shall have a 0.8 power factor, 120/208 watts, 250 KVA nominal rating. The generator will be provided with an UPS system to start gas booster. The generator loads shall be as follows:

Code Required Loads: Fire alarm system, Egress lighting, One elevator feeding all floors

Discretionary Loads: One domestic water pump, Boilers and pumps feeding domestic hot water, Ejector and sump pumps, Telephone system, one normally off emergency receptacle in each apartment near kitchen refrigerator. This receptacle will be fed by an individual 20 ampere 120 volt single phase circuit (one dedicated circuit per apartment), will normally be 'off' and can only be used in a power outage.

Q. Telephone, Intercom and Security Systems:

Telephone service will enter the Building main telephone room located on Cellar Level. It will then be distributed throughout the Building through risers and sleeves. Each Residential Unit will receive telephone service to a closet within the Unit.

We have been advised by Sponsor that a telephone number will be provided to all Residential Units by the Board of Managers for communication with the lobby desk.

The Building is to be provided with an intercom system linking the service entry areas.

Surveillance cameras will be provided at various locations in the cellar and 1st floor, will be monitored by the concierge and recorded.

Wiring will be installed in each Residential Unit to enable the Unit Owner to obtain telephone and cable television service at the Unit Owner's expense.

The Building will not be equipped with a master television antenna system.

R. Public Area Lighting:

Entrances to the building at grade will be provided with a minimum of one light fixture. Lobbies will be provided with ceiling mounted fixtures. All lighting levels, inclusive of the Courtyard, Fitness Center and Children's Playroom, have been designed in accordance with the NYC Building Code and the Housing Maintenance Code to provide adequate lighting. These fixtures will be wired to the building house meter and controlled by photocells, occupancy sensors or single pole and three way switches, preset dimming system (lobby only).

S. Garage: None.

T. Swimming Pools: There will be 1 swimming pool/spa on the 29th floor terrace appurtenant to Residential Unit PH1. The swimming pool will be approximately 6'-6" wide by 11'-8" feet long by 3'-6" deep. The pool will be provided with a Pentair WhisperFlo filter pump or approved equal and a Pentair Clean and Clear filter or approved equal. The filter and pump will be located under the pool deck on the terrace.

The pool/spa will be constructed of stainless steel, clad with stone tiles and will be heated utilizing building hot

water to a stainless steel brazed plate heat exchanger. The pool/spa will be structurally supported by the concrete superstructure. The concrete slab below the pool and deck will be waterproofed.

U. Recreation Facilities: Indoor recreation space will be provided in Fitness Center located at the Cellar Level as described in Article J. No outdoor recreation space will be provided.

V. Permits and Certificates: The building is being constructed under a New Building Permit, No. 120571194-01-NB, issued July 19, 2013.

W. Violations: Sponsor will cause all violations to be cured and/or removed of the record prior to issuance of the permanent Certificate of Occupancy.

X. Vaults: None.

Y. Unit Information:

1. Residential Unit Information:

There will be 113 Residential Units. There will be an additional apartment for the Resident Manager (2AA) as part of the General Common Elements

Top of floor slab to bottom of finished ceiling heights in the Residential Units will be as follows. All heights are approximate. At beam drops and/or where there are concealed mechanical pipes or ducts or dropped ceilings, heights may be lower than the below stated heights and may also vary slightly from room to room.

FL.	LIVING ROOM	KITCHEN	MASTER BEDROOM	SECONDARY BEDROOMS	APT. HALL	BATHROOM	PUBLIC CORRIDORS
2	8'-6"	7'-10"	8'-6"	8'-6"	7'-10"	7'-10"	8'-3"
3	8'-6"	7'-10"	8'-6"	8'-6"	7'-10"	7'-10"	8'-3"
4	8'-6"	7'-10"	8'-6"	8'-6"	7'-10"	7'-10"	8'-3"
5	10'-0" /9'-2"	8'-2"	10'-0" /9'-2"	10'-0"/9'-2"	8'-2"	8'-2"	8'-2"
6	9'-6"	8'-6"	9'-6"	9'-6"	8'-6"	8'-6"	8'-6"
7	10'-6" /9'-8"	9'-6"	10'-6" /9'-8"	10'-6"/9'-8"	9'-6"	9'-2"	9'-6"
8	10'-8" /9'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
9	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
10	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"

FL.	LIVING ROOM	KITCHEN	MASTER BEDROOM	SECONDARY BEDROOMS	APT. HALL	BATHROOM	PUBLIC CORRIDORS
11	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
12	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-2"
13	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
14	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
15	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
16	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
17	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
18	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
19	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
20	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
21	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
22	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
23	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
24	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
25	10'-8"	9'-8"	10'-8"	10'-8"	9'-8"	9'-2"	9'-8"
26	10'-0" / 10'-10"	8'-8"	9'-8" /10'-0"	9'-8"/10'-0"	8'-8"/ 9'-8"	9'-2"	9'-8"
27	10'-2" /11'-6"/ 12'-2:"	10'-2" /11'-2"	11'-4" /12'-2"	12'-2"	9'-8"	10'-2"	10'-8"
28	12'-2"	11'-2"	12'-2"	12'-2"	10'-2" /9'-8"	10'-2"	10'-8"
29	11'-2"	-	11'-2"	-	10'-2"	9'-8"/10'-2"	10'-8"

The types of Residential Units, together with the type and number of rooms in each of the same, are as follows. A '.5 bathroom' is without shower or bathtub.

Type/ Rooms	Unit	Floor
0 BEDROOM		
Studio, Kitchen, and 1.0 Baths	Unit: HH Unit: S	Floor: 2, 3 Floor: 8
1 BEDROOM		
1 Bedroom, Living /Dining Room, Kitchen, and 1.0 Baths	Unit: LL Unit: BB, EE Unit: R Unit: Q, X Unit: B Unit: E	Floor: 2, 3 Floor: 2, 3, 4 Floor: 7 Floor: 6, 7, 8, 9 Floor: 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 Floor: 21, 22, 23, 24, 25

Type/ Rooms	Unit	Floor
2 BEDROOM		
2 Bedrooms, Living /Dining Room, Kitchen, and 1.0 Baths	Unit: DD, GG Unit: AA Unit: FF	Floor: 2, 3, 4, 5 Floor: 3, 4, 5 Floor: 4, 5
2 BEDROOM		
2 Bedrooms, Living /Dining Room, Kitchen, and 2.0 Baths	Unit: V Unit: O Unit: C	Floor: 7, 9 Floor: 9, 26 Floor: 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20
2 BEDROOM		
2 Bedrooms, Living /Dining Room, Kitchen, and 2.5 Baths	Unit: P Unit: D	Floor: 6, 7, 8, 9 Floor: 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20
3 BEDROOM		
3 Bedrooms, Living /Dining Room, Kitchen, and 2.5 Baths	Unit: J Unit: A Unit: H	Floor: 8 Floor: 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 Floor: 21, 22, 23, 24, 25
3 BEDROOM		
3 Bedrooms, Living/Dining Room, Library/Den, Kitchen, and 3.5 Baths	Unit: PH2	Floor: 27
3 BEDROOM DUPLEX		
3 Bedrooms, Living Room, Library/Den, Kitchen, and 2.5 Baths	Unit: G (6G)	Floor: 6-7
3 BEDROOM DUPLEX		
3 Bedrooms, Living Room, Dining/Kitchen, and 3.5 Baths	Unit: T (6T)	Floor: 5-6
3 BEDROOM DUPLEX		
3 Bedrooms, Living Room, Library/Den, Kitchen, and 3.5 Baths	Unit: PH3	Floor: 28-29
4 BEDROOM		
4 Bedrooms, Living /Dining Room, Kitchen, and 3.5 Baths	Unit: M	Floor: 26
4 BEDROOM TRIPLEX		
4 Bedrooms, Family Room, Living /Dining Room, Kitchen, and 4.5 Baths	Unit: PH1	Floor: 27-29

Fixtures and Appliances: Subject to Sponsor's right to make substitutions of no less equal in quality and design, the Residential Units will be equipped with the following fixtures and appliances:

ITEM	DESCRIPTION	UNITS
Dishwasher	Gaggenau DF260760	All Residential Units.
Electric Single Wall Oven	Gaggenau BO280611	All Residential Units except Penthouses
Electric Double Wall Oven	Gaggenau BX280611	All Penthouse Units
Gas Cooktop	Gaggenau VG4912160CA	All Residential Units
Range Hood (recirculating)	Gaggenau AH900761	All Residential Units
Microwave	Gaggenau BM281710	All Residential Units.
Refrigerator	Gaggenau RY491701	All Residential Units except on floors 2-5
Refrigerator	Gaggenau RB472701	Residential Units on floors 2-5
Undercounter Wine Storage	Danby DWC276BLS	All Residential Units except Penthouses
Full Height Wine Storage	Gaggenau RW464760	All Penthouse Units
Kitchen Sink	Blanco Precision 512747	All Residential Units.
Kitchen Faucet	Watermark Custom	All Residential Units.
Food Waste Disposer	Waste King SS5000TC	All Residential Units.
Clothes Washer	Bosch Axxis Plus - WAS24460UC	All Residential Units
Clothes Dryer (ventless)	Bosch Axxis - WTE86300US	All Residential Units
Water Closets	Caroma Somerton 270 Elongated	All Bathrooms
Lavatory	Wetstyle Cube VC848U	All Master Bathrooms
Lavatory	Kohler Kathryn K2297	All Secondary Bathrooms
Lavatory	Duravit Vero 031555	All Powder Rooms
Bathtubs	Signature Plumbing Specialties BT2079AC5	All Master Bathrooms
Bathtubs	Signature Plumbing Specialties BT2080AC5	All Secondary Bathrooms

Finish Schedule: The following is a finish schedule for a typical Residential Unit:

Location	Floor	Base	Walls	Ceiling	Remarks
Foyer, Corridors	wood	wood-painted	gypsum board-painted	Conc. w/ Kadex- painted and/or Hung gypsum board-painted	
Living Rooms, Dining Room, Family Rooms, Closets, All other rooms and halls in Unit.	wood	wood-painted	gypsum board-painted	Conc. w/ Kadex- painted and/or Hung gypsum board-painted	
Bedroom	wood	wood-painted	gypsum board-painted	Conc. w/ Kadex- painted and/or Hung gypsum board-painted	
Master Bathroom	Stone tile	Stone tile	WR gypsum board-painted	Conc. w/ Kadex- painted and/or Hung gypsum board-painted	Approximately 3'-6" high stone tile at door and vanity wall, full height elsewhere, opaque glass vanity top, mirror
Secondary Bathroom	ceramic tile	ceramic tile	WR gypsum board-primed*	Conc. w/ Kadex- painted and/or Hung gypsum board-painted	Full height ceramic tile at tub or shower surround, opaque glass vanity top, mirror
Powder Room	Stone tile	Stone tile	WR gypsum board-painted	Conc. w/ Kadex- painted and/or Hung gypsum board-painted	Approximately 3'-6" high stone tile, mirror
Kitchen	wood	wood-painted	WR gypsum board-painted	Conc. w/ Kadex- painted and/or Hung gypsum board-painted	Manufactured stone surface countertops and backsplash
Laundry Closet	wood	wood-painted	gypsum board-painted	Conc. w/ Kadex- painted and/or Hung gypsum board-painted	

Wood flooring will be 5/8" engineered wood flooring .4mm. top layer.

Z. Substitutions: The Sponsor reserves the right to substitute materials, appliances, fixtures and equipment of no less equal in quality and design than those set forth in this report.

AA. Safety and Warning Devices:

New hardwired combination carbon monoxide/smoke detectors with built-in sounder will be installed in and outside of bedrooms in Residential Units per 2008 NYC Building Code requirements. Area smoke detectors will be installed in all electrical and mechanical equipment rooms, elevator lobbies and as otherwise required by the NYC Building Code. New duct mounted smoke detectors will be provided in all supply air handling units with a capacity in excess of 2,000 cfm which is also a 2008 New York City Building Code requirement.

A Fire Alarm System without alarm notification devices but with one-way voice communication from the fire command center to the dwelling units and exit stairs will be installed per 2008 NYC Building Code requirements.

The building will be provided with an automatic smoke, heat and sprinkler alarm system. Notification devices are not required as per 2008 NYC Building Code requirements.

BB. Additional Information: To the best of my knowledge, belief and professional judgment, these plans and specifications are in compliance with the 2011 New York City Energy Conservation Construction Code (NYCECC) Chapter 5 Commercial Energy Efficiency.

As specified, the gypsum wallboard in this Building will be manufactured in the US and may contain non-detectable amounts of sulfides.

The architect of record, Goldstein, Hill & West Architects, LLP has not been retained by the sponsor to perform controlled inspection/ commissioning agent on the project.

We have been advised by Sponsor that the following documents shall be transferred to the condominium management upon transfer: Operation & Maintenance (O&M) manuals for mechanical equipment; electronic system manual, equipment warranties; roof warranty; major equipment start-up sheets; control system as-built; original/most recent test and balance report for HVAC; final as-built mechanical, electrical and plumbing drawings as maintained during construction.

CC. Additional Information on Floor Areas of Units except Storage Units:

The approximate floor area of each Unit has been measured horizontally, on each of one or more floors, from the exterior side of the exterior Building walls, the Building Line or Property Line to the midpoint of an interior partition or continuous structural element separating one Unit from another Unit, public corridor, stairs, elevators, mechanical equipment spaces or any other Common Element. Where the window wall is recessed between masonry piers, the area is measured from a Building Line which is taken as a straight line from exterior face of pier to exterior face of pier, parallel to the Property Line. Columns and mechanical pipes and shafts, (whether along the perimeter or within the Unit) were not deducted from the square foot area of the Unit. Outdoor floor areas of terraces or other outdoor areas, if any, appurtenant to a Unit were not included in the Unit's approximate floor areas.

Measured vertically, each Unit consists of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab above (above any suspended ceiling.

Additional Information on Floor Areas of Storage Units:

The approximate floor area of each Storage Unit has been measured horizontally from the Unit side of the exterior Building walls or interior partition to the midpoint of an interior wire mesh partition. Columns and mechanical pipes and shafts, within the Unit were not deducted from the square foot area of the Unit.

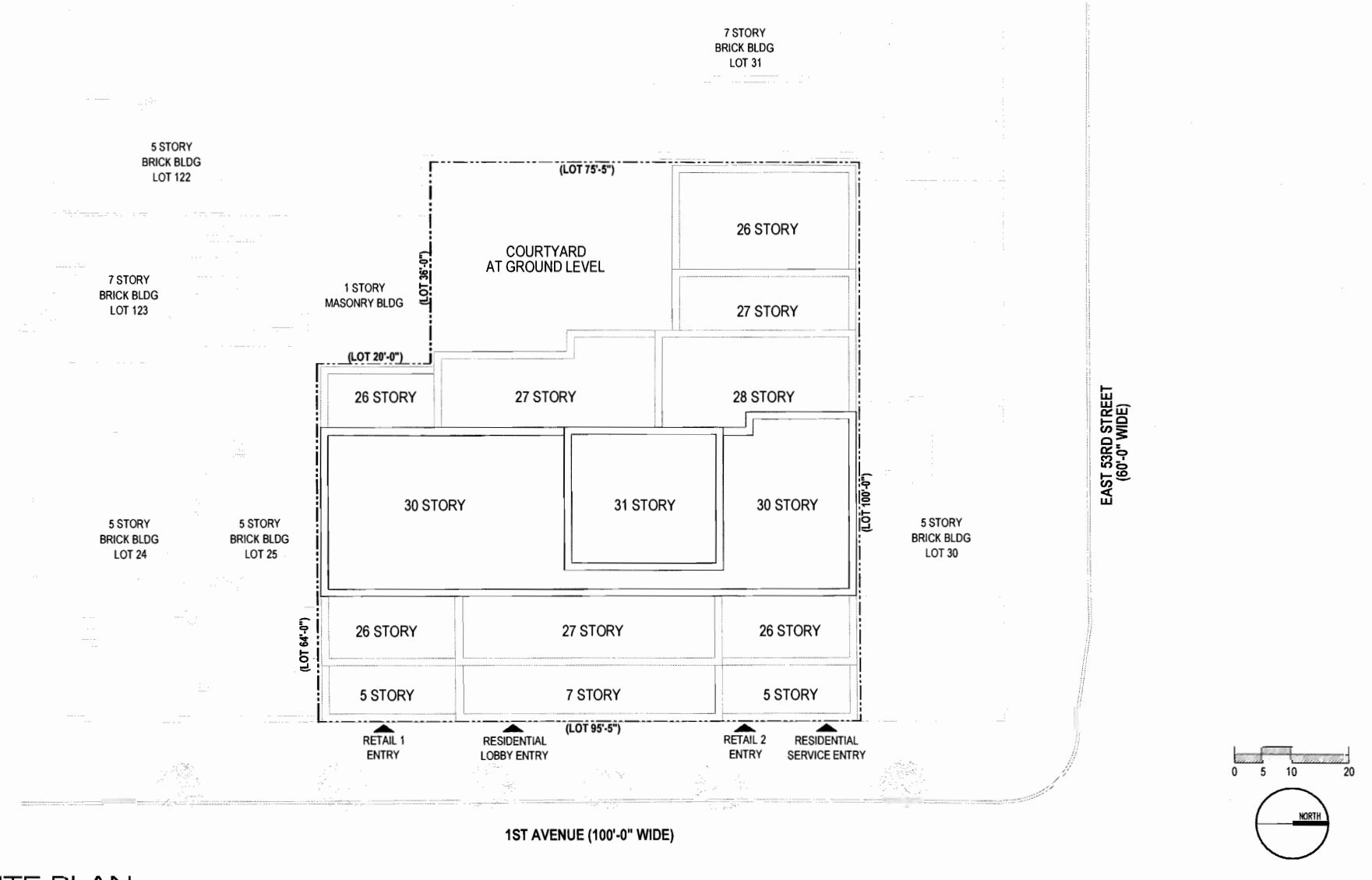
Measured vertically, each Storage Unit consists of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab above (above any suspended ceiling.

The foregoing constitutes a true, correct and complete Description of Property by our firm for the property located at 959 First Avenue, New York, New York.



Dated: OCT 14, 2014

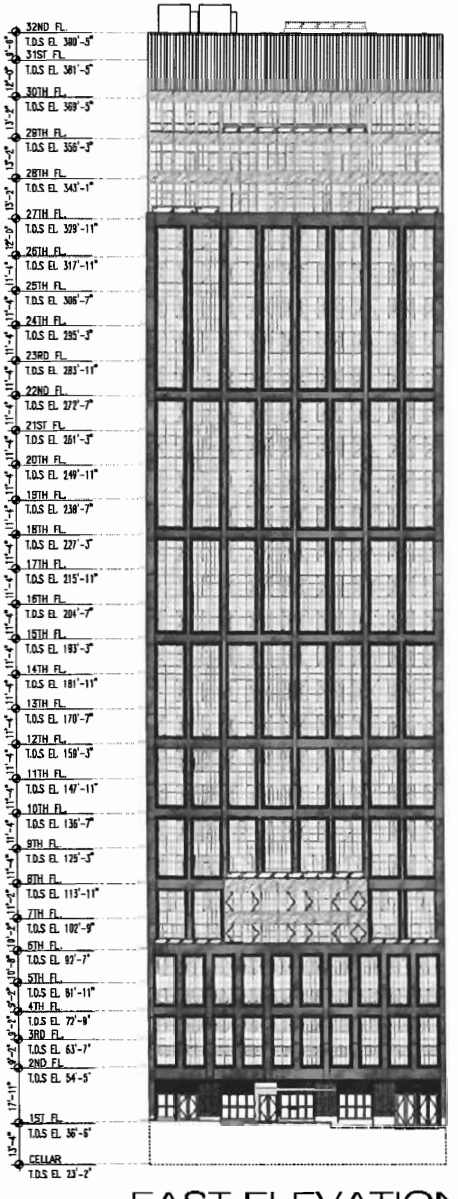
Alan Goldstein, A.I.A.



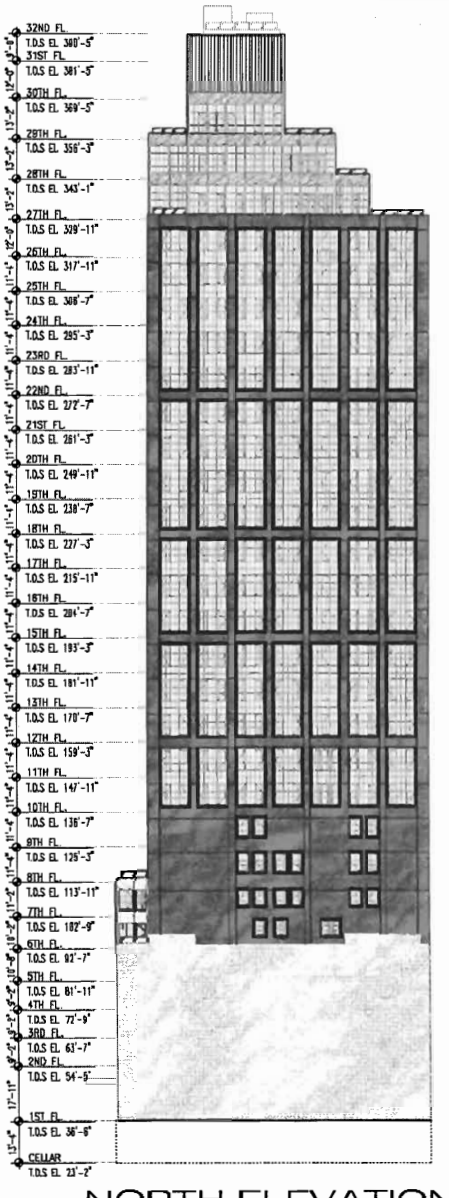
SITE PLAN

THE SUTTON CONDOMINIUM

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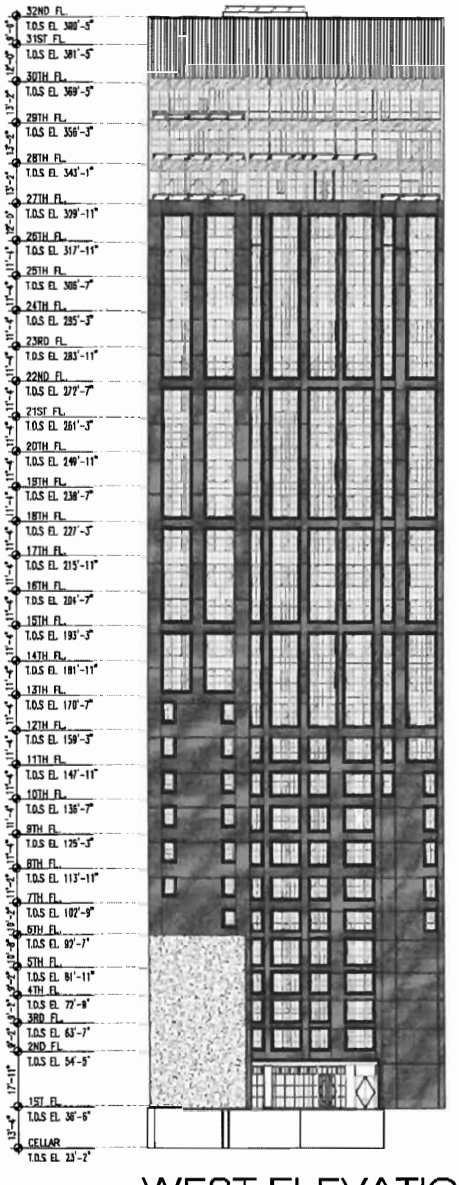
EAST ELEVATION



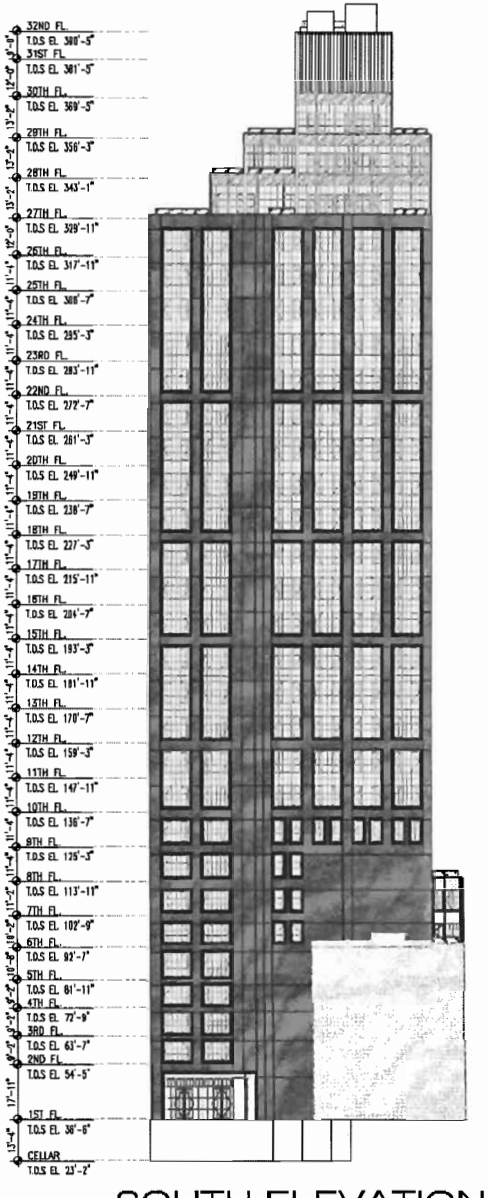
NORTH ELEVATION

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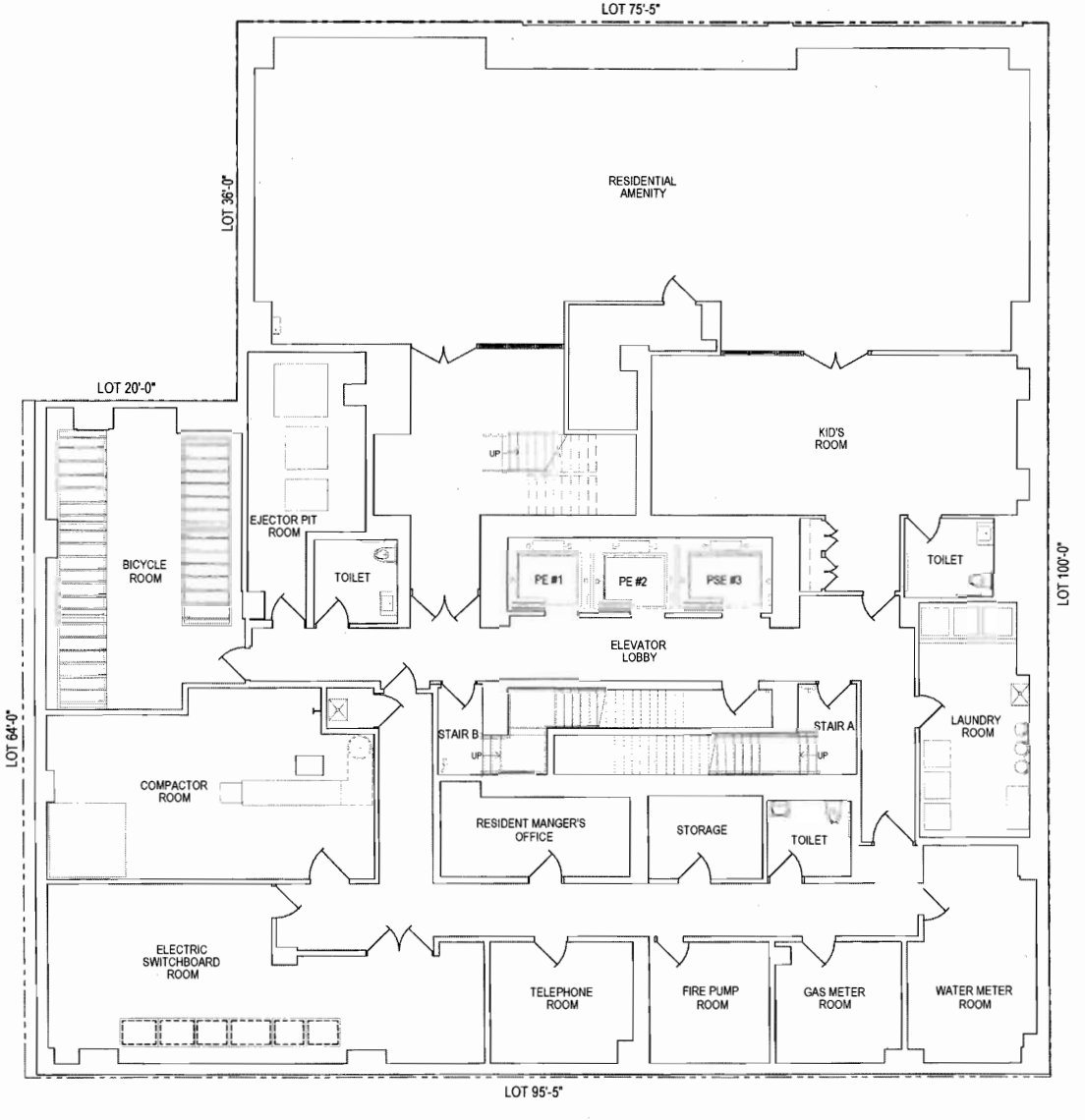
WEST ELEVATION

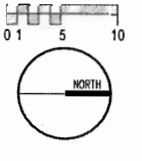


SOUTH ELEVATION

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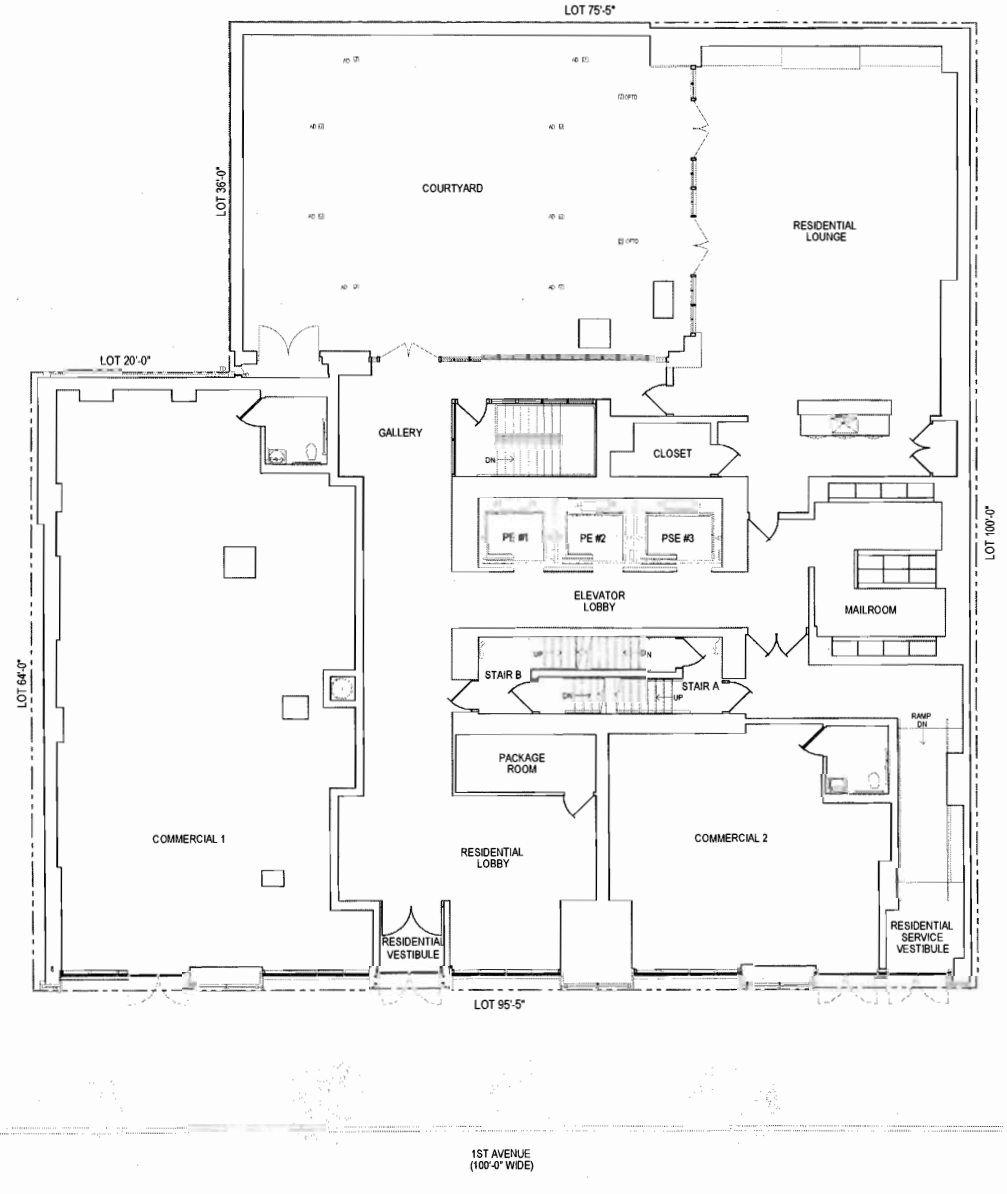




CELLAR FLOOR

THE SUTTON CONDOMINIUM

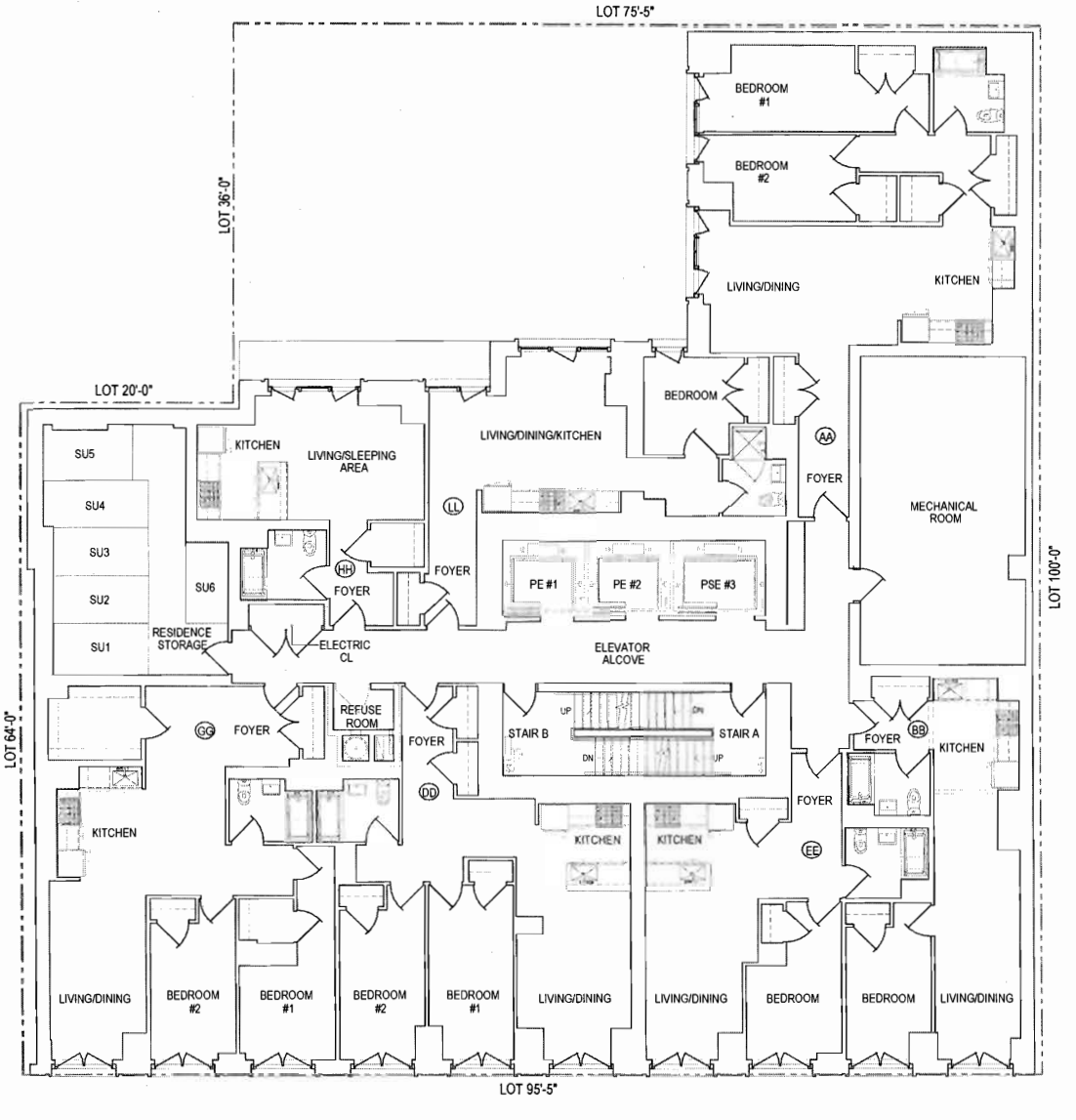
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1ST FLOOR

THE SUTTON CONDOMINIUM

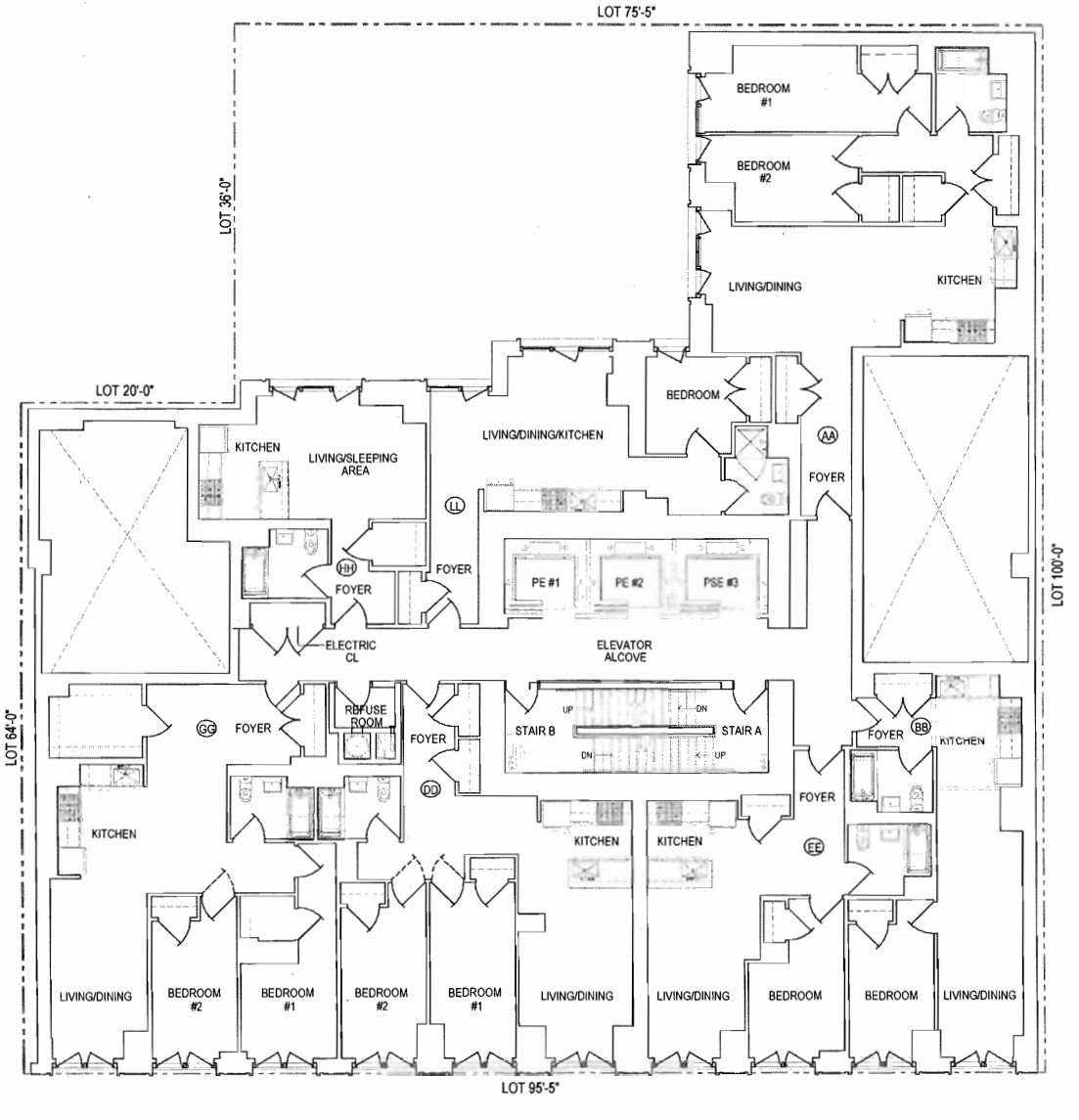
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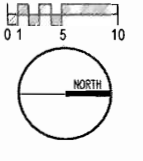


2ND FLOOR

THE SUTTON CONDOMINIUM

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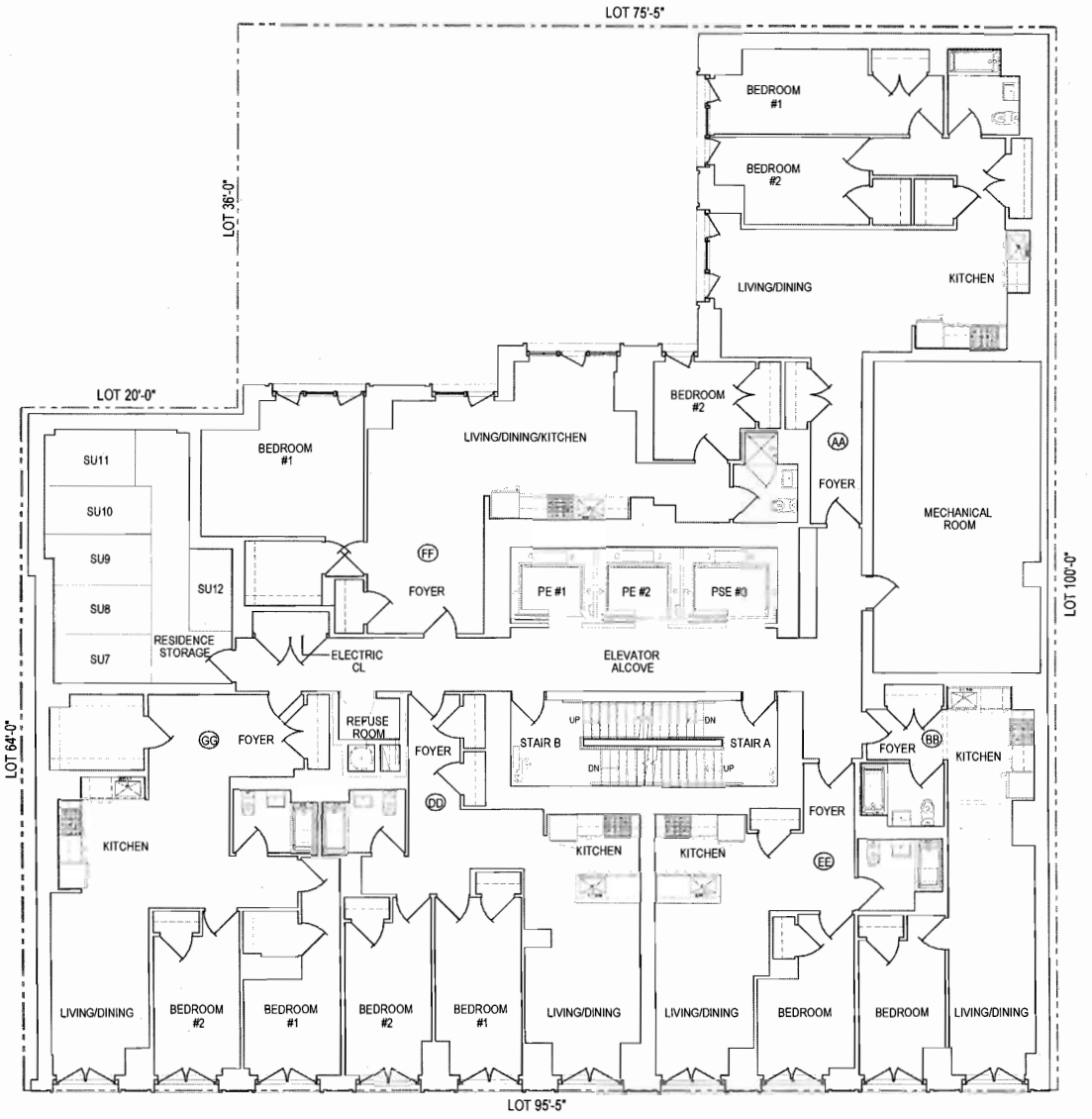




3RD FLOOR

THE SUTTON CONDOMINIUM

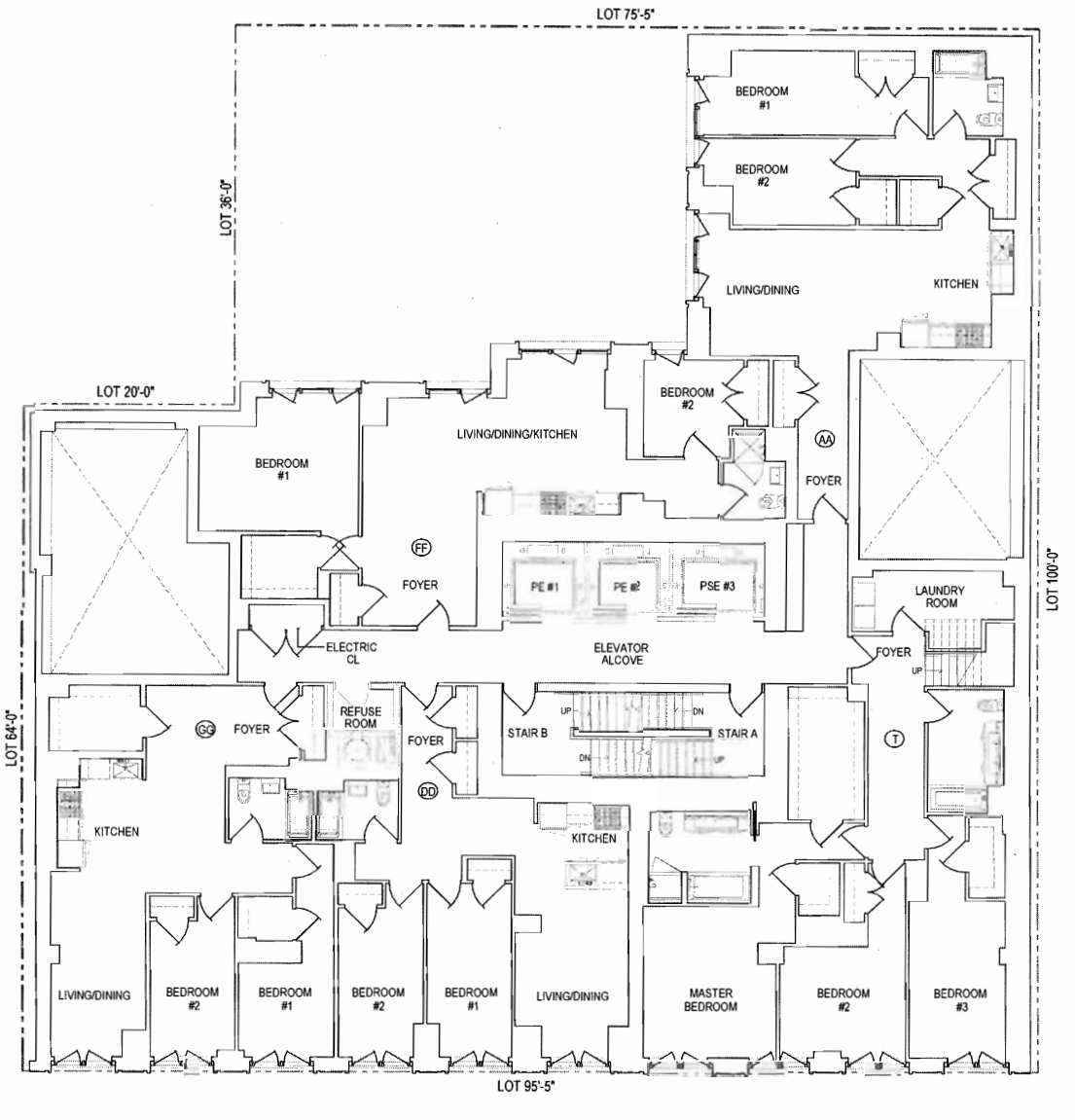
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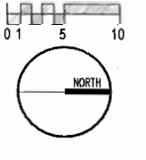


4TH FLOOR

THE SUTTON CONDOMINIUM

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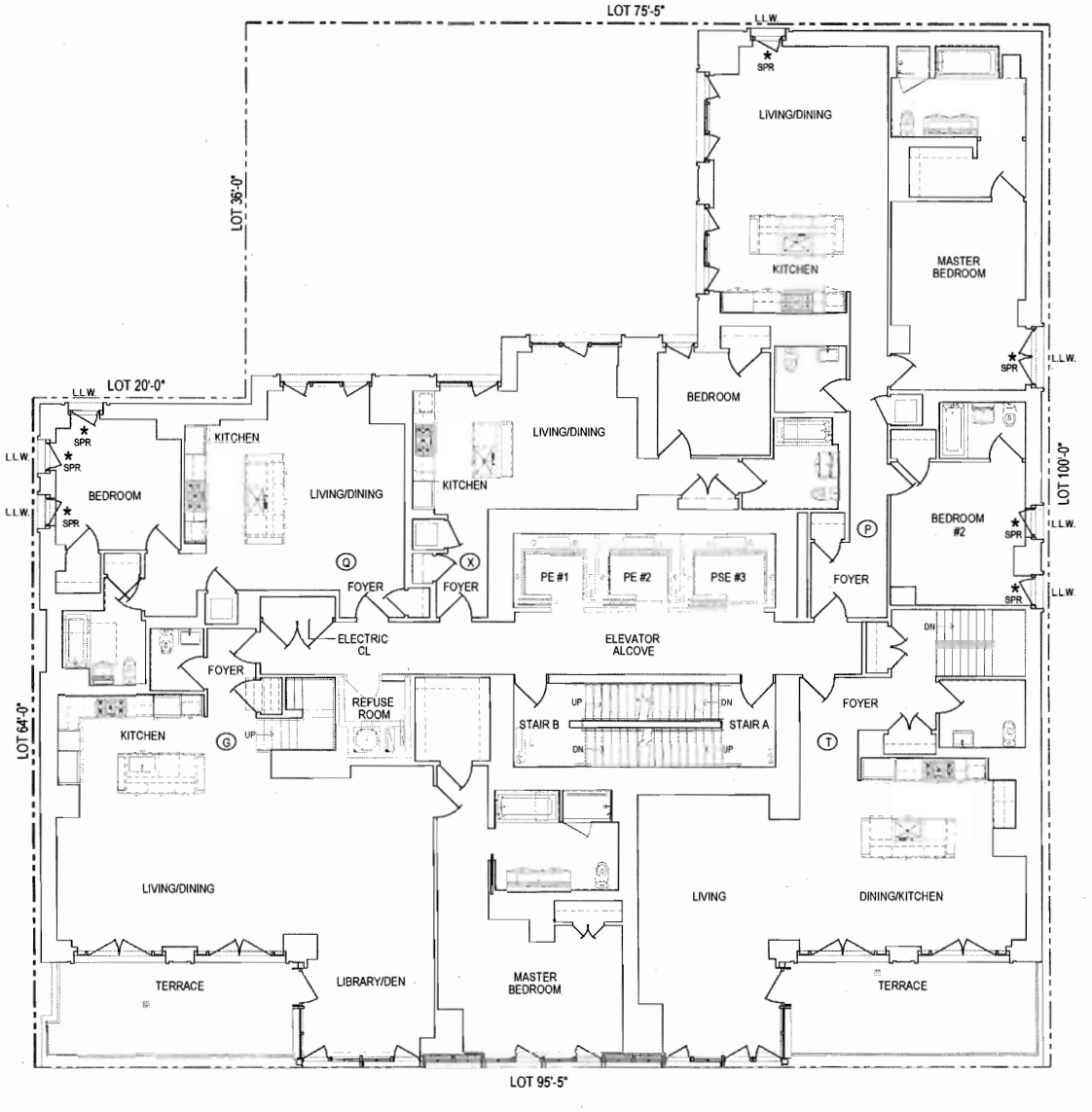


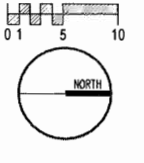


5TH FLOOR

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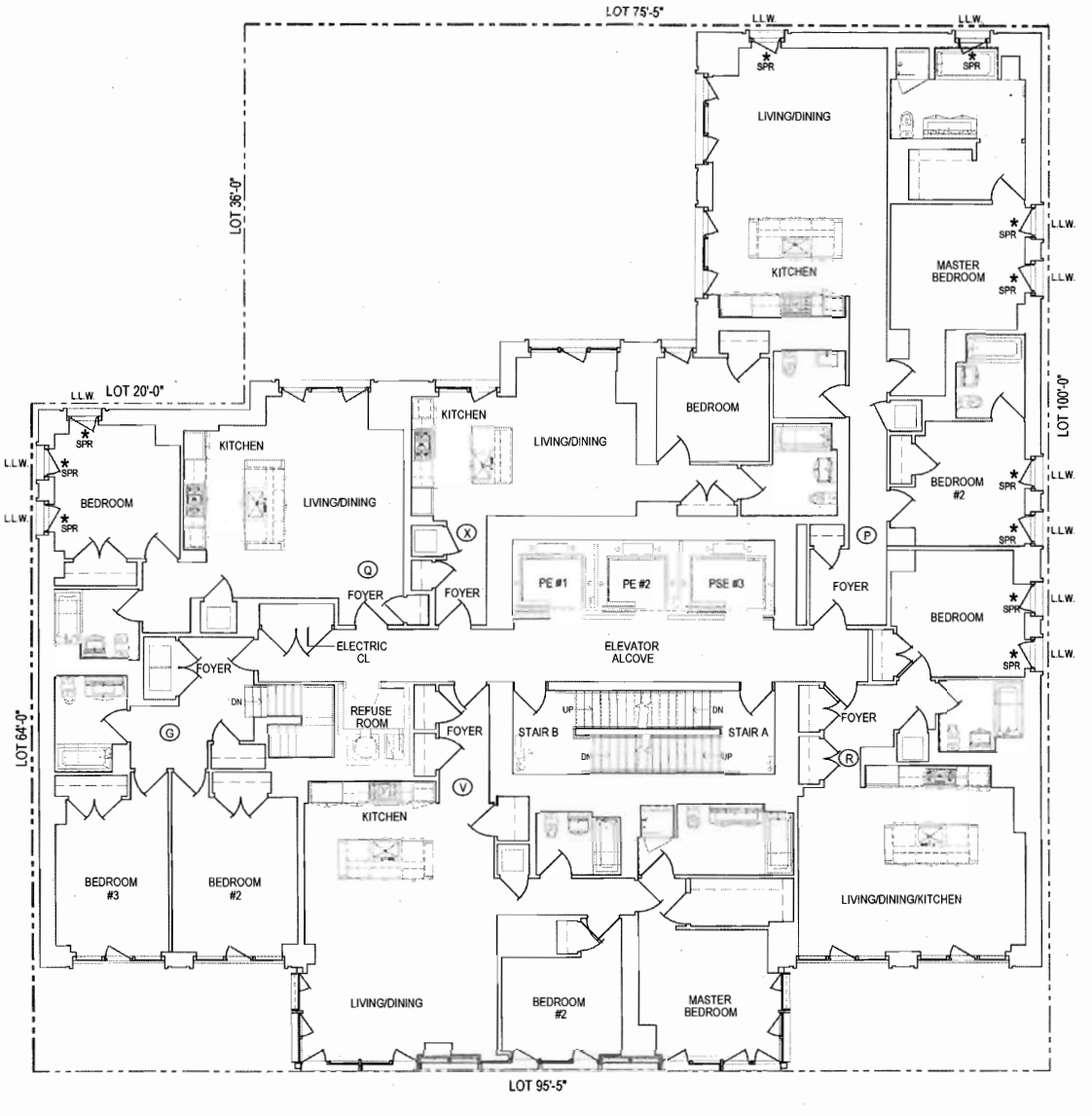




6TH FLOOR

THE SUTTON CONDOMINIUM

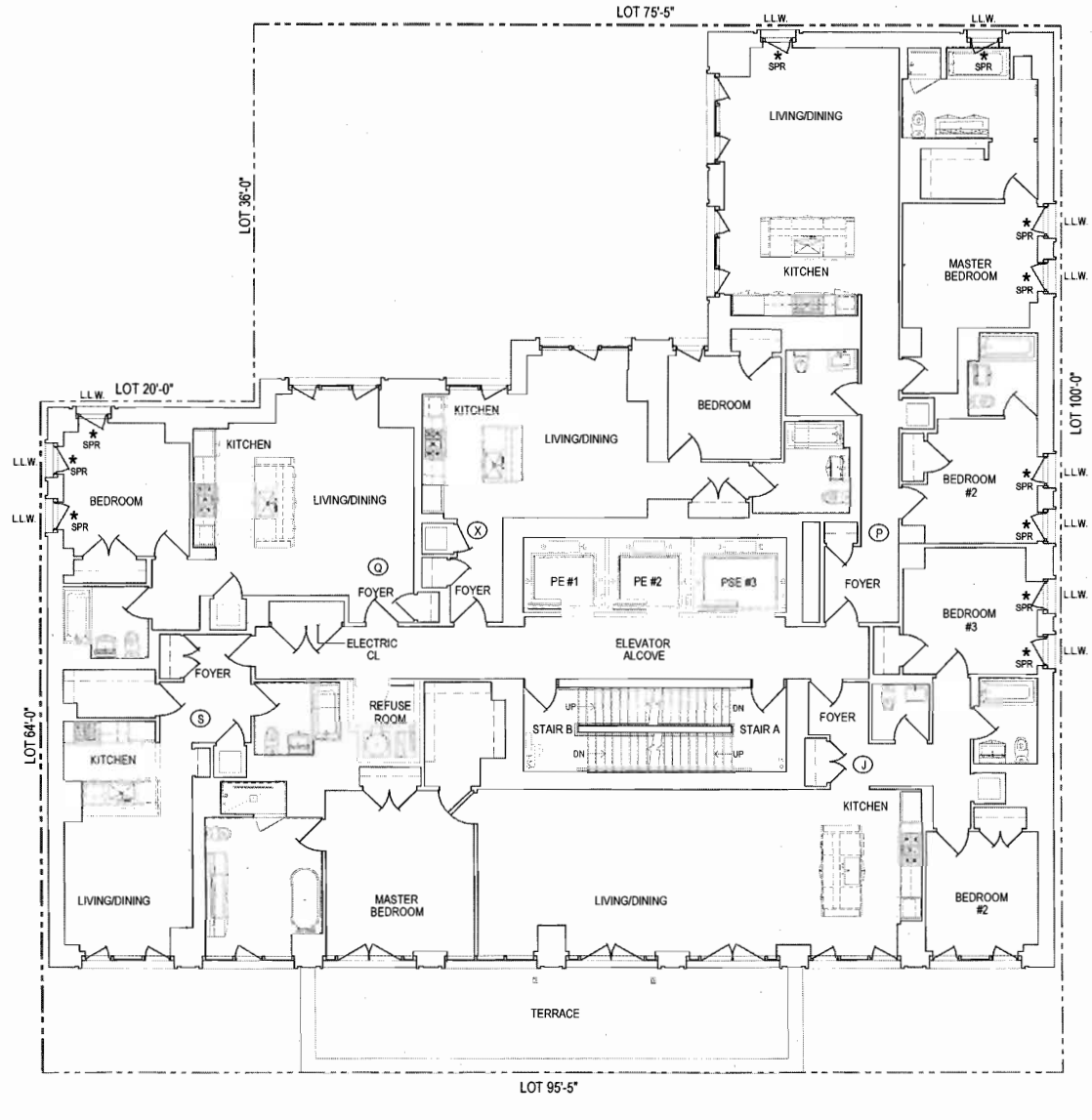
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7TH FLOOR

THE SUTTON CONDOMINIUM

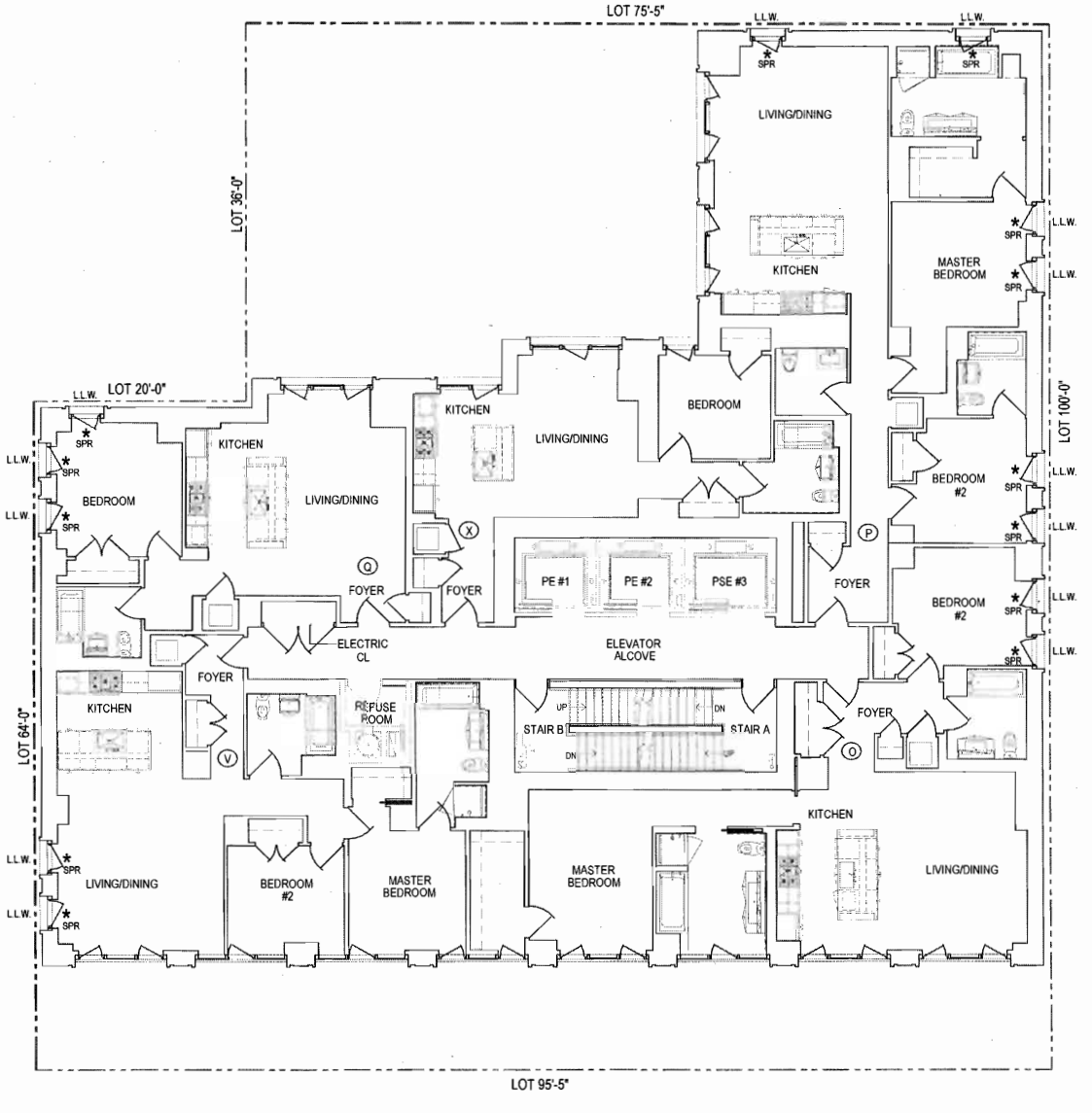
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8TH FLOOR

THE SUTTON CONDOMINIUM

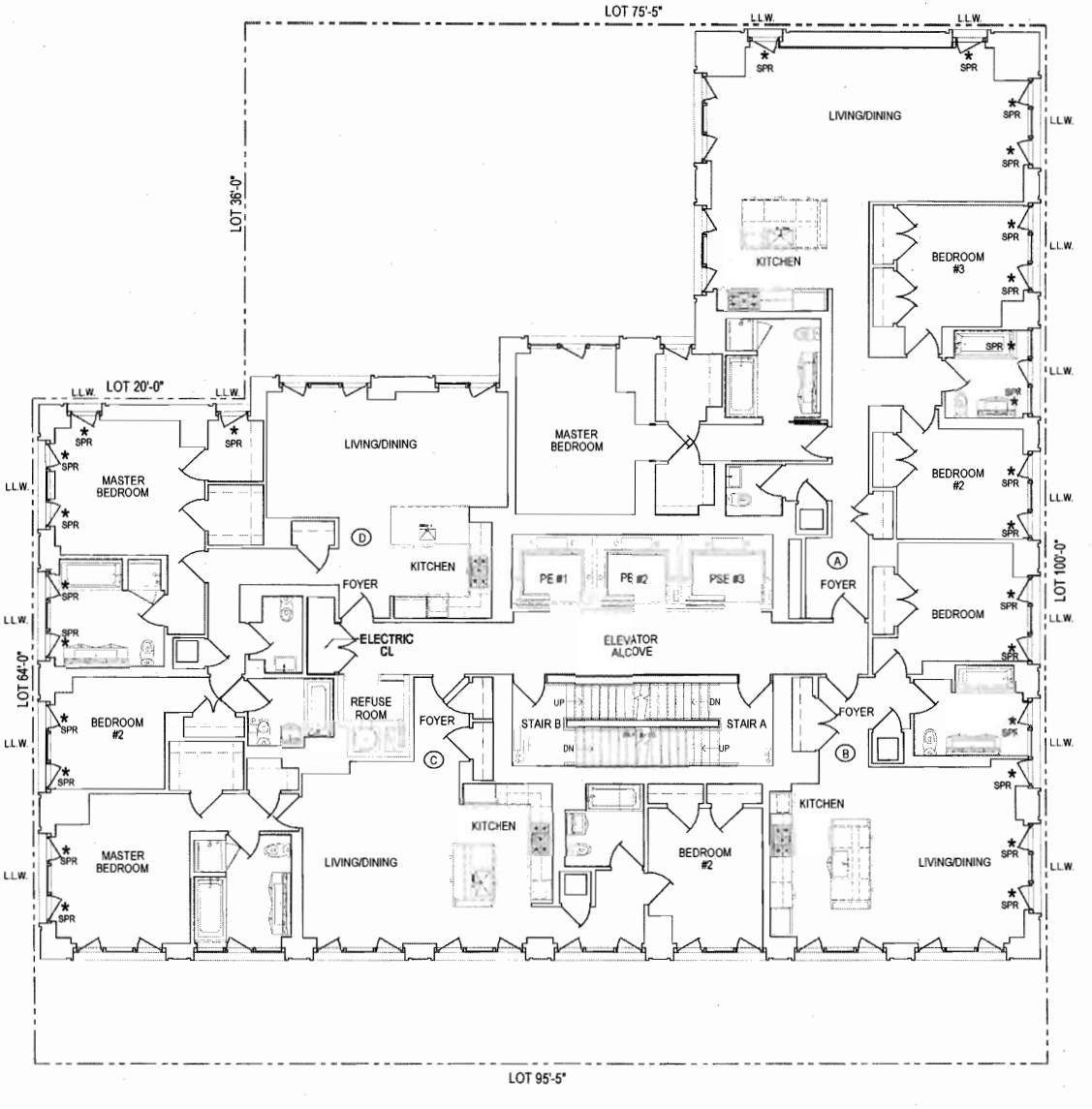
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9TH FLOOR

THE SUTTON CONDOMINIUM

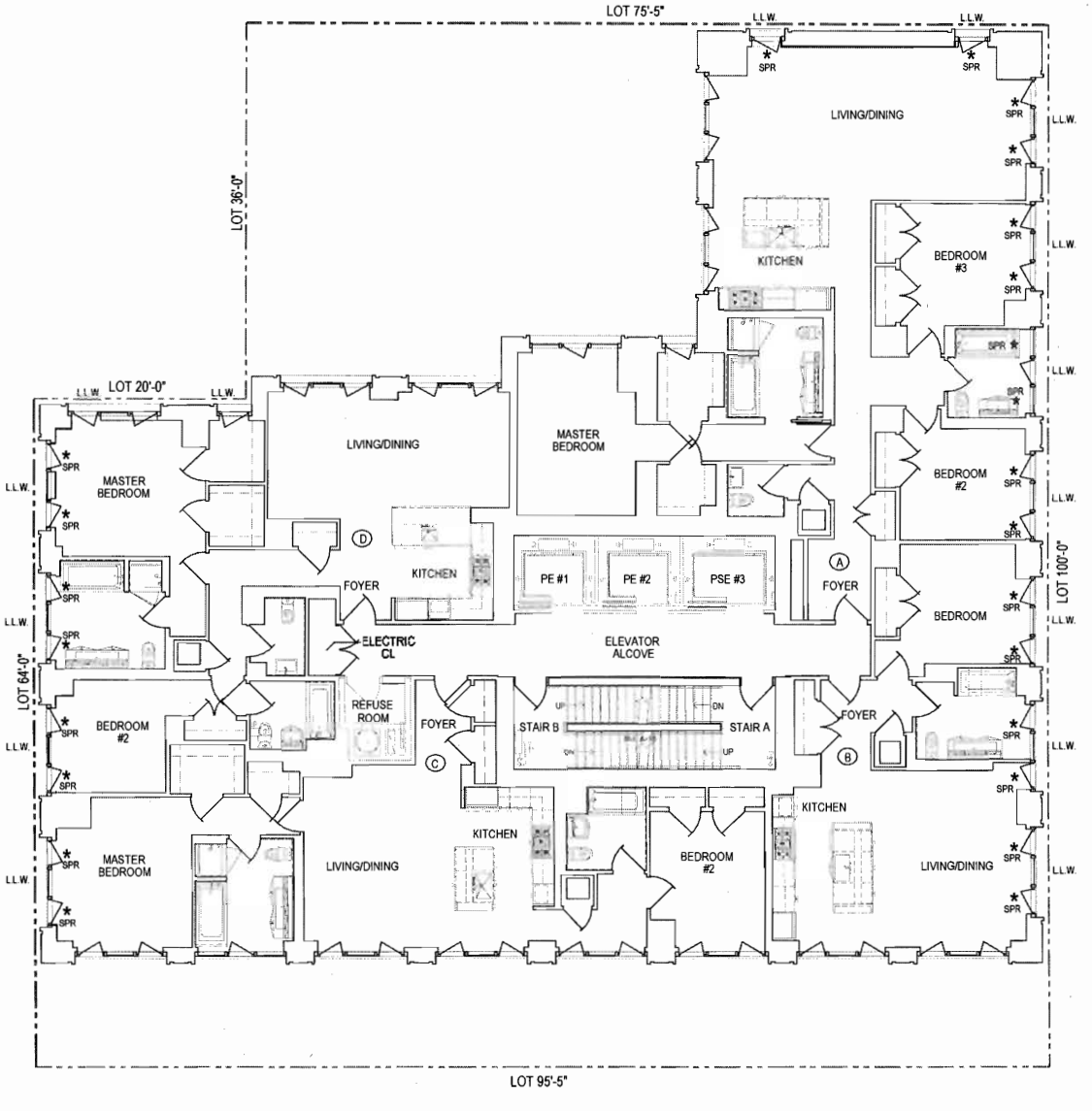
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10TH FLOOR

THE SUTTON CONDOMINIUM

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LEGEND

- GENERAL COMMON ELEMENTS
- COMMERCIAL UNIT
- RESIDENTIAL COMMON ELEMENTS
- RESIDENTIAL UNIT
- RESIDENTIAL LIMITED COMMON ELEMENTS

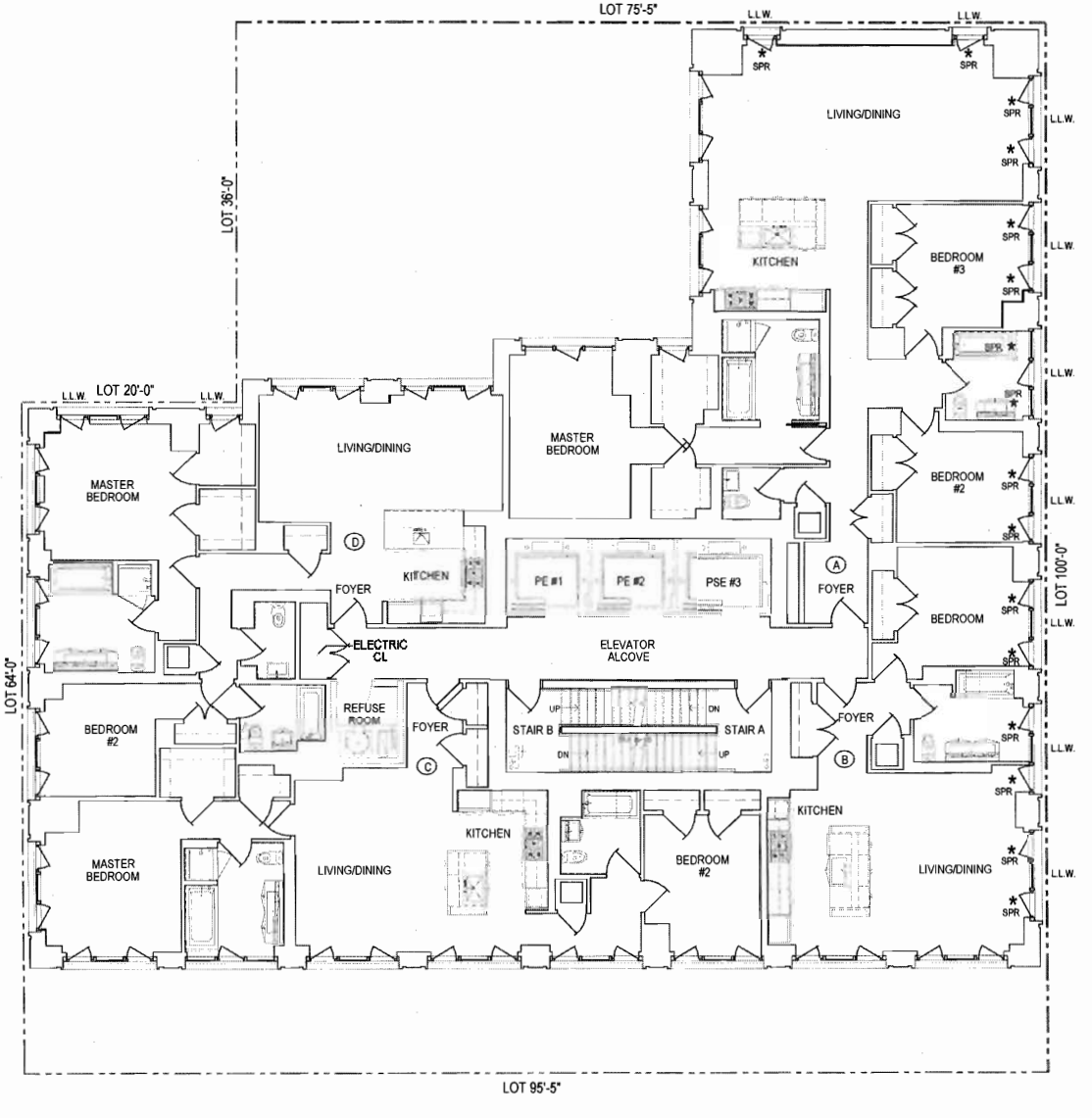
0 1 5 10

NORTH

11TH FLOOR

THE SUTTON CONDOMINIUM

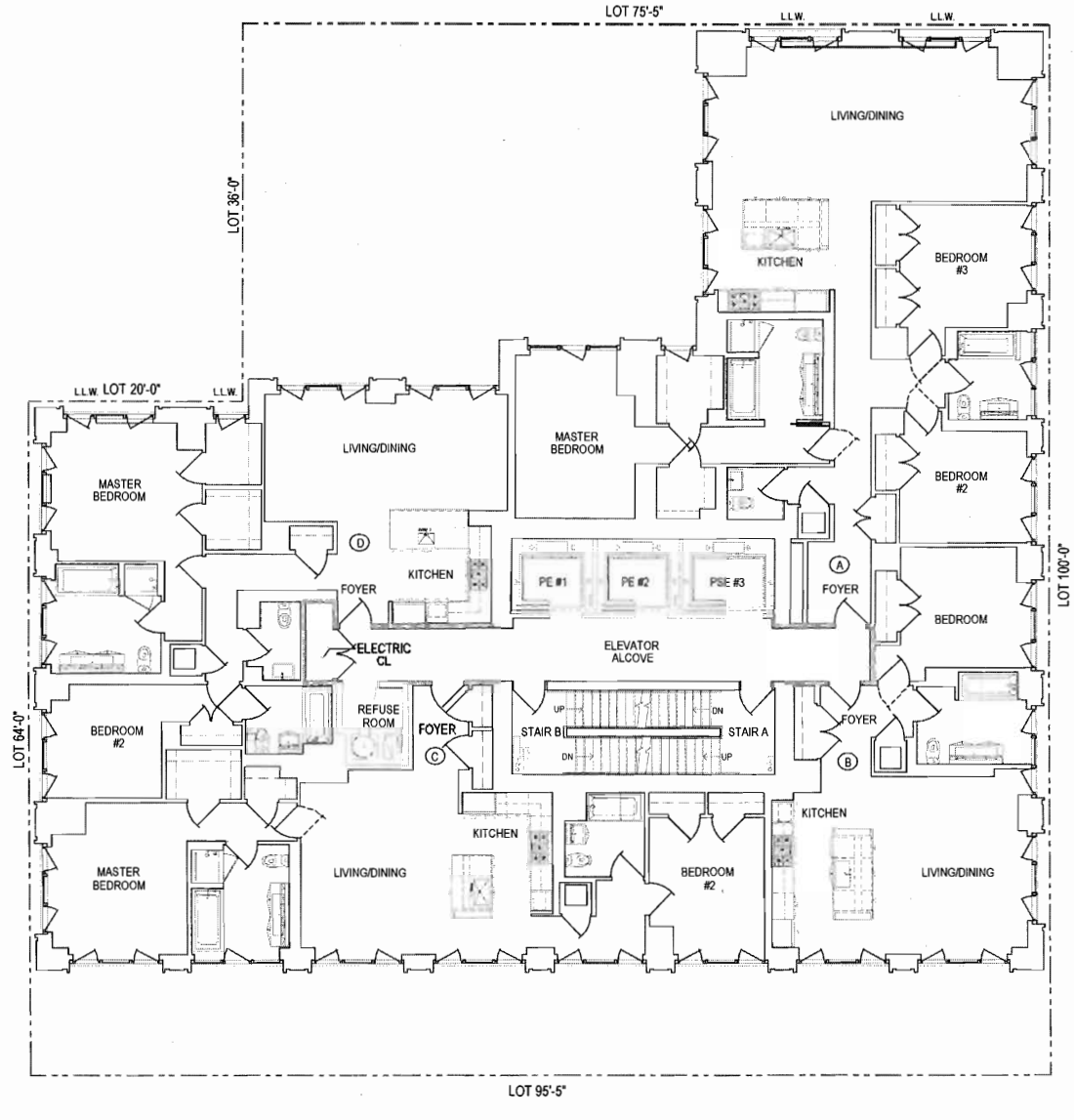
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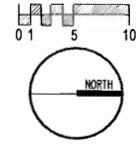


12TH FLOOR

THE SUTTON CONDOMINIUM

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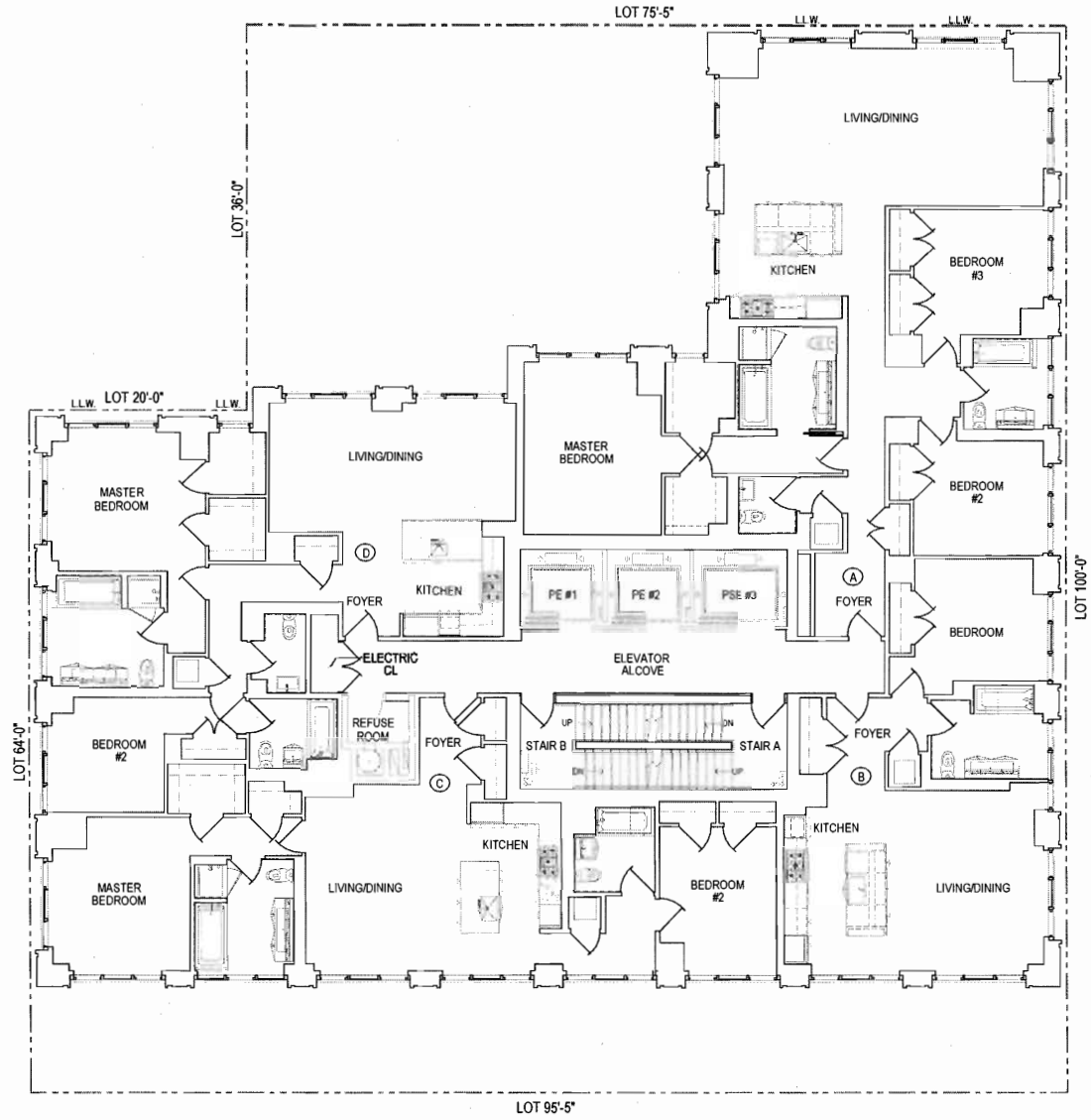


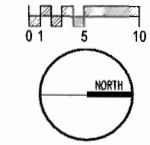


13RD THRU 15TH FLOOR

THE SUTTON CONDOMINIUM

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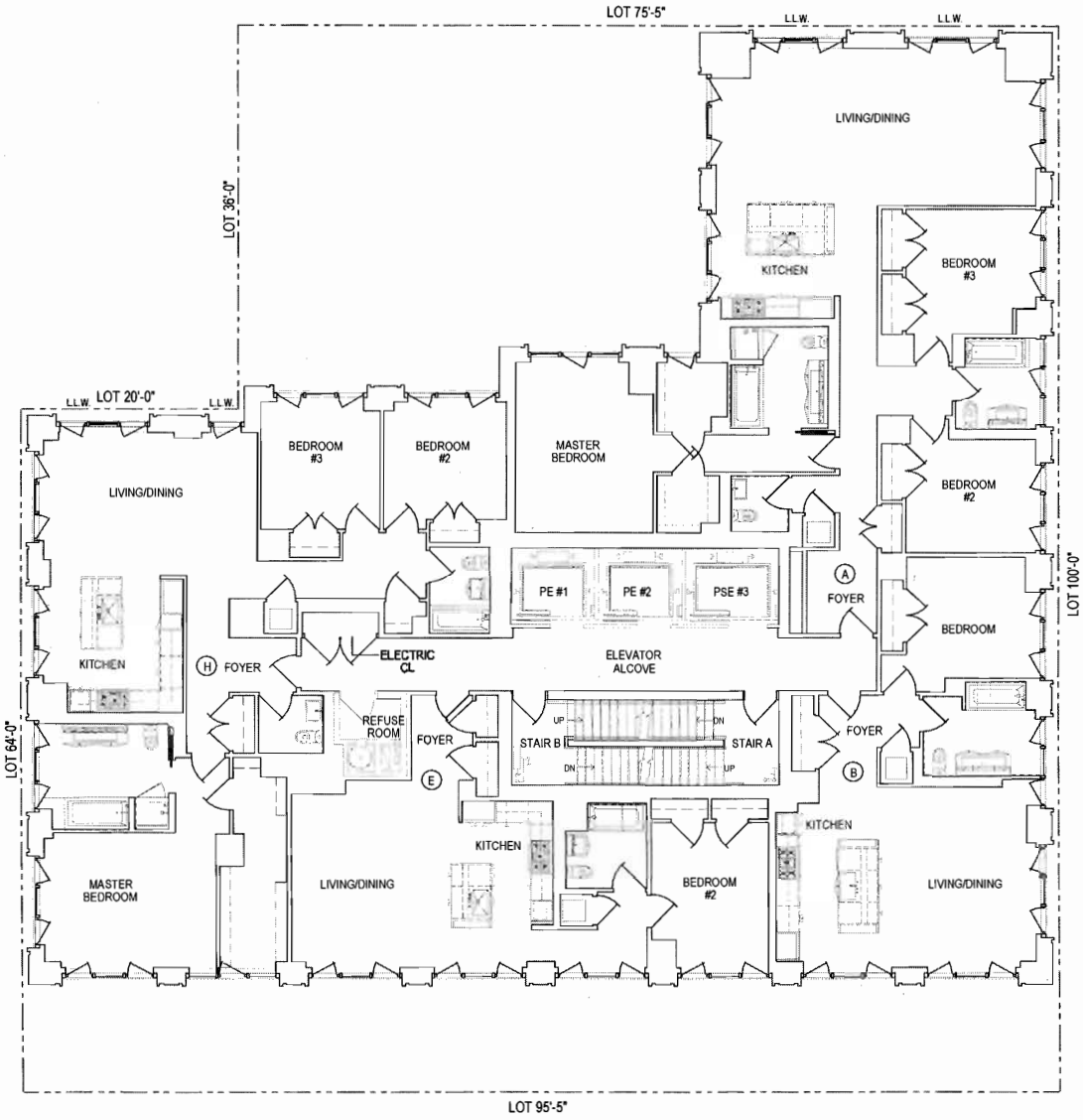


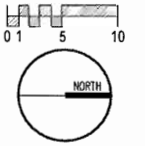


16TH THRU 20TH FLOOR

THE SUTTON CONDOMINIUM

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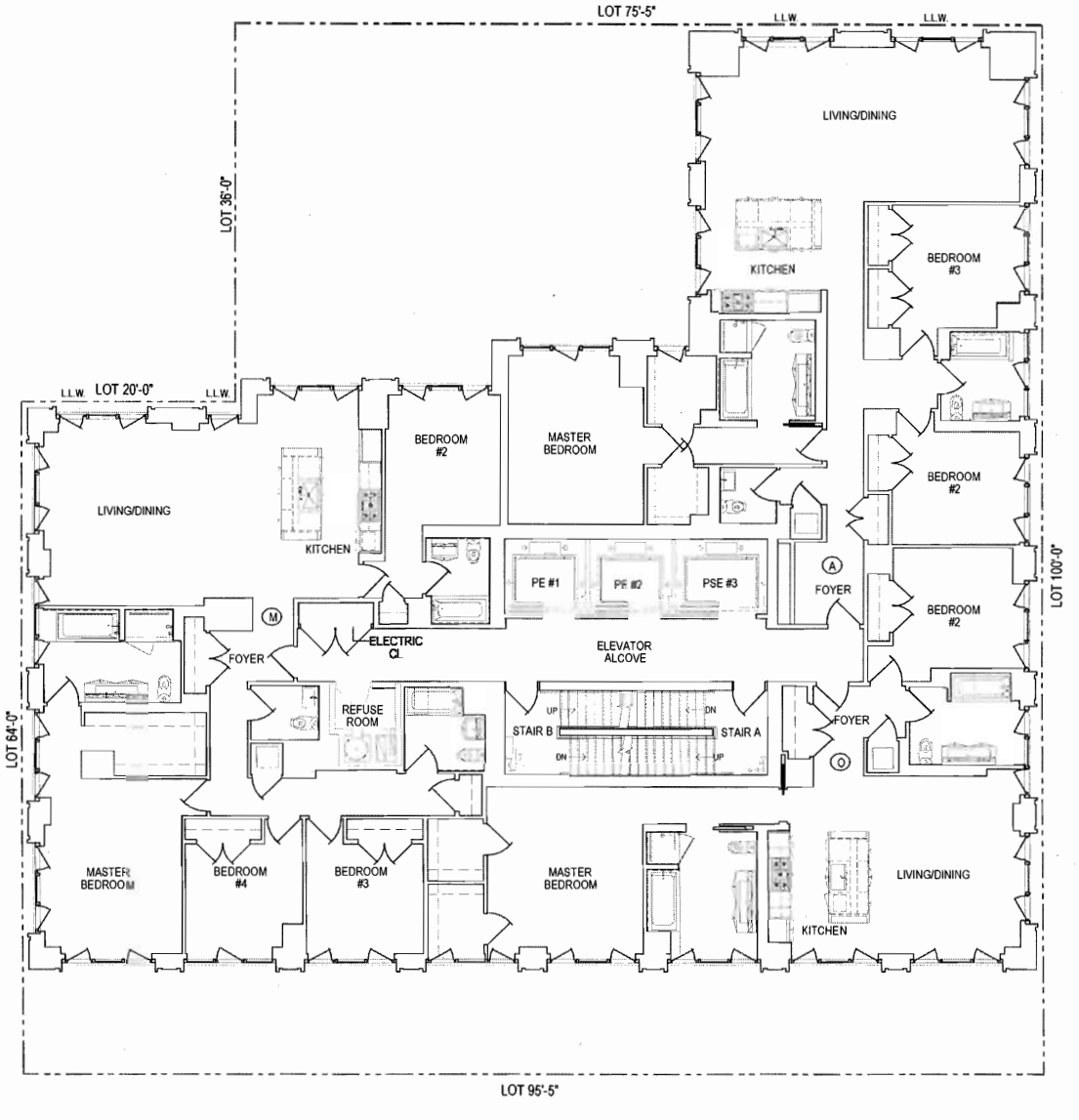


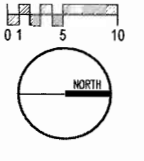


21ST THRU 25TH FLOOR

THE SUTTON CONDOMINIUM

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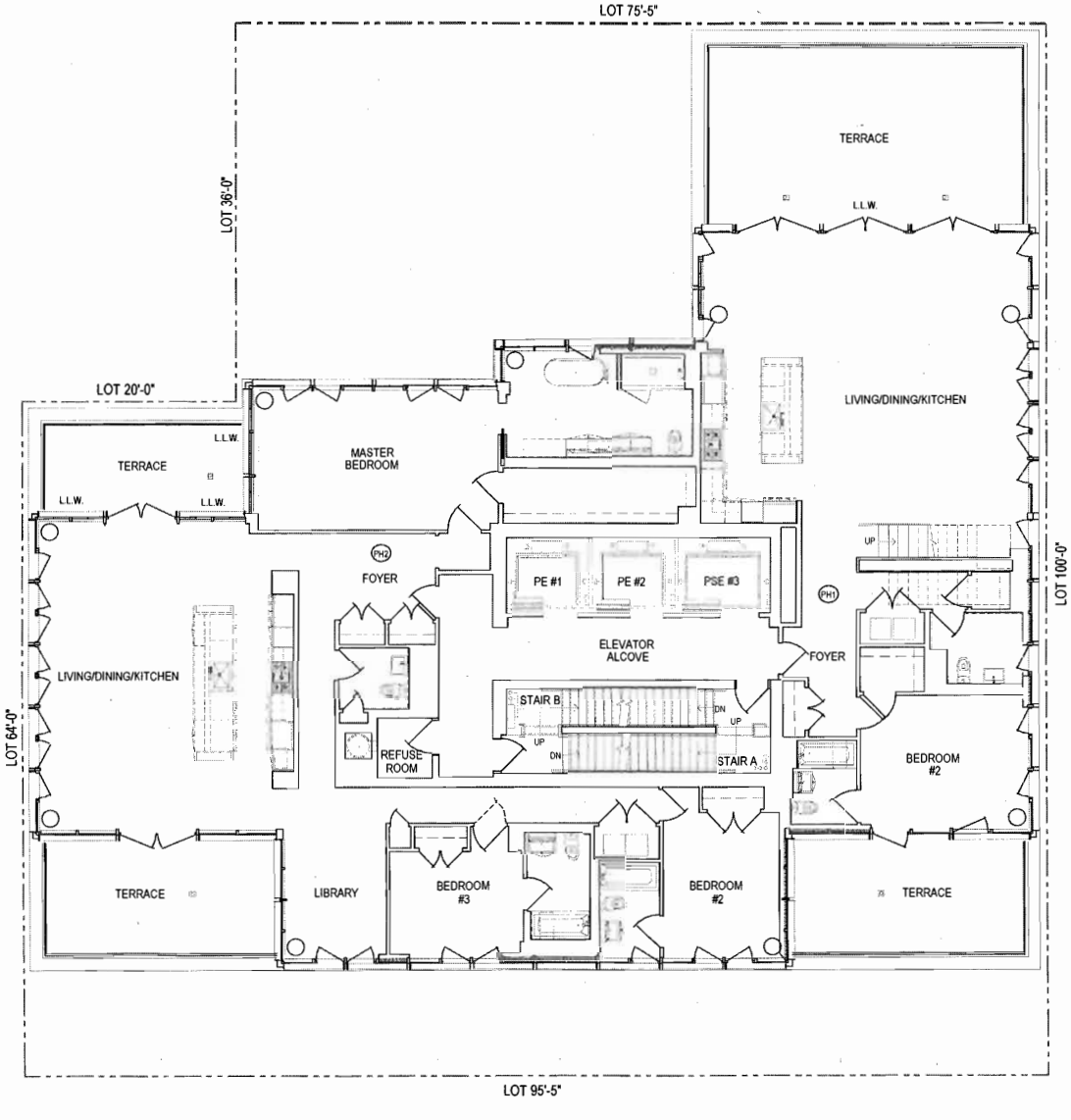




26TH FLOOR

THE SUTTON CONDOMINIUM

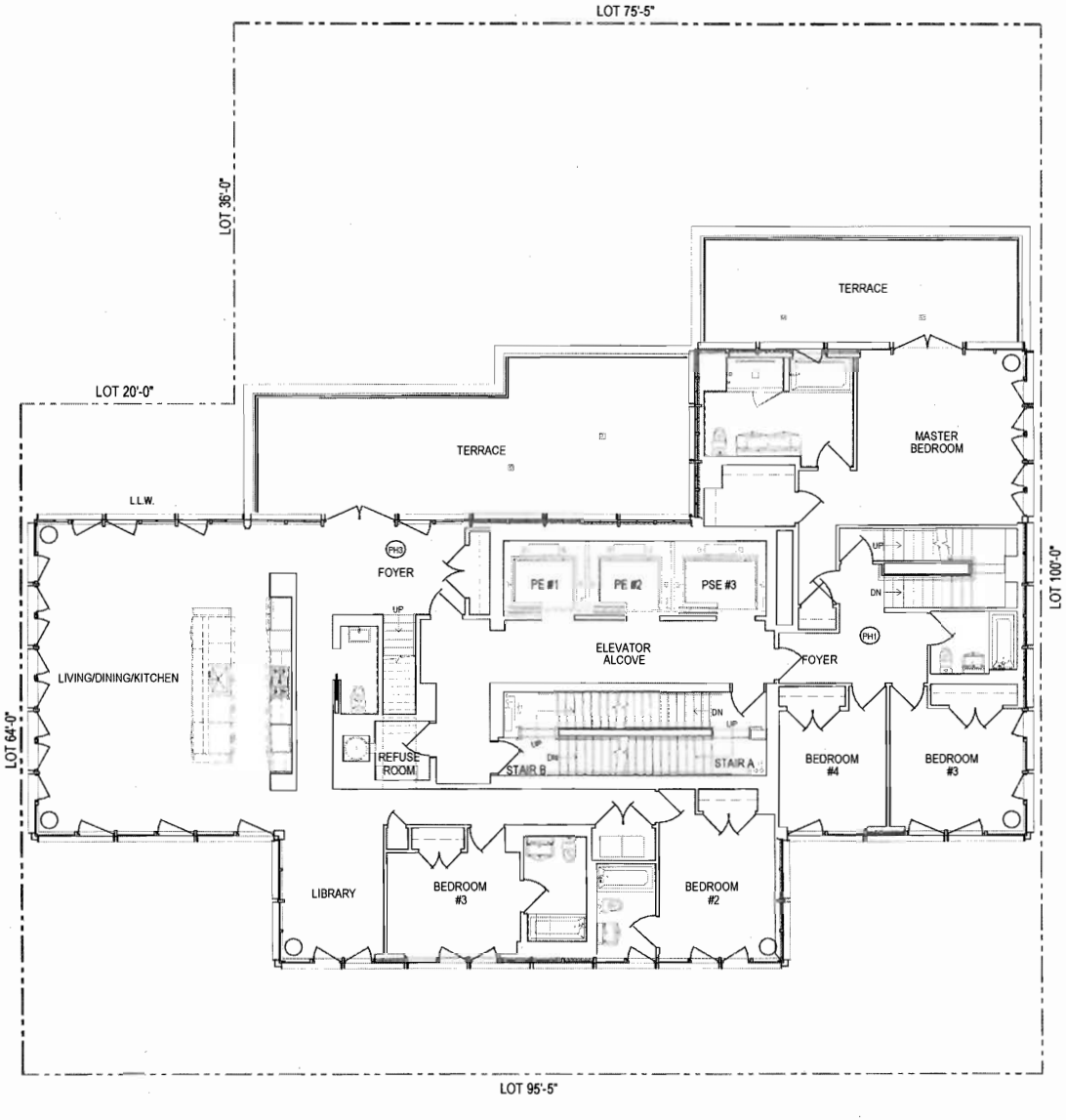
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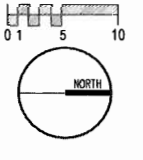


27TH FLOOR

THE SUTTON CONDOMINIUM

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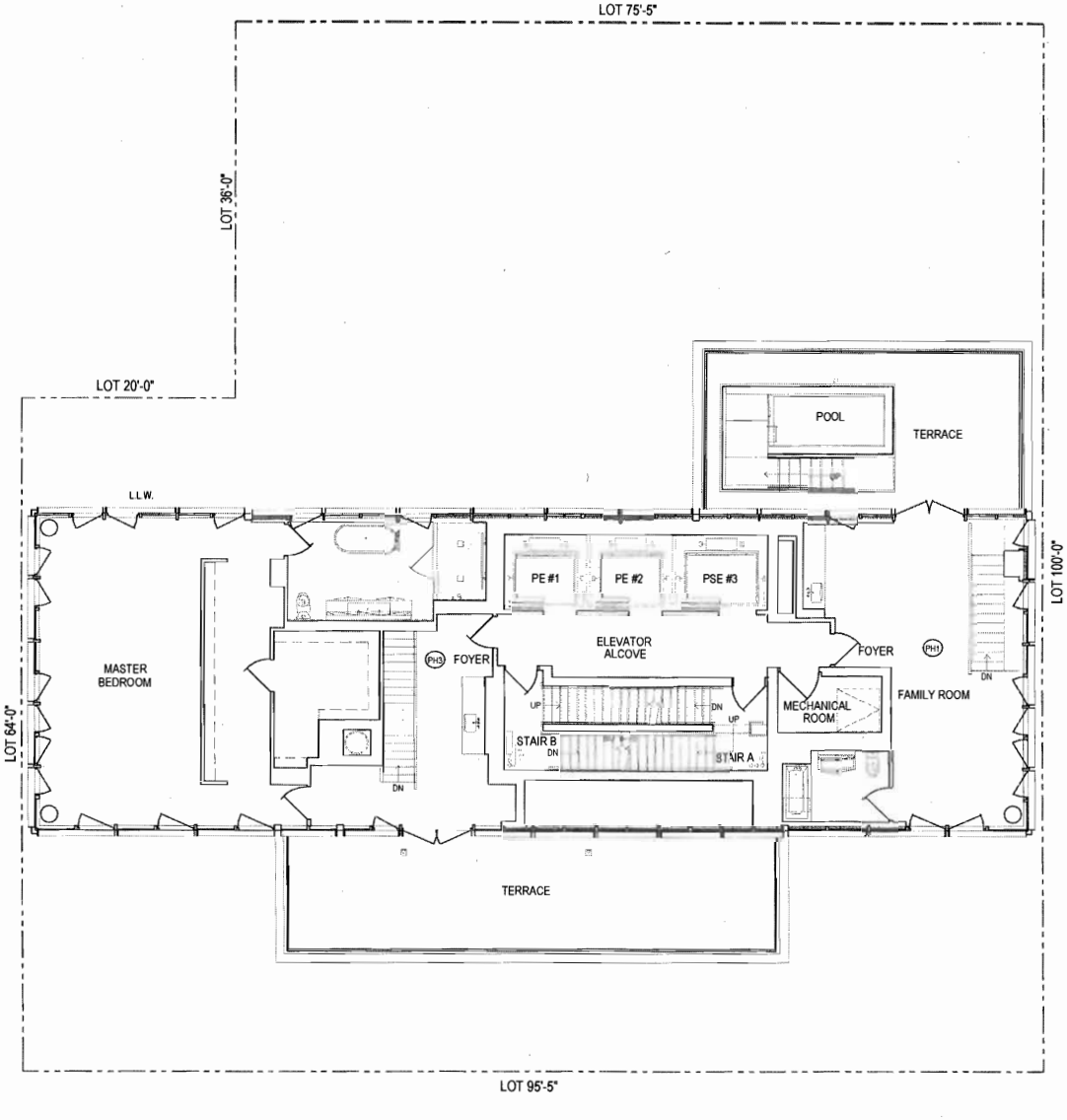


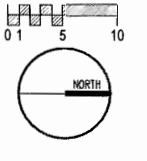


28TH FLOOR

THE SUTTON CONDOMINIUM

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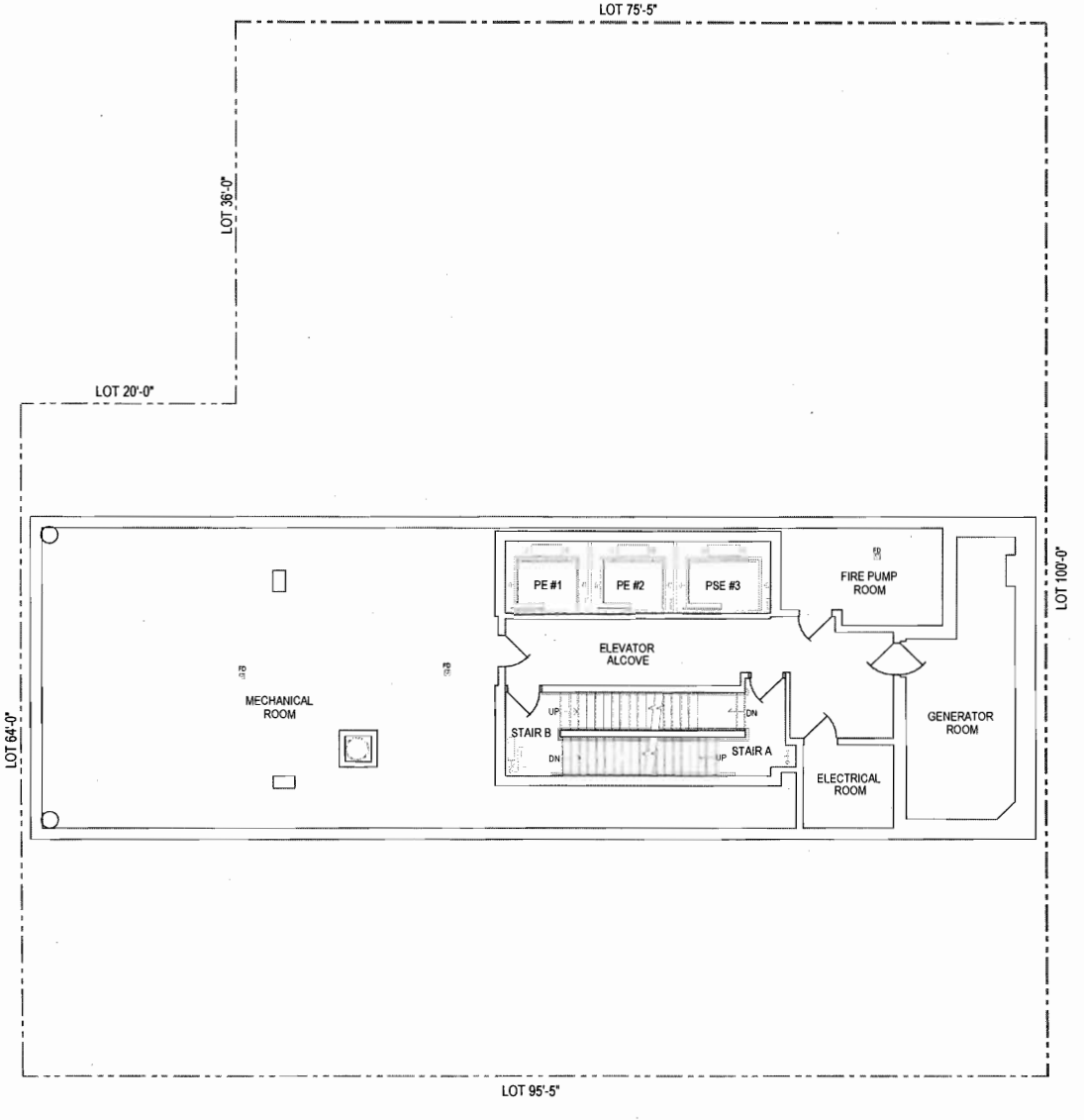




29TH FLOOR

THE SUTTON CONDOMINIUM

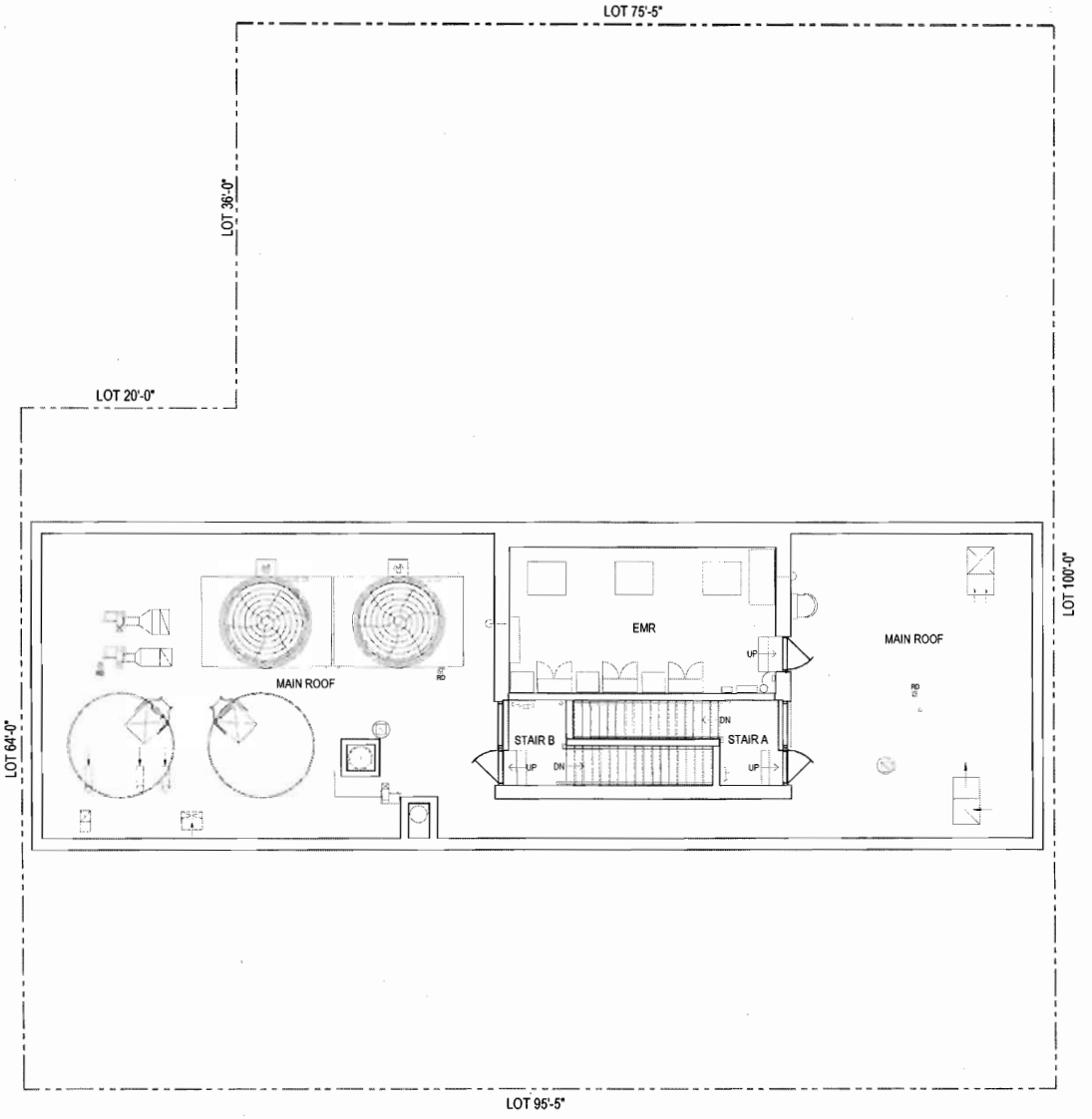
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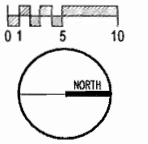


MECH LEVEL

THE SUTTON CONDOMINIUM

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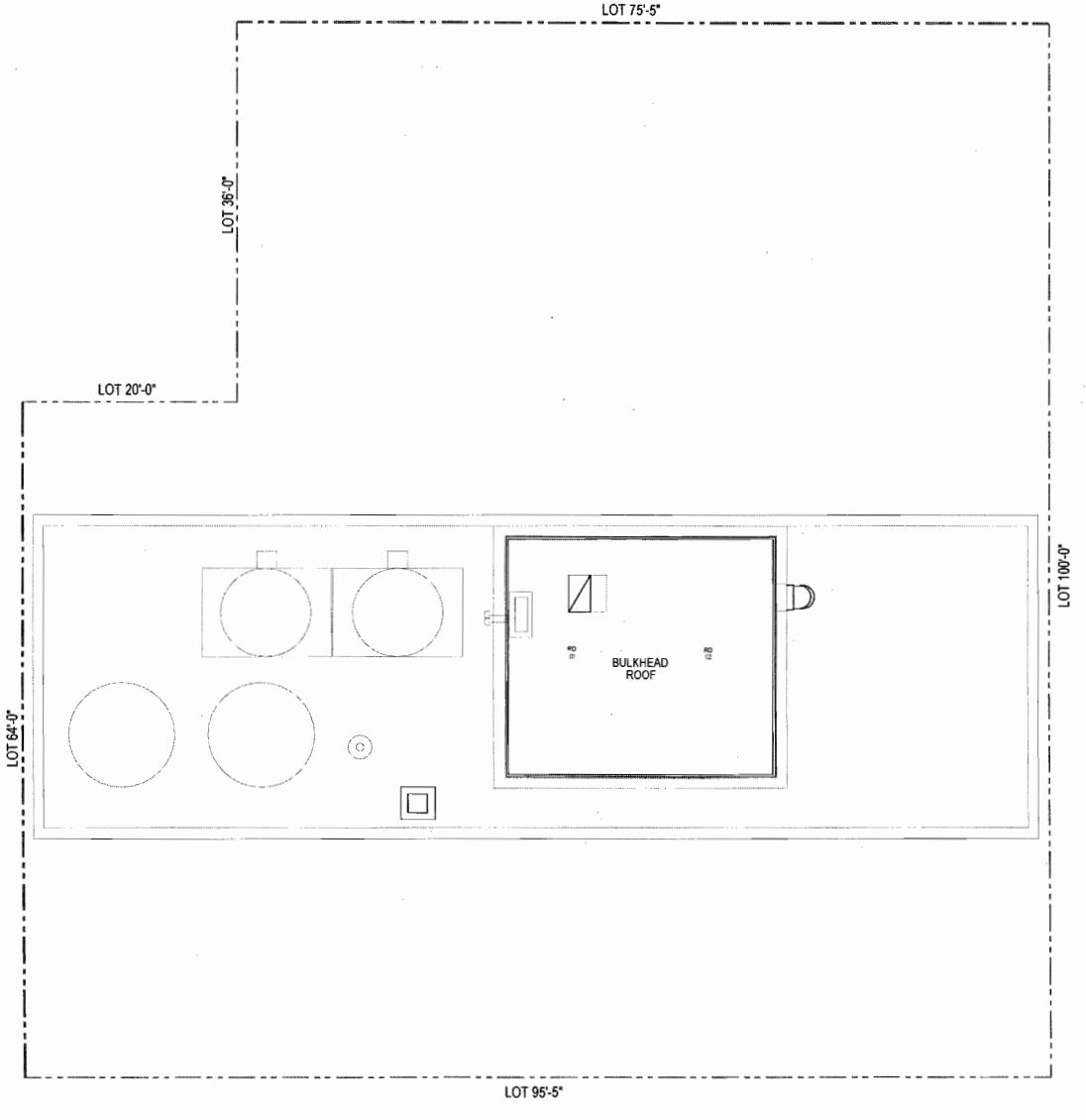


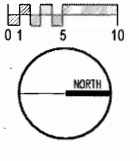


MAIN ROOF

THE SUTTON CONDOMINIUM

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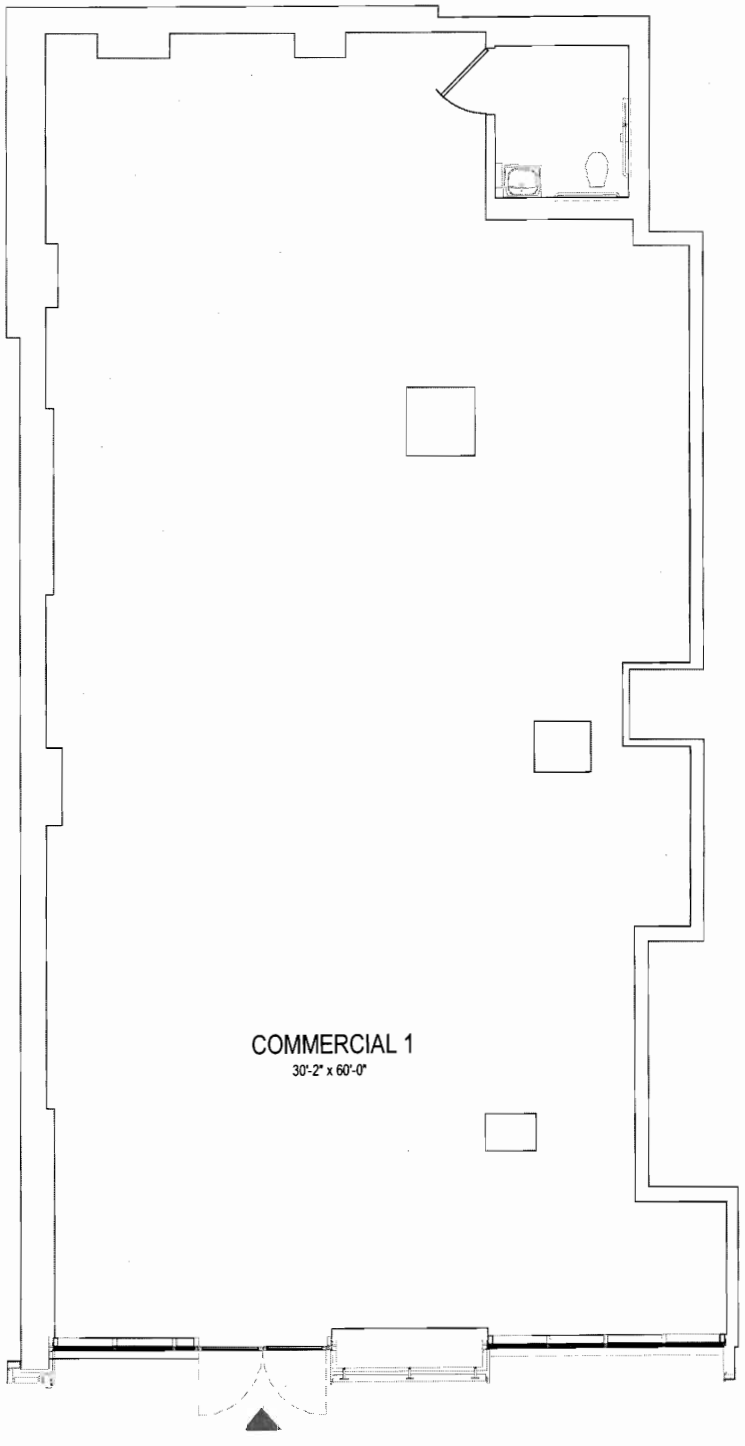


BULKHEAD ROOF

THE SUTTON CONDOMINIUM

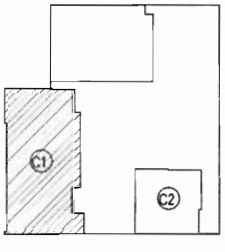
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THE SUTTON CONDOMINIUM



COMMERCIAL 1

FLOOR 1
1,932 SQ FT

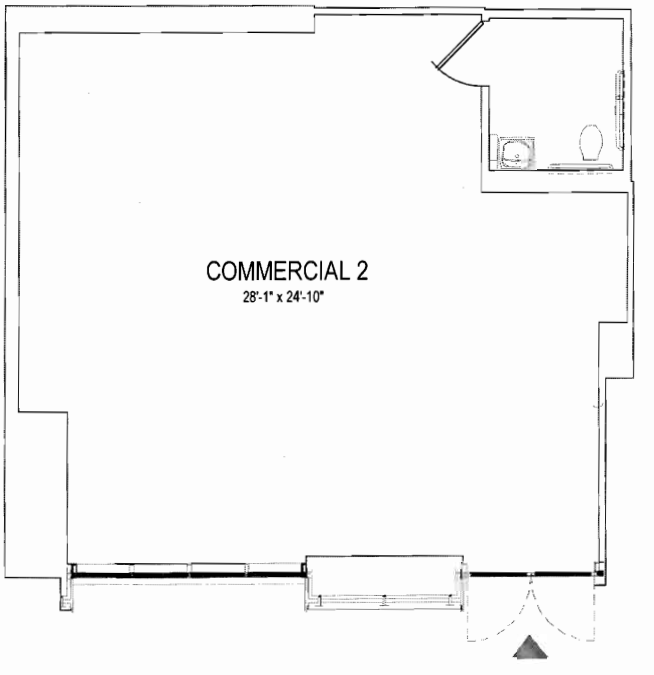






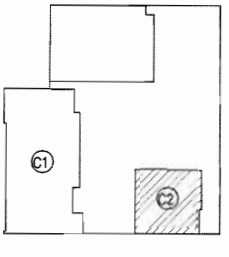
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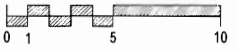
THE SUTTON CONDOMINIUM



COMMERCIAL 2

FLOOR 1
781 SQ FT

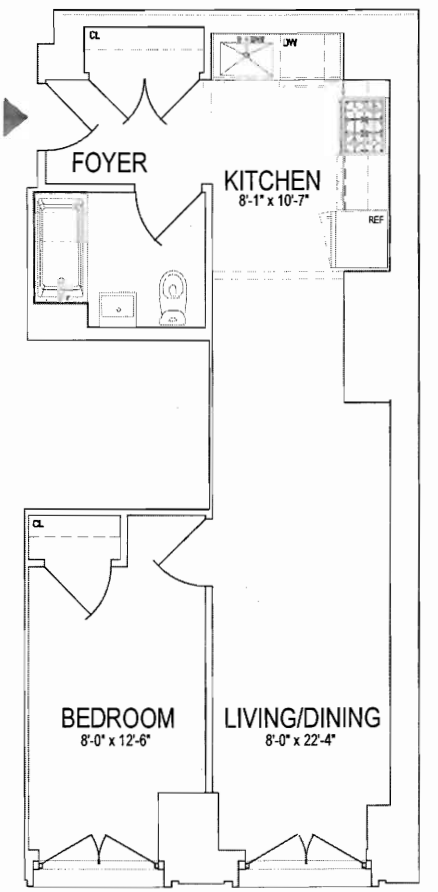






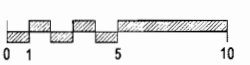
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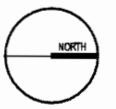
THE SUTTON CONDOMINIUM

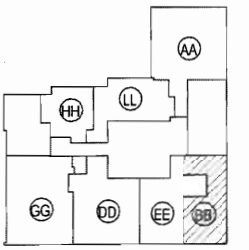


UNIT 2BB

1 BEDROOM
1 BATH
FLOOR 2
621 SQ FT

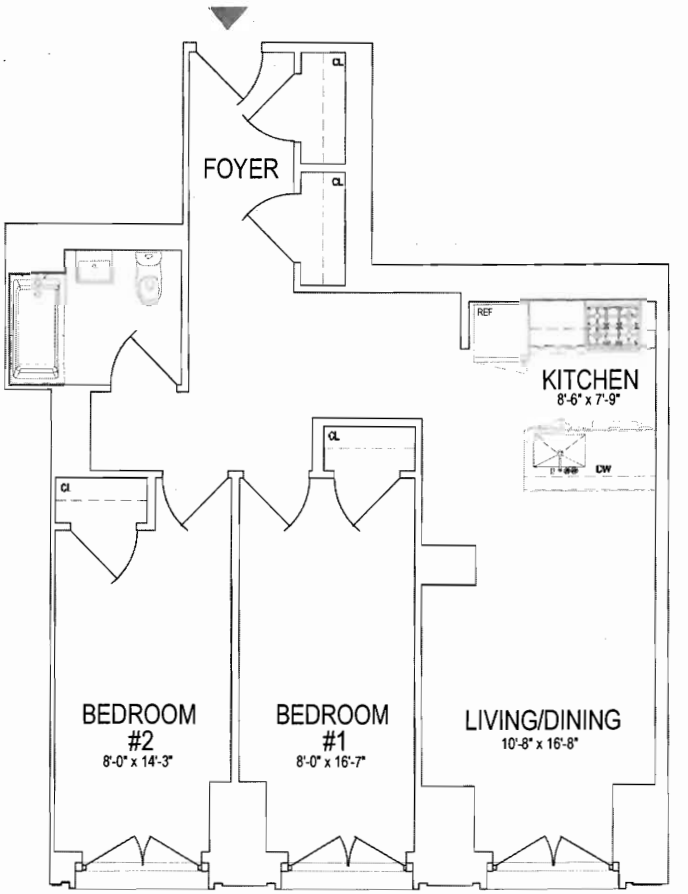






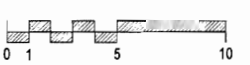
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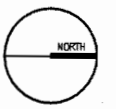
THE SUTTON CONDOMINIUM

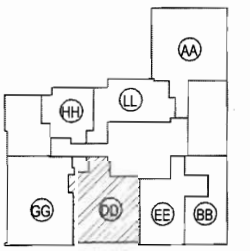


UNIT 2DD

2 BEDROOMS
1 BATH
FLOOR 2
890 SQ FT

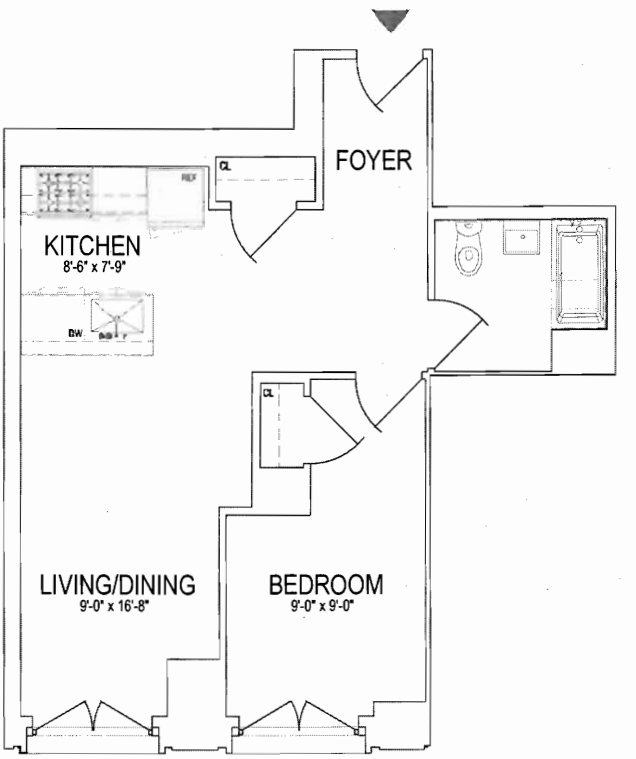






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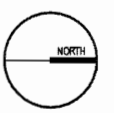
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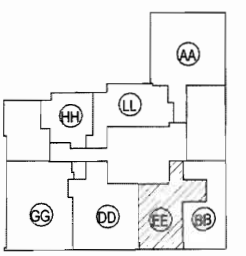


UNIT 2EE

1 BEDROOM
1 BATH
FLOOR 2
617 SQ FT

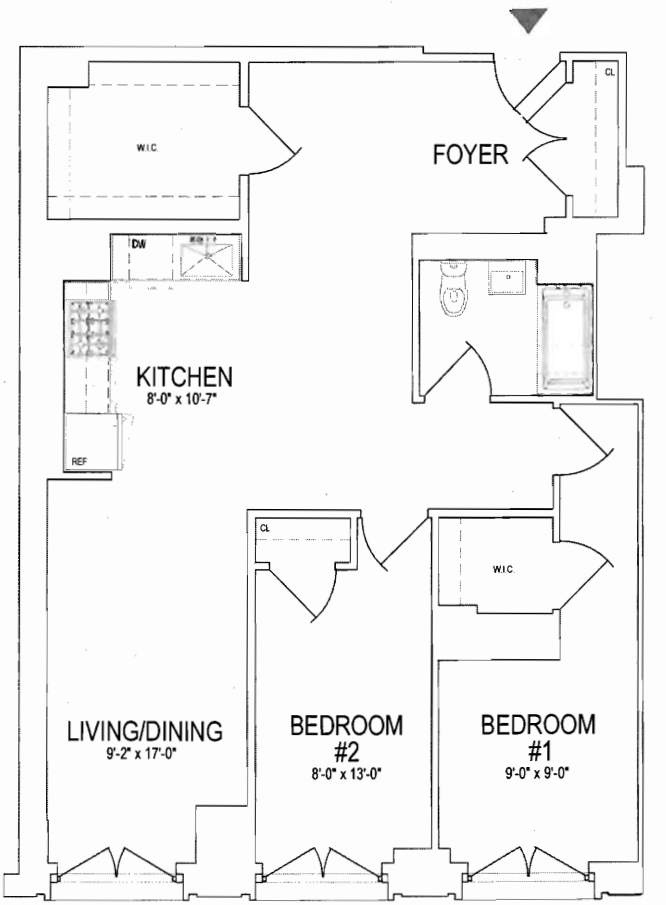






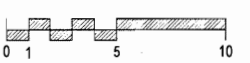
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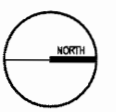
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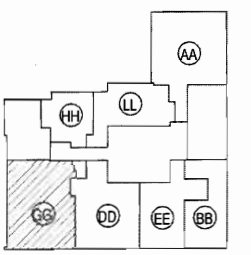


UNIT 2GG

2 BEDROOMS
1 BATH
FLOOR 2
1,048 SQ FT

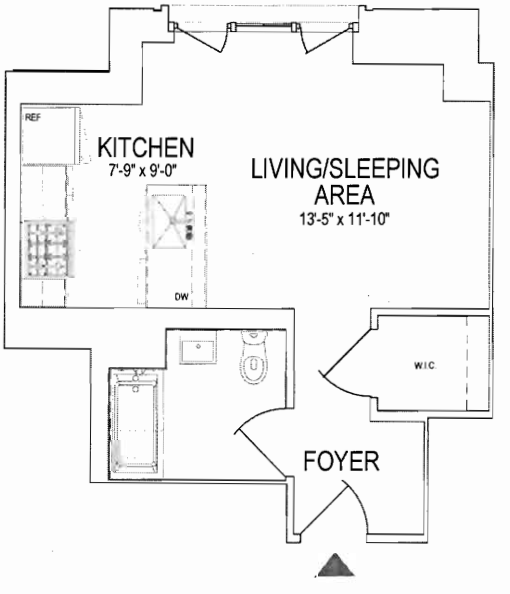






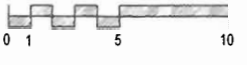
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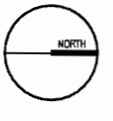
THE SUTTON CONDOMINIUM

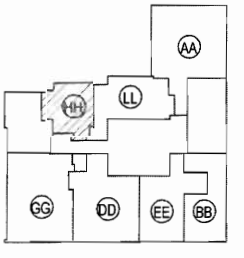


UNIT 2HH

0 BEDROOM
1 BATH
FLOOR 2
438 SQ FT

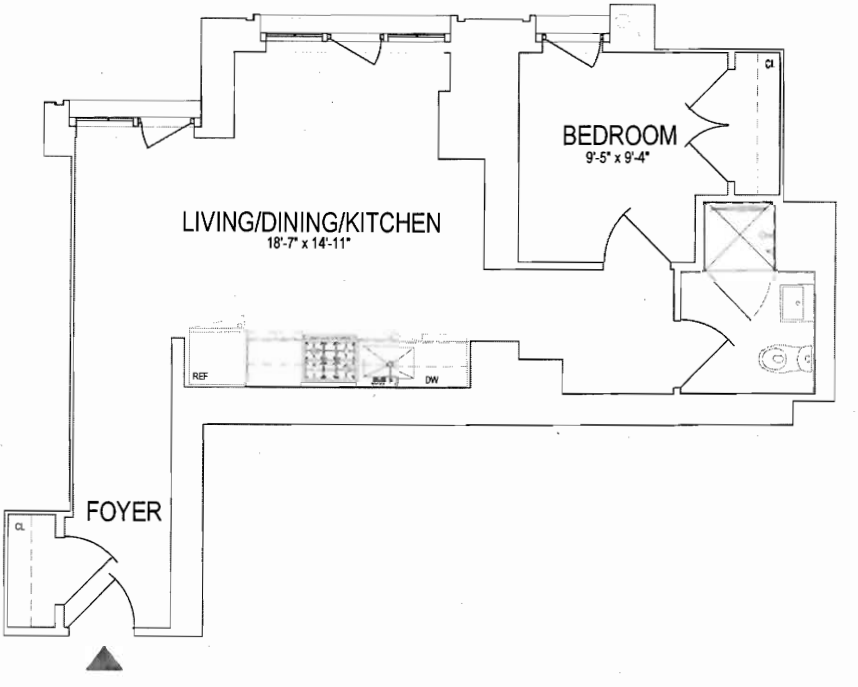






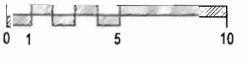
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THE SUTTON CONDOMINIUM

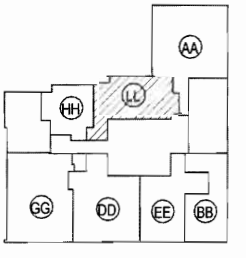


UNIT 2LL

1 BEDROOM
1 BATH
FLOOR 2
647 SQ FT

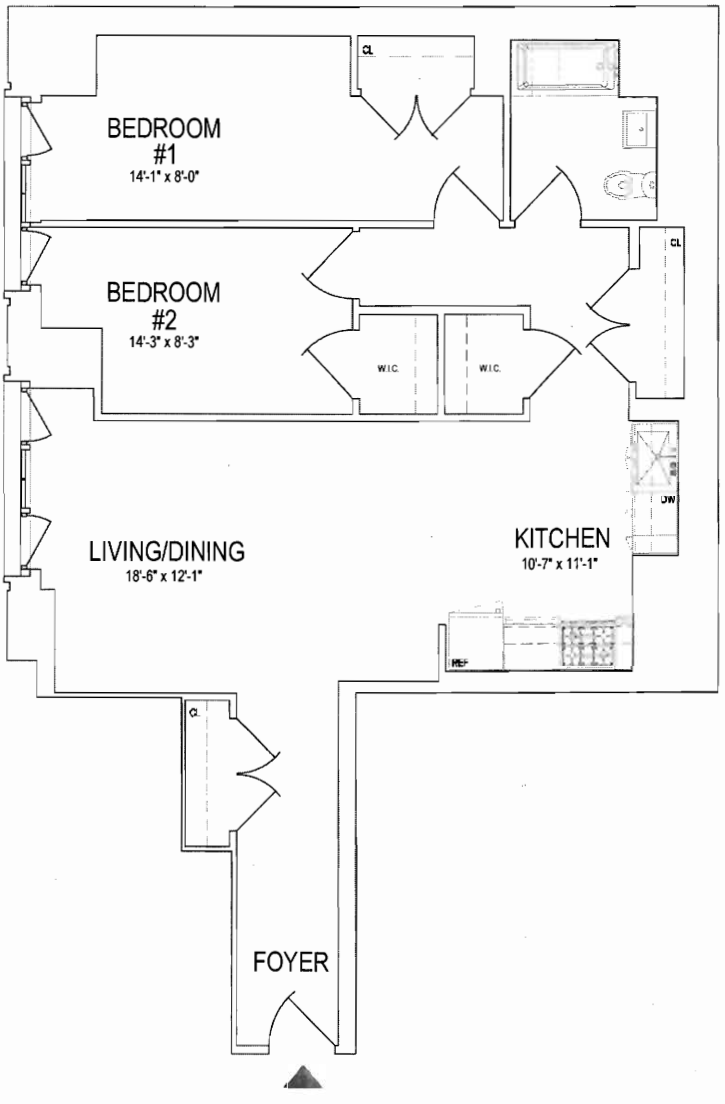






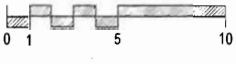
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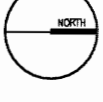
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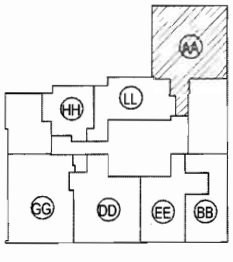


UNIT 3AA

2 BEDROOMS
1 BATH
FLOOR 3
1,093 SQ FT

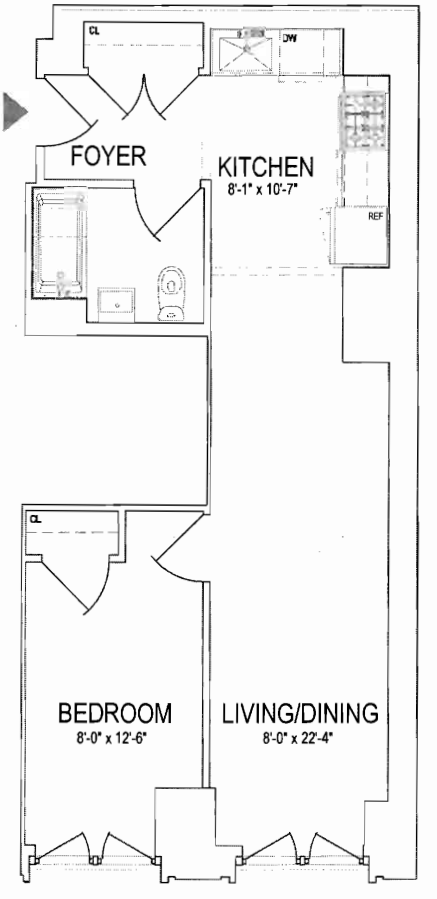






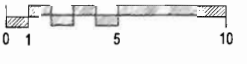
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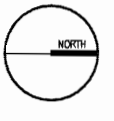
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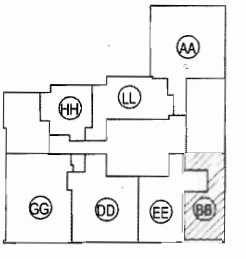


UNIT 3BB

1 BEDROOM
1 BATH
FLOOR 3
621 SQ FT

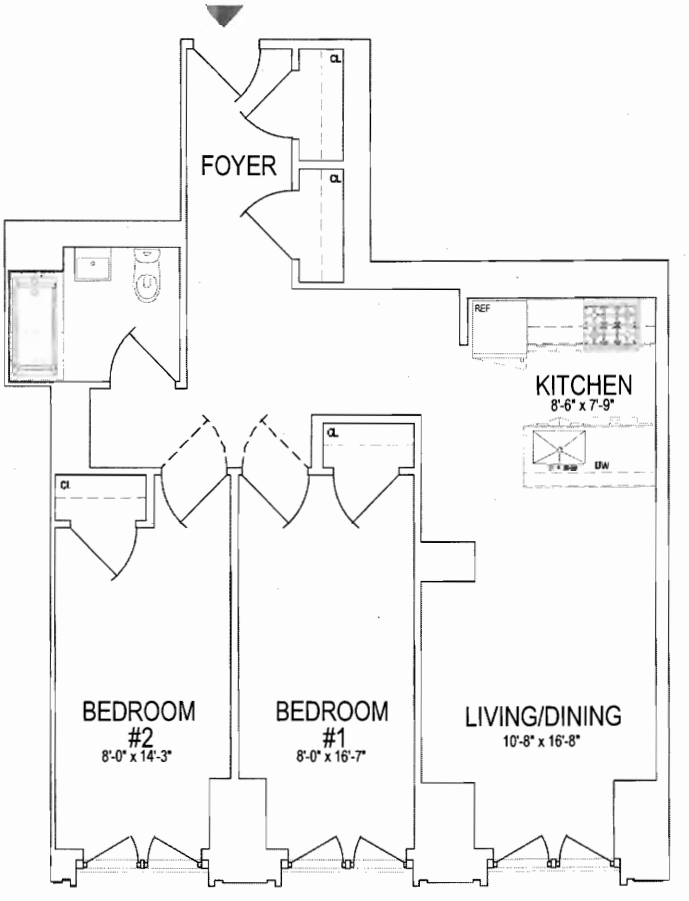






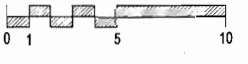
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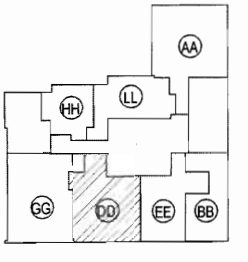


UNIT 3DD

2 BEDROOMS
1 BATH
FLOOR 3
890 SQ FT

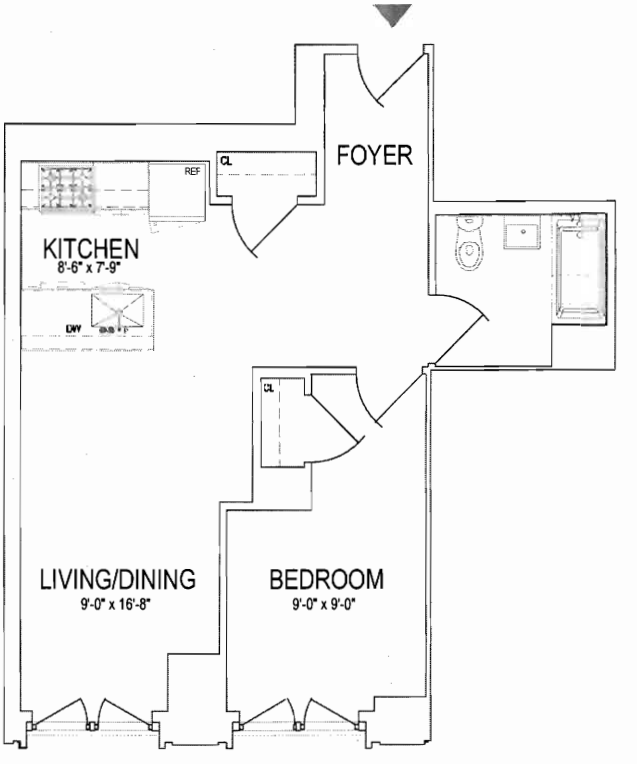






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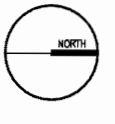
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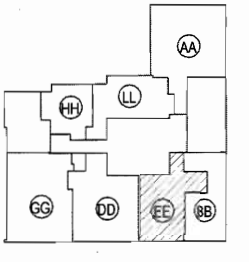


UNIT 3EE

1 BEDROOM
1 BATH
FLOOR 3
617 SQ FT

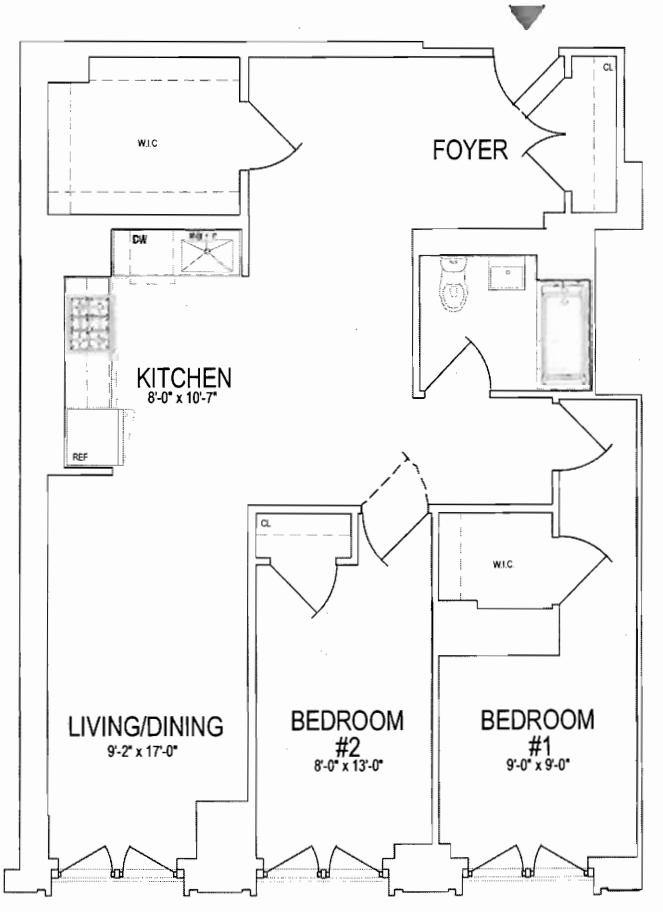






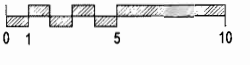
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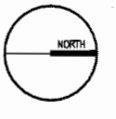
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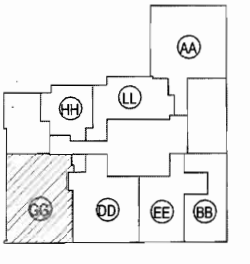


UNIT 3GG

2 BEDROOMS
1 BATH
FLOOR 3
1,048 SQ FT

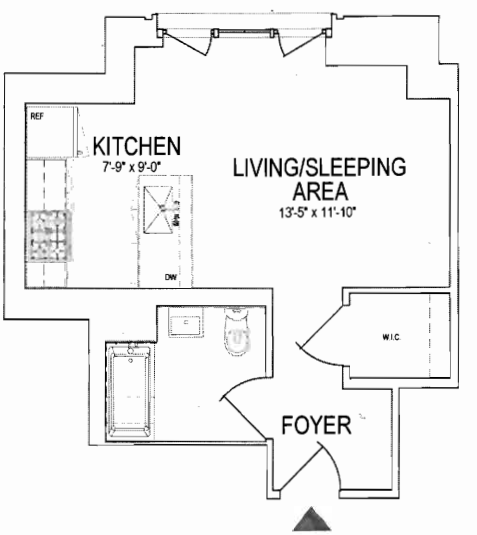






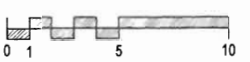
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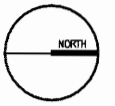
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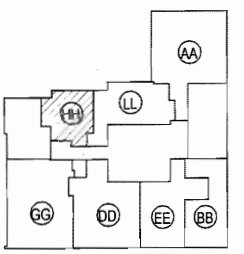


UNIT 3HH

0 BEDROOM
1 BATH
FLOOR 3
438 SQ FT

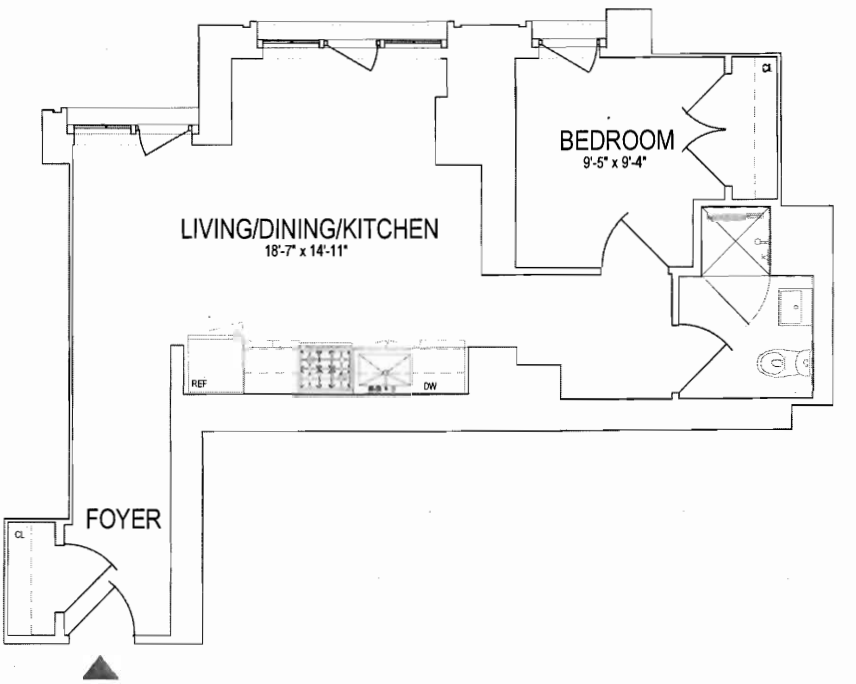






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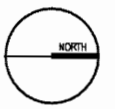
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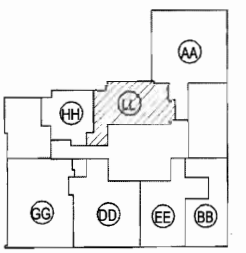


UNIT 3LL

1 BEDROOM
1 BATH
FLOOR 3
647 SQ FT

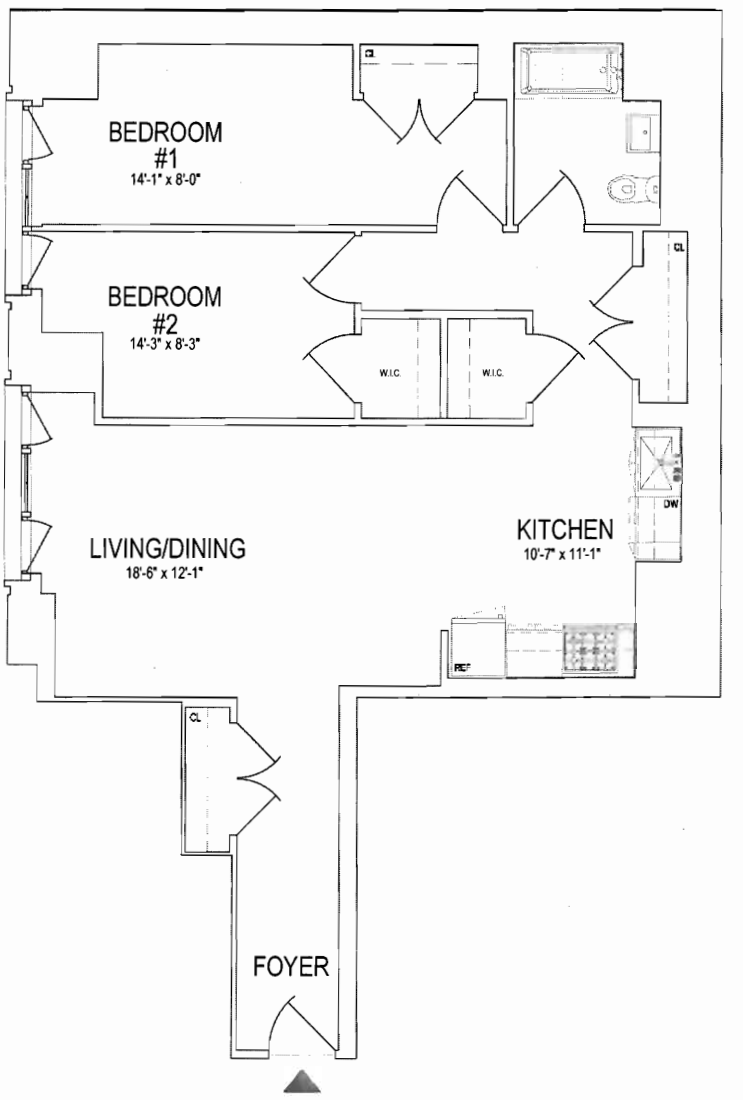






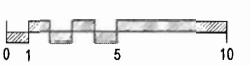
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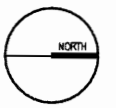
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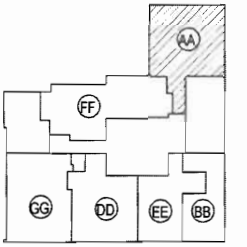


UNIT 4AA

2 BEDROOMS
1 BATH
FLOOR 4
1,093 SQ FT

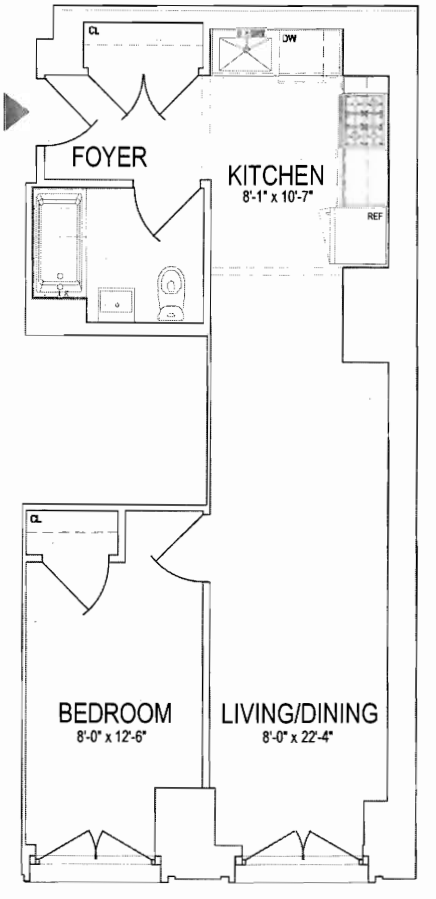






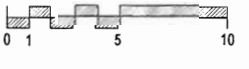
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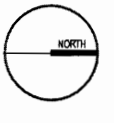
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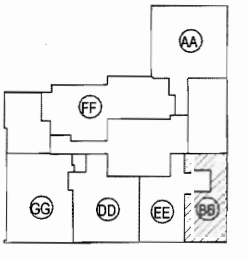


UNIT 4BB

1 BEDROOM
1 BATH
FLOOR 4
621 SQ FT

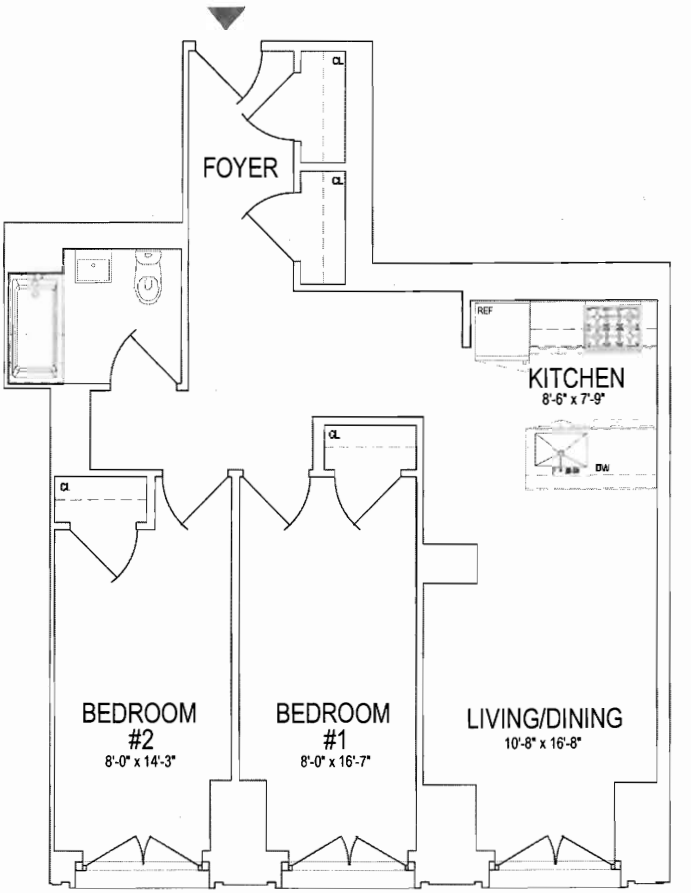






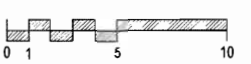
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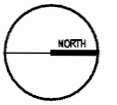
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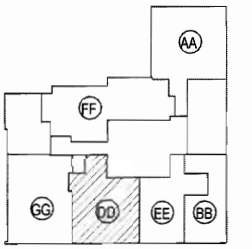


UNIT 4DD

2 BEDROOMS
1 BATH
FLOOR 4
890 SQ FT

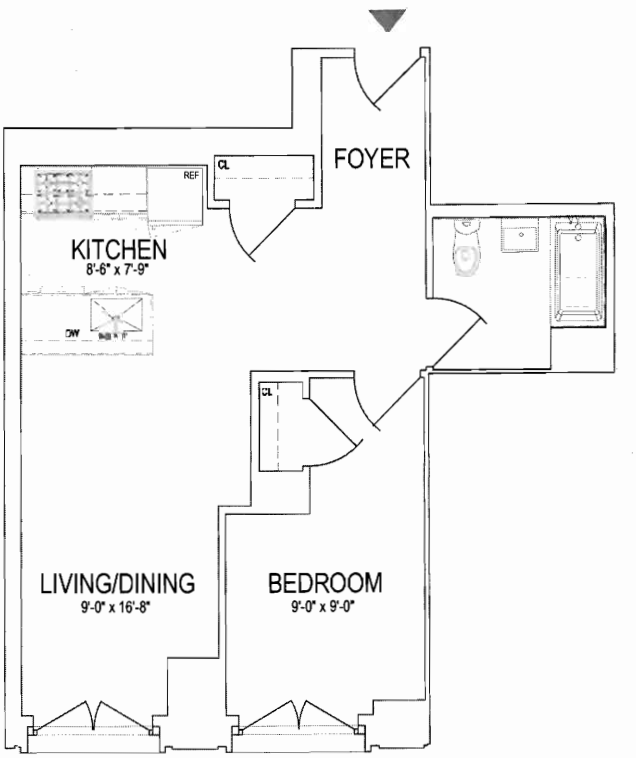






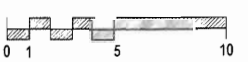
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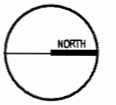
THE SUTTON CONDOMINIUM

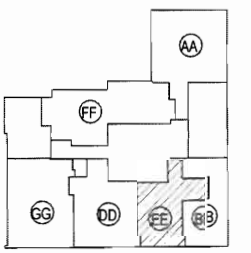


UNIT 4EE

1 BEDROOM
1 BATH
FLOOR 4
617 SQ FT

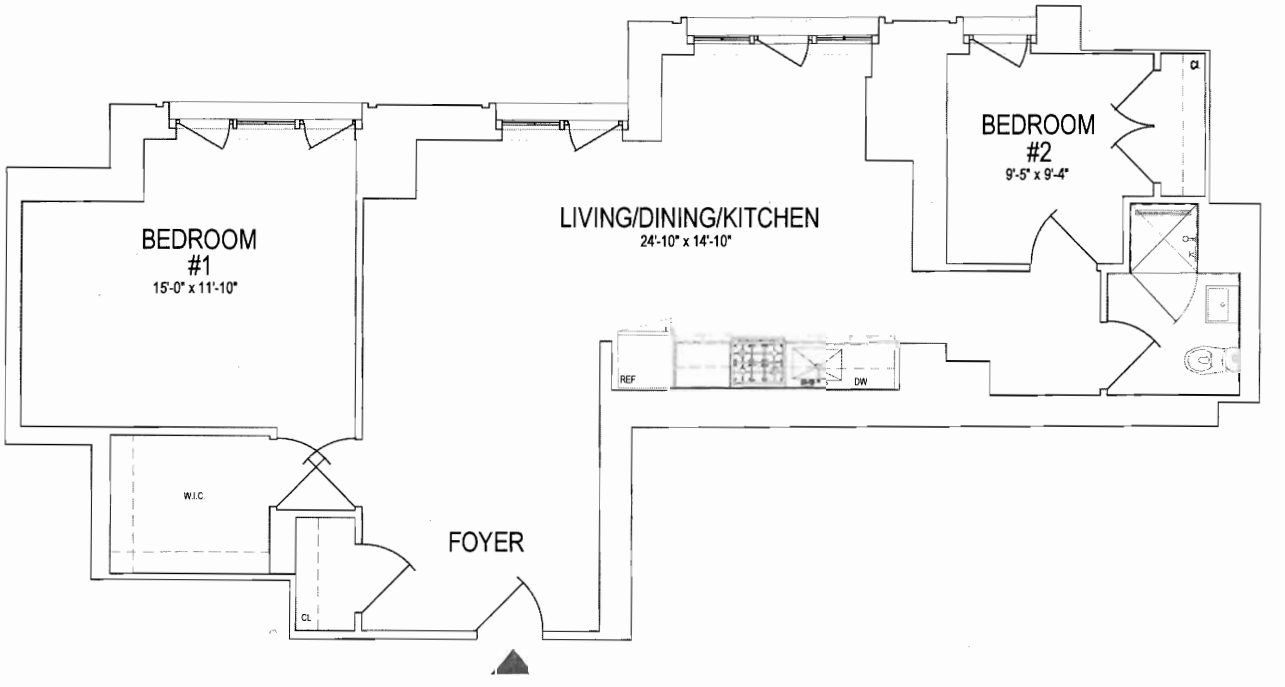






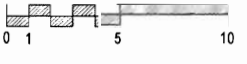
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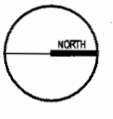
THE SUTTON CONDOMINIUM

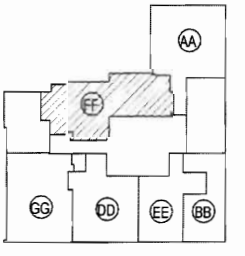


UNIT 4FF

2 BEDROOMS
1 BATH
FLOOR 4
1,086 SQ FT

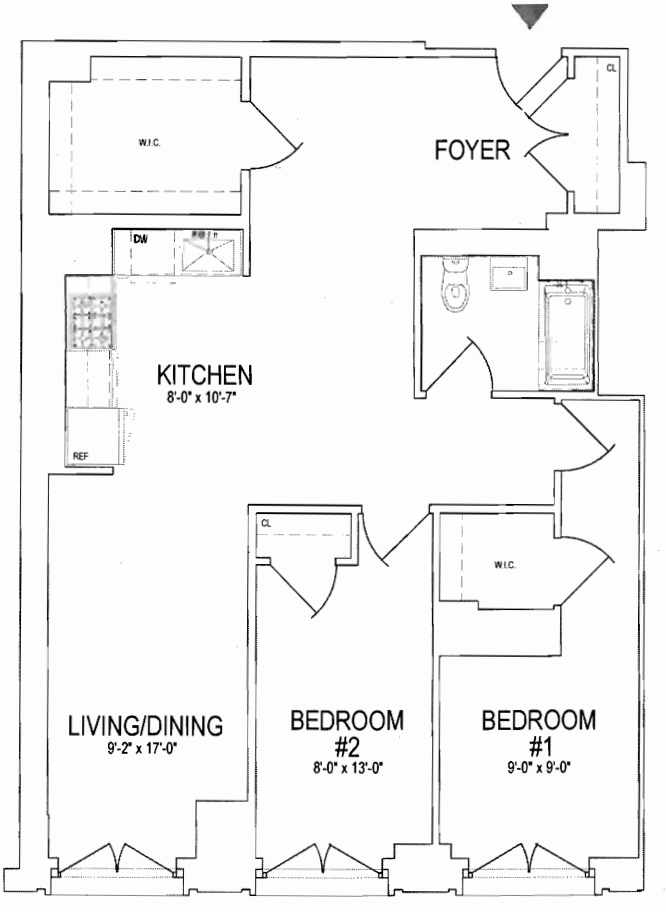






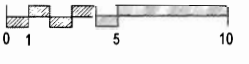
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THE SUTTON CONDOMINIUM

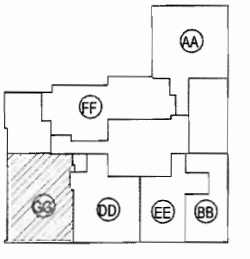


UNIT 4GG

2 BEDROOMS
1 BATH
FLOOR 4
1,048 SQ FT

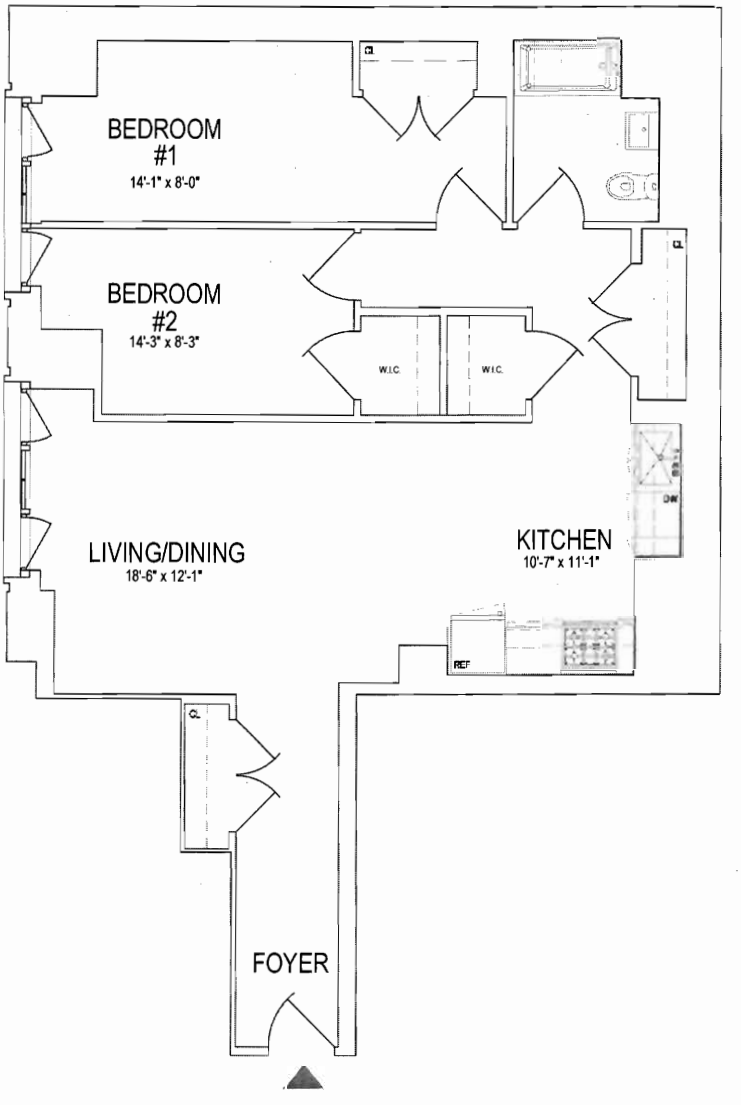






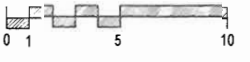
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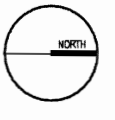
THE SUTTON CONDOMINIUM

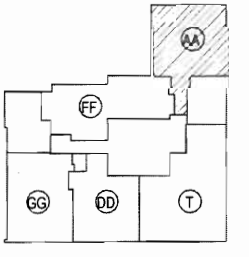


UNIT 5AA

2 BEDROOMS
1 BATH
FLOOR 5
1,093 SQ FT

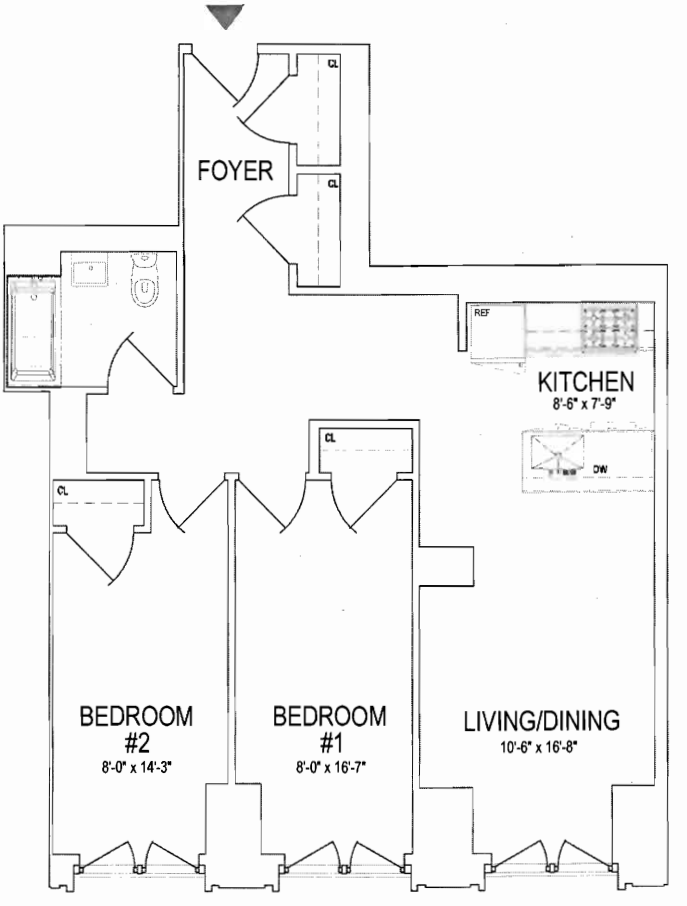






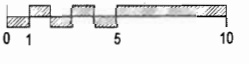
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THE SUTTON CONDOMINIUM

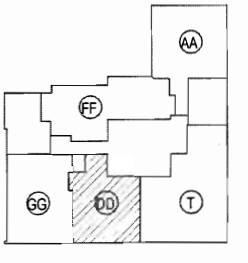


UNIT 5DD

2 BEDROOMS
1 BATH
FLOOR 5
890 SQ FT

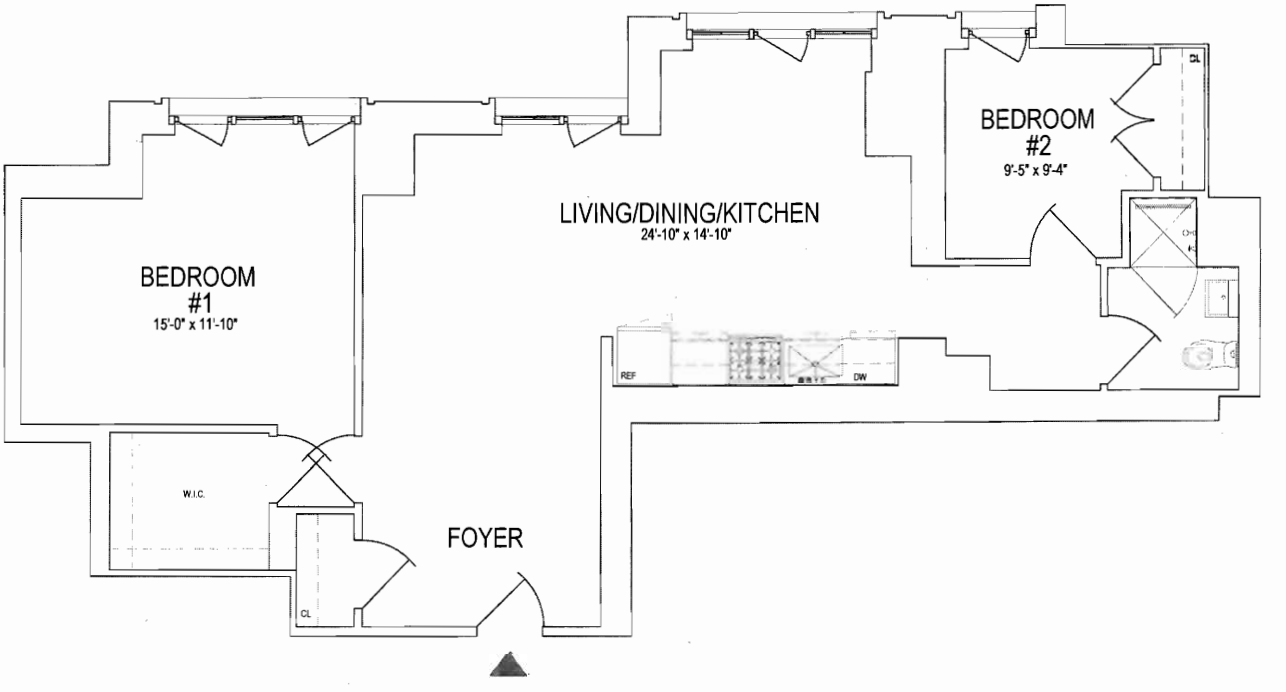






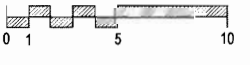
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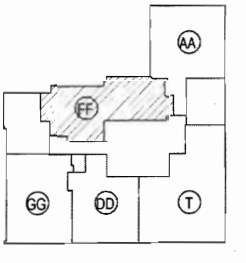


UNIT 5FF

2 BEDROOMS
1 BATH
FLOOR 5
1,086 SQ FT

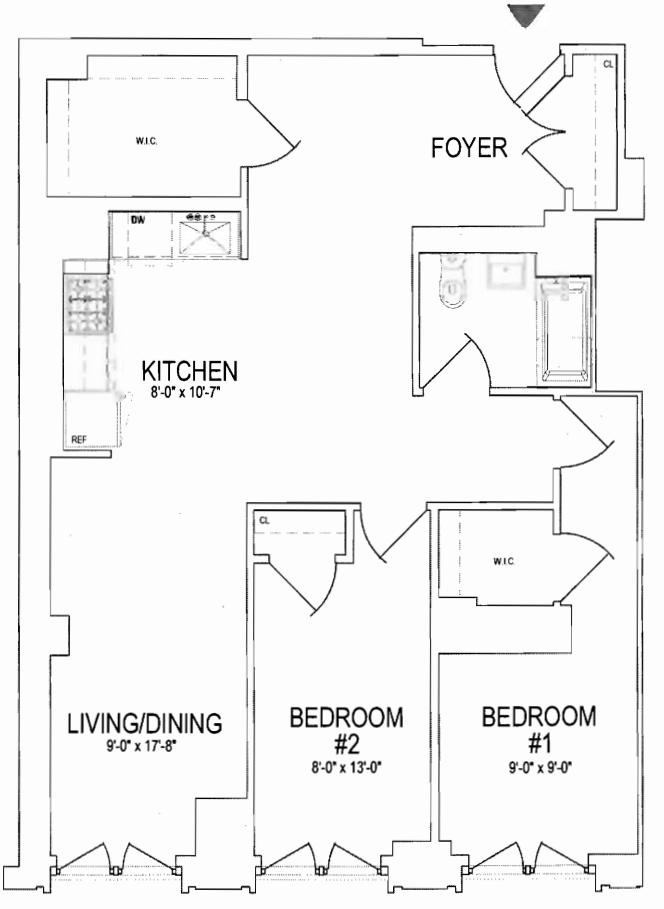






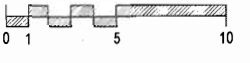
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THE SUTTON CONDOMINIUM

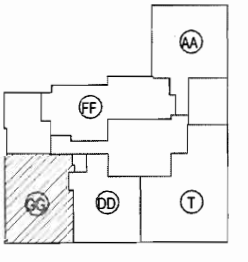


UNIT 5GG

2 BEDROOMS
1 BATH
FLOOR 5
1,048 SQ FT

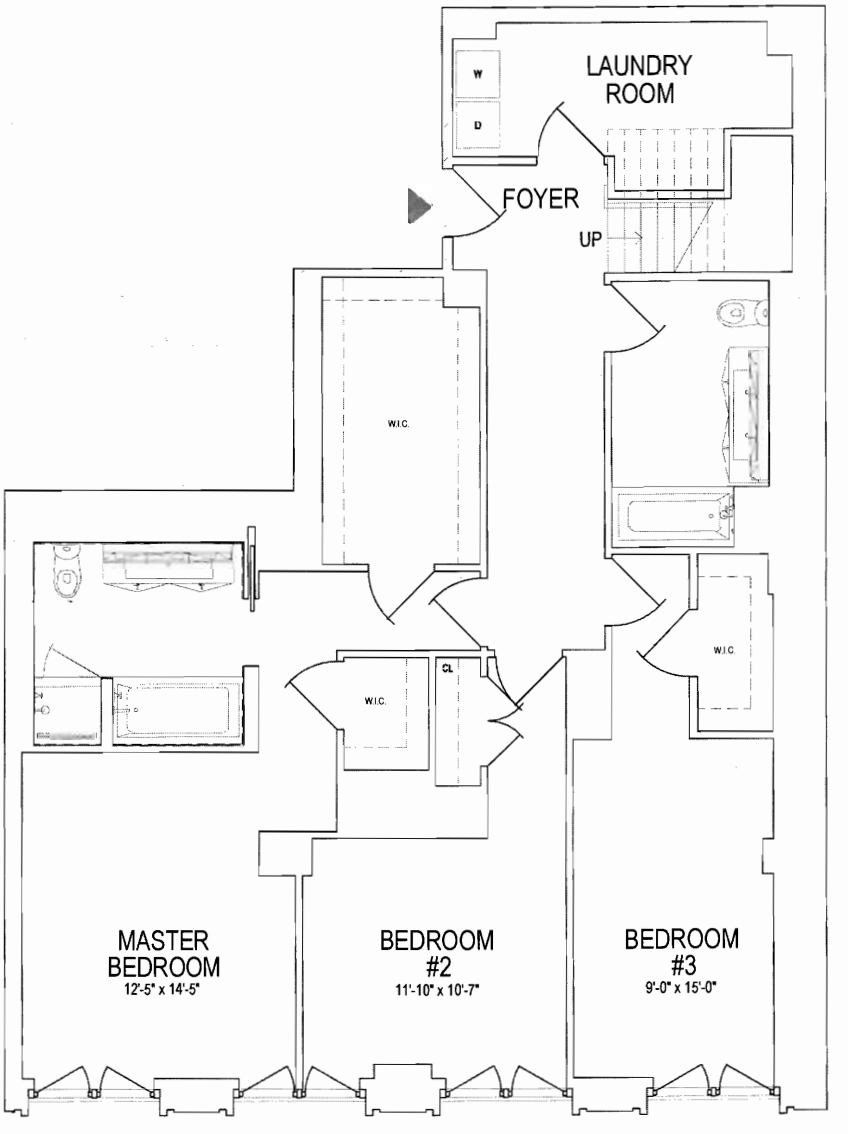






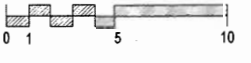
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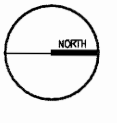
THE SUTTON CONDOMINIUM

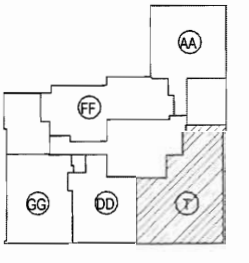


(LOWER LEVEL AT 5TH FLOOR)

UNIT 6T

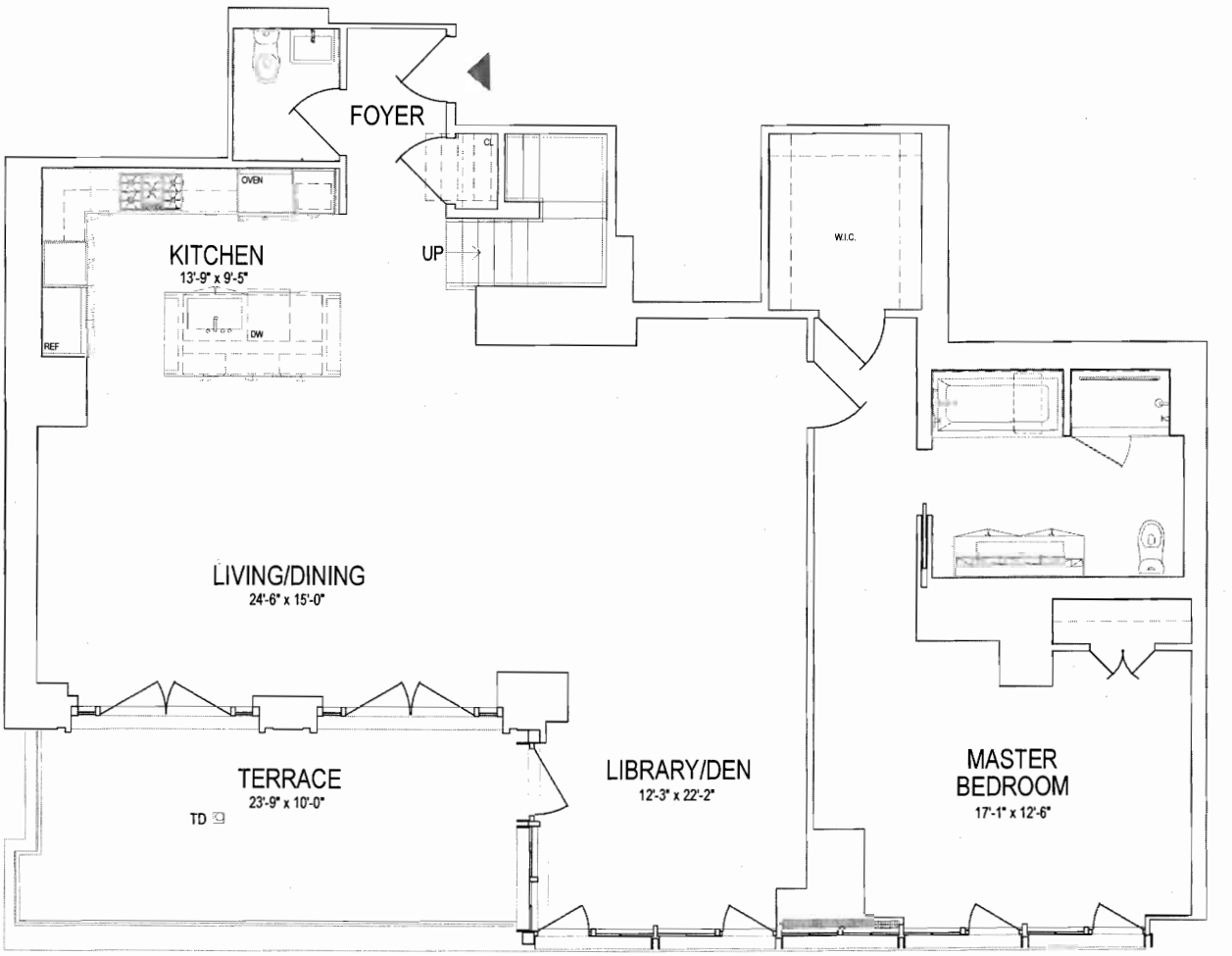






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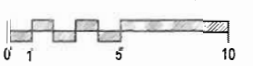
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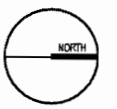


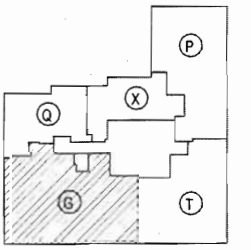
(LOWER LEVEL AT 6TH FLOOR)

UNIT 6G

3 BEDROOMS
2.5 BATHS
FLOOR 6-7
2,472 SQ FT
TERRACE: 236 SQ.FT

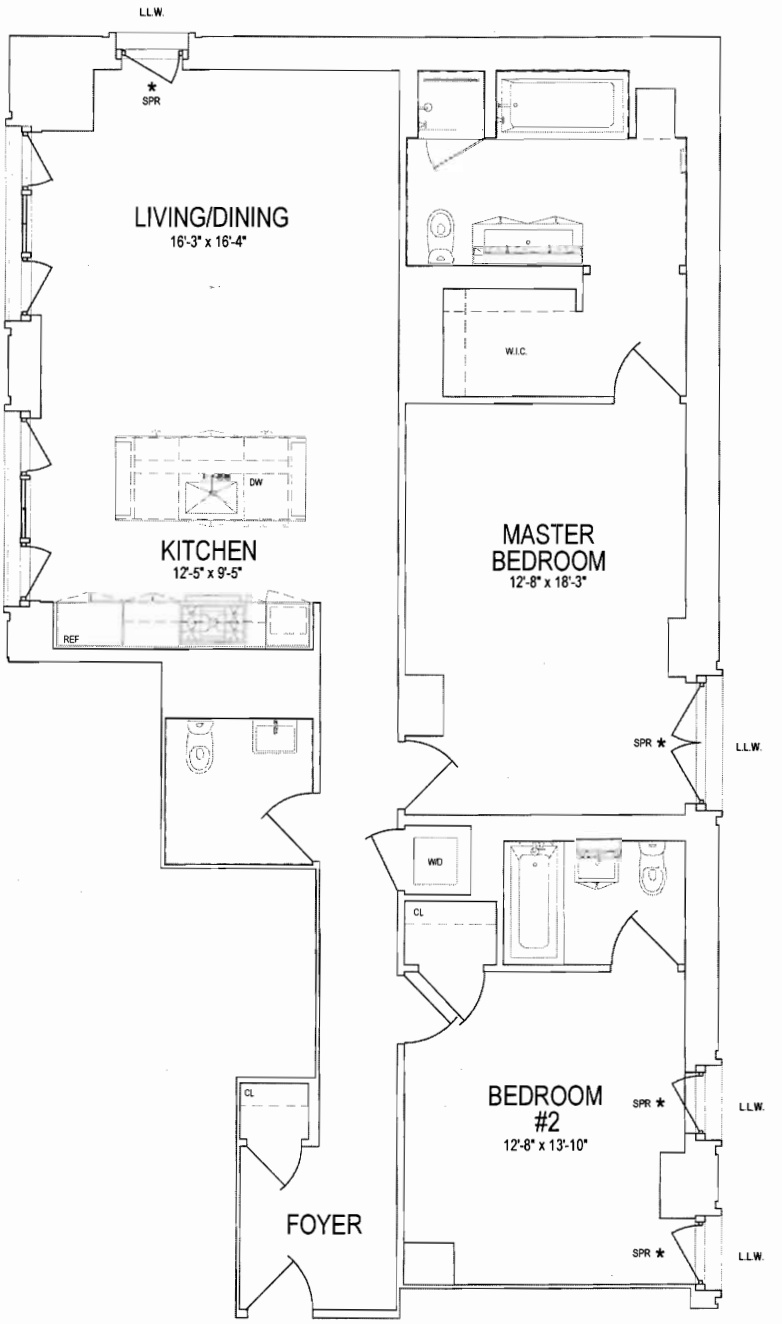






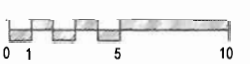
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THE SUTTON CONDOMINIUM

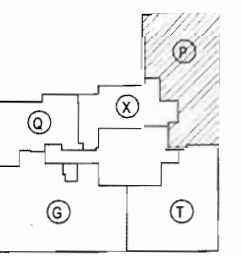


UNIT 6P

2 BEDROOMS
2.5 BATHS
FLOOR 6
1,514 SQ FT

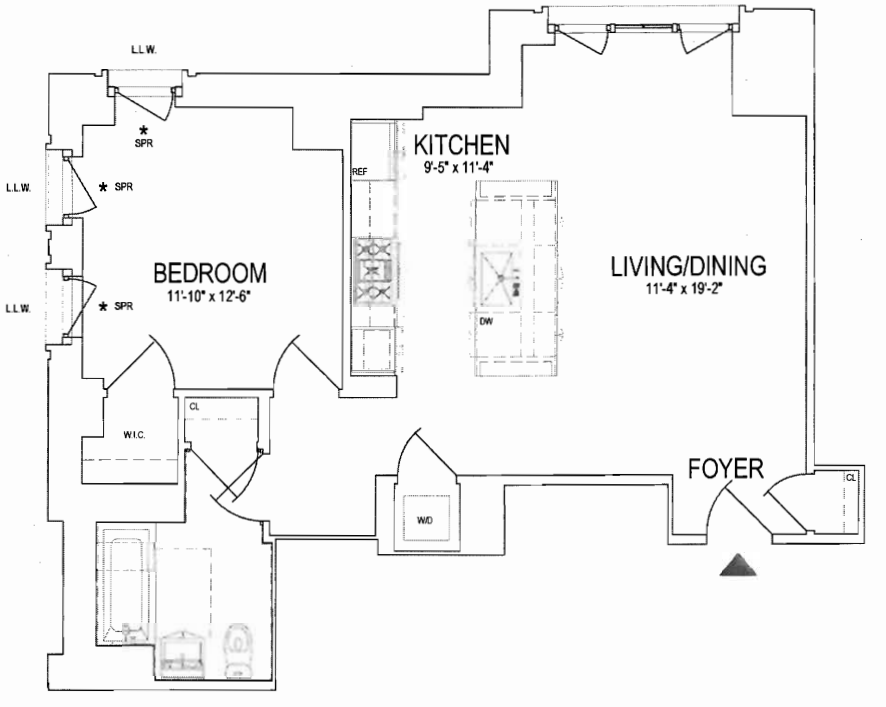






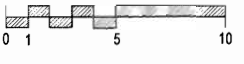
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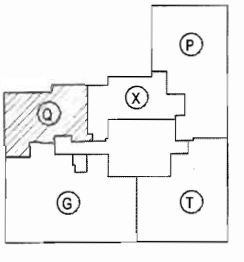


UNIT 6Q

1 BEDROOM
1 BATH
FLOOR 6
827 SQ FT

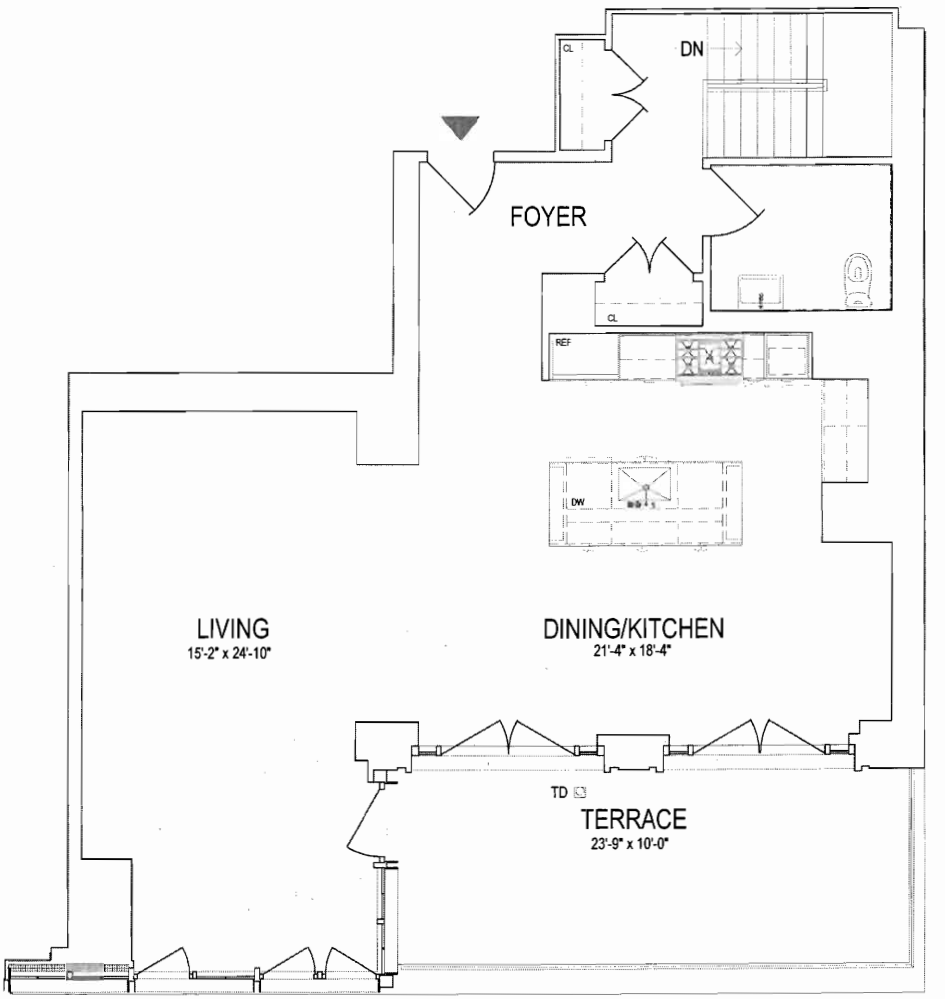






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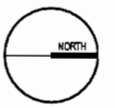


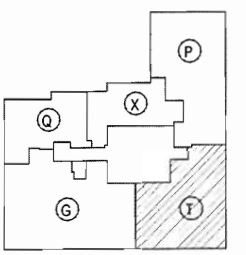
(UPPER LEVEL AT 6TH FLOOR)

UNIT 6T

3 BEDROOMS
2.5 BATHS
FLOOR 5-6
2,636 SQ FT
TERRACE: 236 SQ.FT

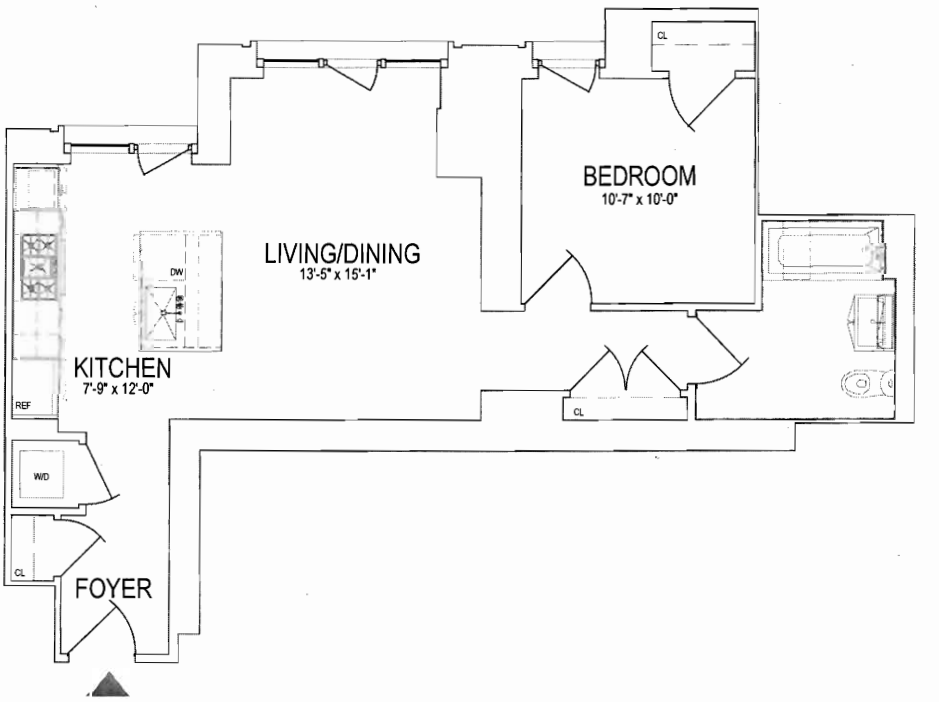






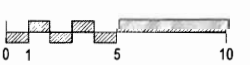
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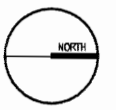
THE SUTTON CONDOMINIUM

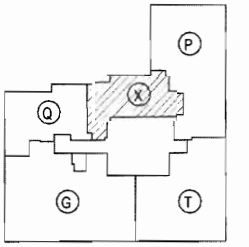


UNIT 6X

1 BEDROOM
1 BATH
FLOOR 6
739 SQ FT

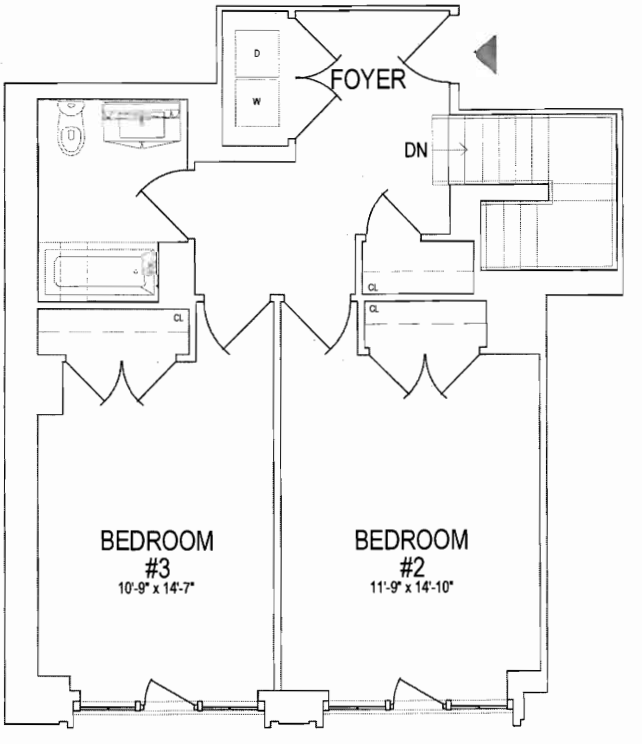






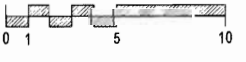
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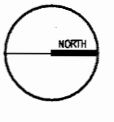
THE SUTTON CONDOMINIUM

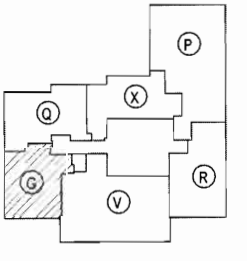


(UPPER LEVEL AT 7TH FLOOR)

UNIT 6G

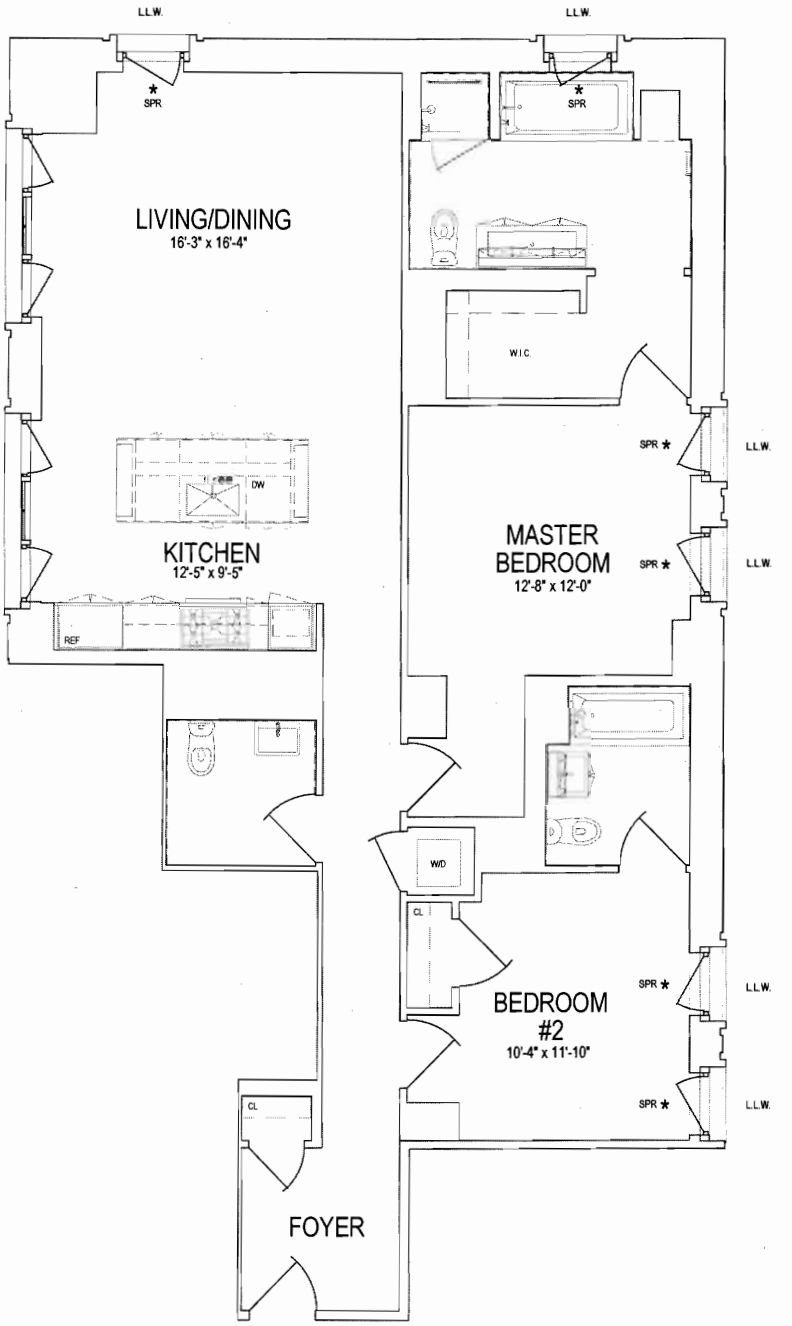


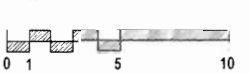


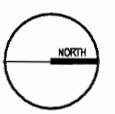


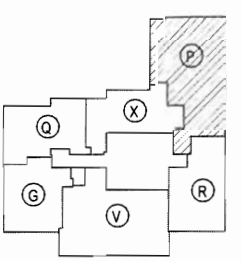
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THE SUTTON CONDOMINIUM







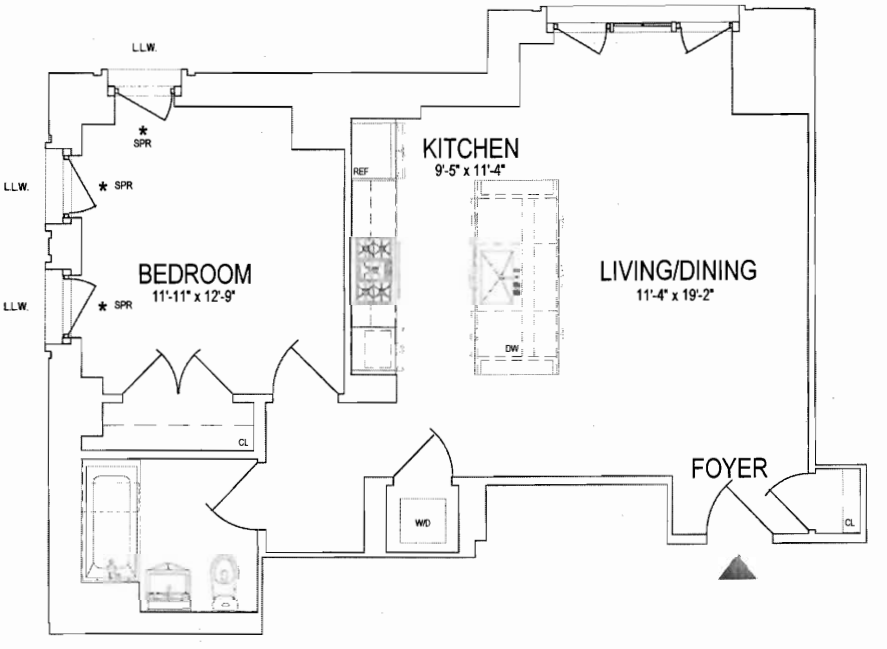


UNIT 7P

2 BEDROOMS
2.5 BATHS
FLOOR 7
1,425 SQ FT

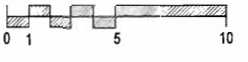
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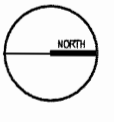
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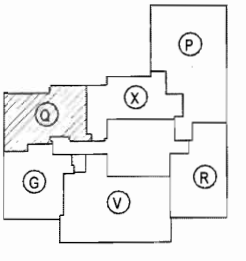


UNIT 7Q

1 BEDROOM
1 BATH
FLOOR 7
799 SQ FT

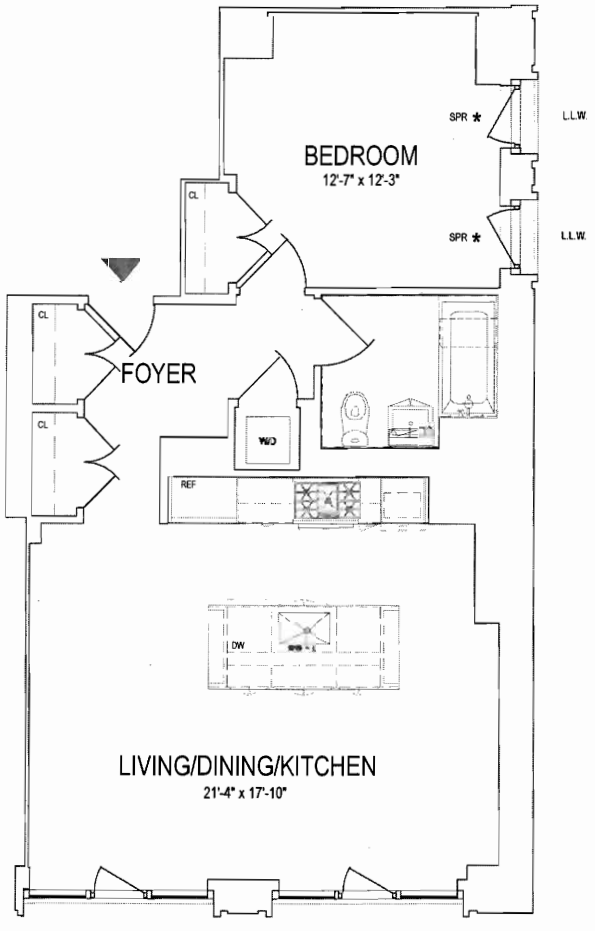






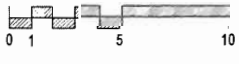
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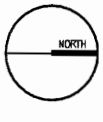
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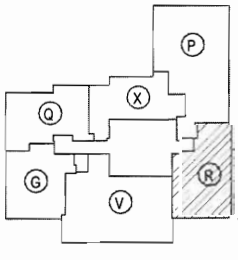


UNIT 7R

1 BEDROOM
1 BATH
FLOOR 7
841 SQ FT

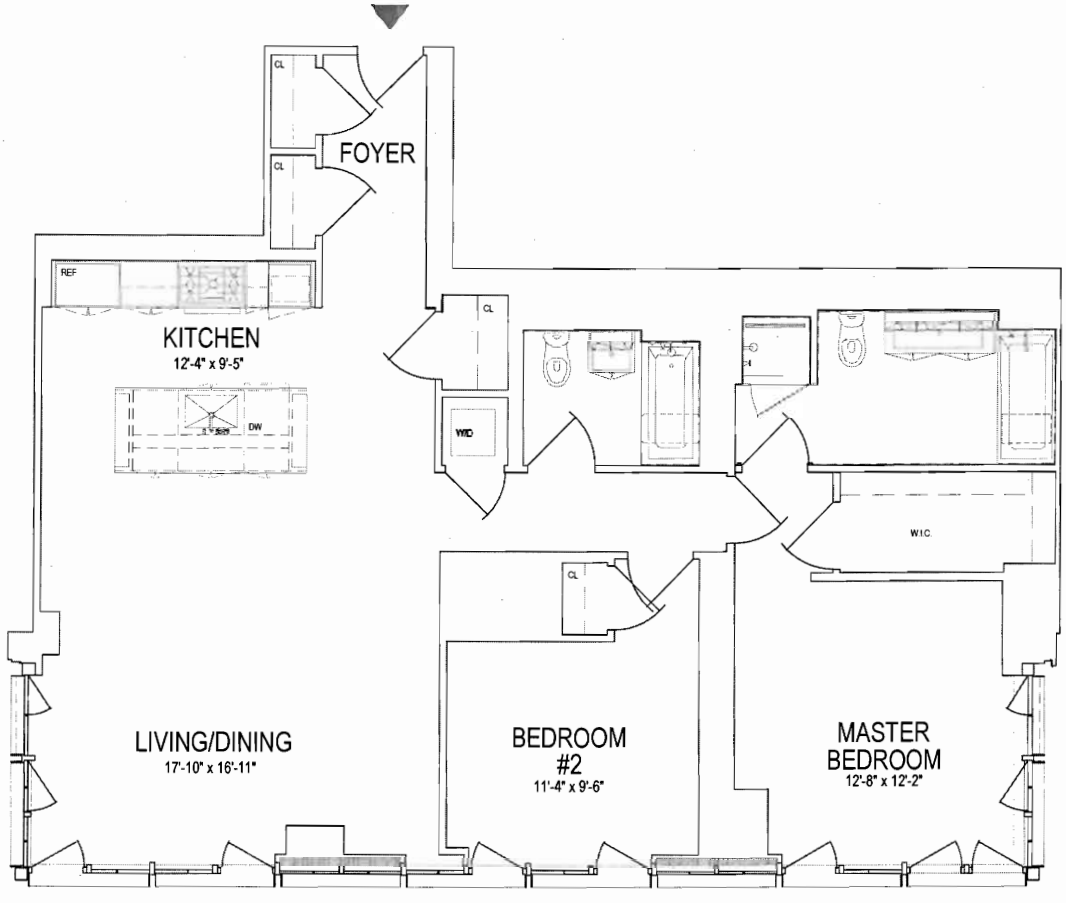






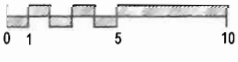
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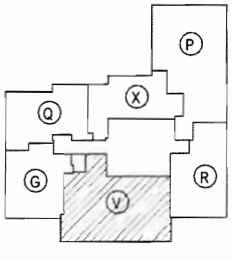


UNIT 7V

2 BEDROOMS
2 BATHS
FLOOR 7
1,384 SQ FT

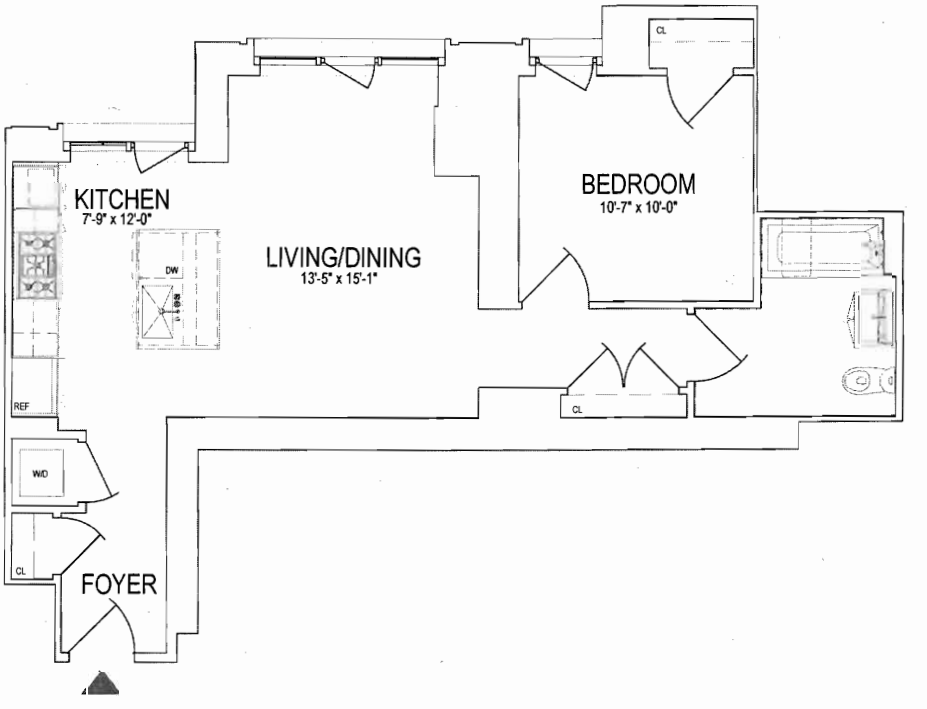






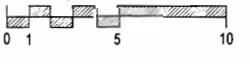
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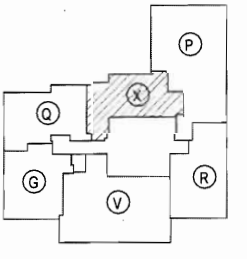


UNIT 7X

1 BEDROOM
1 BATH
FLOOR 7
739 SQ FT

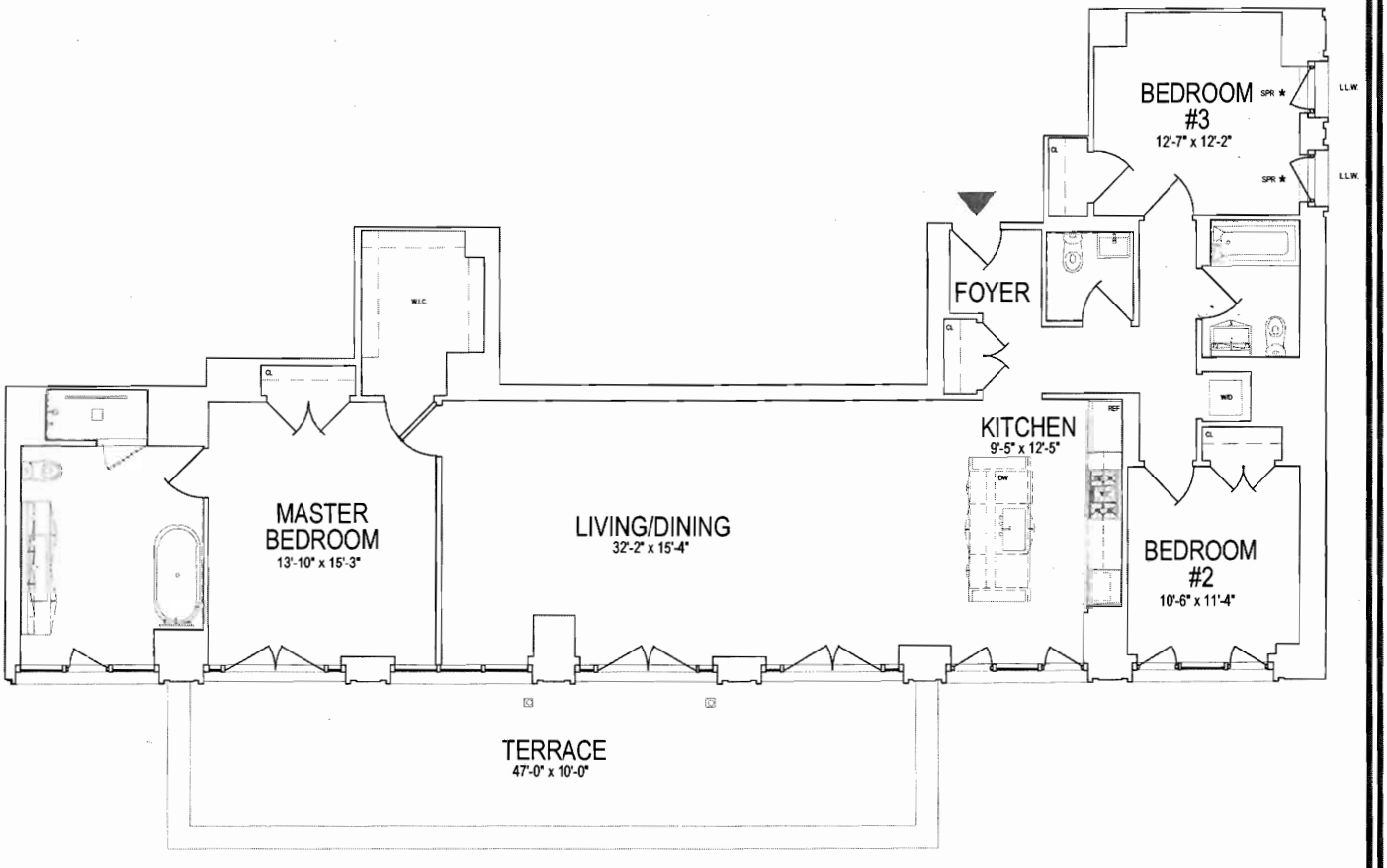






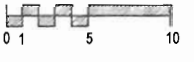
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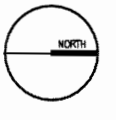
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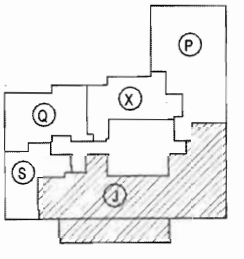


UNIT 8J

3 BEDROOMS
2.5 BATHS
FLOOR 8
1,965 SQ FT
TERRACE: 470 SQ.FT

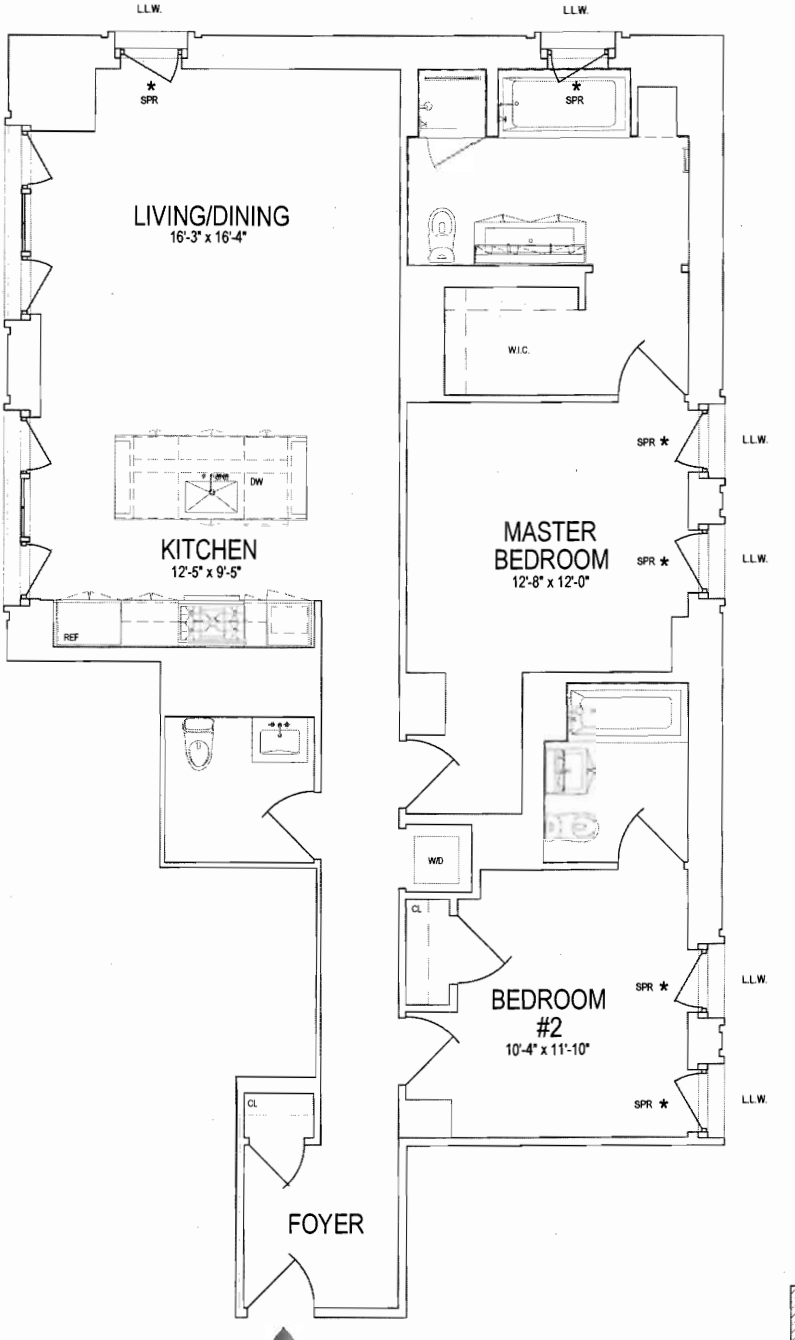






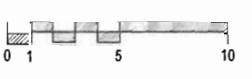
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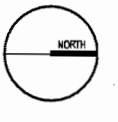
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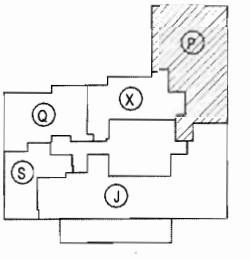


UNIT 8P

2 BEDROOMS
2.5 BATHS
FLOOR 8
1,428 SQ FT

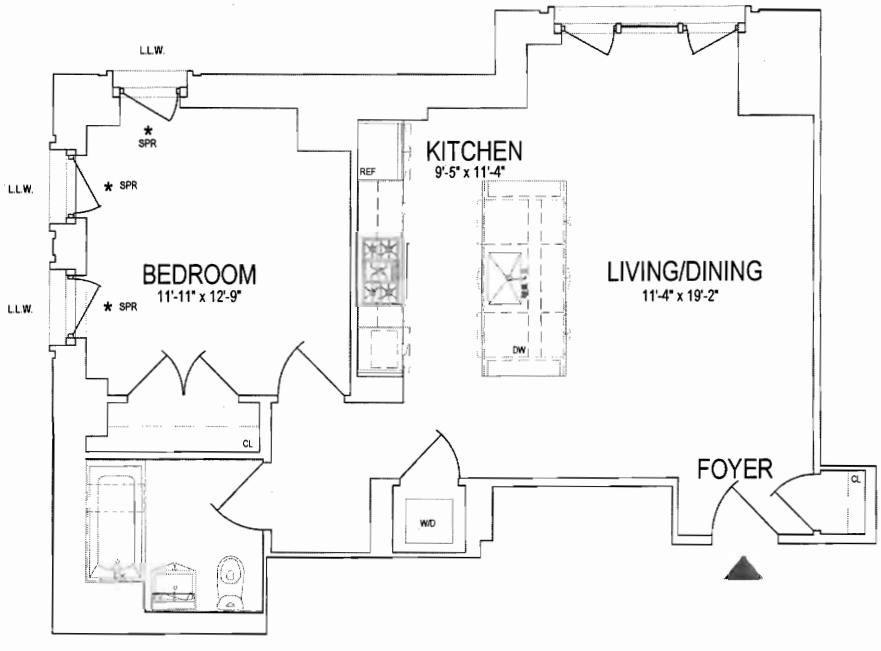






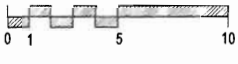
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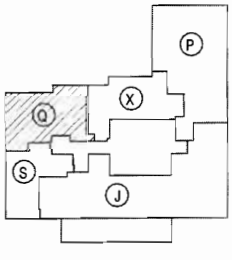


UNIT 8Q

1 BEDROOM
1 BATH
FLOOR 8
799 SQ FT

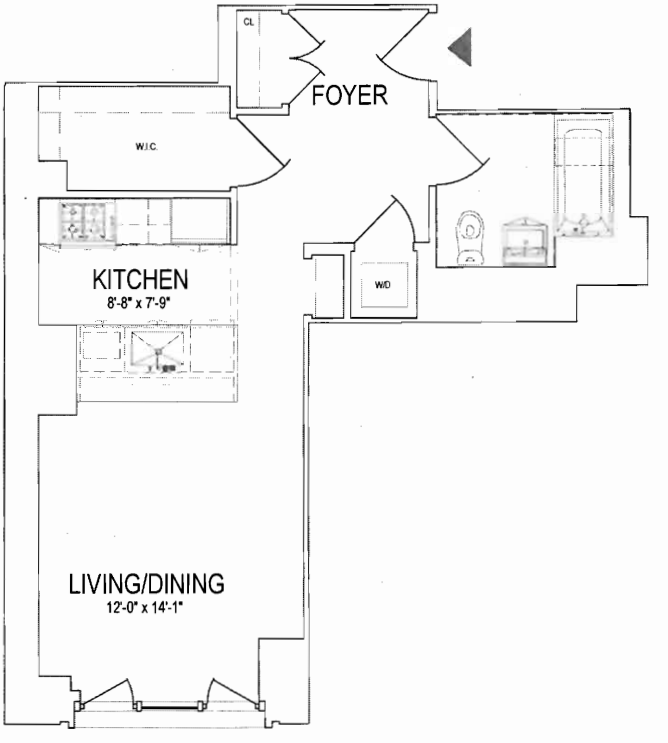






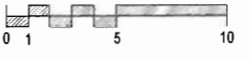
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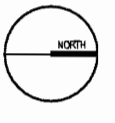
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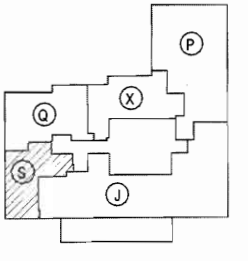


UNIT 8S

0 BEDROOM
1 BATH
FLOOR 8
572 SQ FT

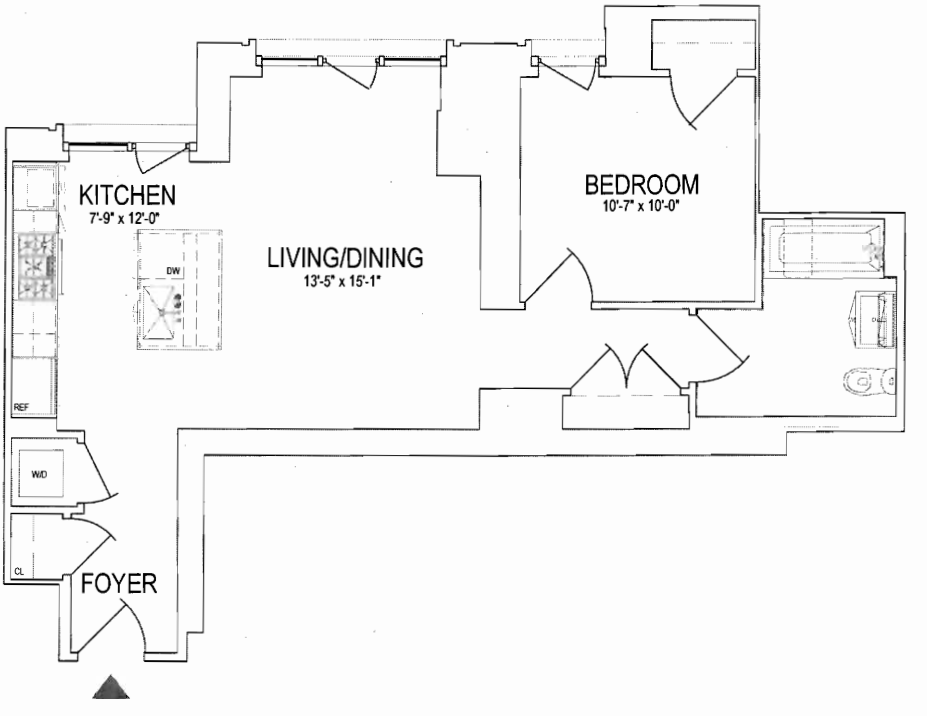






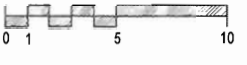
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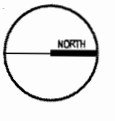
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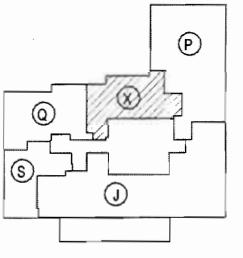


UNIT 8X

1 BEDROOM
1 BATH
FLOOR 8
742 SQ FT

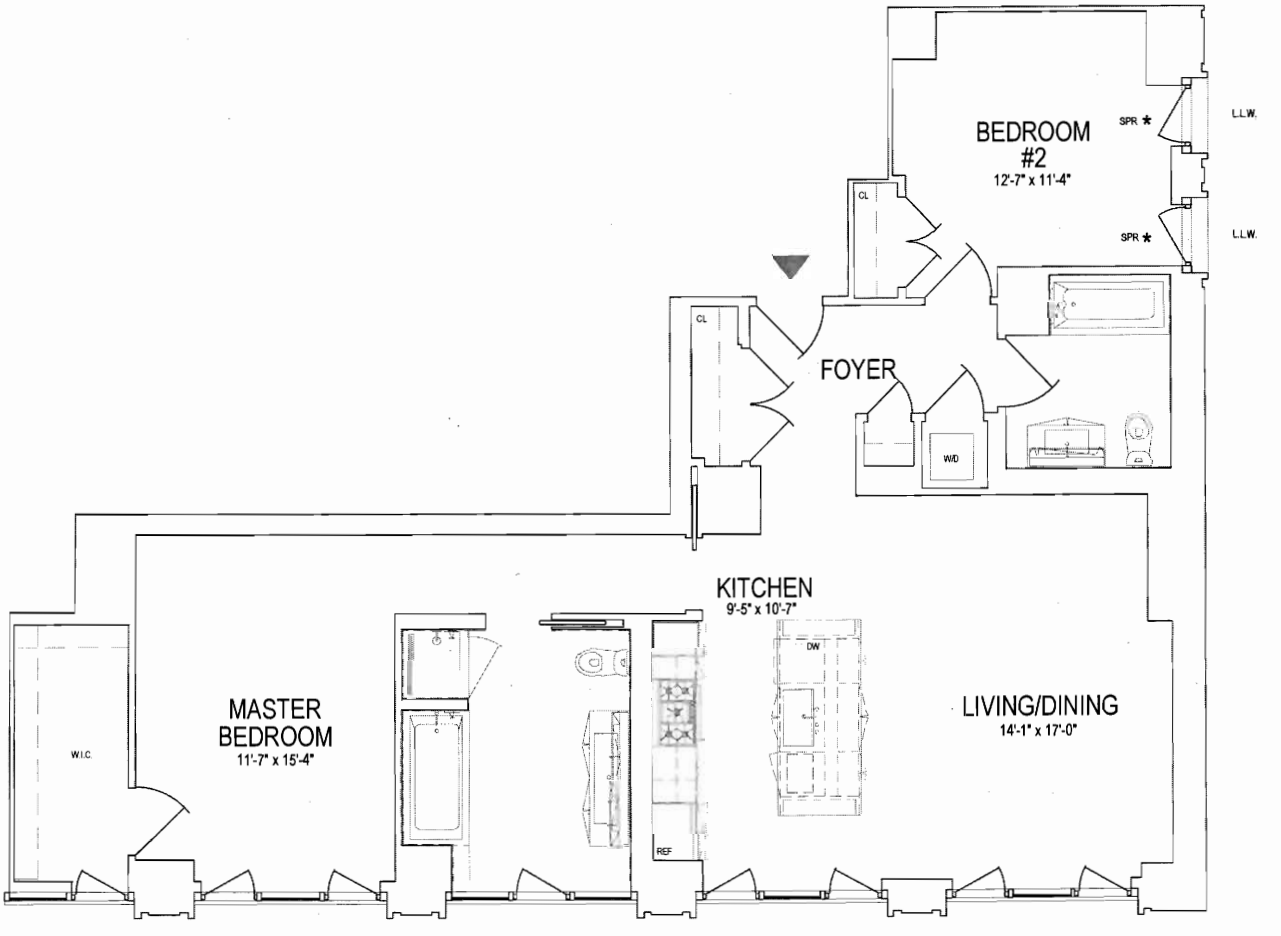






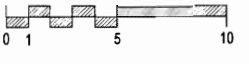
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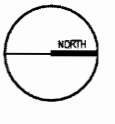
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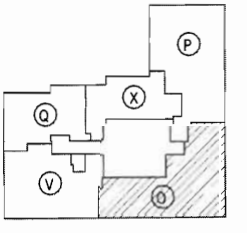


UNIT 9O

2 BEDROOMS
2 BATHS
FLOOR 9
1,376 SQ FT

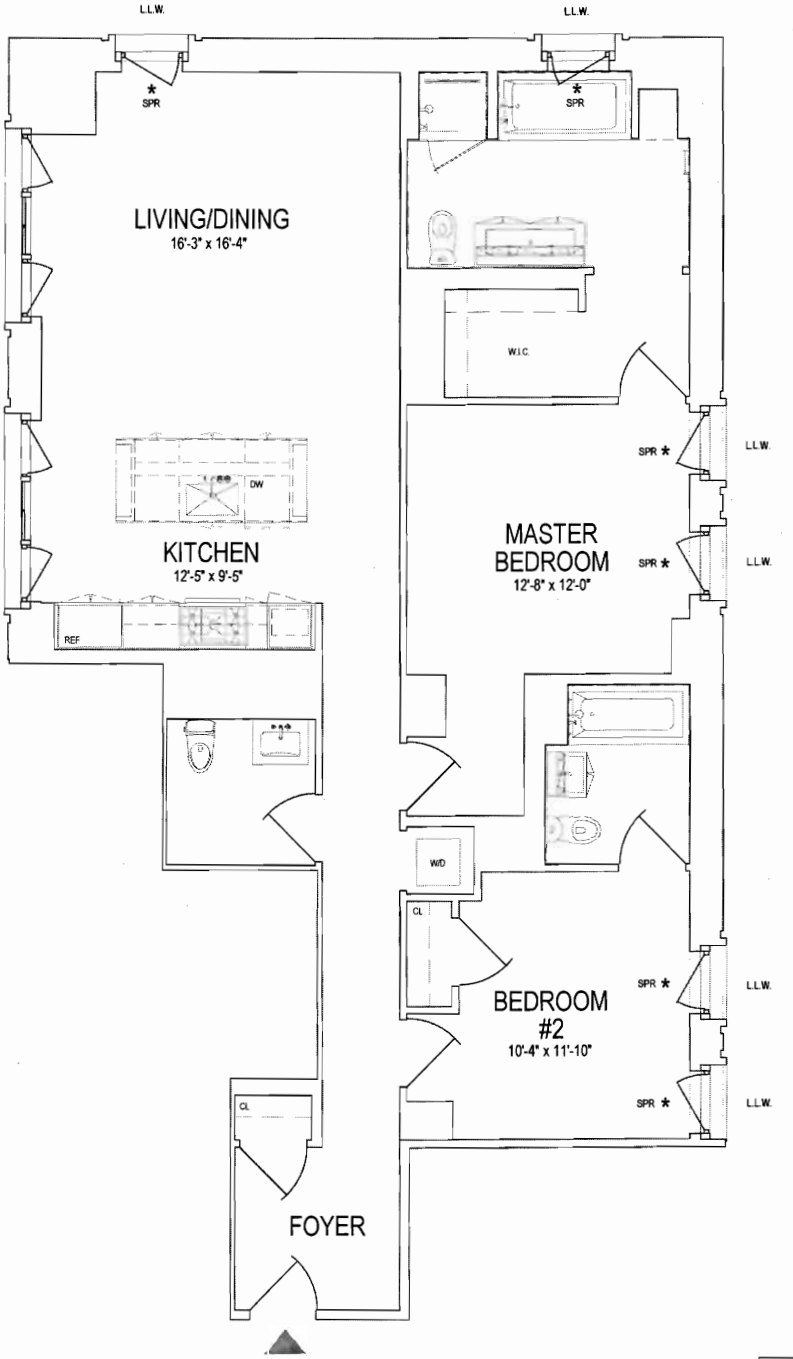






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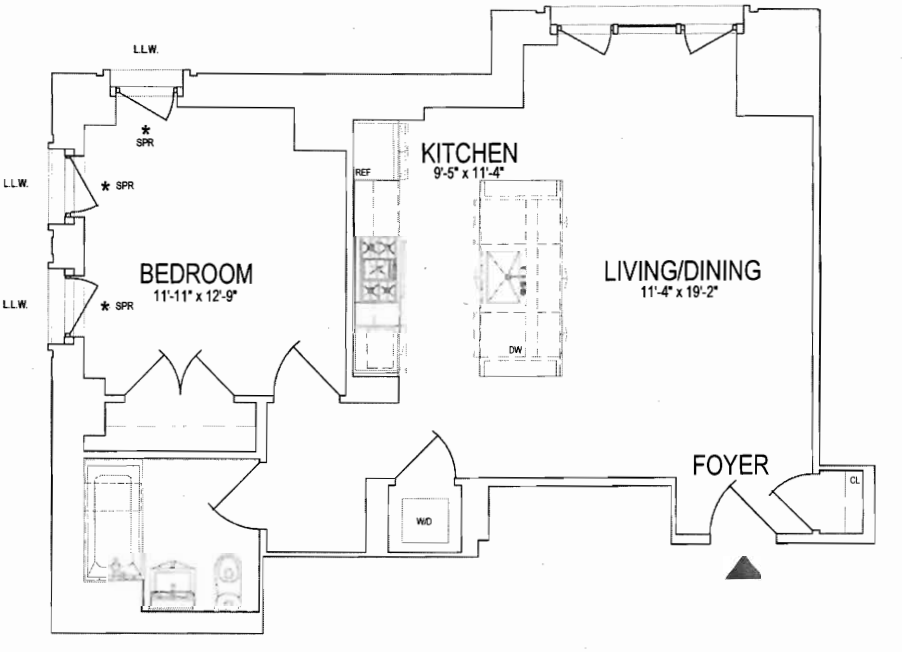


UNIT 9P

2 BEDROOMS
2.5 BATHS
FLOOR 9
1,428 SQ FT

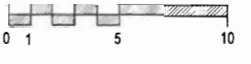
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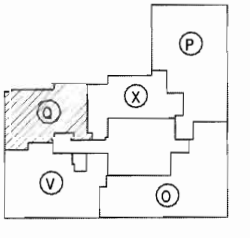


UNIT 9Q

1 BEDROOM
1 BATH
FLOOR 9
799 SQ FT

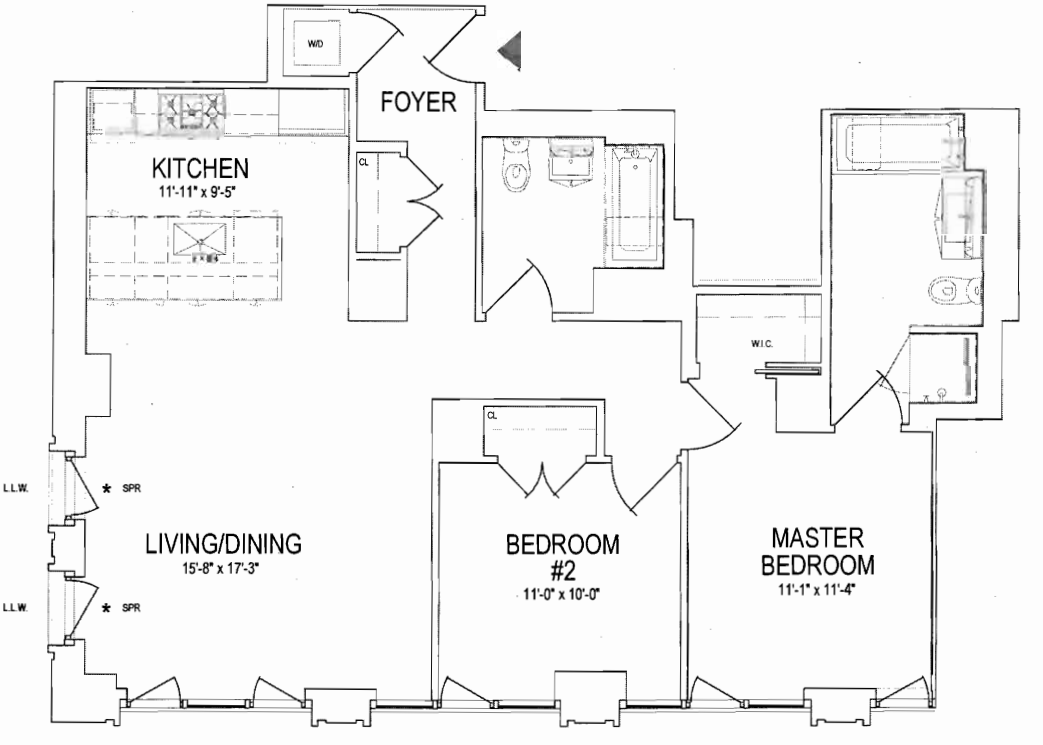






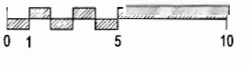
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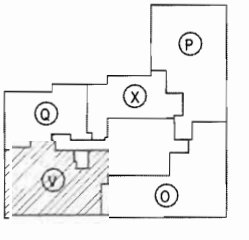


UNIT 9V

2 BEDROOMS
2 BATHS
FLOOR 9
1,155 SQ FT

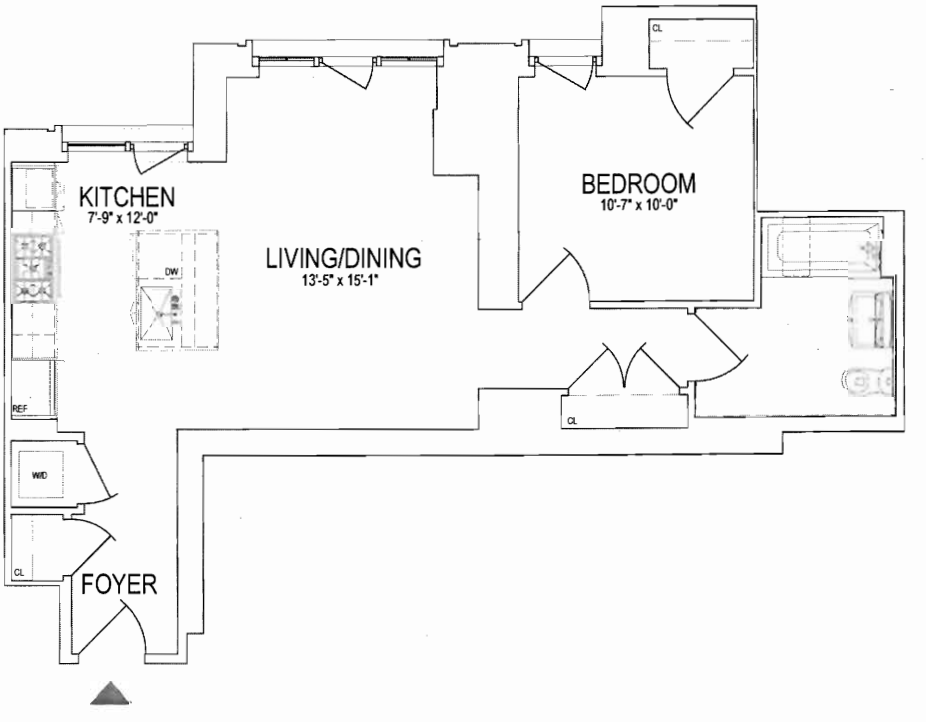






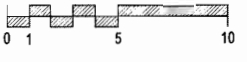
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THE SUTTON CONDOMINIUM

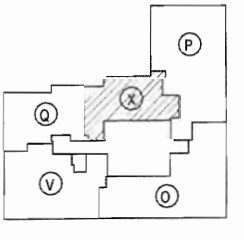


UNIT 9X

1 BEDROOM
1 BATH
FLOOR 9
742 SQ FT

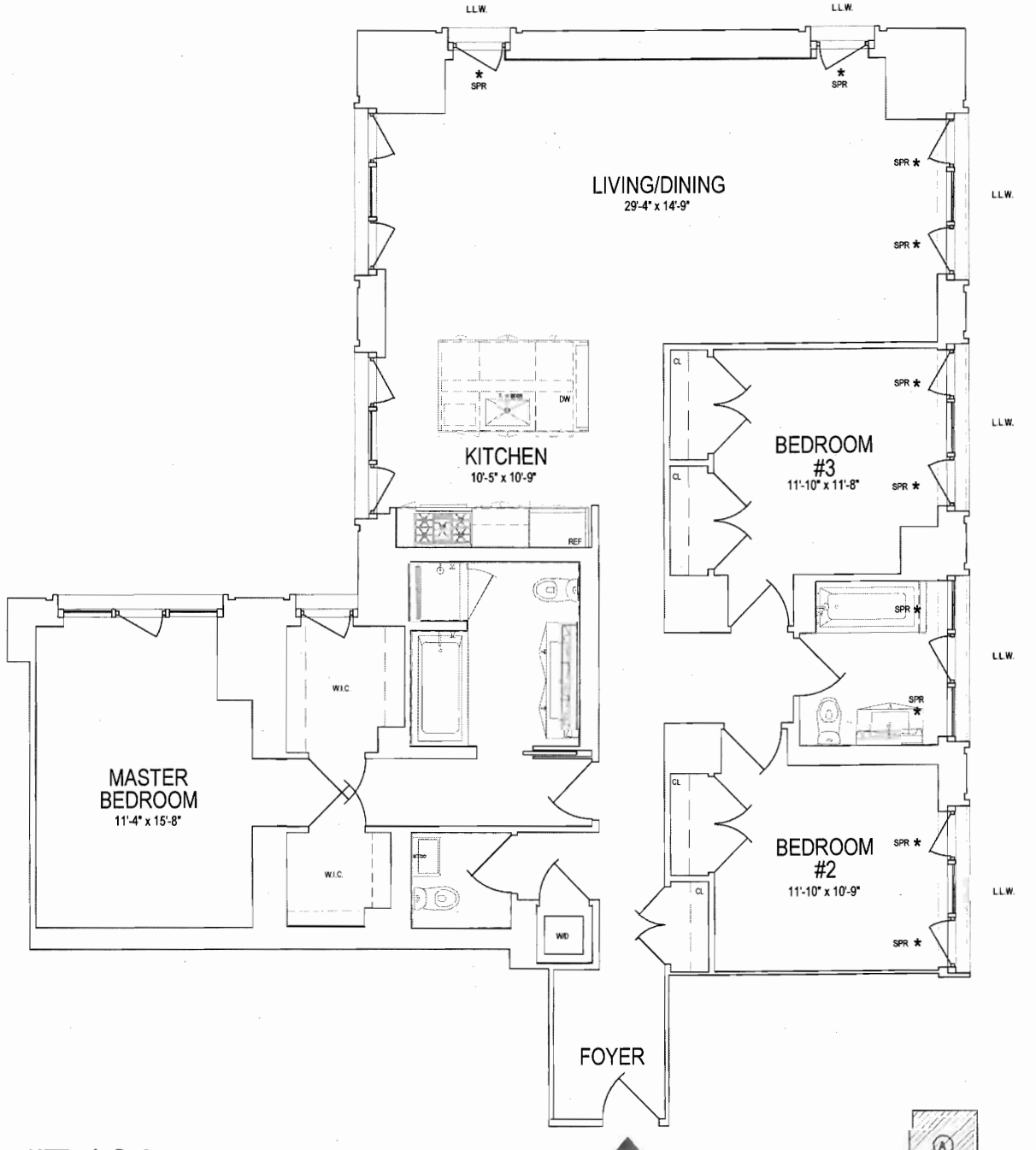






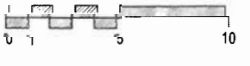
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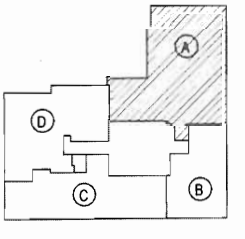
THE SUTTON CONDOMINIUM



UNIT 10A

3 BEDROOMS
2.5 BATHS
FLOOR 10
1,947 SQ FT

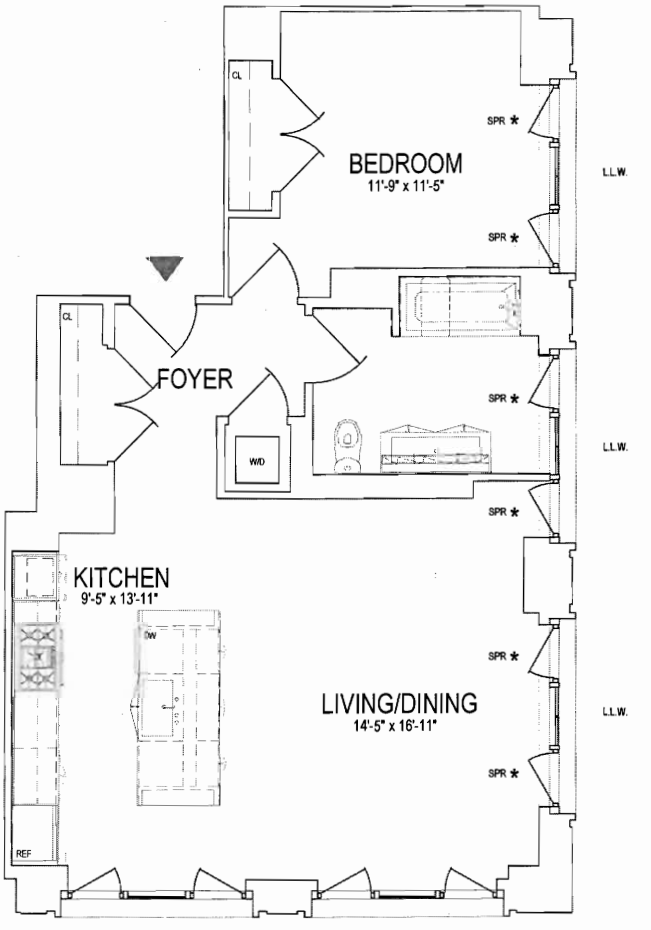






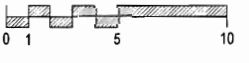
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THE SUTTON CONDOMINIUM

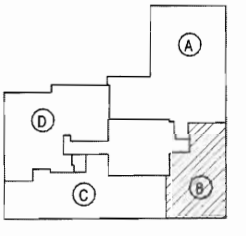


UNIT 10B

1 BEDROOM
1 BATH
FLOOR 10
893 SQ FT

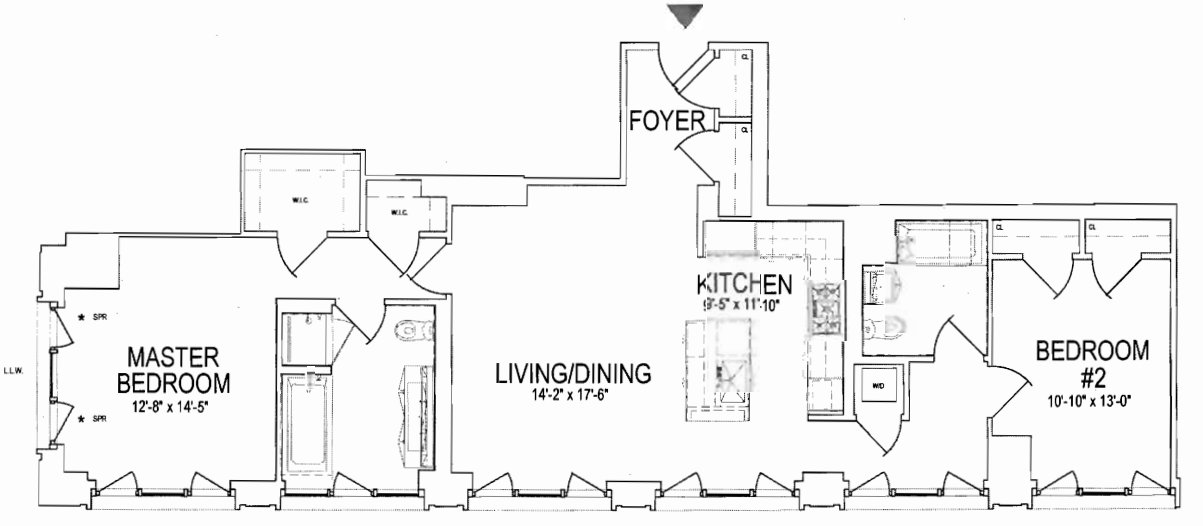






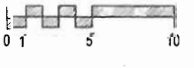
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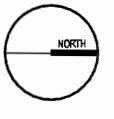
THE SUTTON CONDOMINIUM

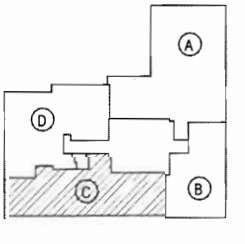


UNIT 10C

2 BEDROOMS
2 BATHS
FLOOR 10
1,340 SQ FT

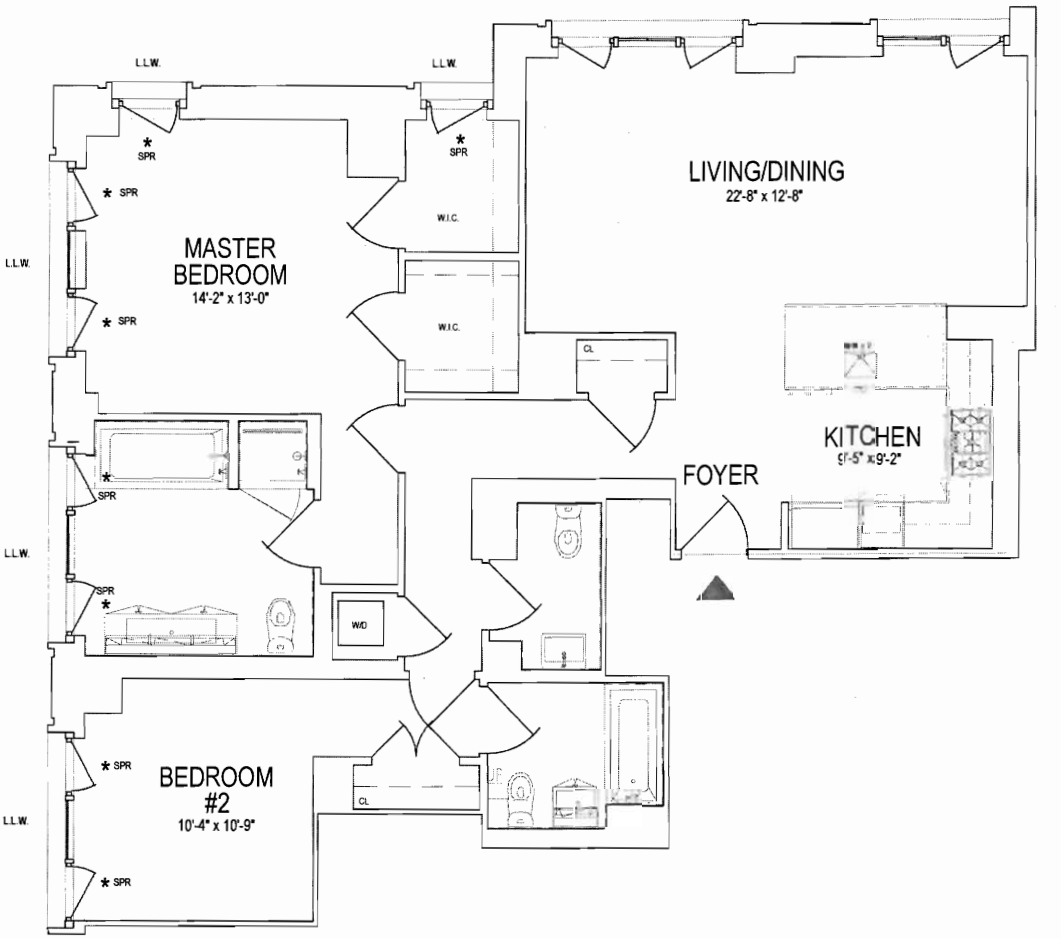






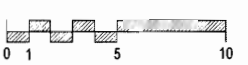
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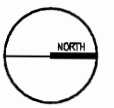
THE SUTTON CONDOMINIUM

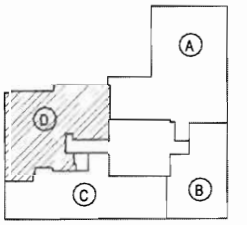


UNIT 10D

2 BEDROOMS
2.5 BATHS
FLOOR 10
1,367 SQ FT

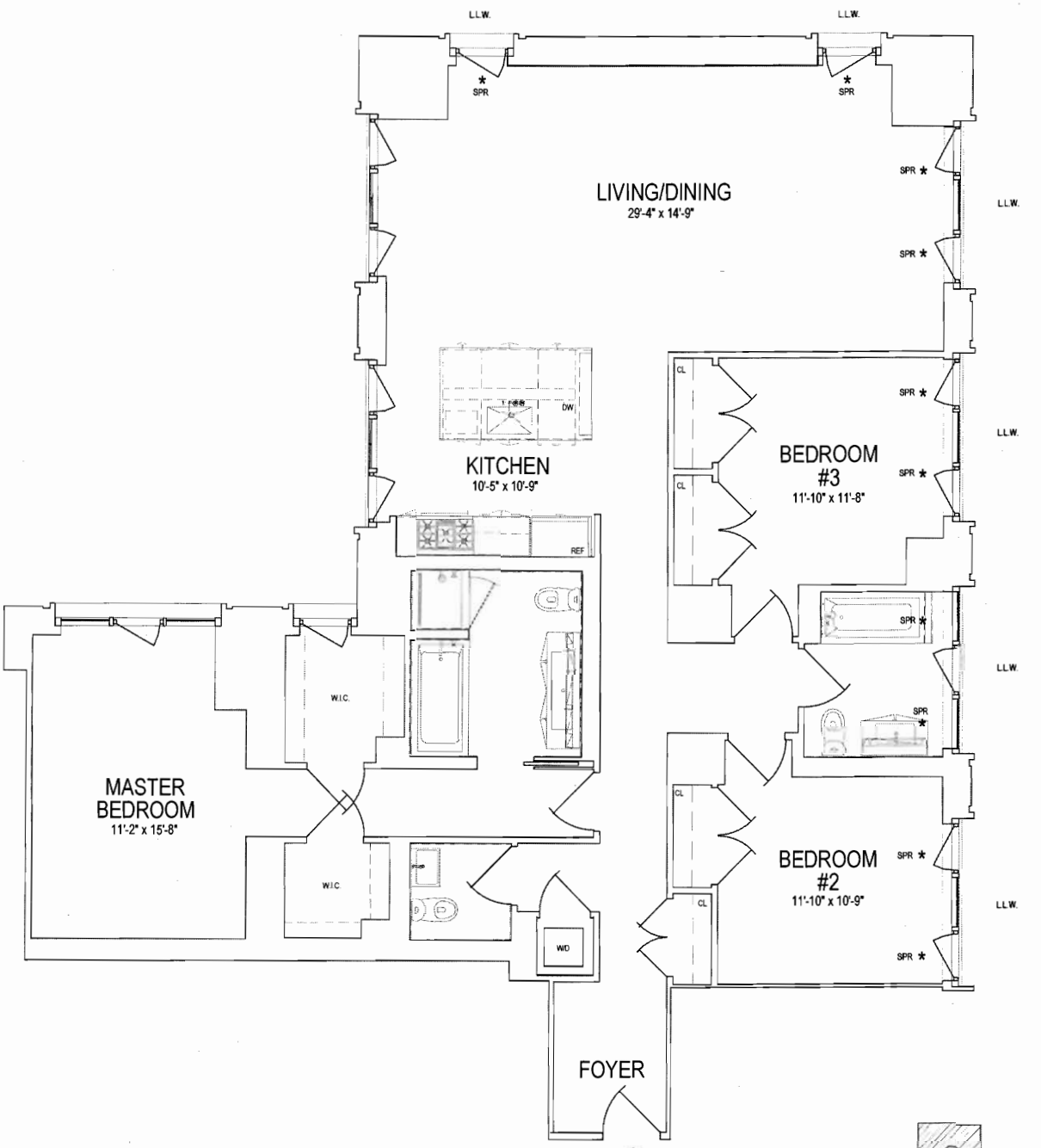






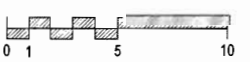
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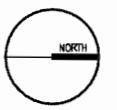
THE SUTTON CONDOMINIUM

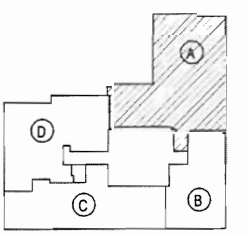


UNIT 11A

3 BEDROOMS
2.5 BATHS
FLOOR 11
1,947 SQ FT

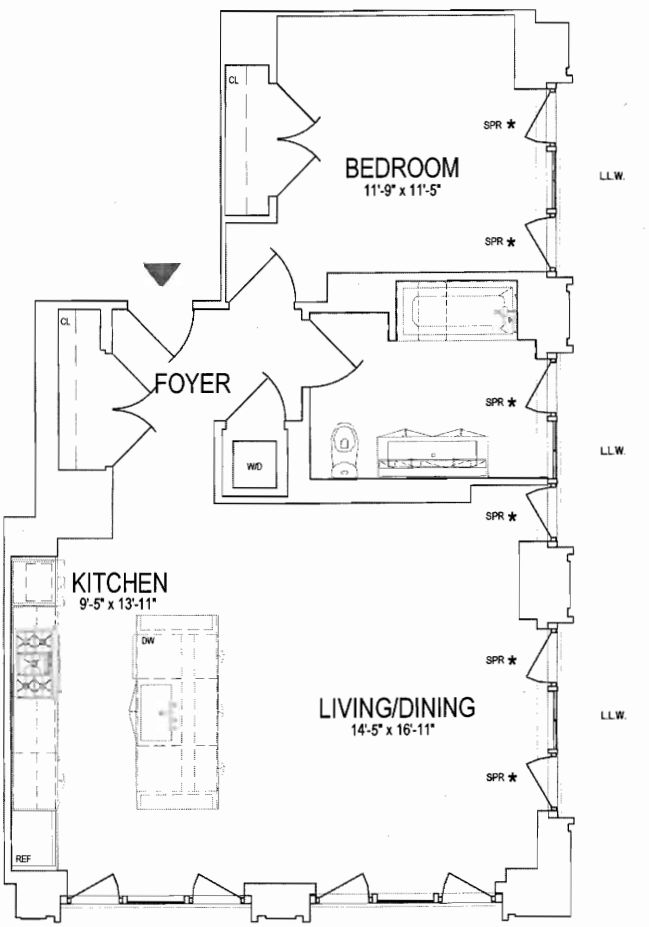






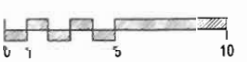
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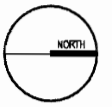
THE SUTTON CONDOMINIUM

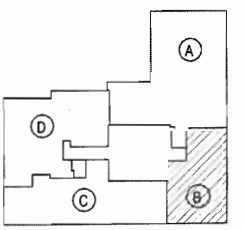


UNIT 11B

1 BEDROOM
1 BATH
FLOOR 11
893 SQ FT

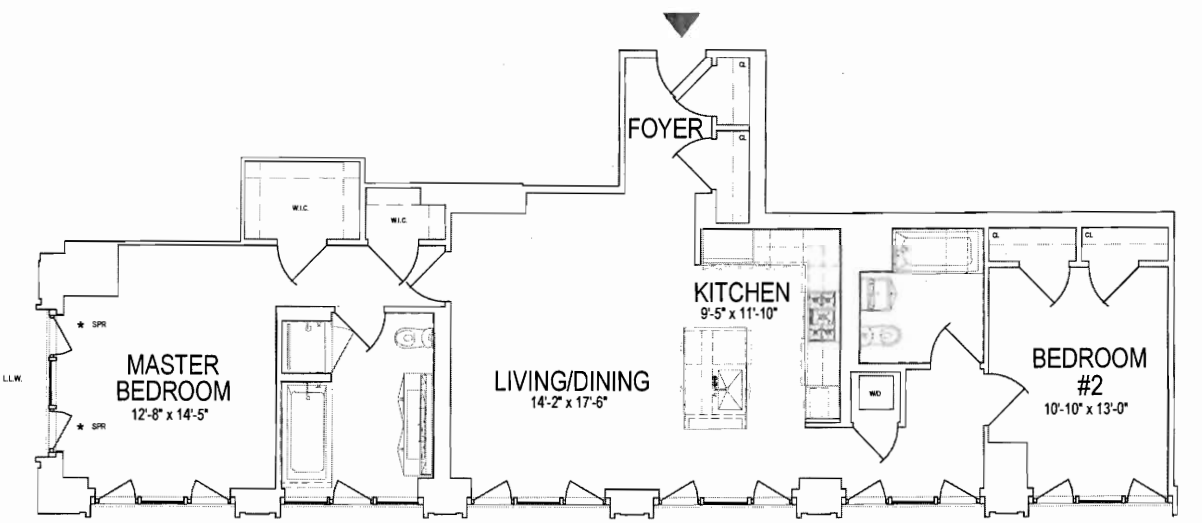






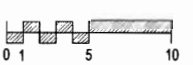
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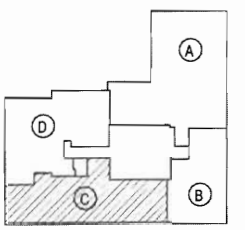


UNIT 11C

2 BEDROOMS
2 BATHS
FLOOR 11
1,340 SQ FT

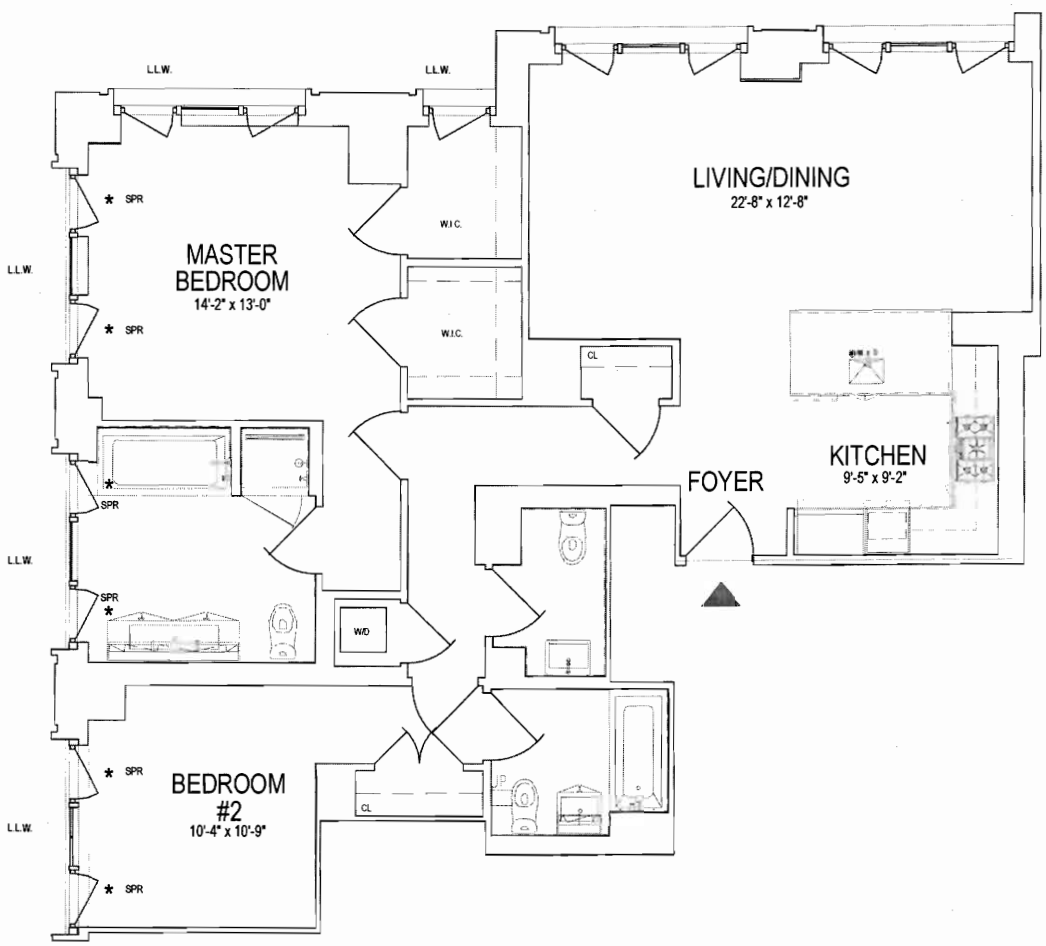






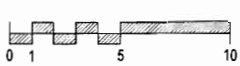
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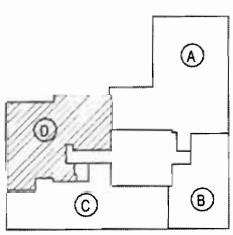


UNIT 11D

2 BEDROOMS
2.5 BATHS
FLOOR 11
1,367 SQ FT

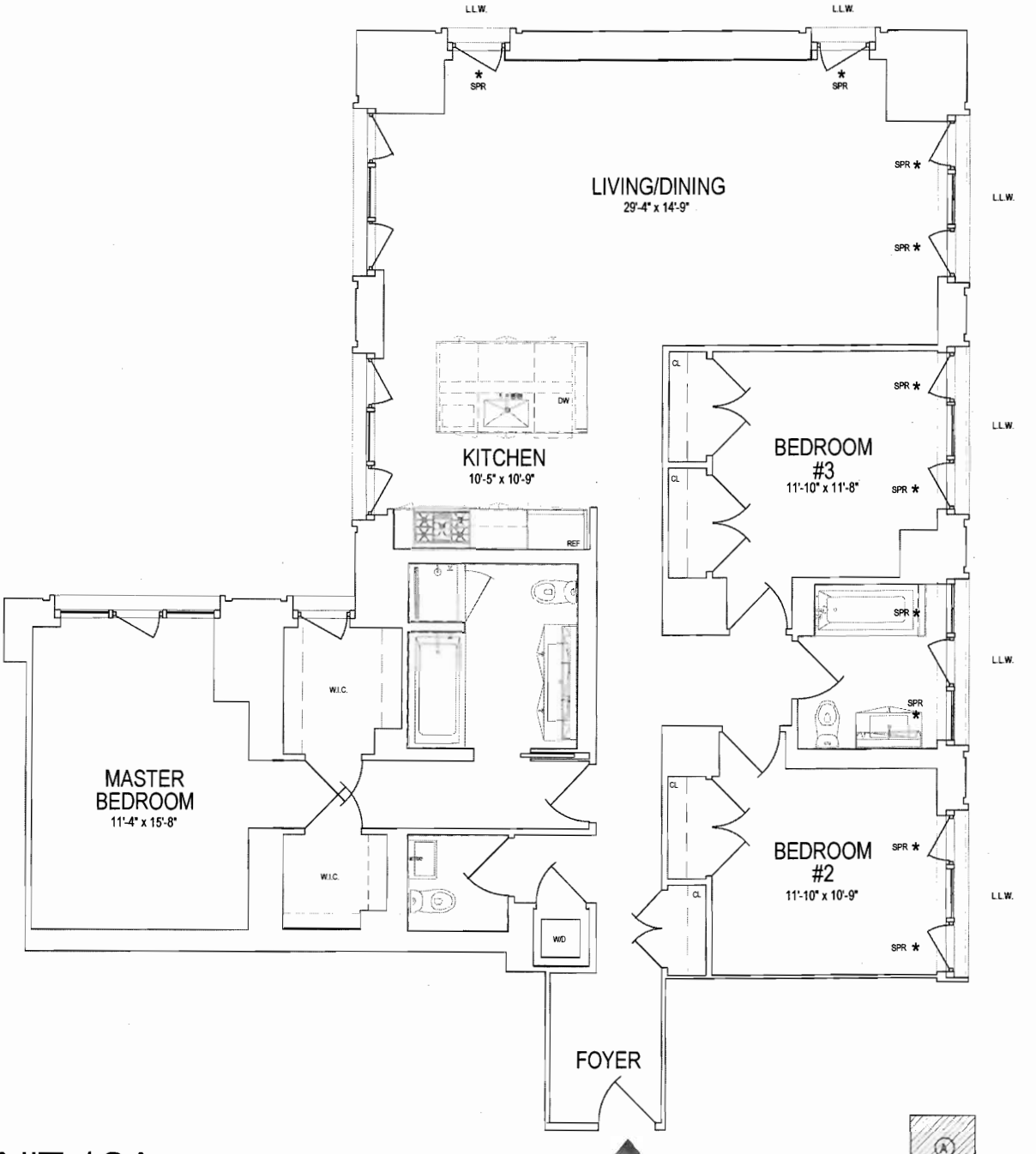






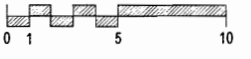
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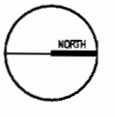
THE SUTTON CONDOMINIUM

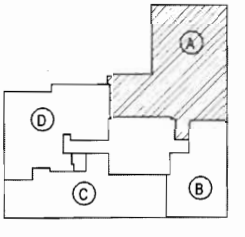


UNIT 12A

3 BEDROOMS
2.5 BATHS
FLOOR 12
1,947 SQ FT

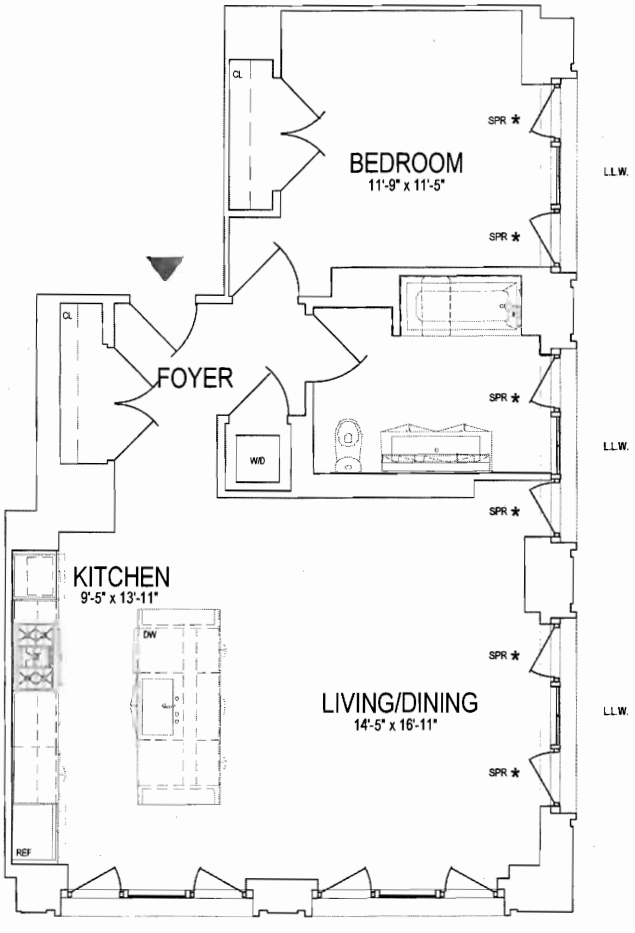






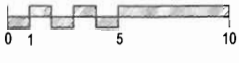
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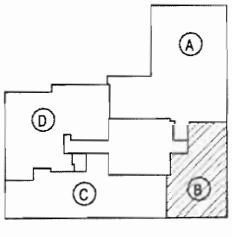


UNIT 12B

1 BEDROOM
1 BATH
FLOOR 12
893 SQ FT

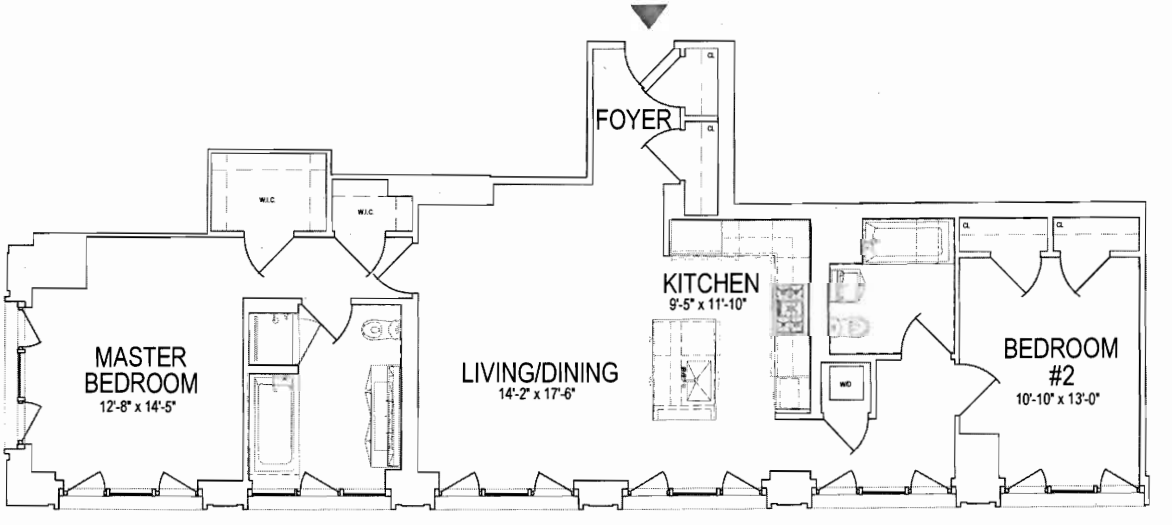






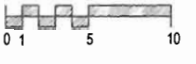
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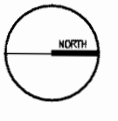
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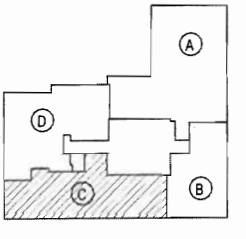


UNIT 12C

2 BEDROOMS
2 BATHS
FLOOR 12
1,340 SQ FT

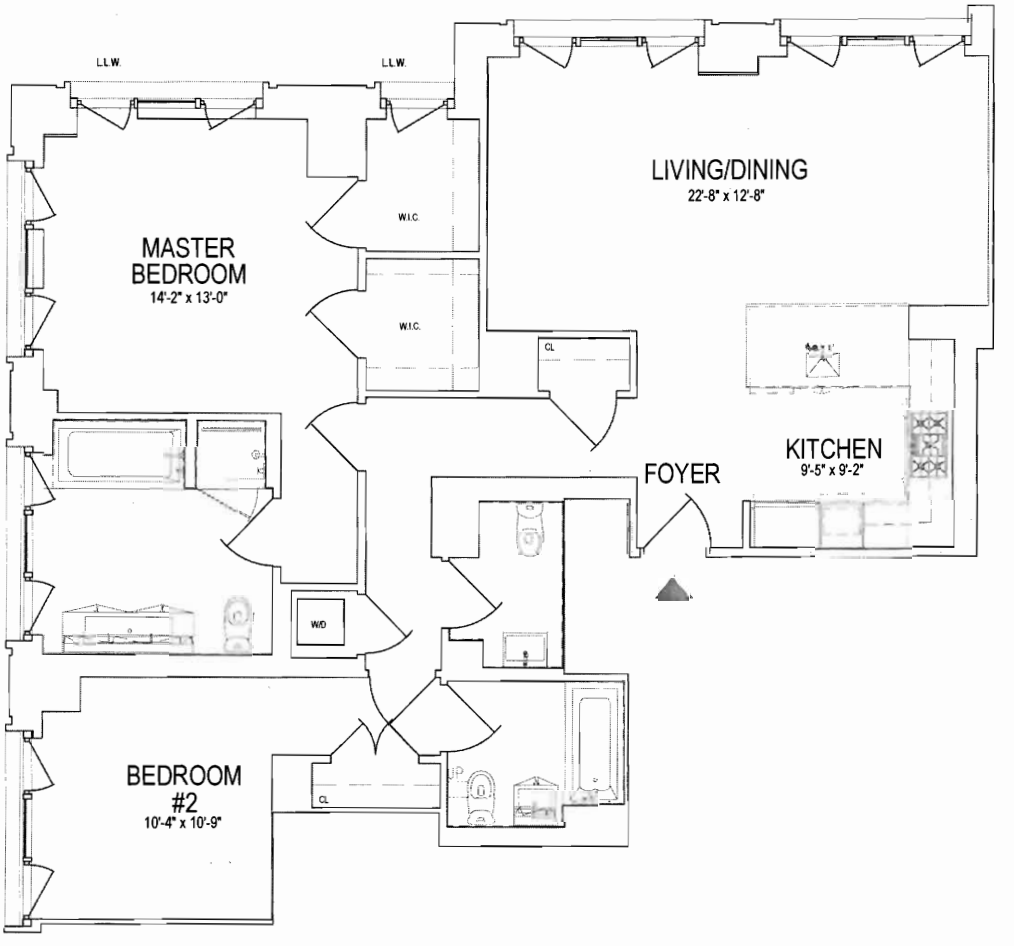






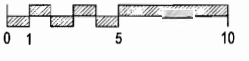
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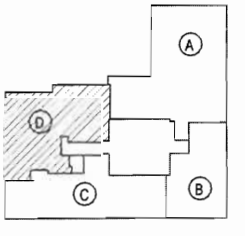


UNIT 12D

2 BEDROOMS
2.5 BATHS
FLOOR 12
1,367 SQ FT

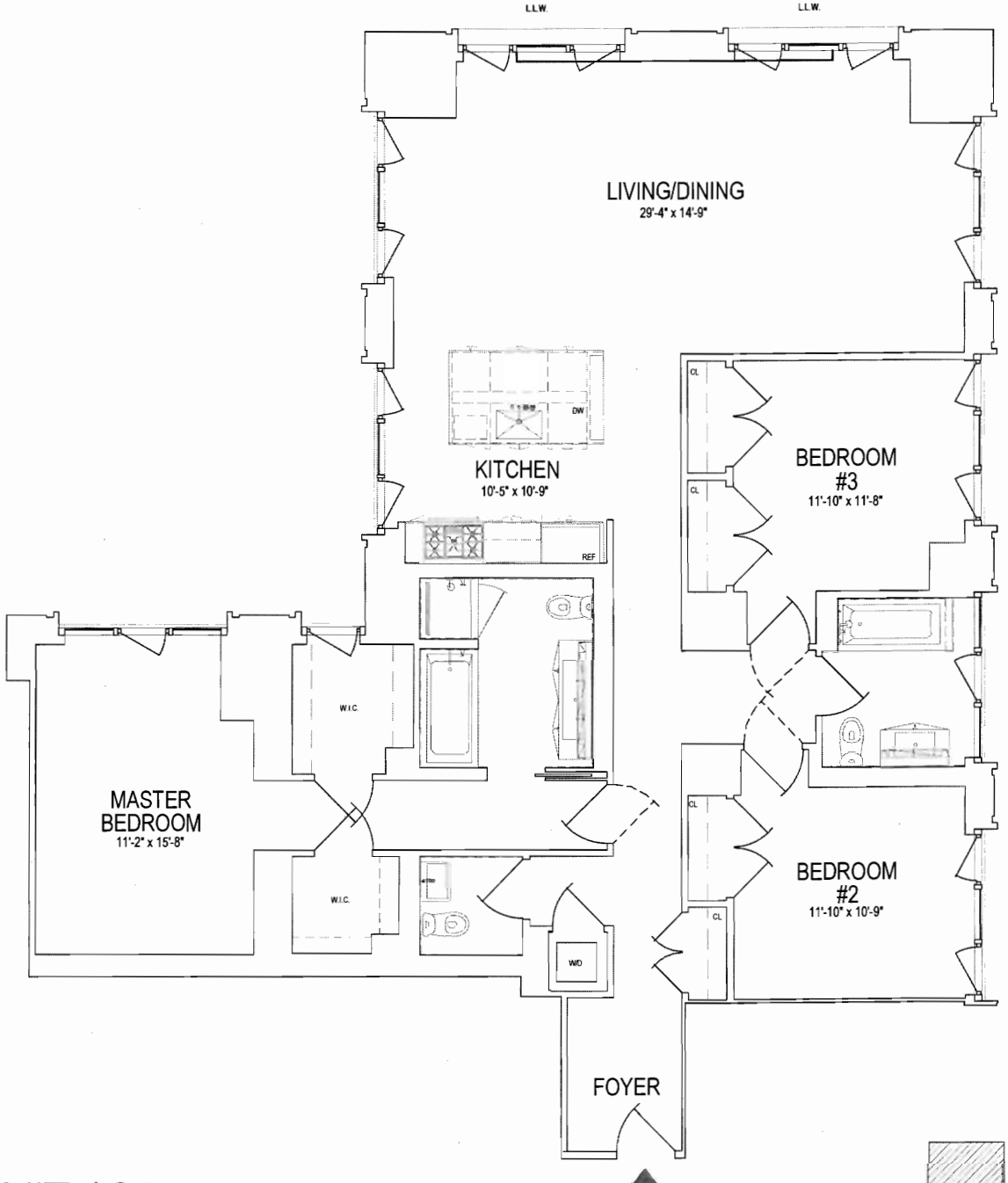






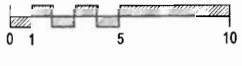
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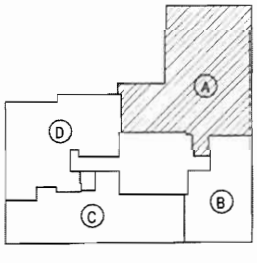
THE SUTTON CONDOMINIUM



UNIT 13A

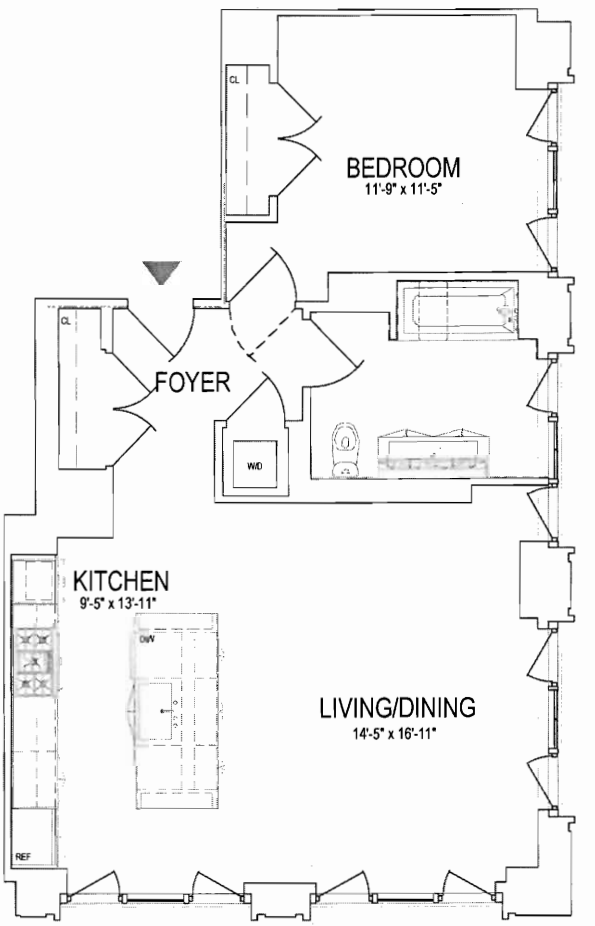
3 BEDROOMS
2.5 BATHS
FLOOR 13
1,947 SQ FT





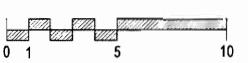
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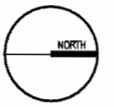
THE SUTTON CONDOMINIUM

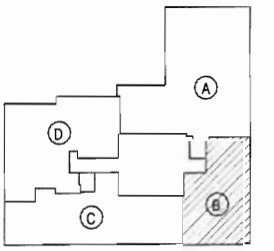


UNIT 13B

1 BEDROOM
1 BATH
FLOOR 13
893 SQ FT

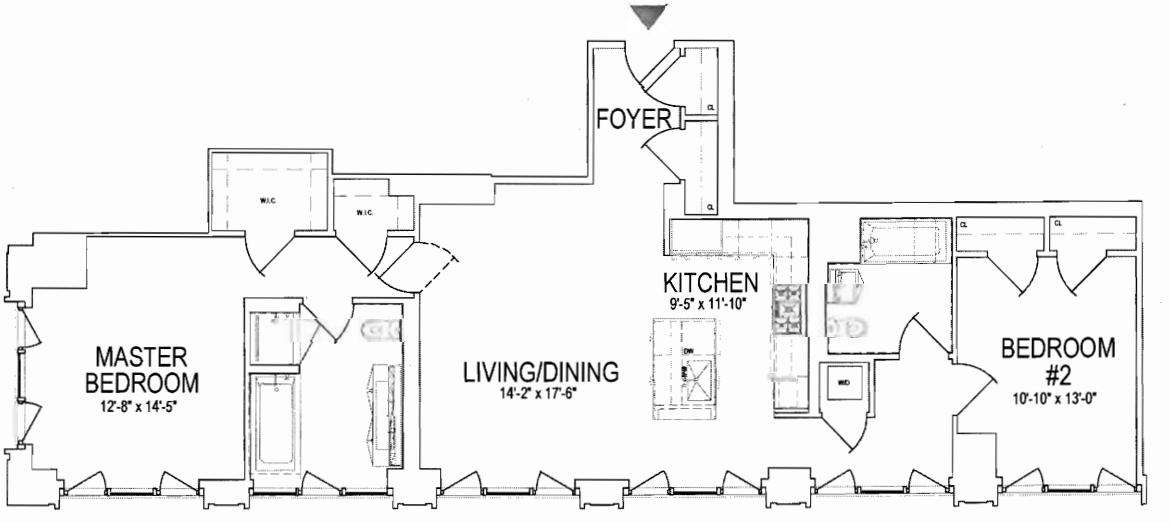






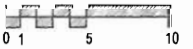
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THE SUTTON CONDOMINIUM

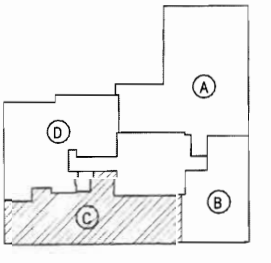


UNIT 13C

2 BEDROOMS
2 BATHS
FLOOR 13
1,340 SQ FT

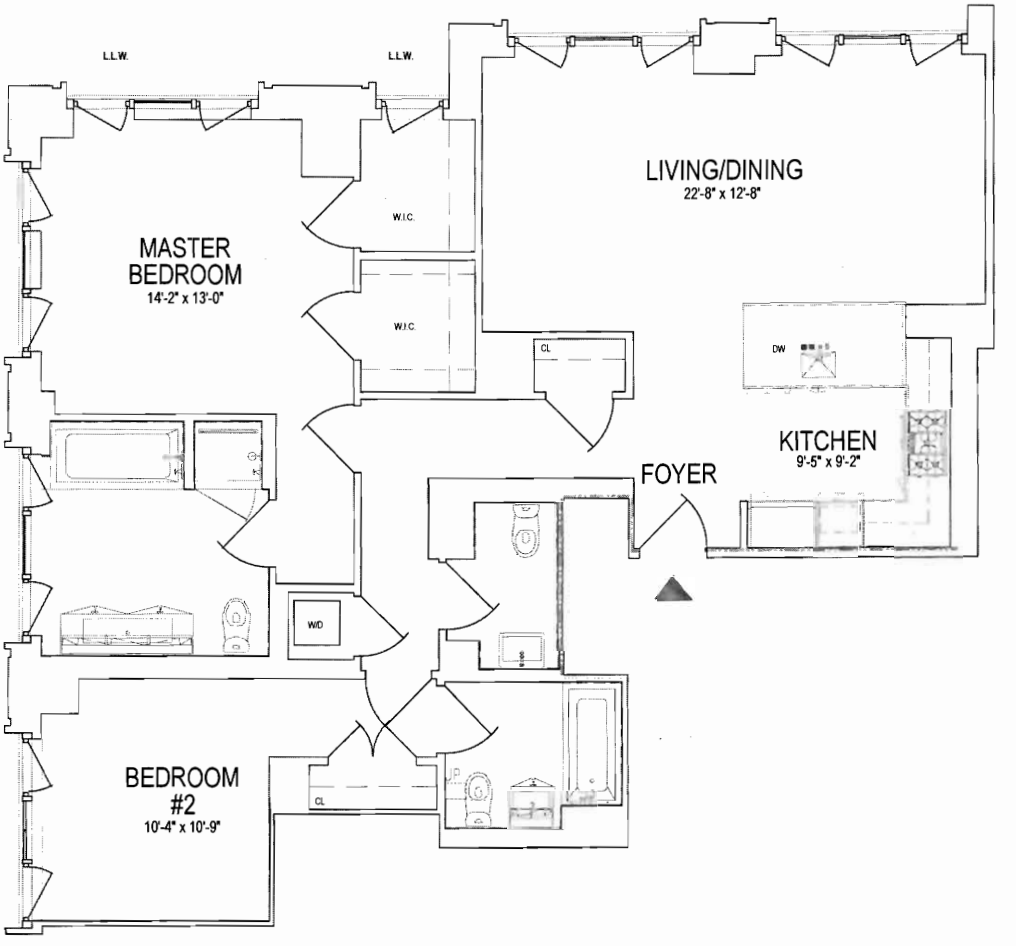






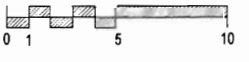
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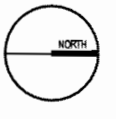
THE SUTTON CONDOMINIUM

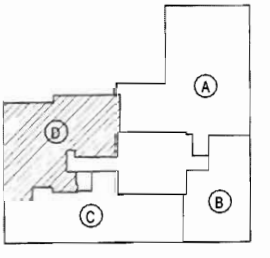


UNIT 13D

2 BEDROOMS
2.5 BATHS
FLOOR 13
1,367 SQ FT

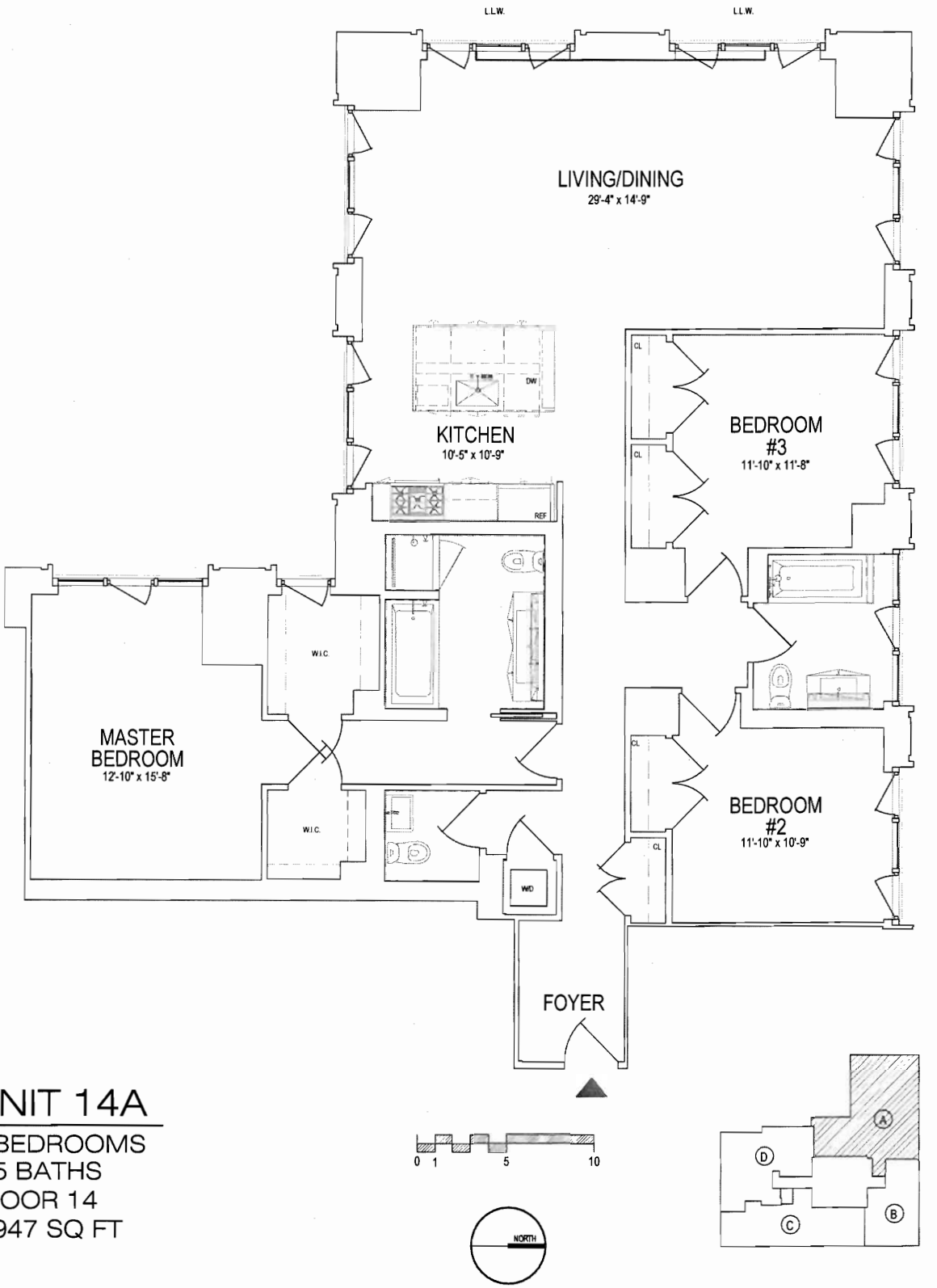






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THE SUTTON CONDOMINIUM

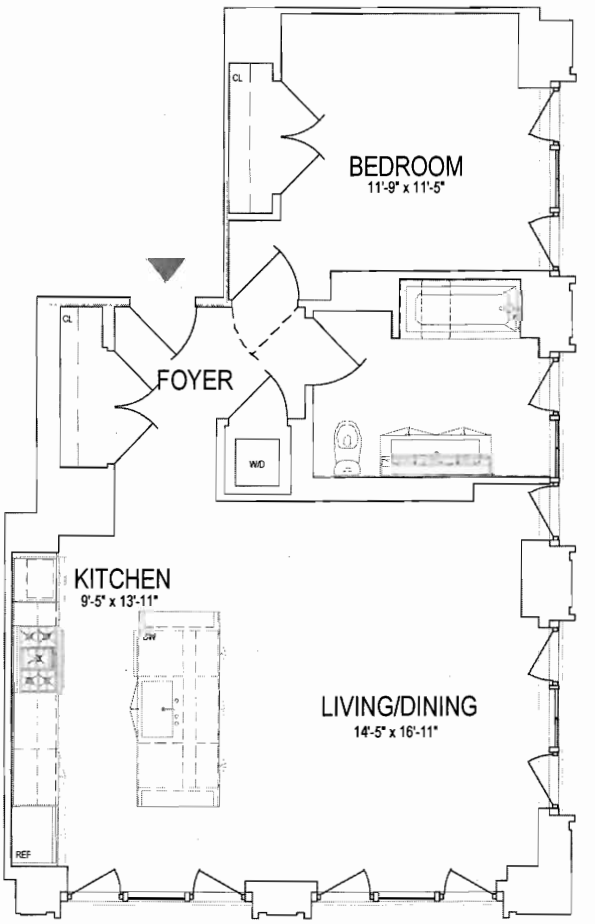


UNIT 14A

3 BEDROOMS
2.5 BATHS
FLOOR 14
1,947 SQ FT

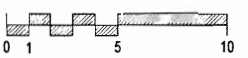
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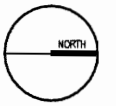
THE SUTTON CONDOMINIUM

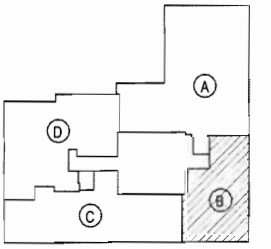


UNIT 14B

1 BEDROOM
1 BATH
FLOOR 14
893 SQ FT

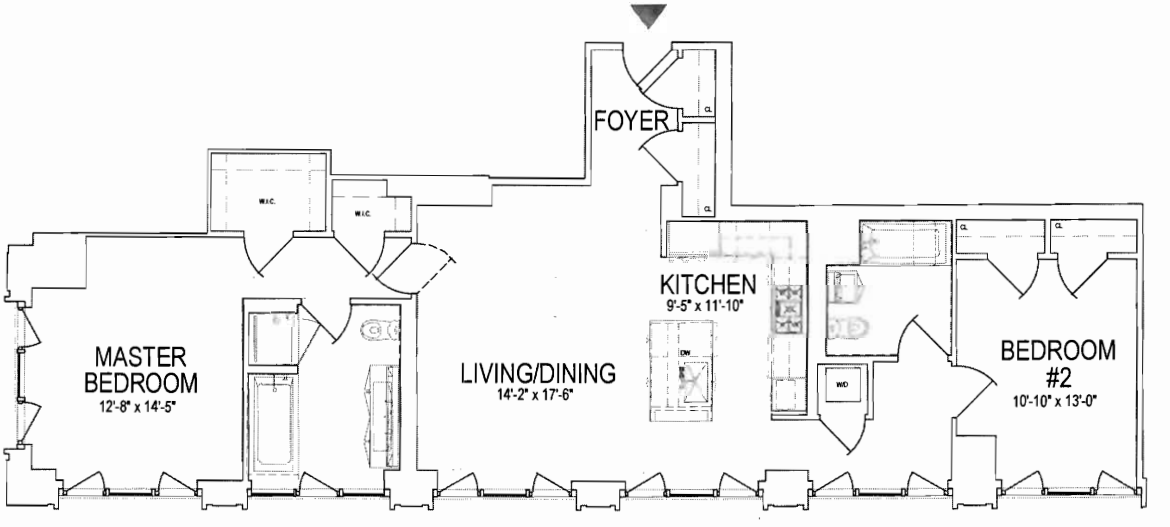






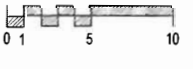
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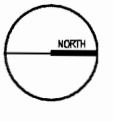
THE SUTTON CONDOMINIUM

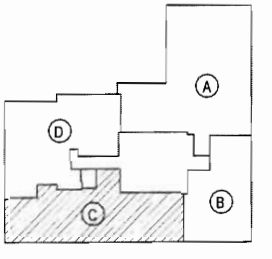


UNIT 14C

2 BEDROOMS
2 BATHS
FLOOR 14
1,340 SQ FT

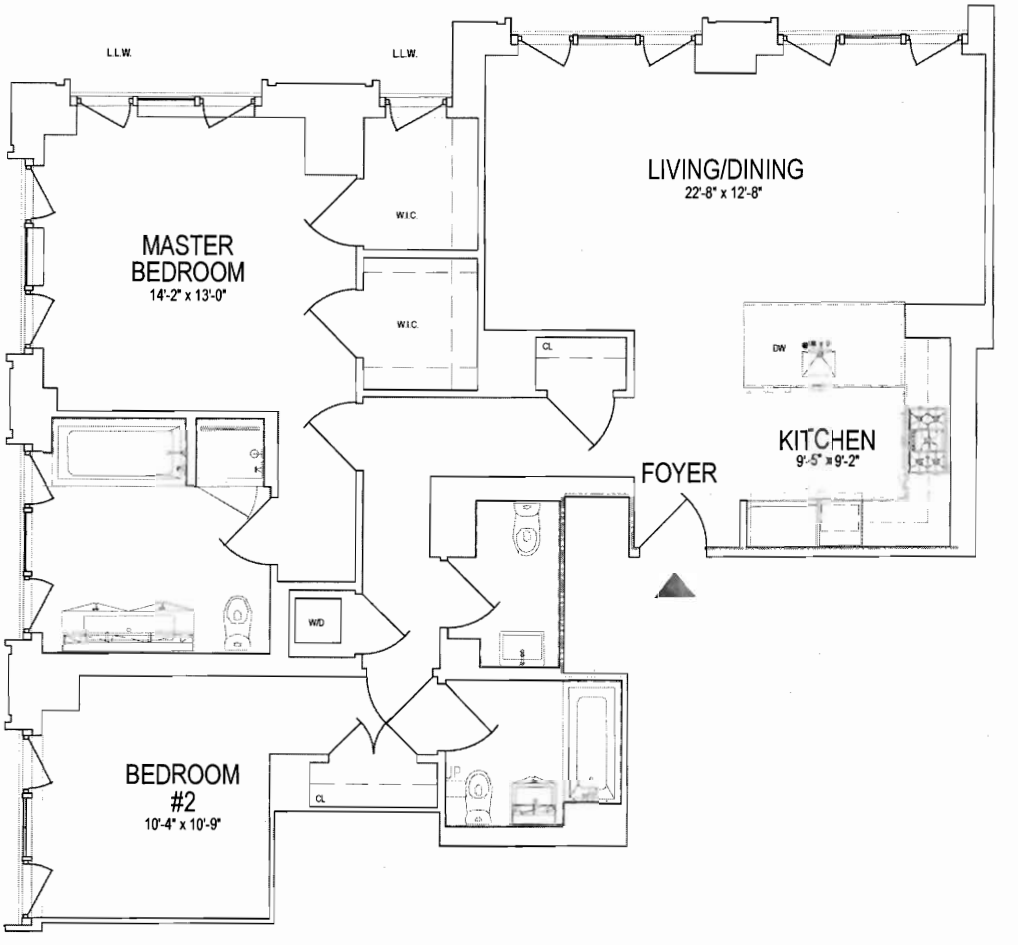






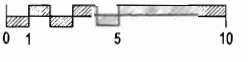
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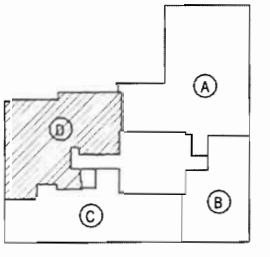


UNIT 14D

2 BEDROOMS
2.5 BATHS
FLOOR 14
1,367 SQ FT

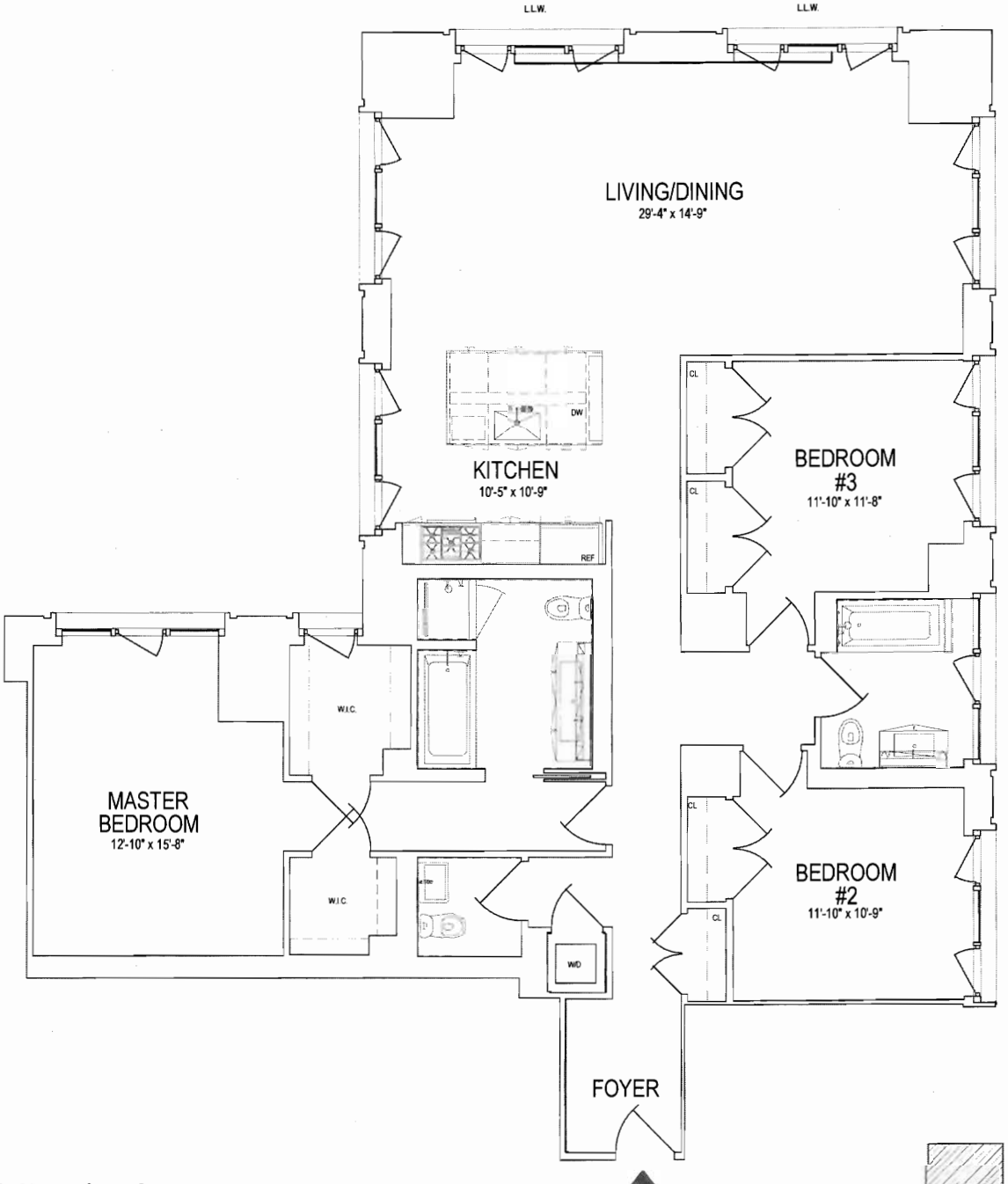






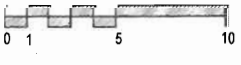
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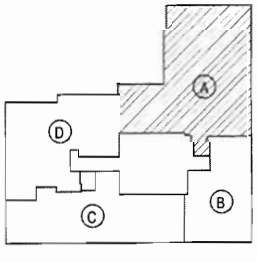


UNIT 15A

3 BEDROOMS
2.5 BATHS
FLOOR 15
1,947 SQ FT

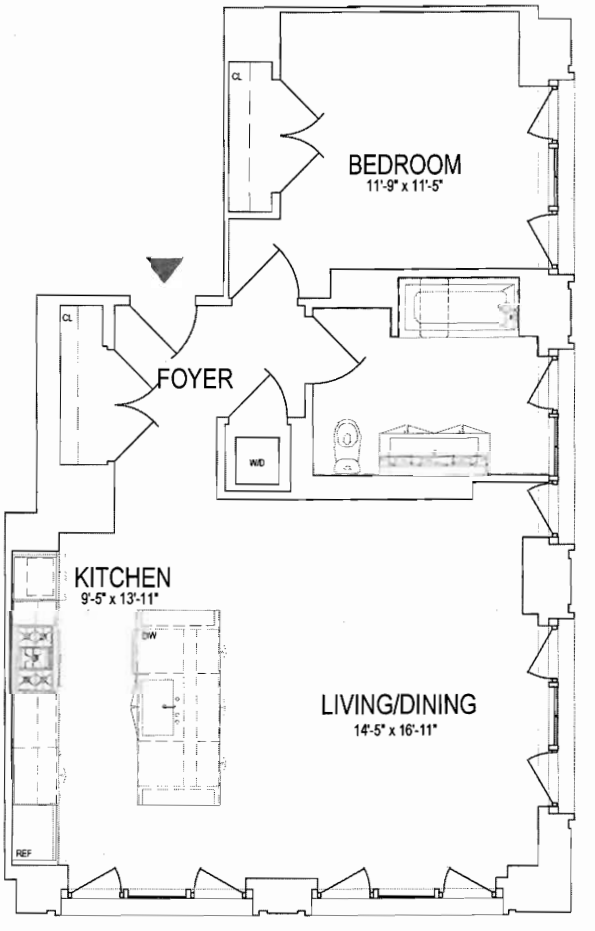






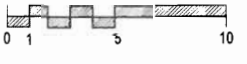
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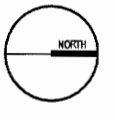
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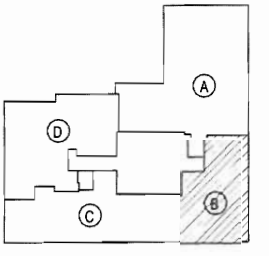


UNIT 15B

1 BEDROOM
1 BATH
FLOOR 15
893 SQ FT

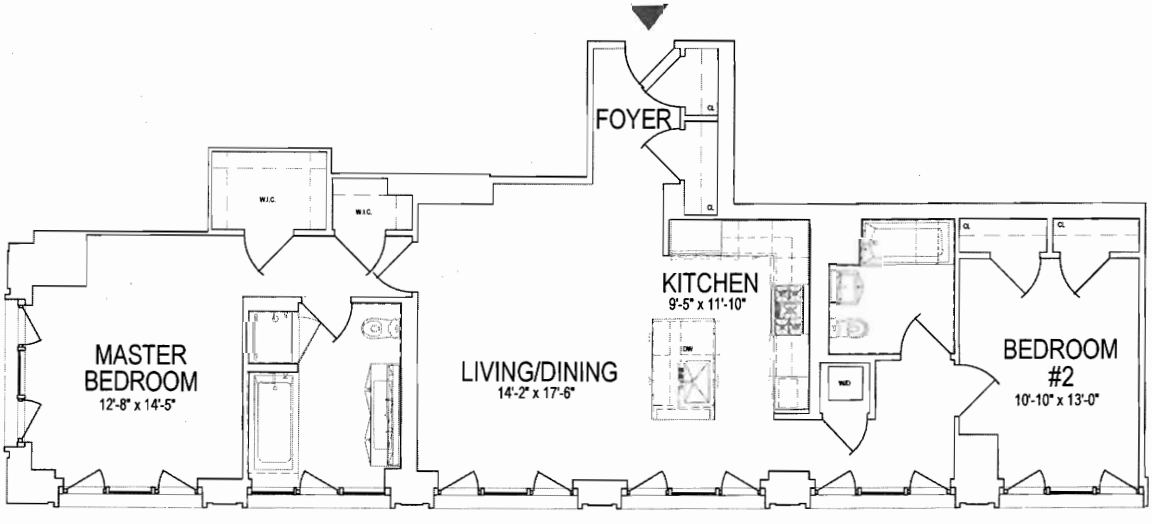






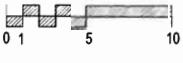
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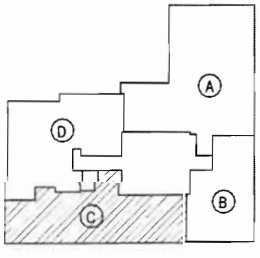


UNIT 15C

2 BEDROOMS
2 BATHS
FLOOR 15
1,340 SQ FT

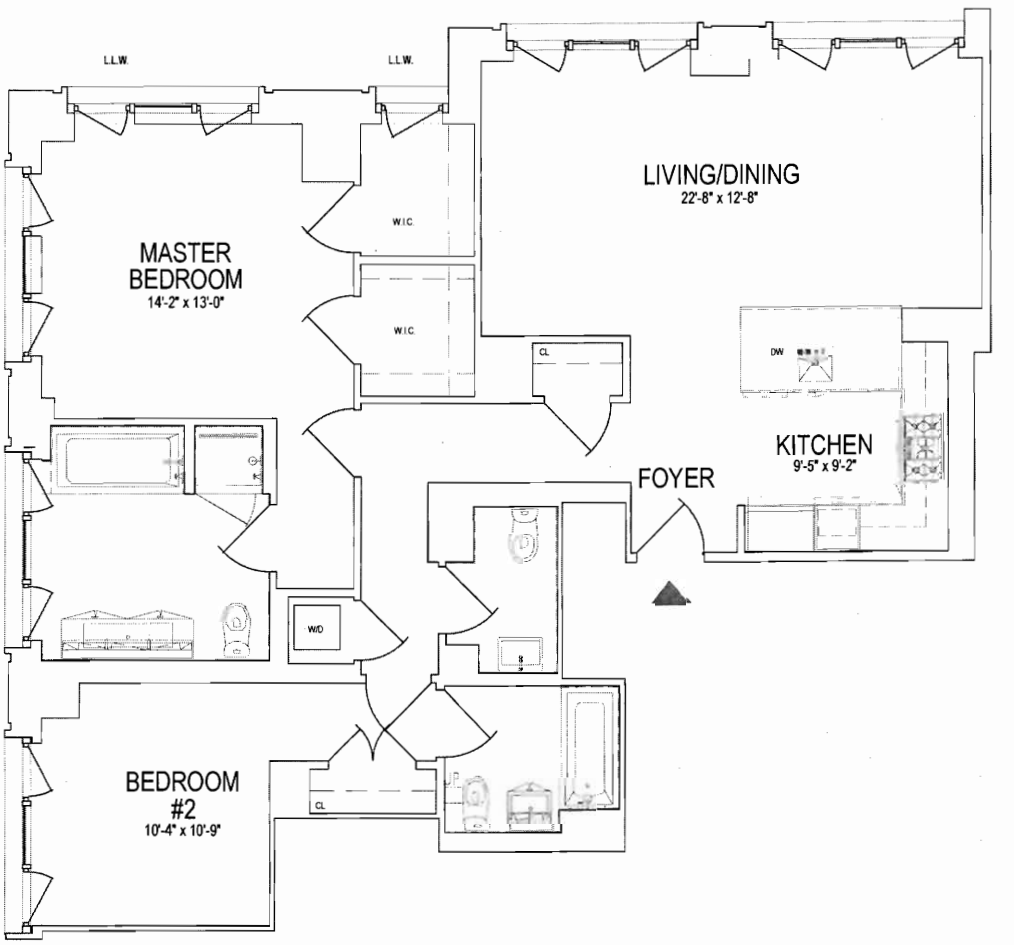






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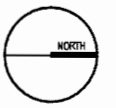
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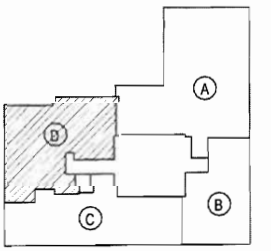


UNIT 15D

2 BEDROOMS
2.5 BATHS
FLOOR 15
1,367 SQ FT

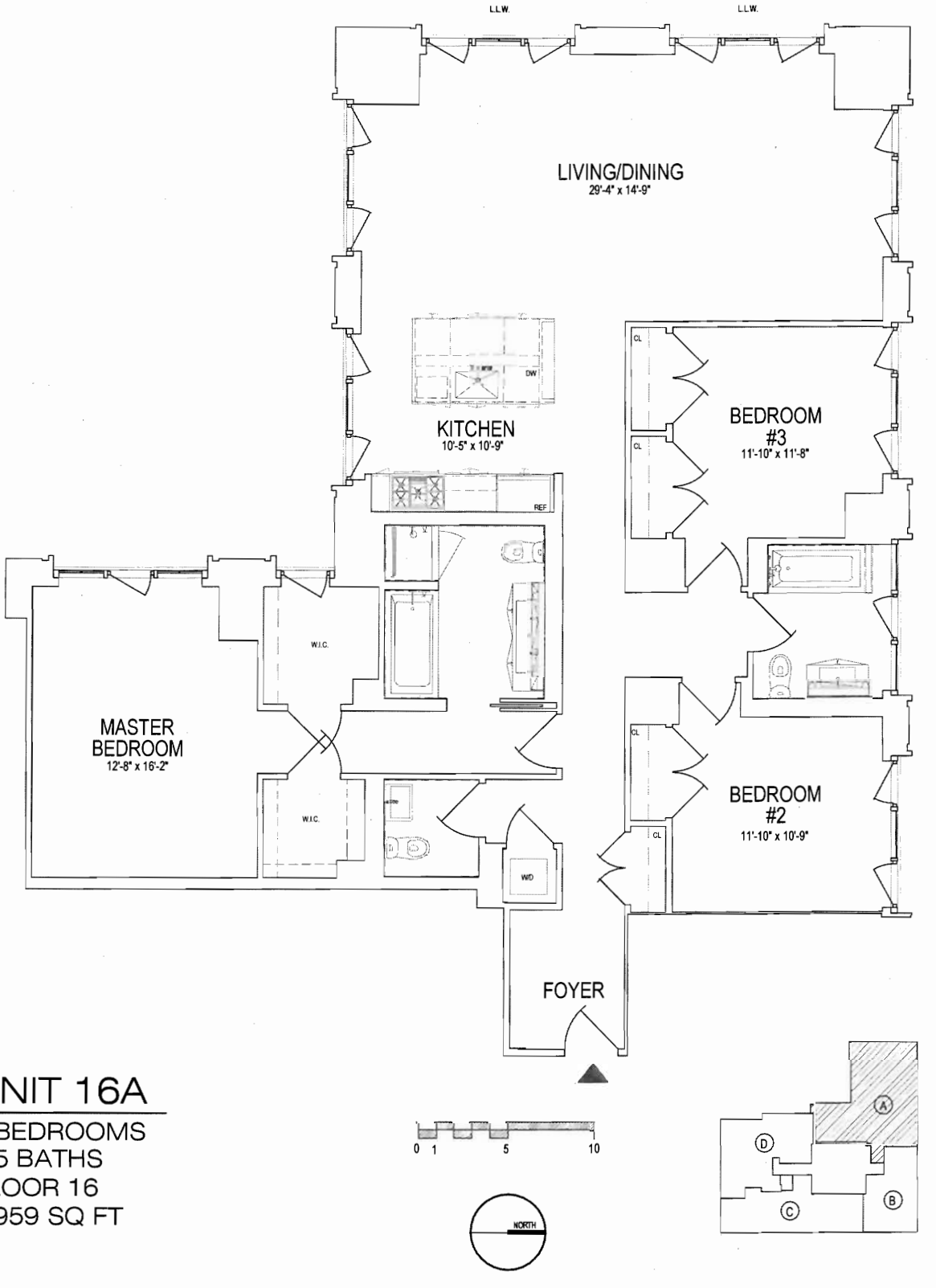






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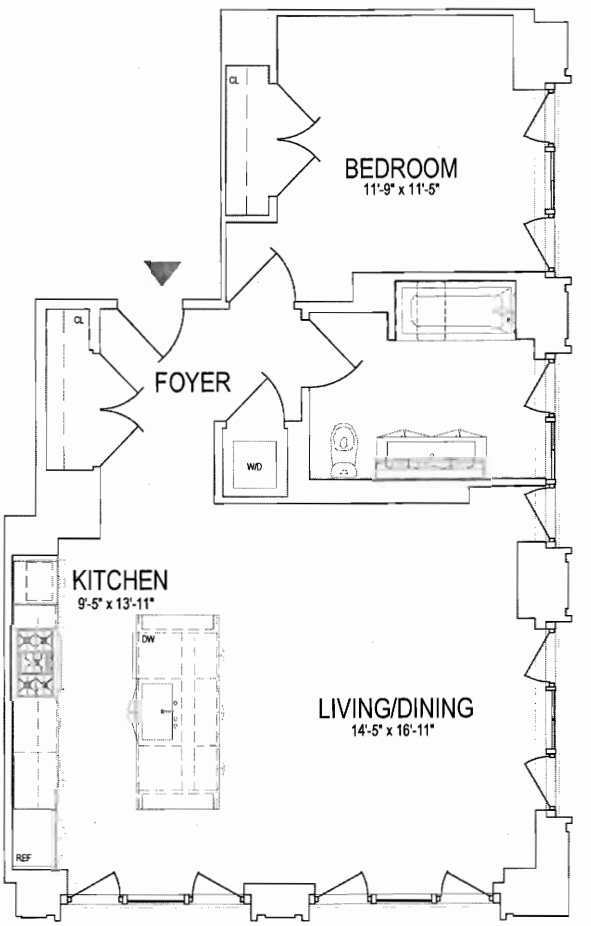


UNIT 16A

3 BEDROOMS
2.5 BATHS
FLOOR 16
1,959 SQ FT

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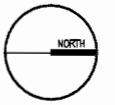
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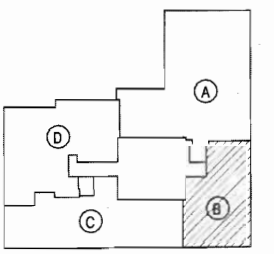


UNIT 16B

1 BEDROOM
1 BATH
FLOOR 16
895 SQ FT

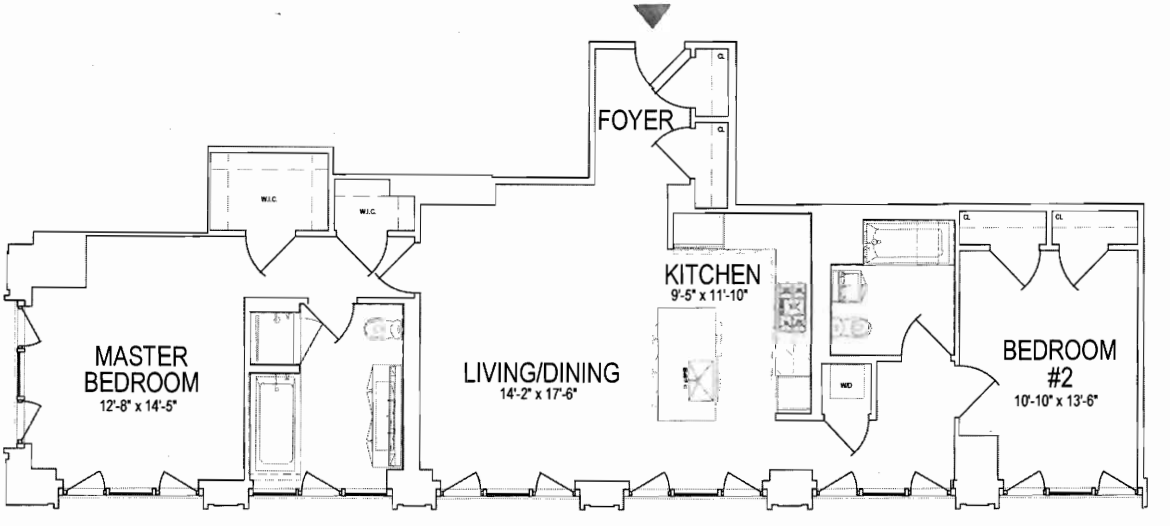






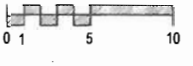
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THE SUTTON CONDOMINIUM

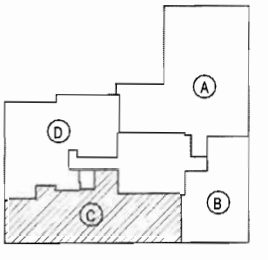


UNIT 16C

2 BEDROOMS
2.0 BATHS
FLOOR 16
1,349 SQ FT

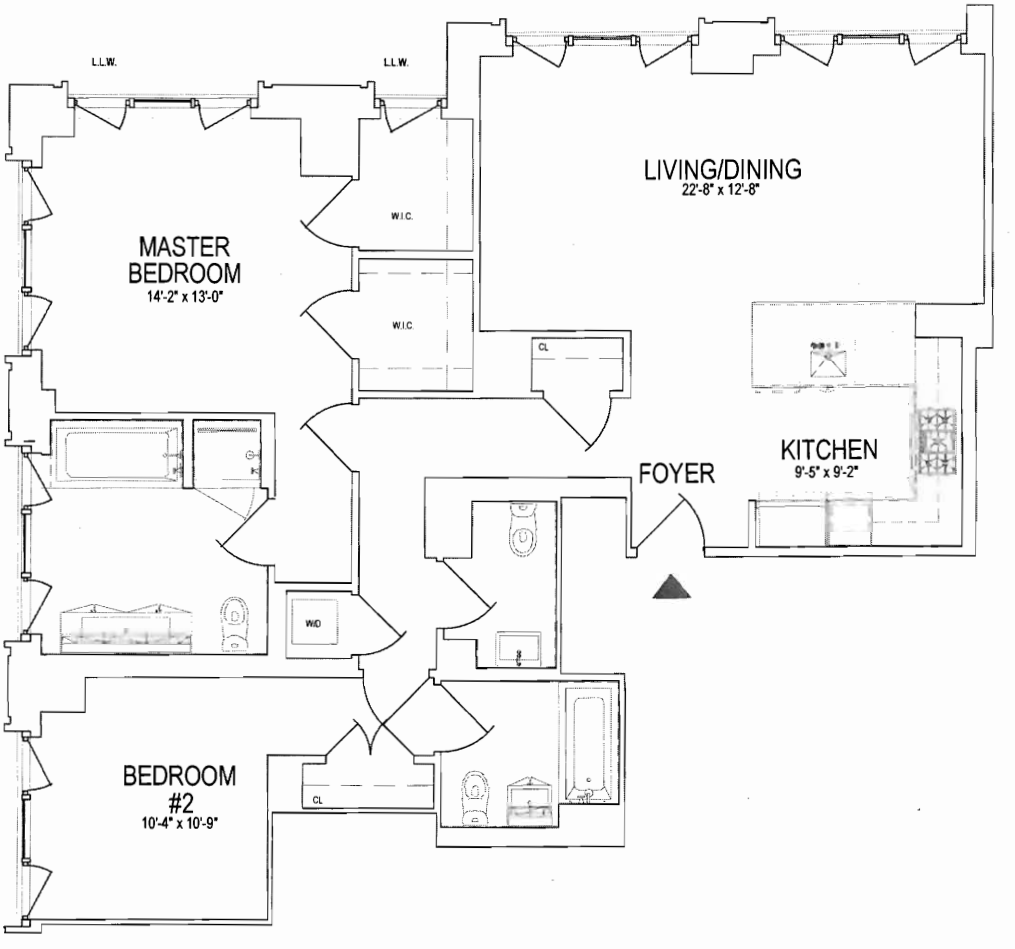






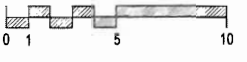
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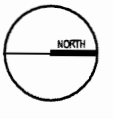
THE SUTTON CONDOMINIUM

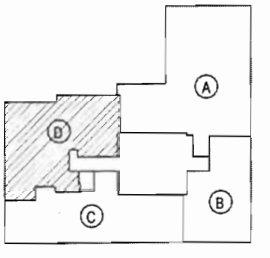


UNIT 16D

2 BEDROOMS
2.5 BATHS
FLOOR 16
1,370 SQ FT

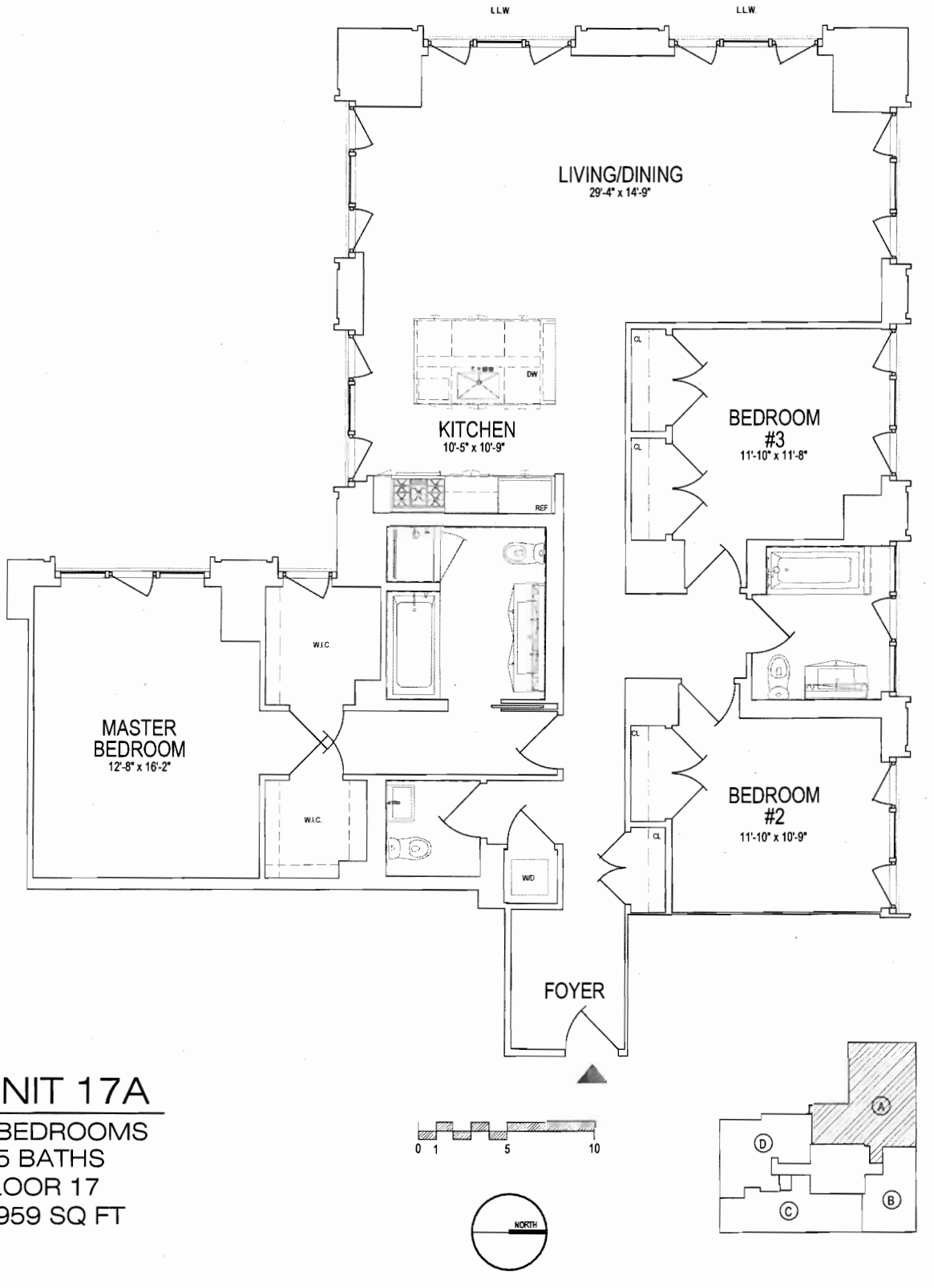






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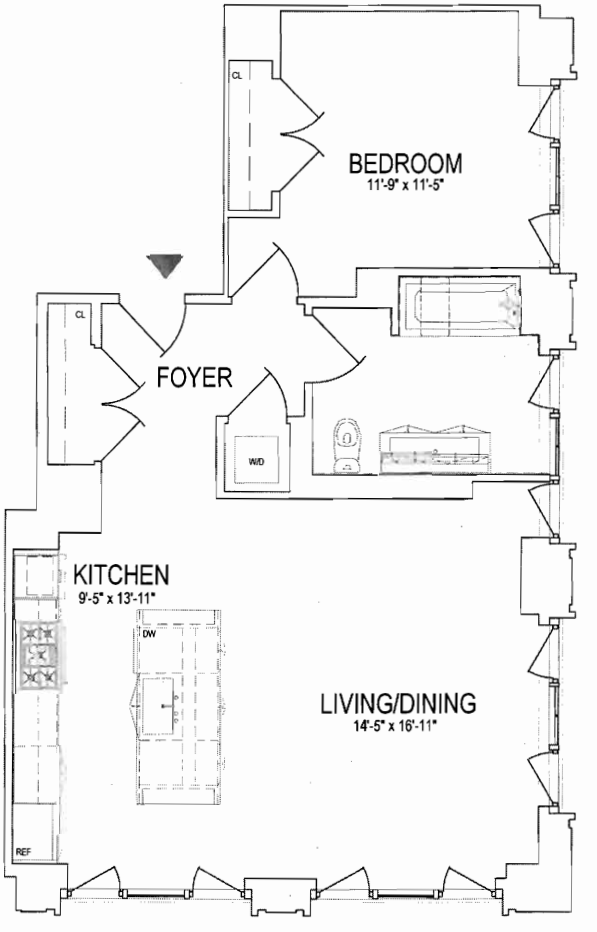


UNIT 17A

3 BEDROOMS
2.5 BATHS
FLOOR 17
1,959 SQ FT

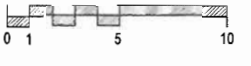
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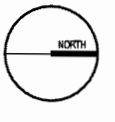
THE SUTTON CONDOMINIUM

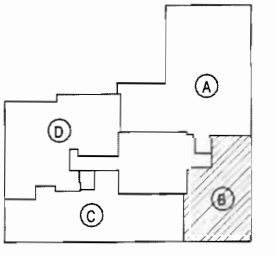


UNIT 17B

1 BEDROOM
1 BATH
FLOOR 17
895 SQ FT

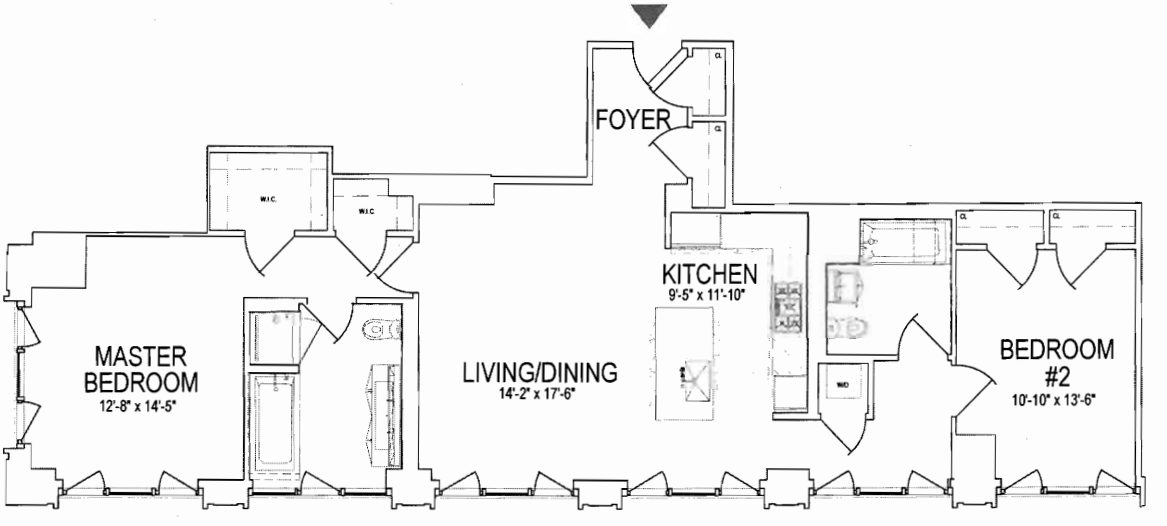






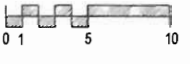
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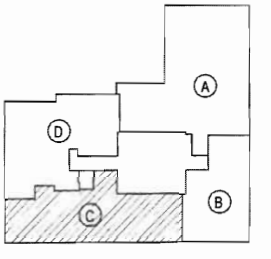


UNIT 17C

2 BEDROOMS
2.0 BATHS
FLOOR 17
1,349 SQ FT

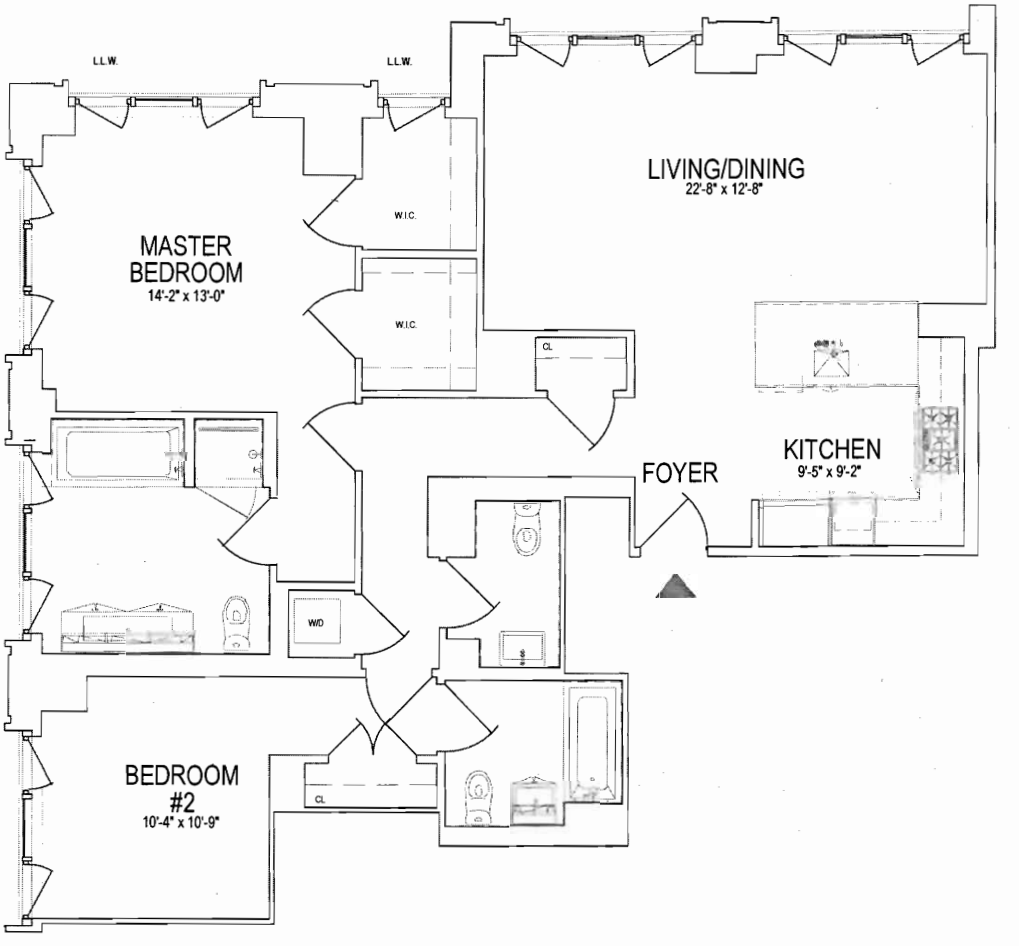






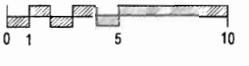
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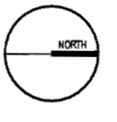
THE SUTTON CONDOMINIUM

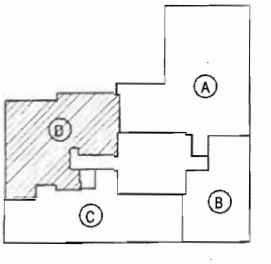


UNIT 17D

2 BEDROOMS
2.5 BATHS
FLOOR 17
1,370 SQ FT

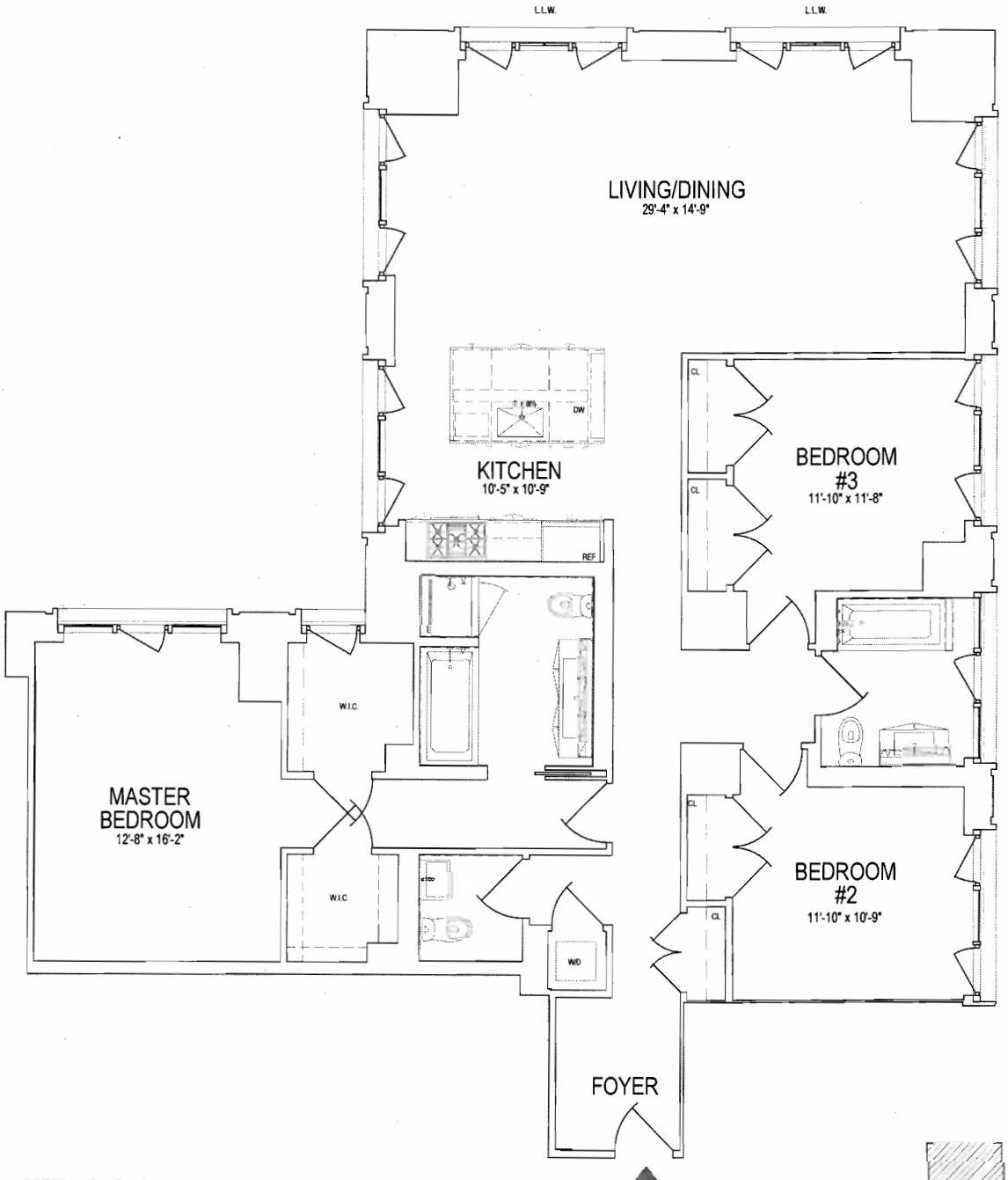






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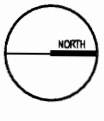
THE SUTTON CONDOMINIUM

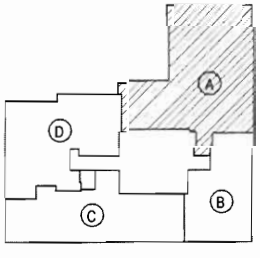


UNIT 18A

3 BEDROOMS
2.5 BATHS
FLOOR 18
1,959 SQ FT

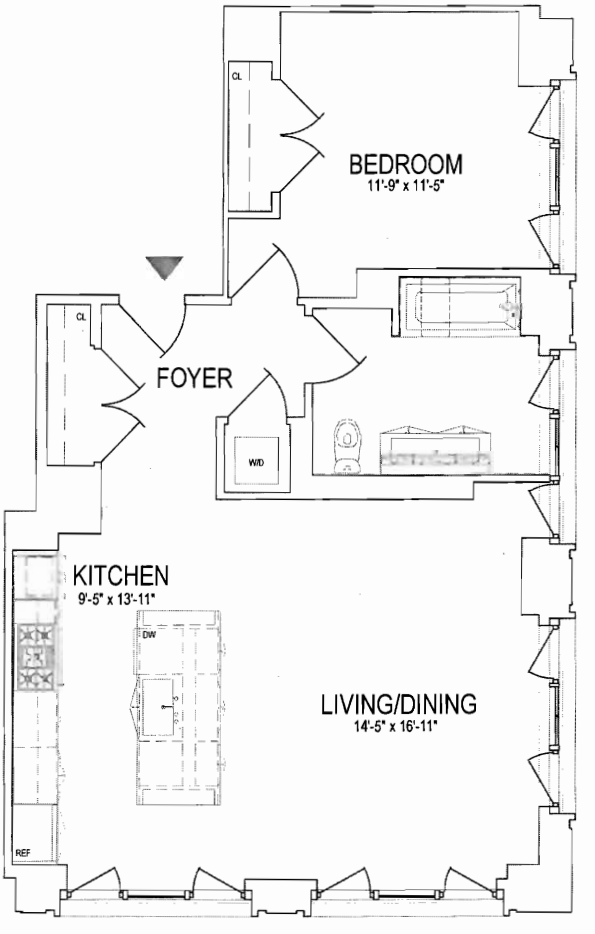






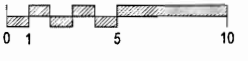
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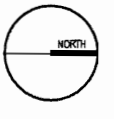
THE SUTTON CONDOMINIUM

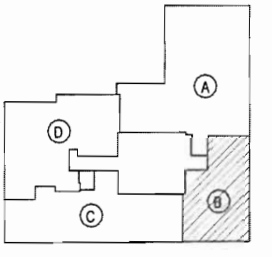


UNIT 18B

1 BEDROOM
1 BATH
FLOOR 18
895 SQ FT

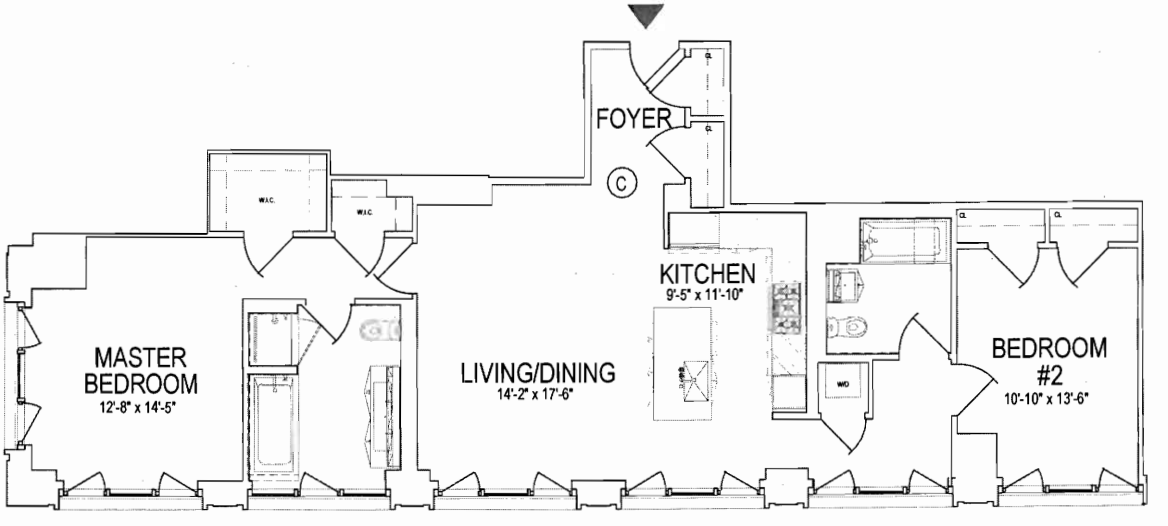






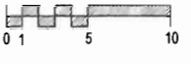
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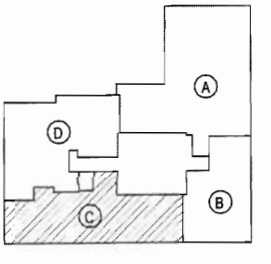


UNIT 18C

2 BEDROOMS
2.0 BATHS
FLOOR 18
1,349 SQ FT

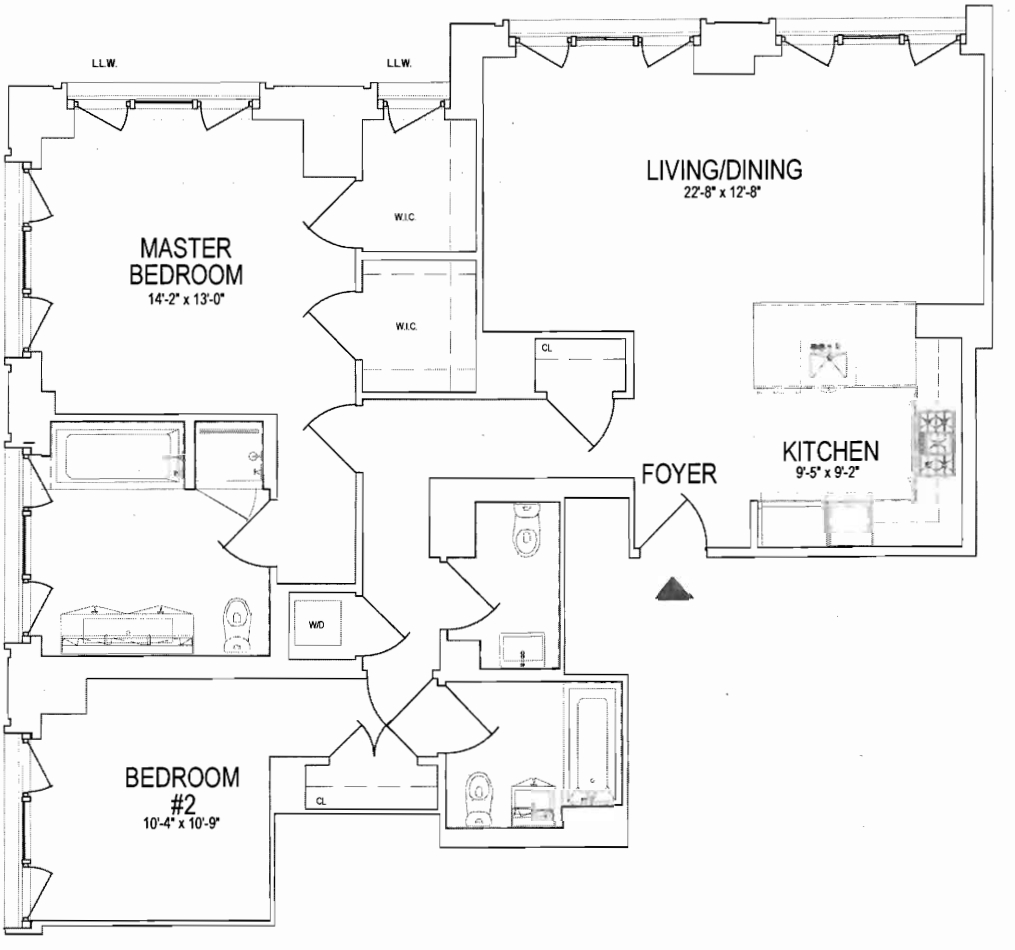






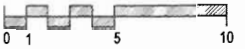
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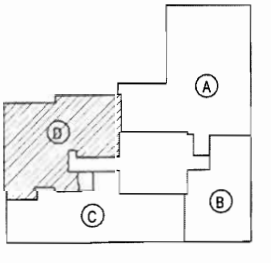


UNIT 18D

2 BEDROOMS
2.5 BATHS
FLOOR 18
1,370 SQ FT

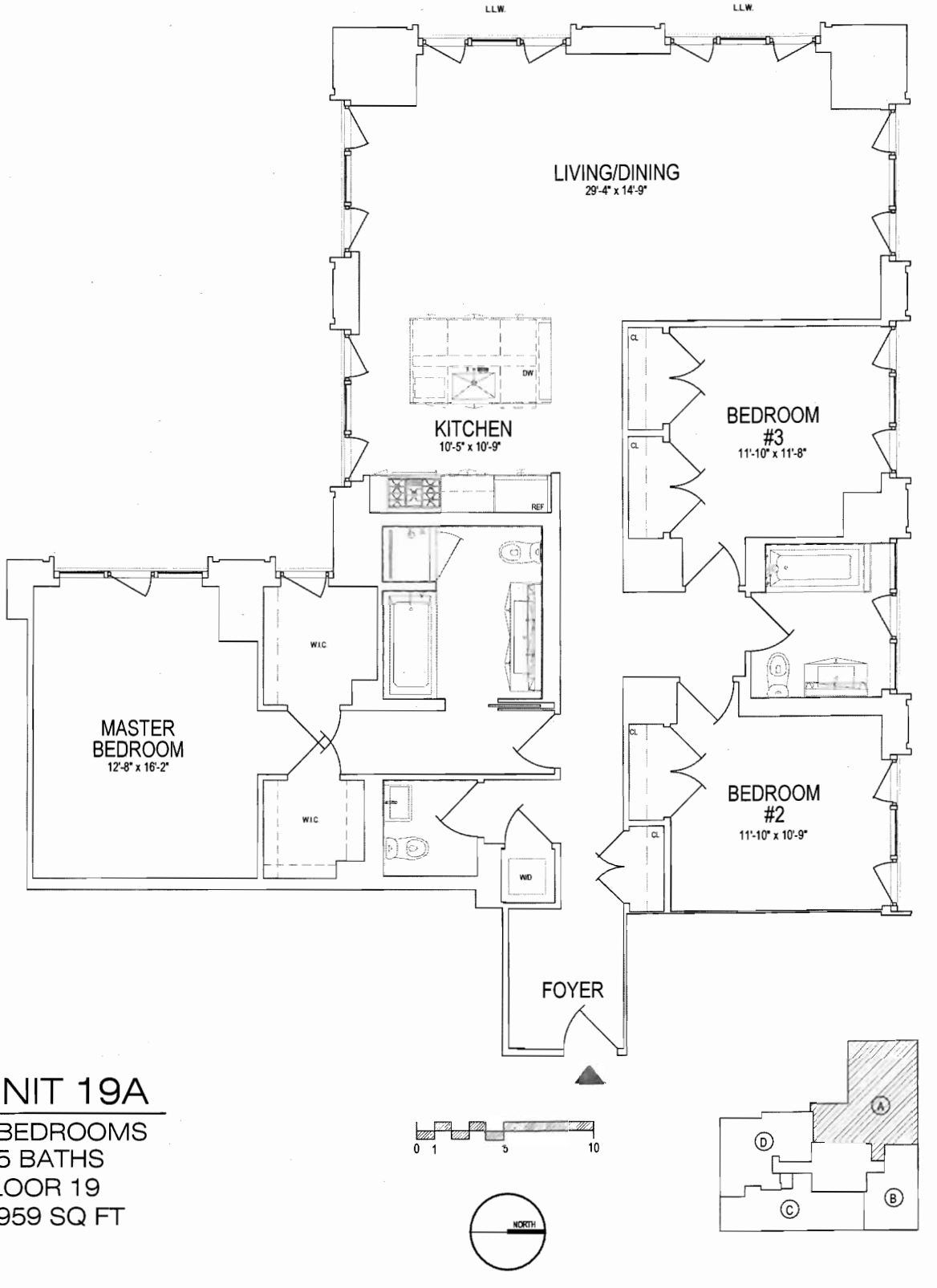






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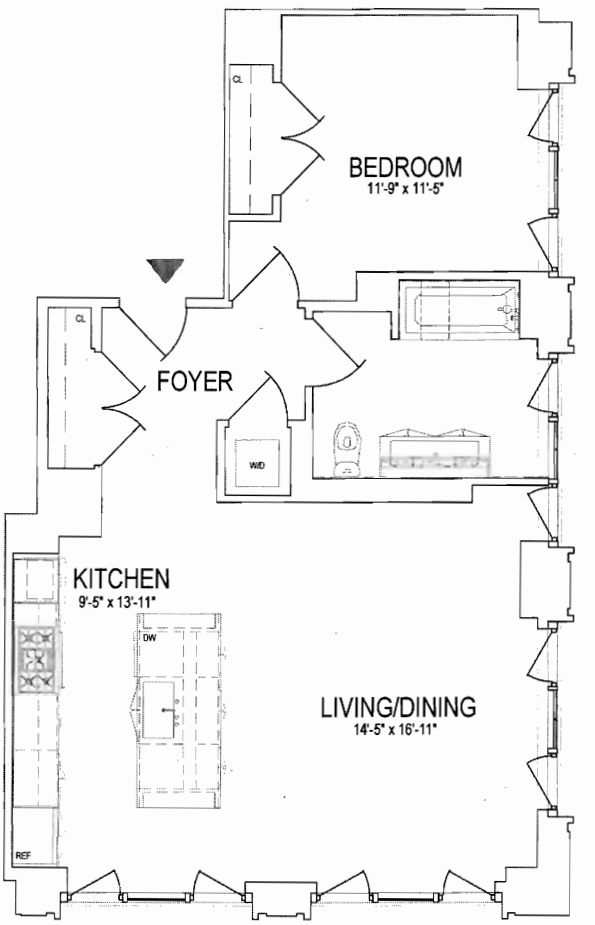


UNIT 19A

3 BEDROOMS
2.5 BATHS
FLOOR 19
1,959 SQ FT

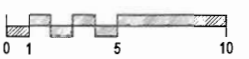
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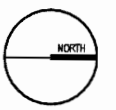
THE SUTTON CONDOMINIUM

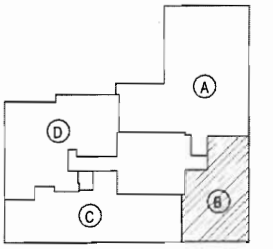


UNIT 19B

1 BEDROOM
1 BATH
FLOOR 19
895 SQ FT

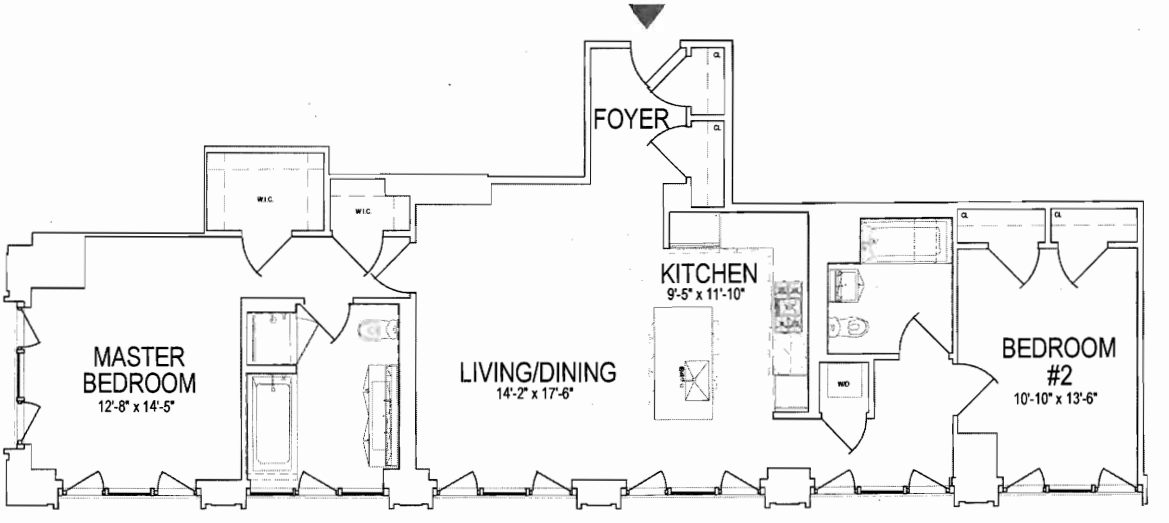






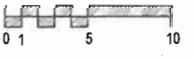
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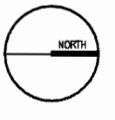
THE SUTTON CONDOMINIUM

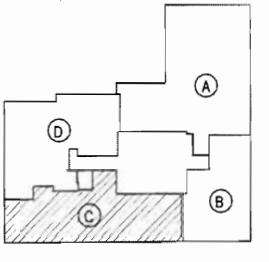


UNIT 19C

2 BEDROOMS
2.0 BATHS
FLOOR 19
1,349 SQ FT

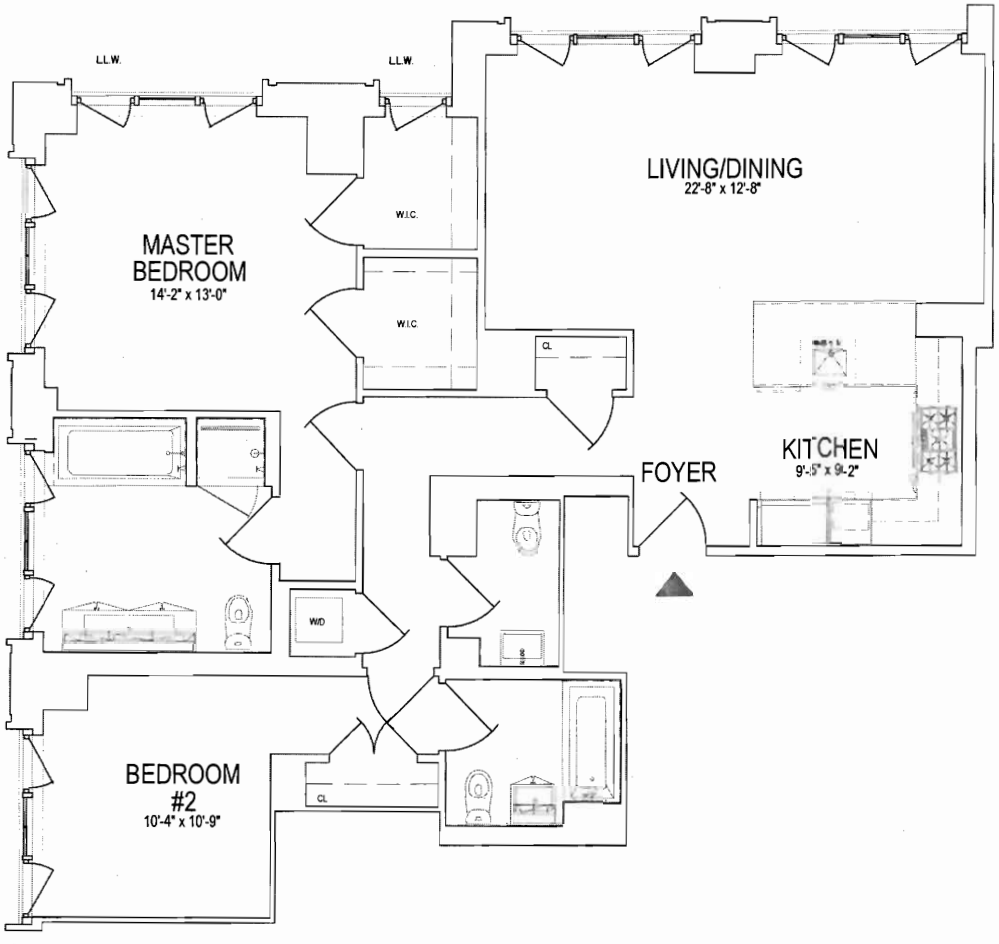






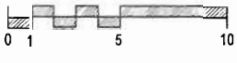
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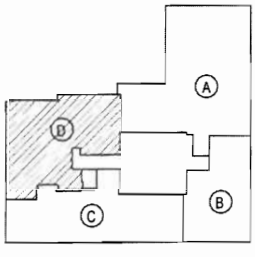


UNIT 19D

2 BEDROOMS
2.5 BATHS
FLOOR 19
1,370 SQ FT

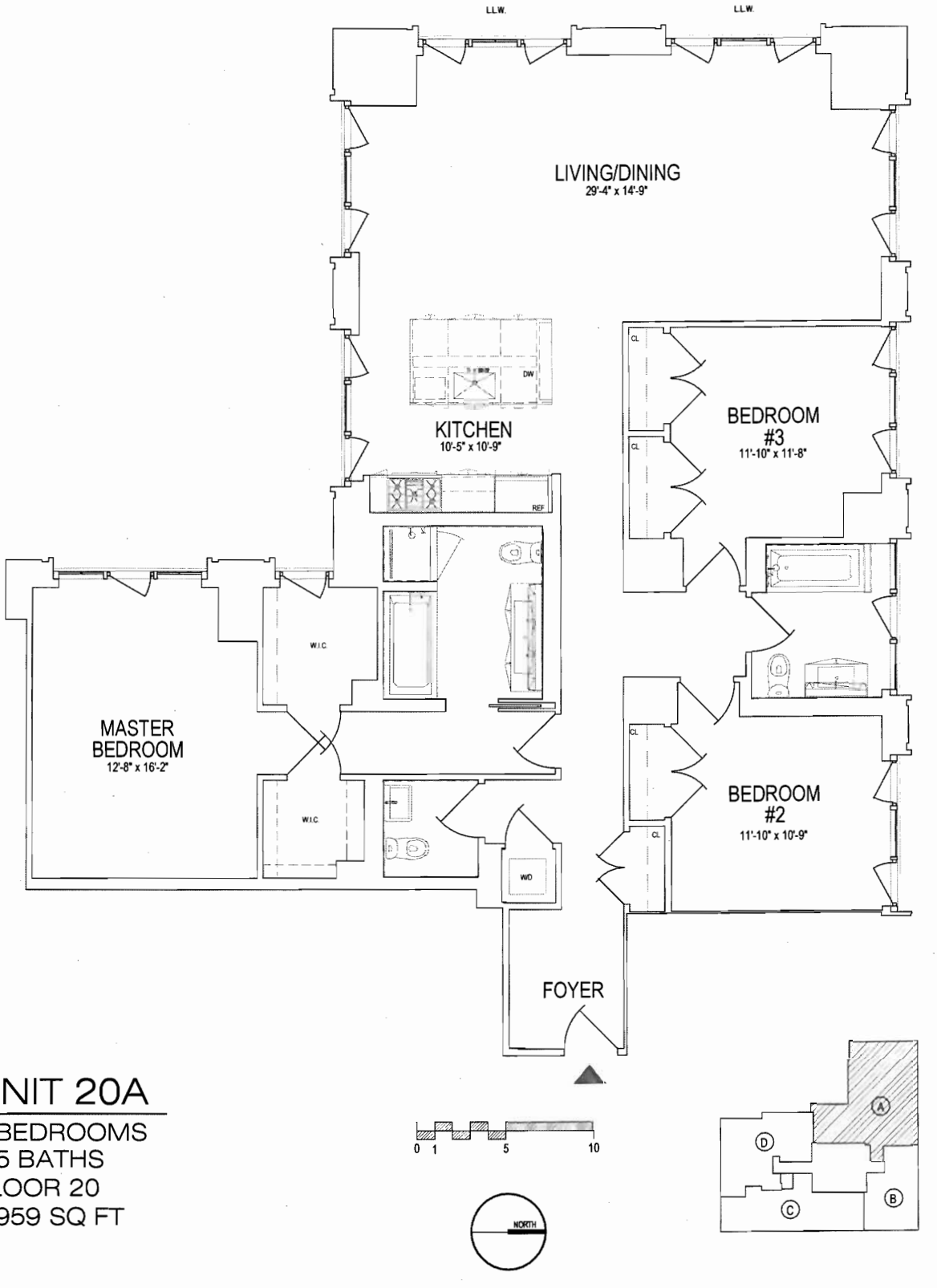






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THE SUTTON CONDOMINIUM

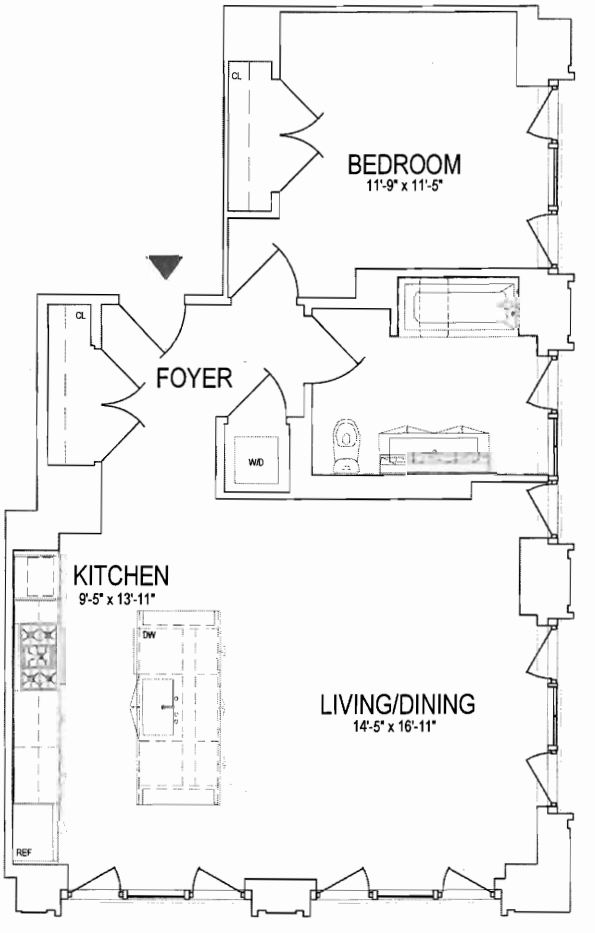


UNIT 20A

3 BEDROOMS
2.5 BATHS
FLOOR 20
1,959 SQ FT

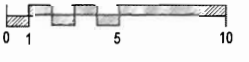
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THE SUTTON CONDOMINIUM

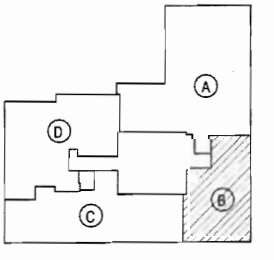


UNIT 20B

1 BEDROOM
1 BATH
FLOOR 20
895 SQ FT

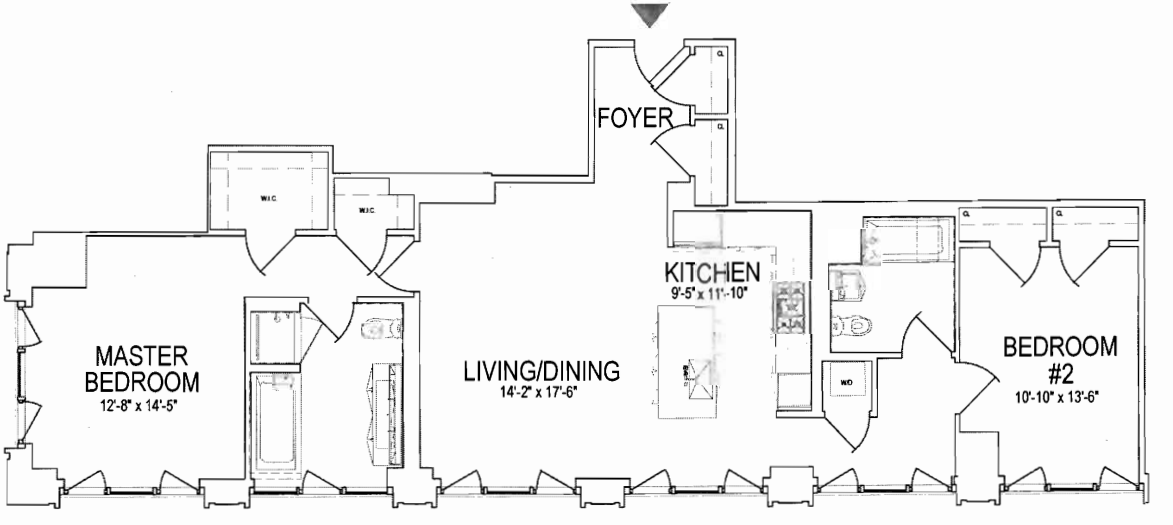






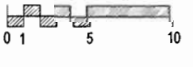
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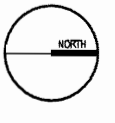
THE SUTTON CONDOMINIUM

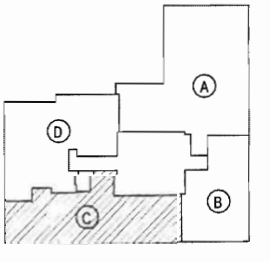


UNIT 20C

2 BEDROOMS
2.0 BATHS
FLOOR 20
1,349 SQ FT

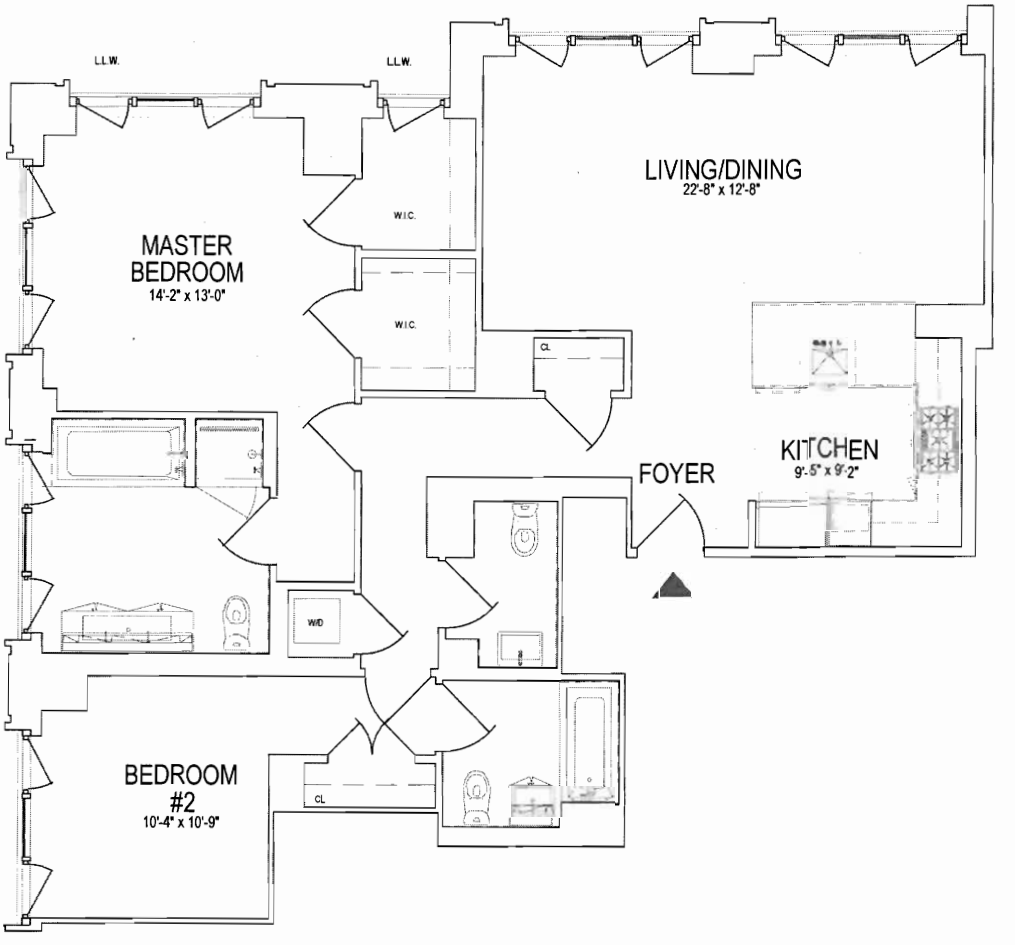






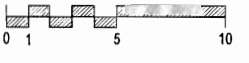
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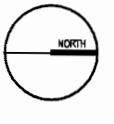
THE SUTTON CONDOMINIUM

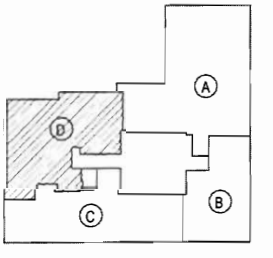


UNIT 20D

2 BEDROOMS
2.5 BATHS
FLOOR 20
1,370 SQ FT

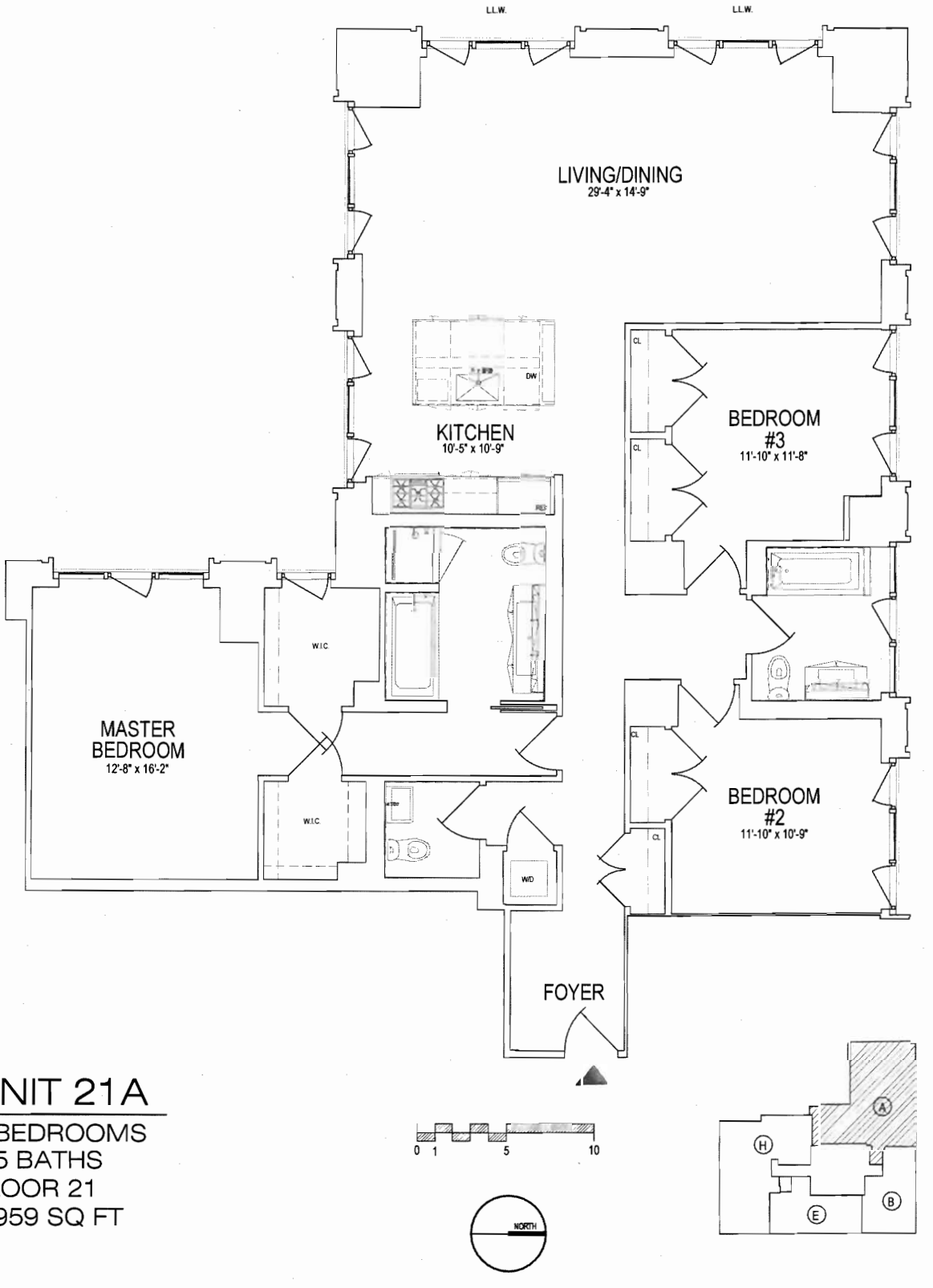






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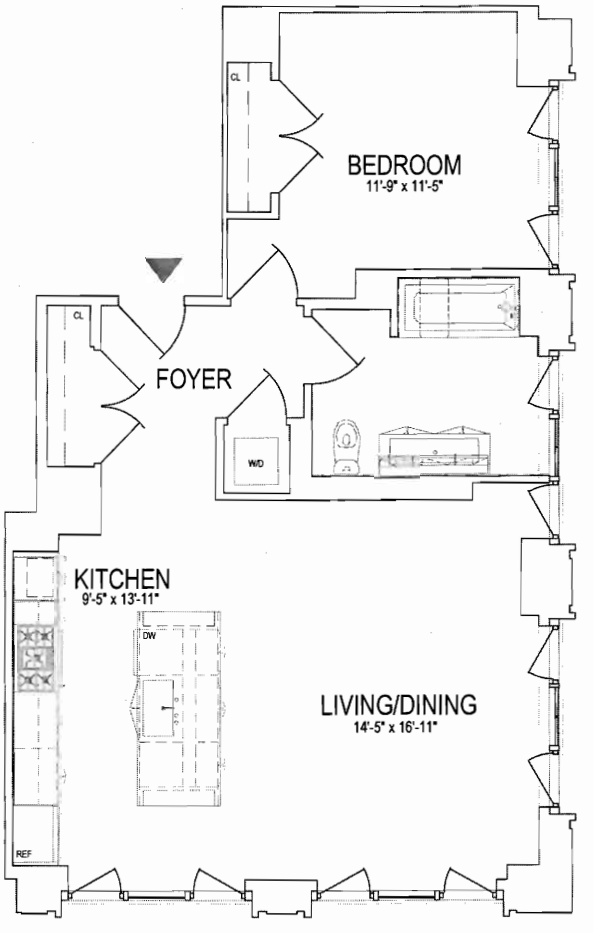


UNIT 21A

3 BEDROOMS
2.5 BATHS
FLOOR 21
1,959 SQ FT

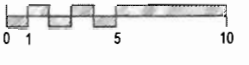
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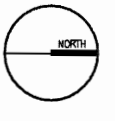
THE SUTTON CONDOMINIUM

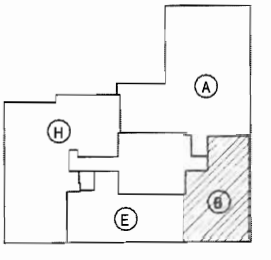


UNIT 21B

1 BEDROOM
1 BATH
FLOOR 21
895 SQ FT

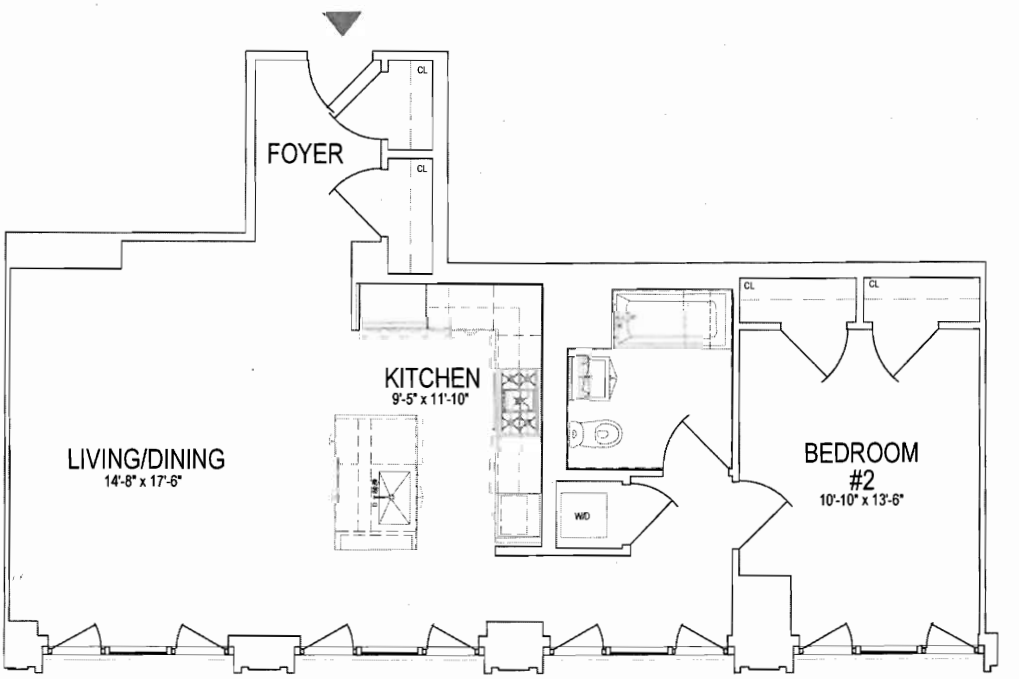






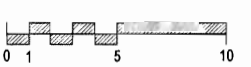
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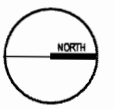
THE SUTTON CONDOMINIUM

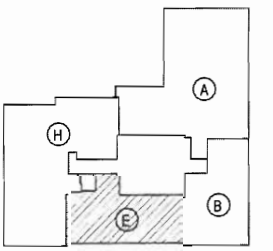


UNIT 21E

1 BEDROOM
1 BATH
FLOOR 21
907 SQ FT

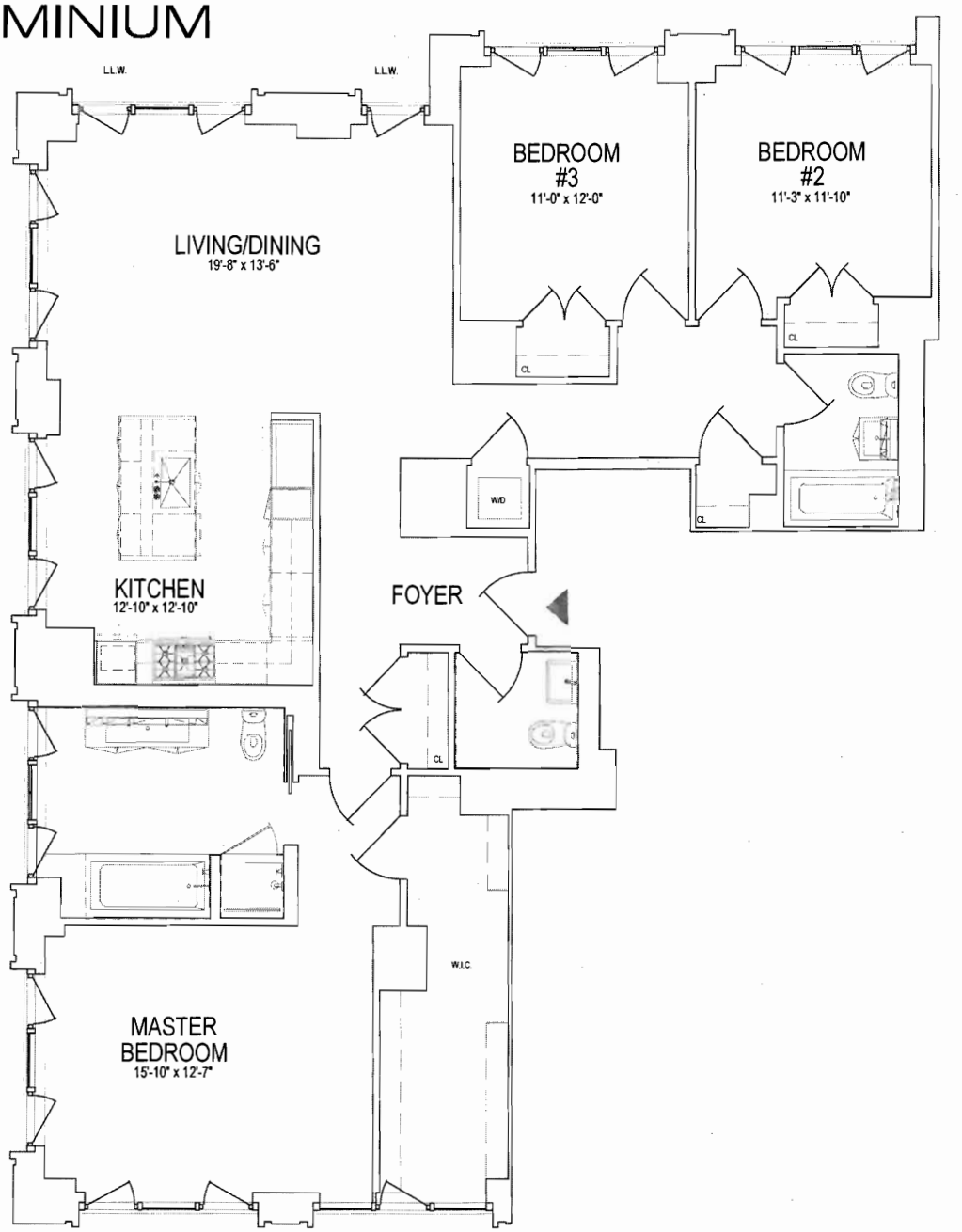






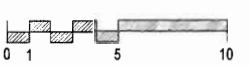
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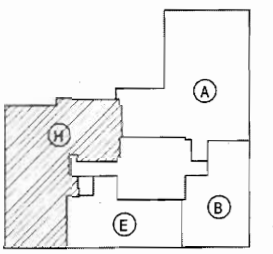


UNIT 21H

3 BEDROOMS
2.5 BATHS
FLOOR 21
1,798 SQ FT

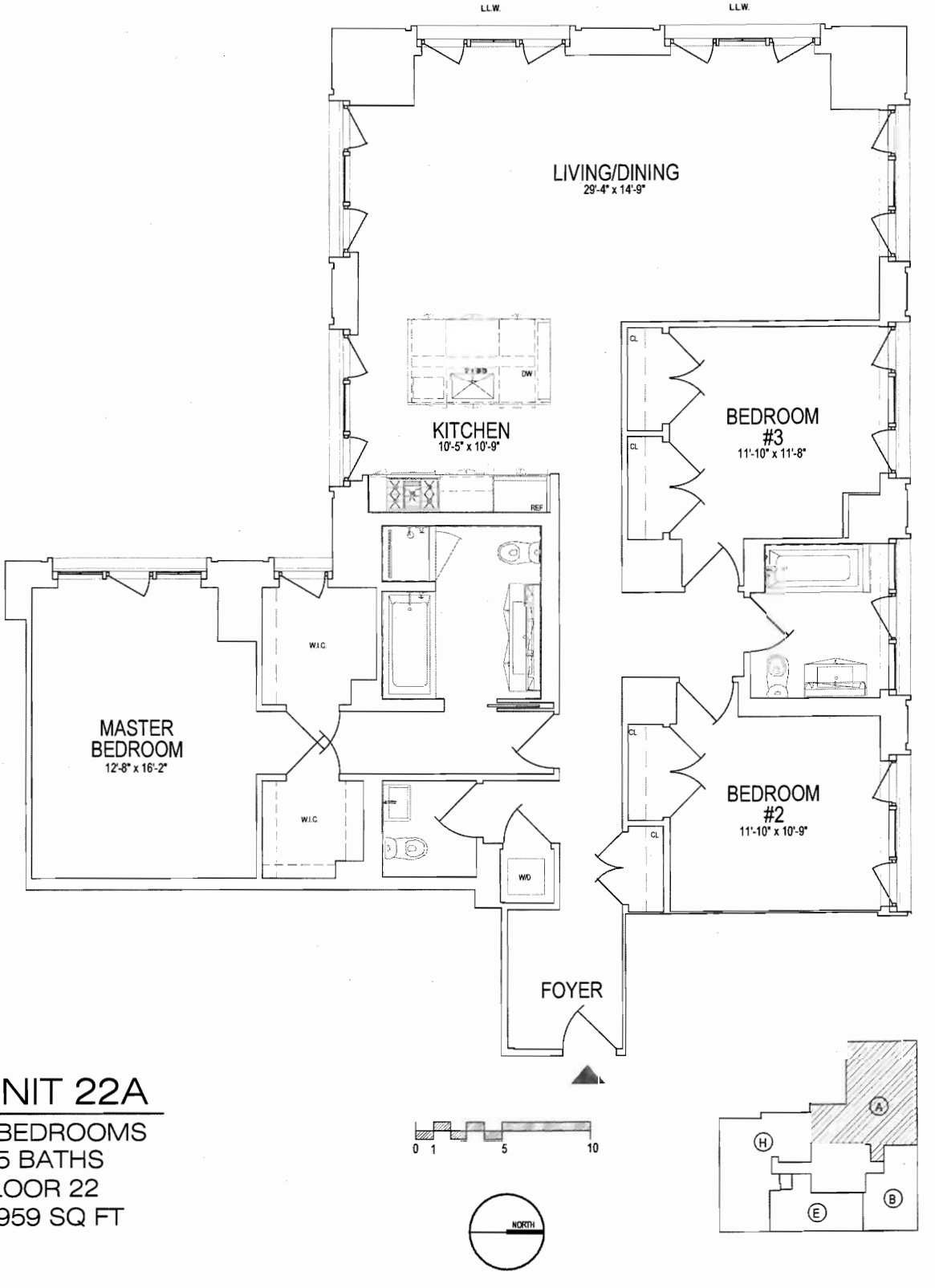






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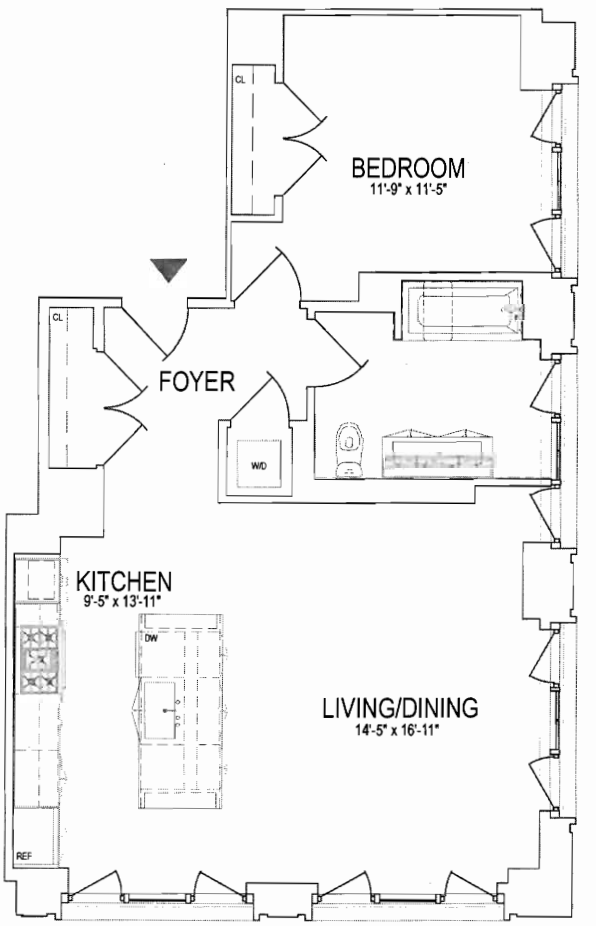


UNIT 22A

3 BEDROOMS
2.5 BATHS
FLOOR 22
1,959 SQ FT

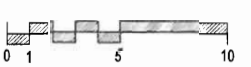
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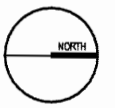
THE SUTTON CONDOMINIUM

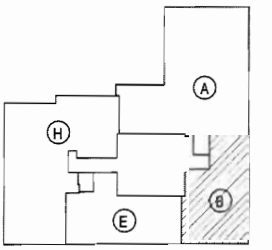


UNIT 22B

1 BEDROOM
1 BATH
FLOOR 22
895 SQ FT

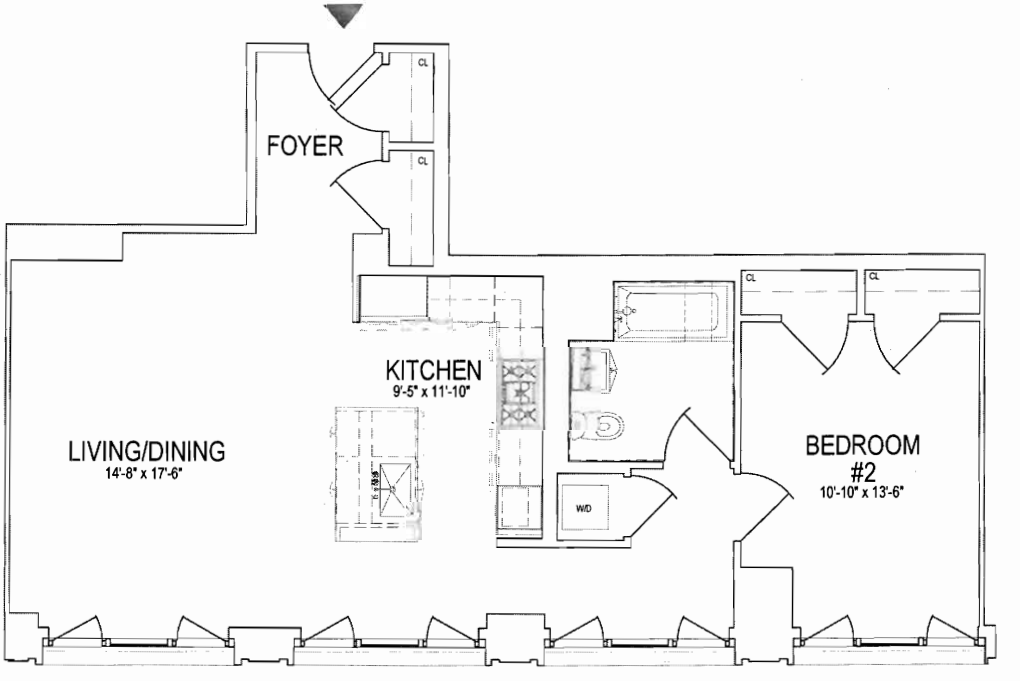






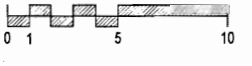
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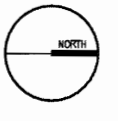
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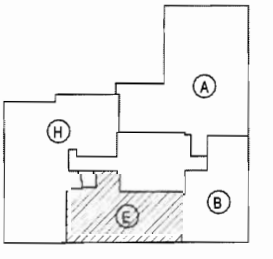


UNIT 22E

1 BEDROOM
1 BATH
FLOOR 22
907 SQ FT

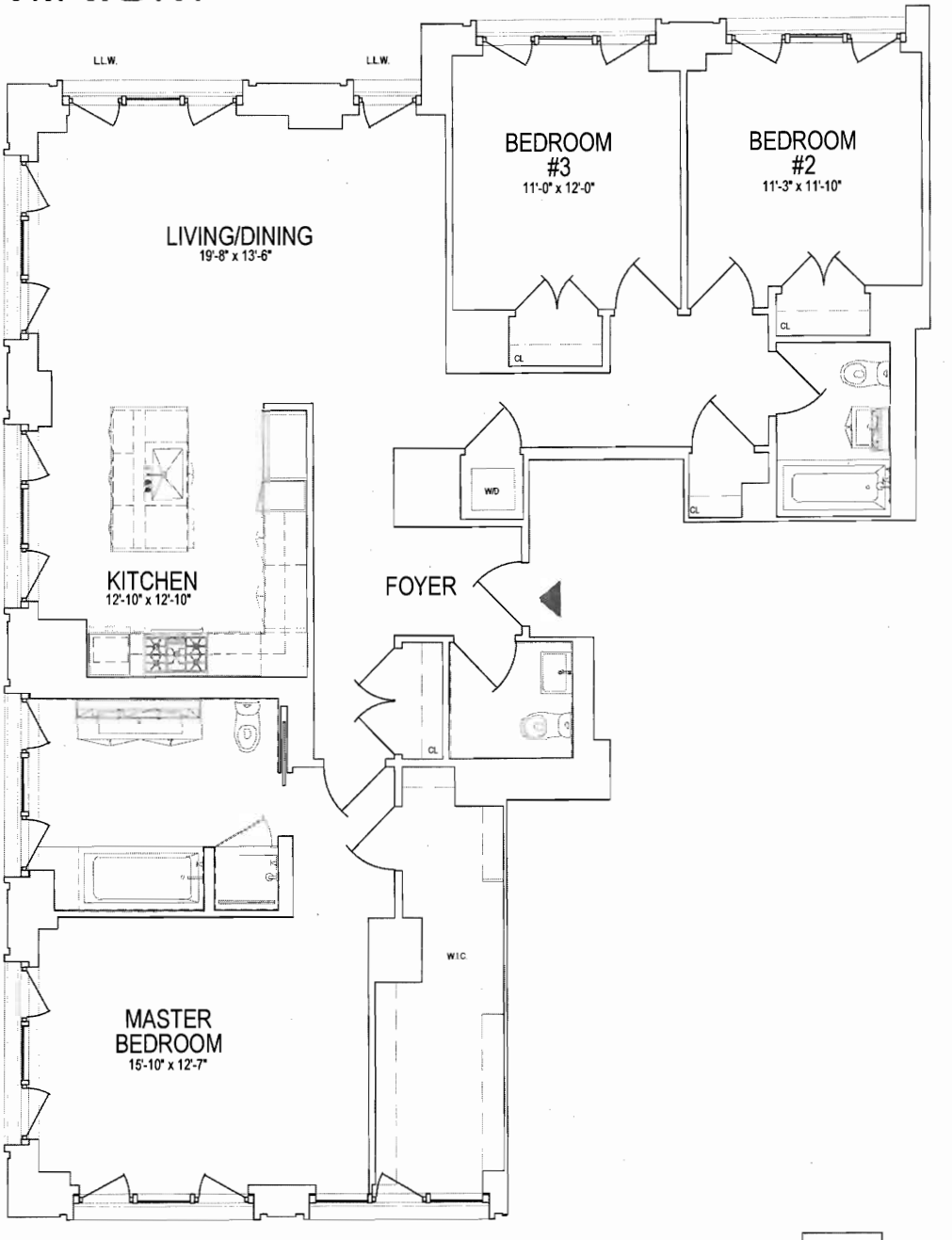






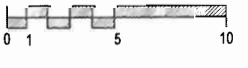
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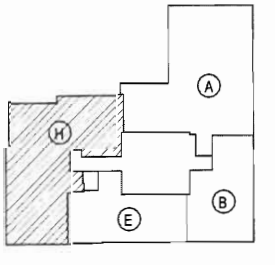


UNIT 22H

3 BEDROOMS
2.5 BATHS
FLOOR 22
1,798 SQ FT

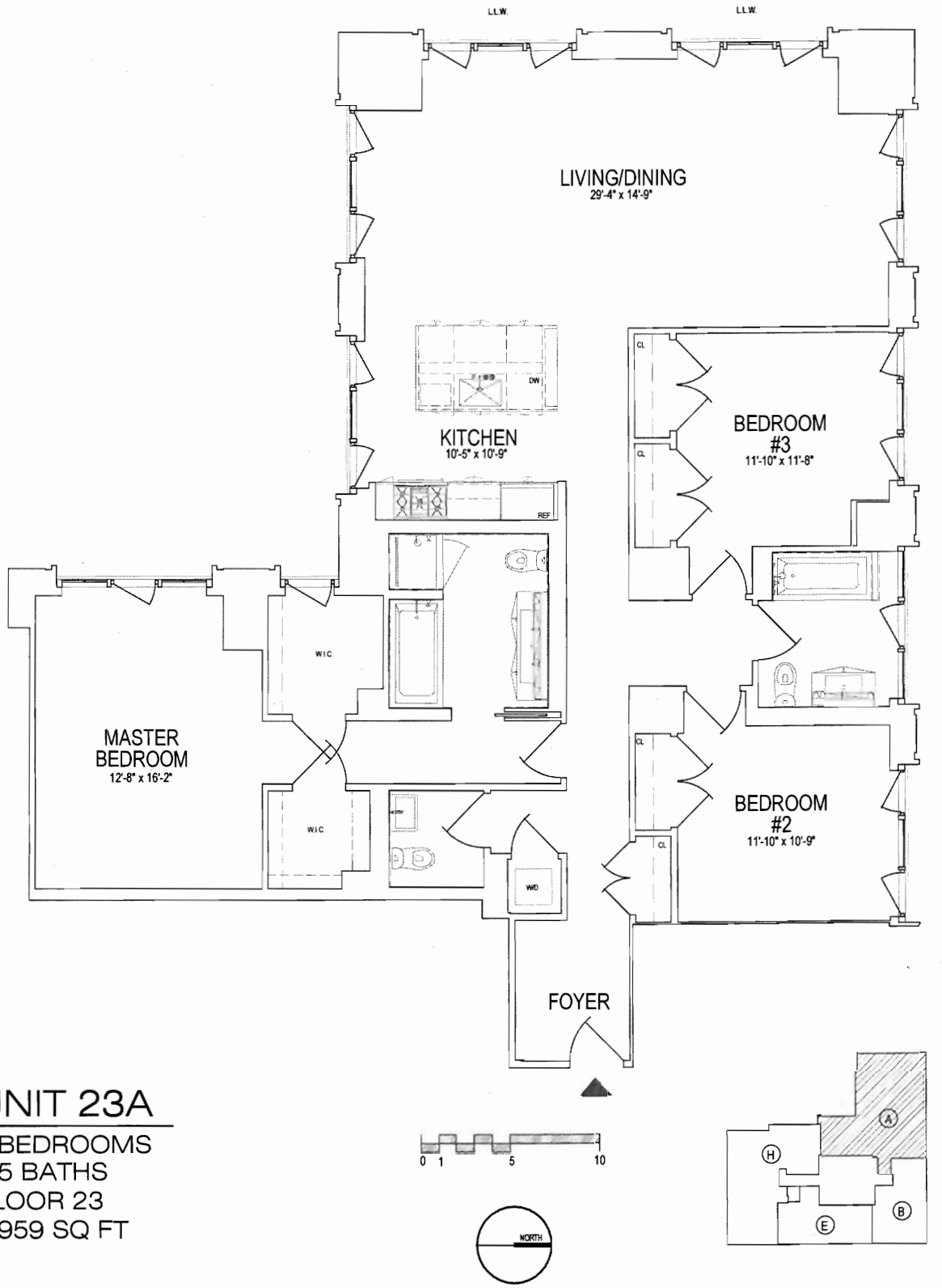






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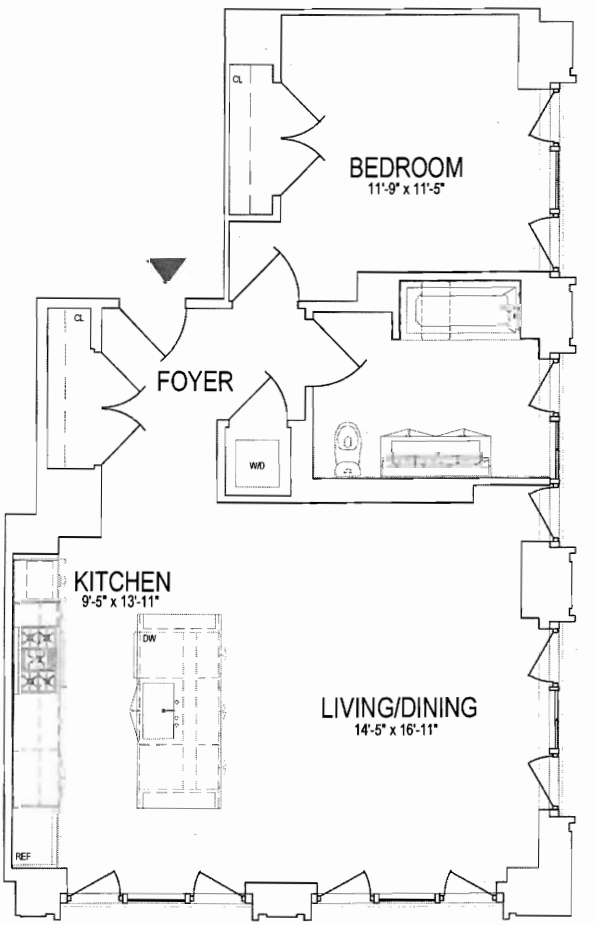


UNIT 23A

3 BEDROOMS
2.5 BATHS
FLOOR 23
1,959 SQ FT

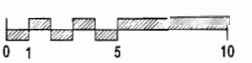
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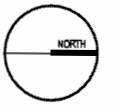
THE SUTTON CONDOMINIUM

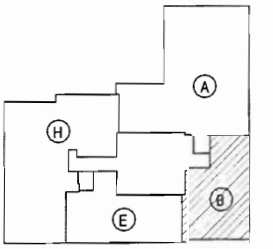


UNIT 23B

1 BEDROOM
1 BATH
FLOOR 23
895 SQ FT

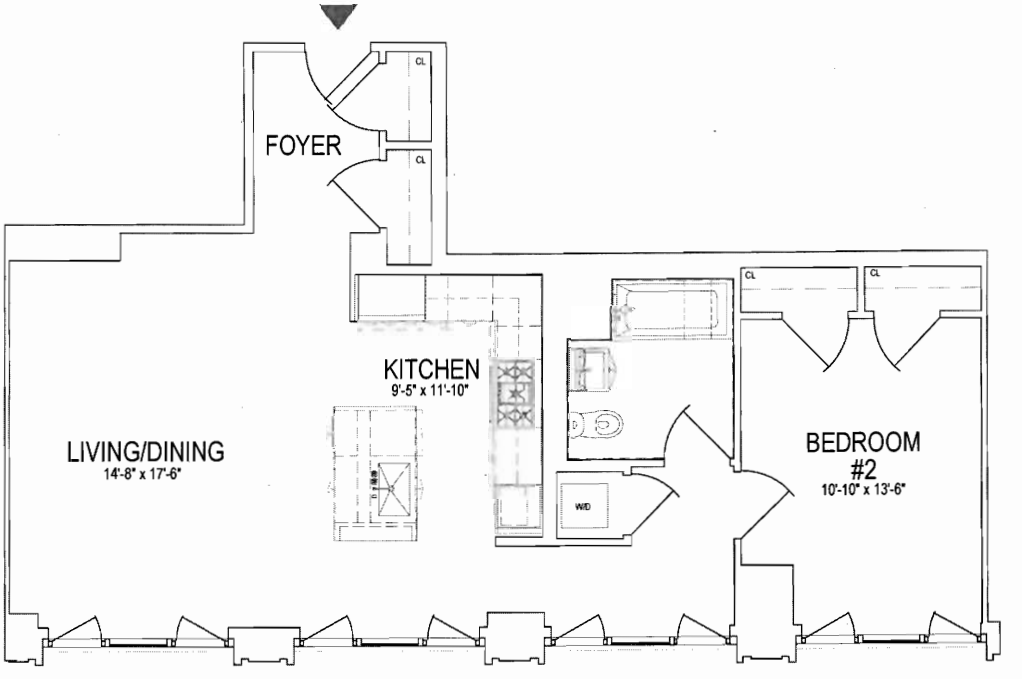






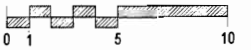
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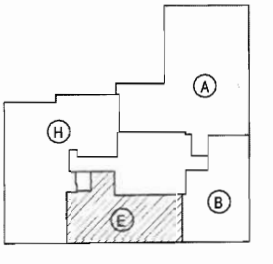


UNIT 23E

1 BEDROOM
1 BATH
FLOOR 23
907 SQ FT

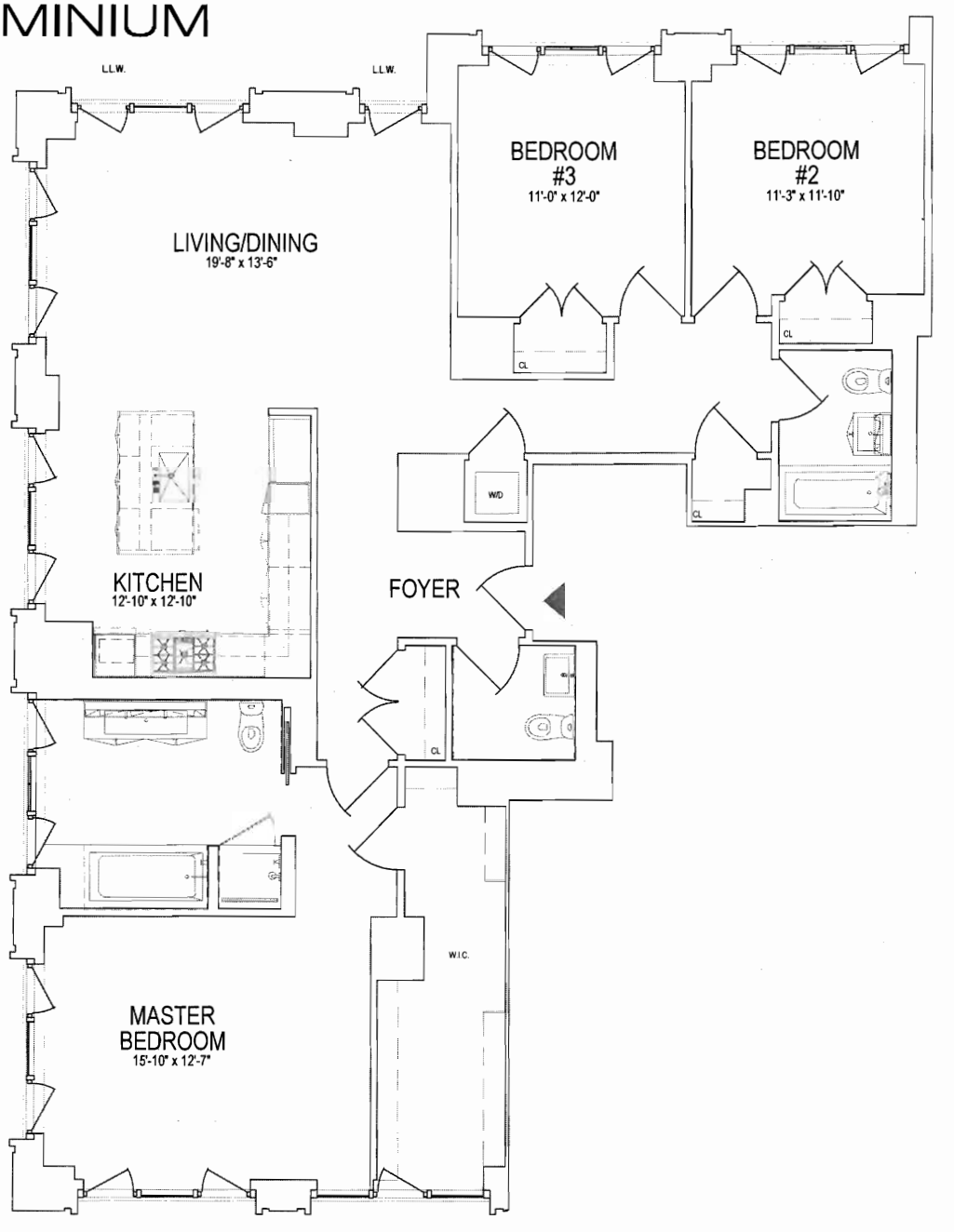






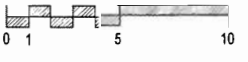
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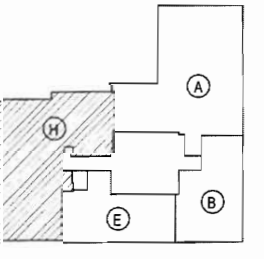


UNIT 23H

3 BEDROOMS
2.5 BATHS
FLOOR 23
1,798 SQ FT

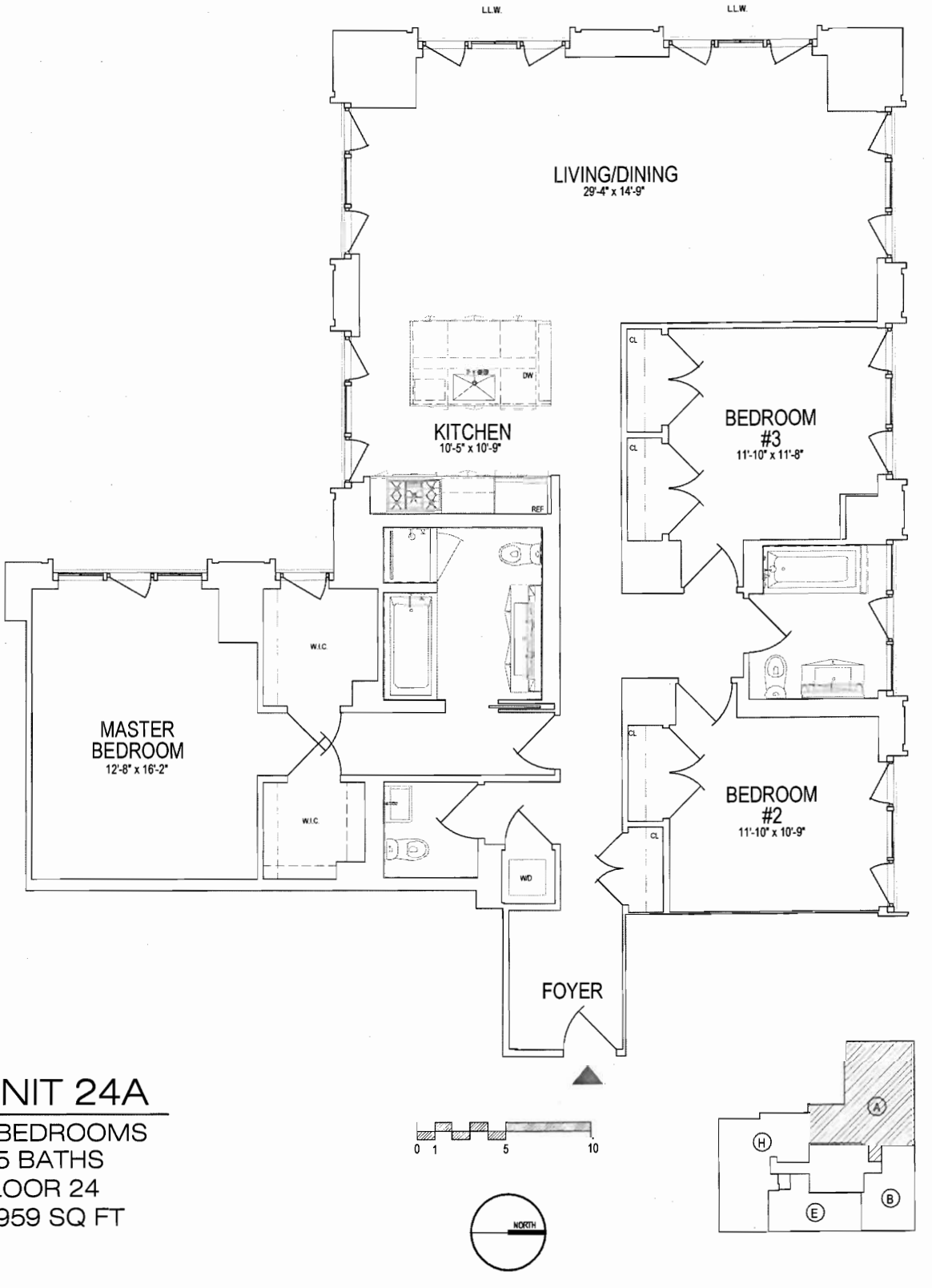






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THE SUTTON CONDOMINIUM

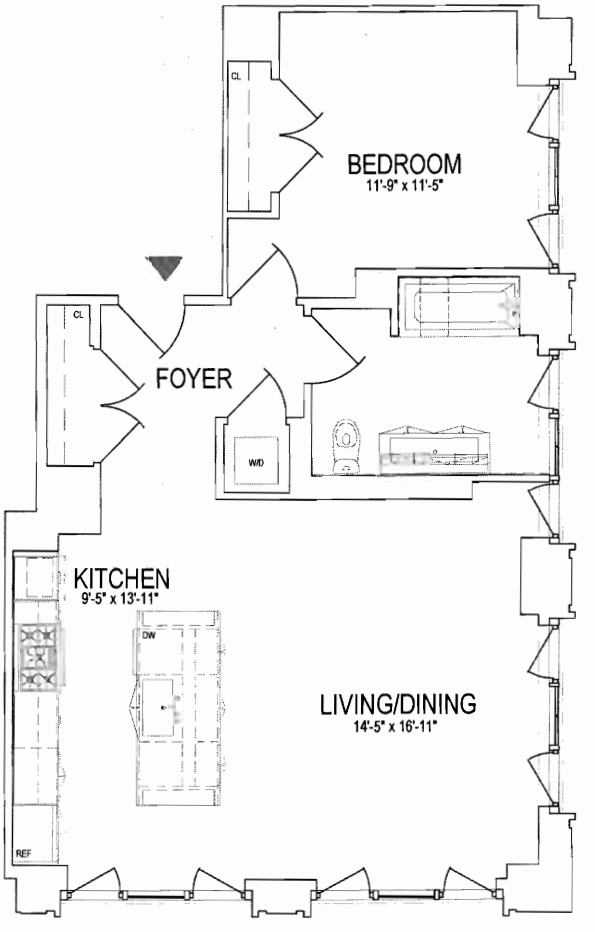


UNIT 24A

3 BEDROOMS
2.5 BATHS
FLOOR 24
1,959 SQ FT

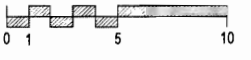
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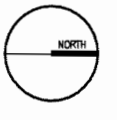
THE SUTTON CONDOMINIUM

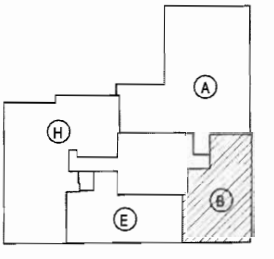


UNIT 24B

1 BEDROOM
1 BATH
FLOOR 24
895 SQ FT

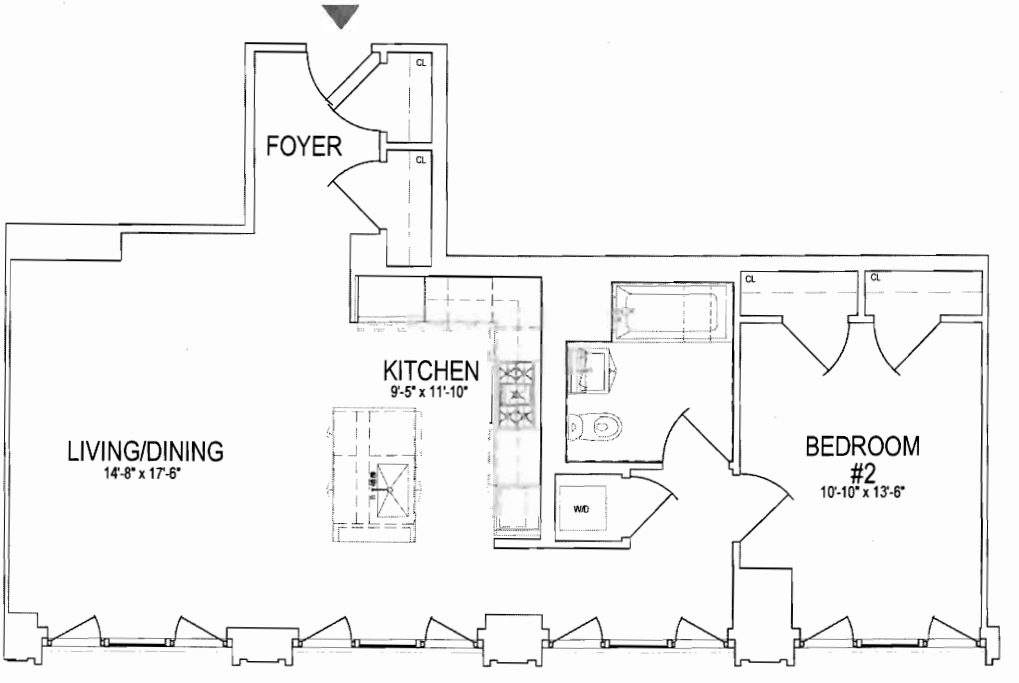






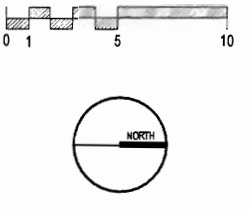
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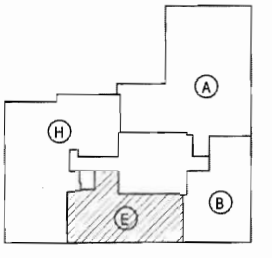
THE SUTTON CONDOMINIUM



UNIT 24E

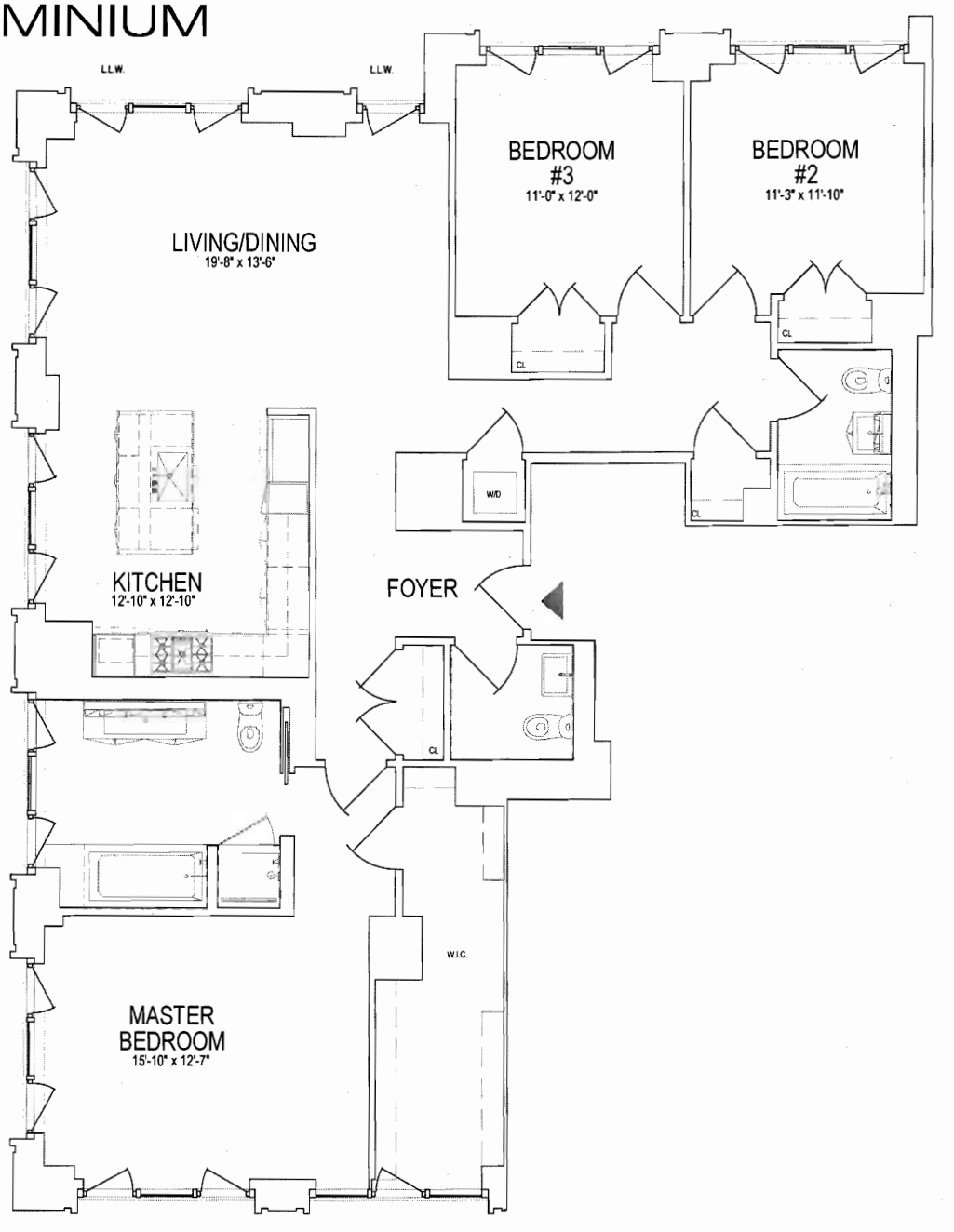
1 BEDROOM
1 BATH
FLOOR 24
907 SQ FT





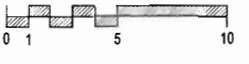
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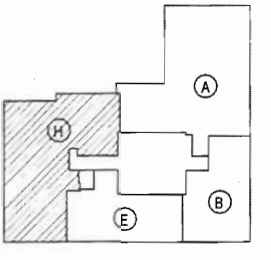


UNIT 24H

3 BEDROOMS
2.5 BATHS
FLOOR 24
1,798 SQ FT

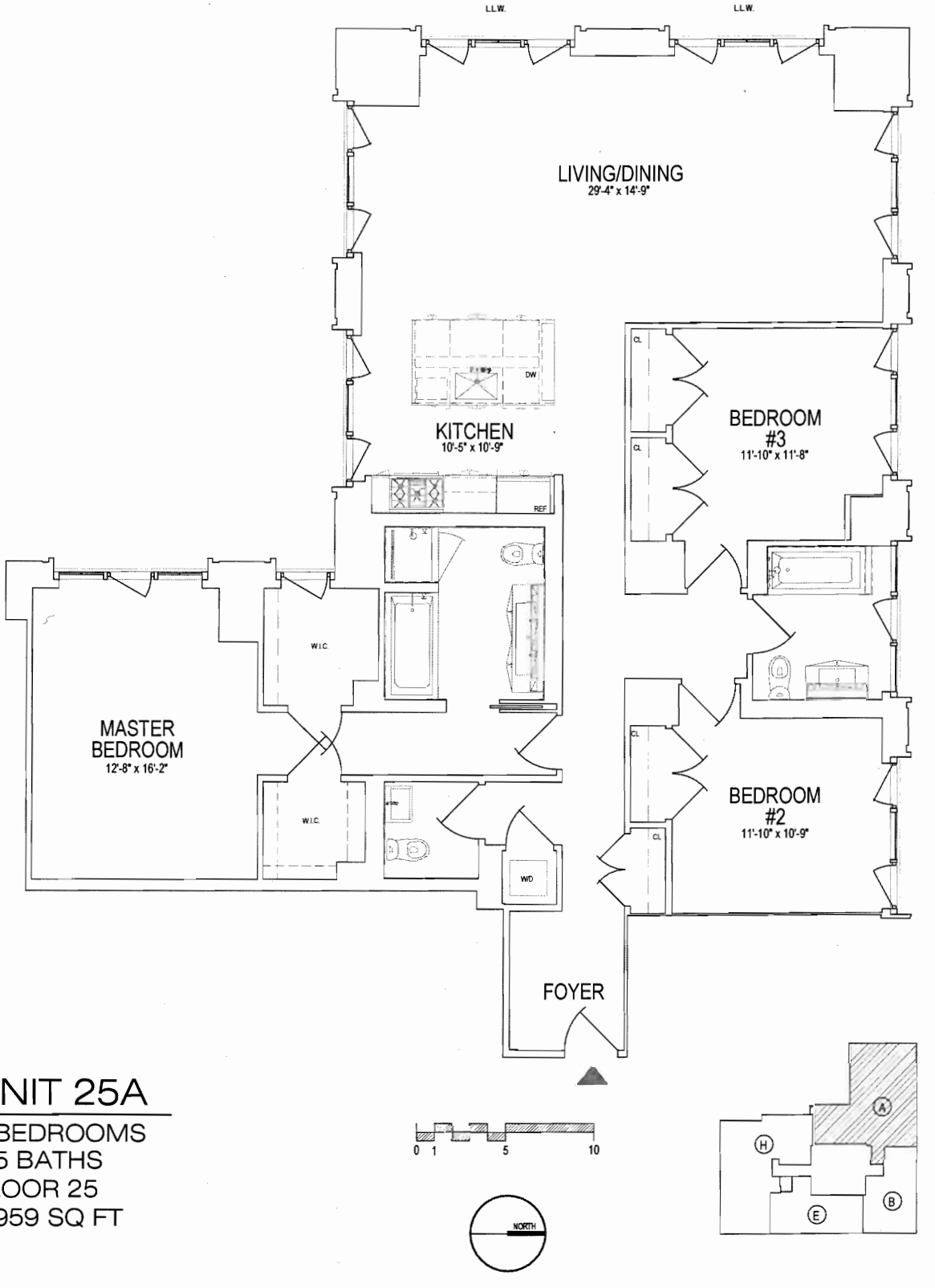






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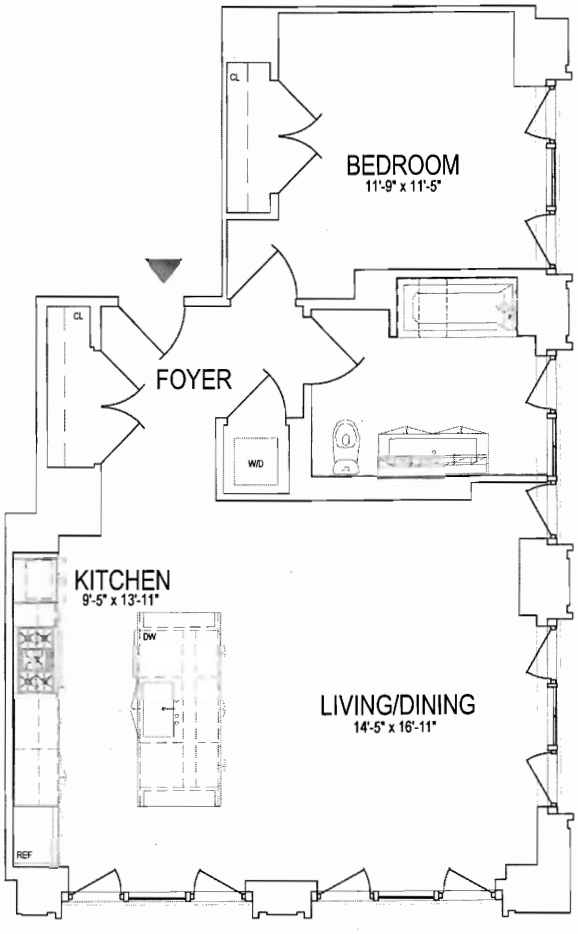


UNIT 25A

3 BEDROOMS
2.5 BATHS
FLOOR 25
1,959 SQ FT

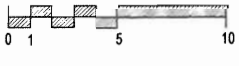
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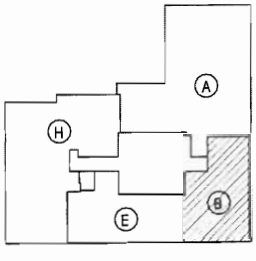


UNIT 25B

1 BEDROOM
1 BATH
FLOOR 25
895 SQ FT

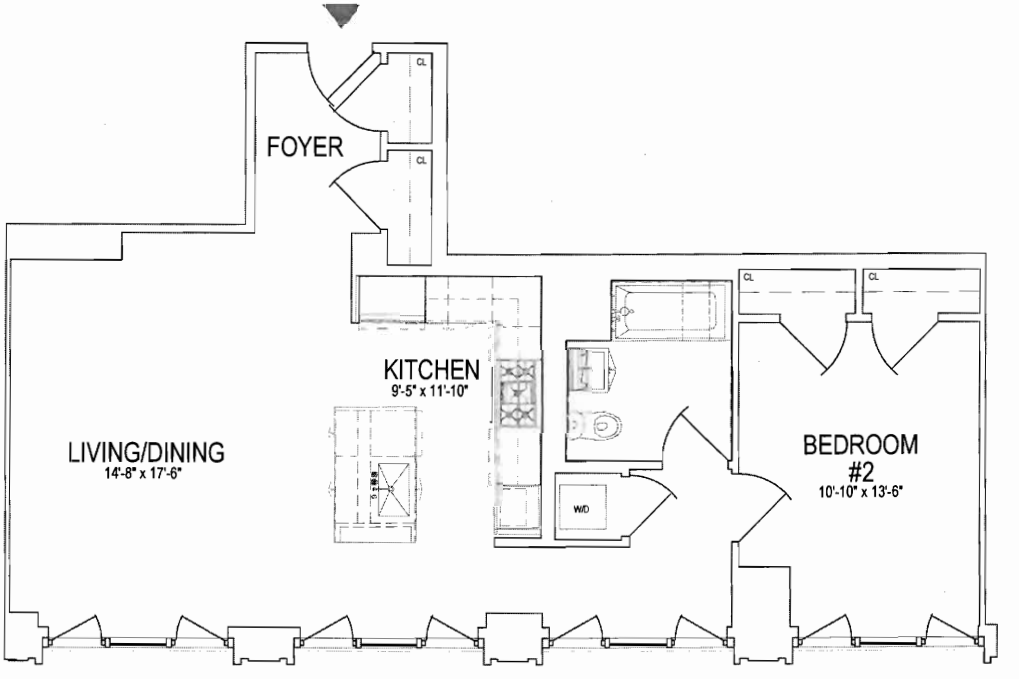






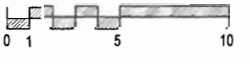
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THE SUTTON CONDOMINIUM

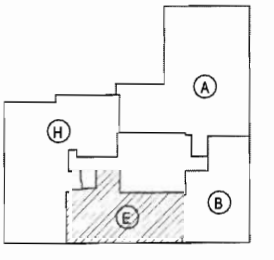


UNIT 25E

1 BEDROOM
1 BATH
FLOOR 25
907 SQ FT

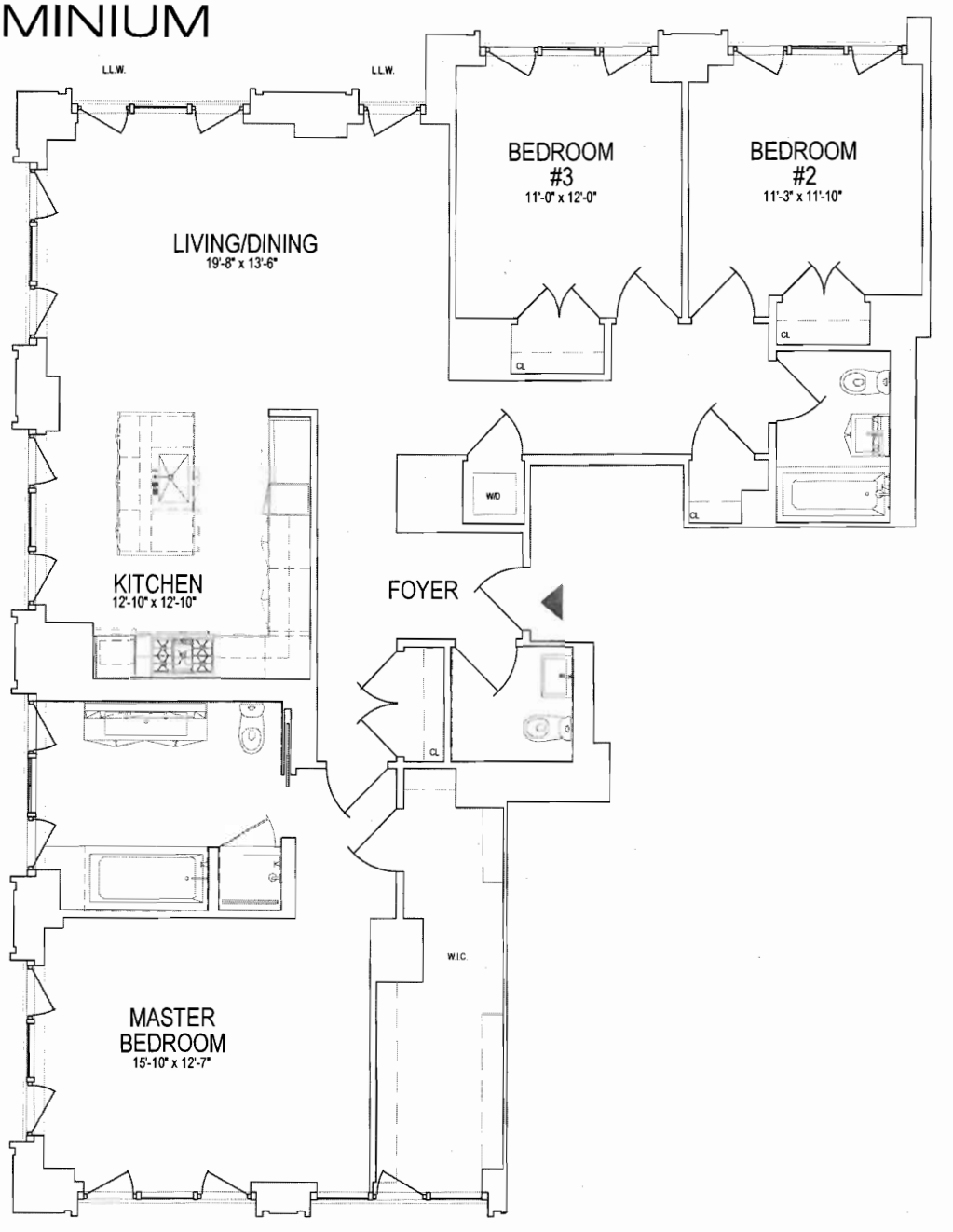






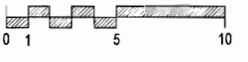
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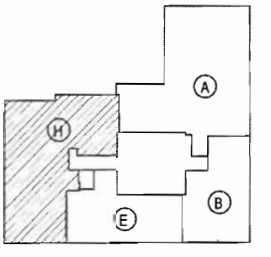


UNIT 25H

3 BEDROOMS
2.5 BATHS
FLOOR 25
1,798 SQ FT

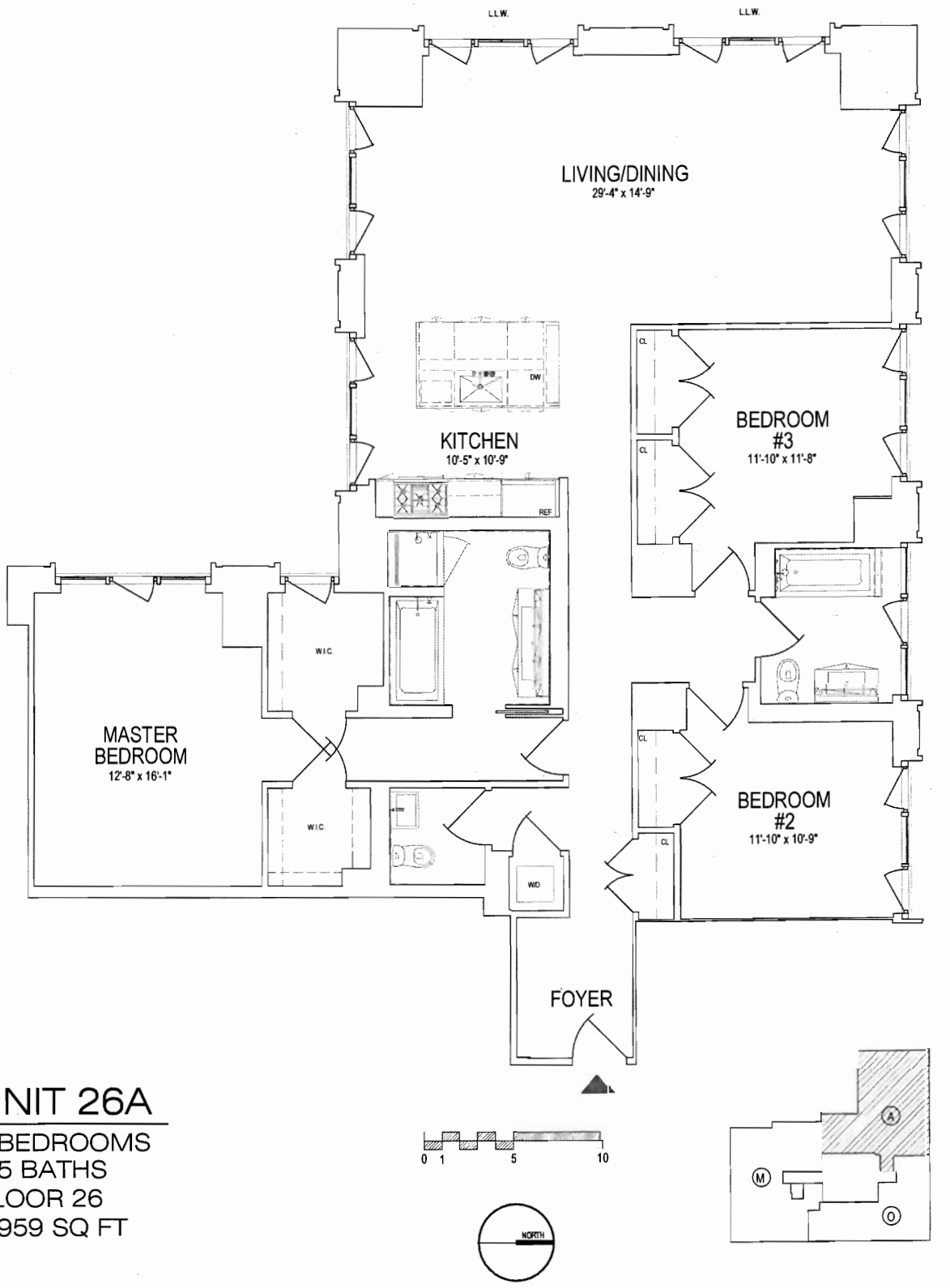






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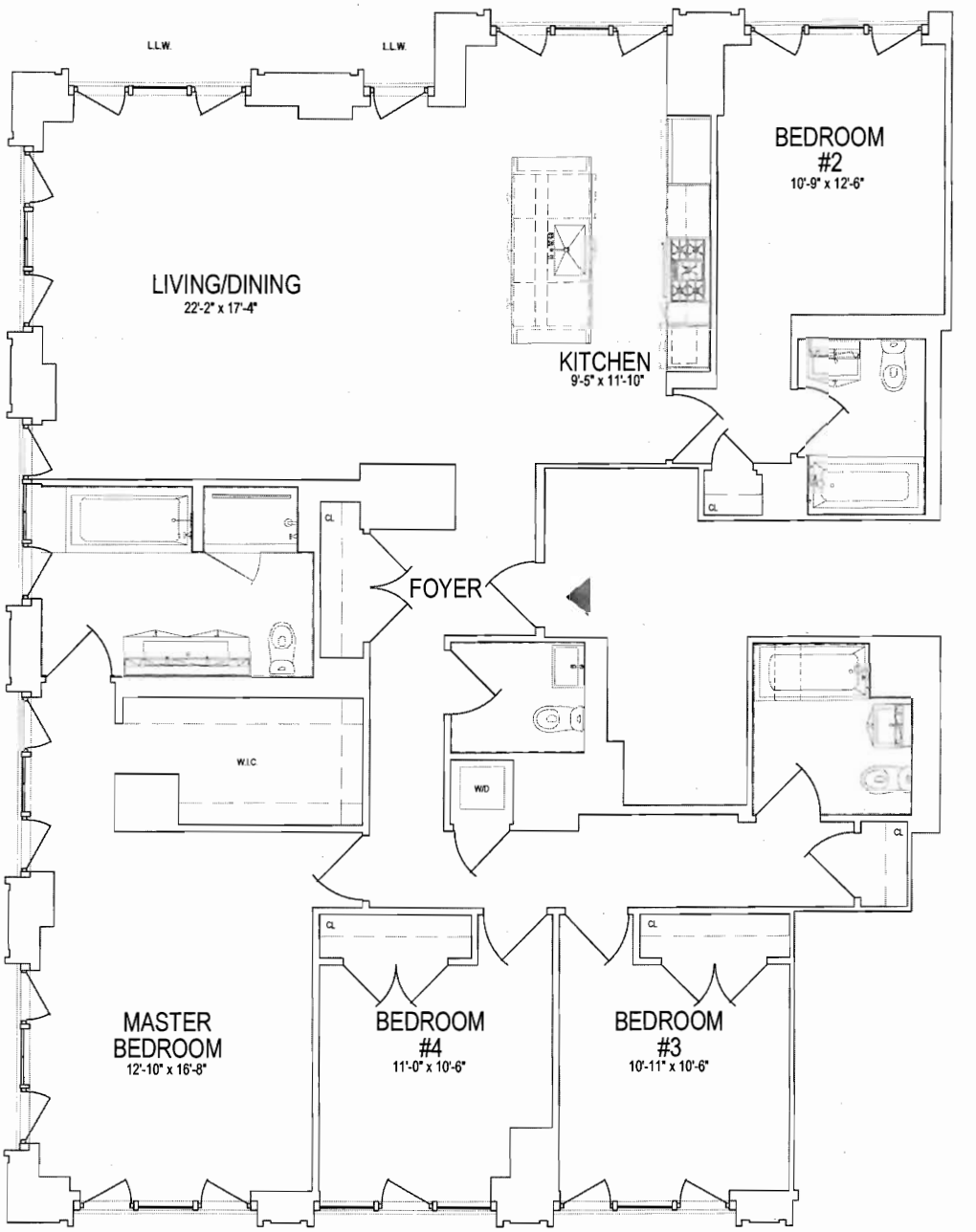


UNIT 26A

3 BEDROOMS
2.5 BATHS
FLOOR 26
1,959 SQ FT

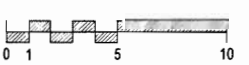
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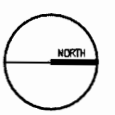
THE SUTTON CONDOMINIUM

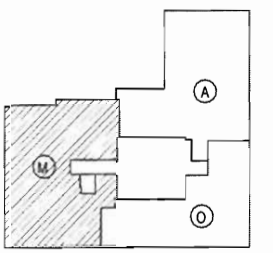


UNIT 26M

4 BEDROOMS
3.5 BATHS
FLOOR 26
2,158 SQ FT

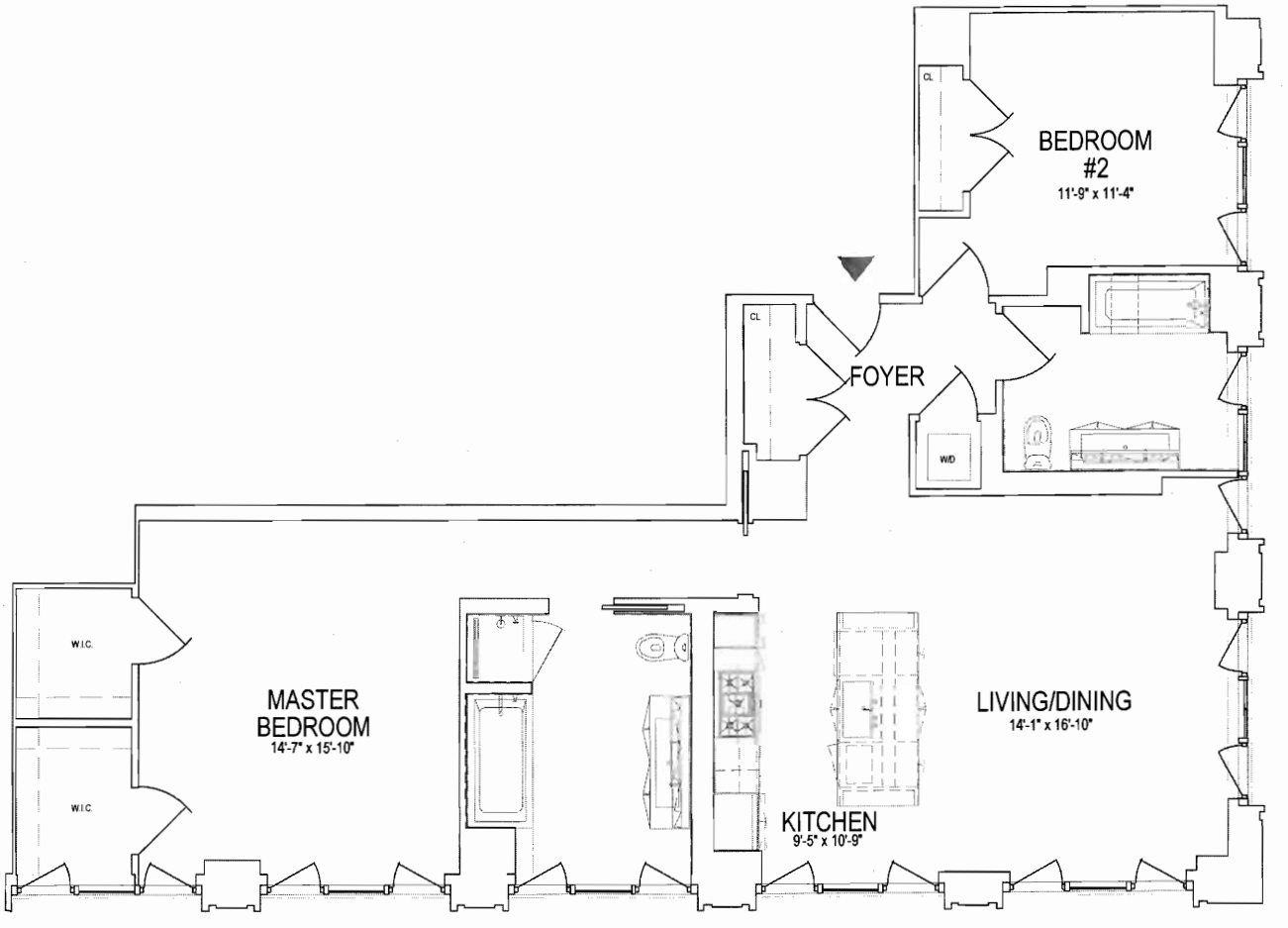






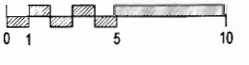
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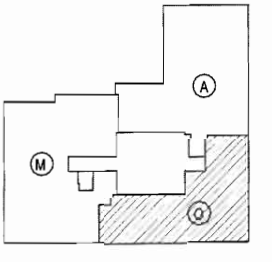


UNIT 26O

2 BEDROOMS
2 BATHS
FLOOR 26
1,442 SQ FT

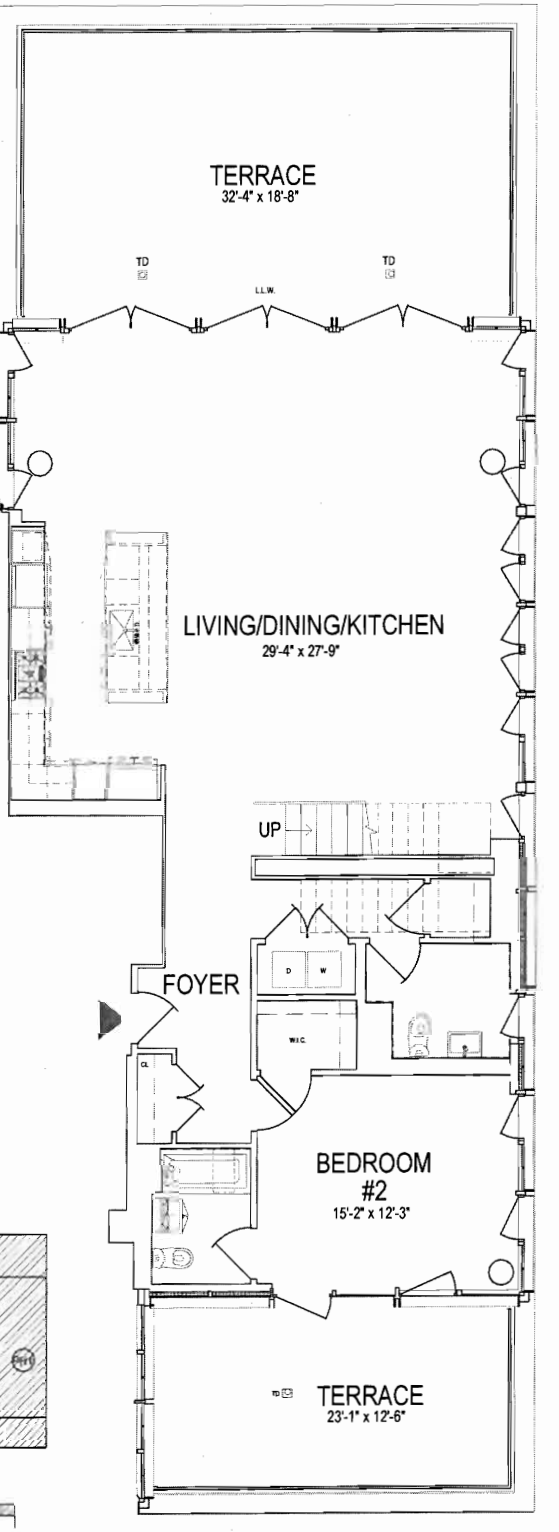


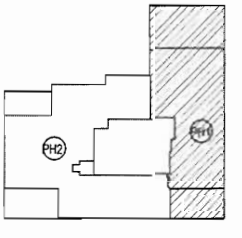




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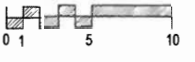


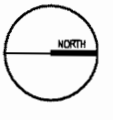


(LOWER LEVEL AT 27TH FLOOR)

UNIT PH1

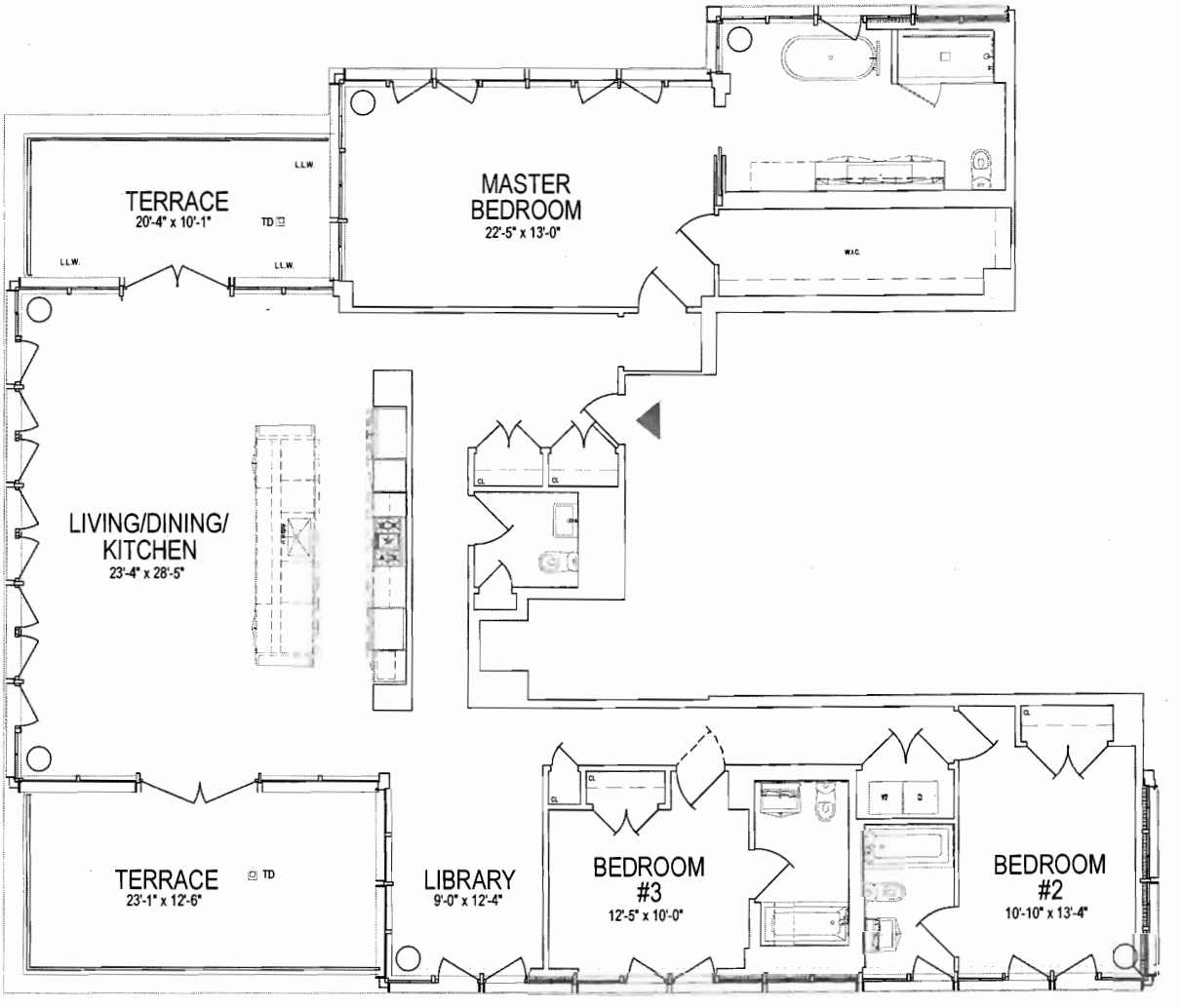
4 BEDROOMS
4.5 BATHS
FLOOR 27,28,29
3,503 SQ FT
TERRACES: 1,770 SQ.FT





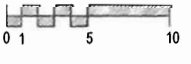
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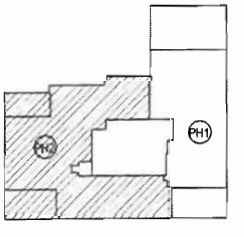


UNIT PH2

3 BEDROOMS
3.5 BATHS
FLOOR 27
2,592 SQ FT
TERRACES: 495 SQ.FT

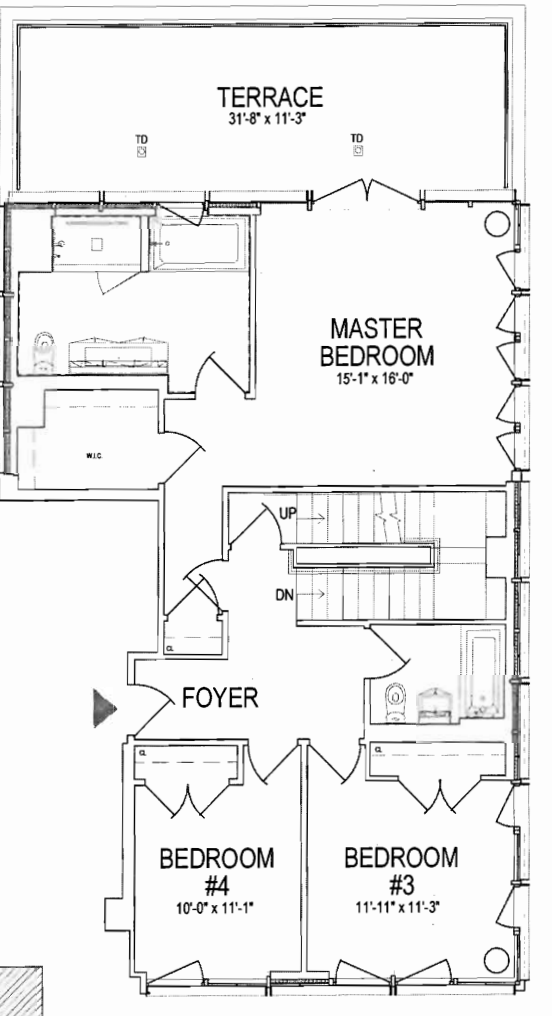




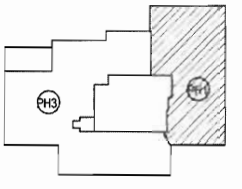


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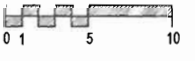
THE SUTTON CONDOMINIUM

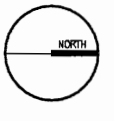


(MIDDLE LEVEL AT 28TH FLOOR)



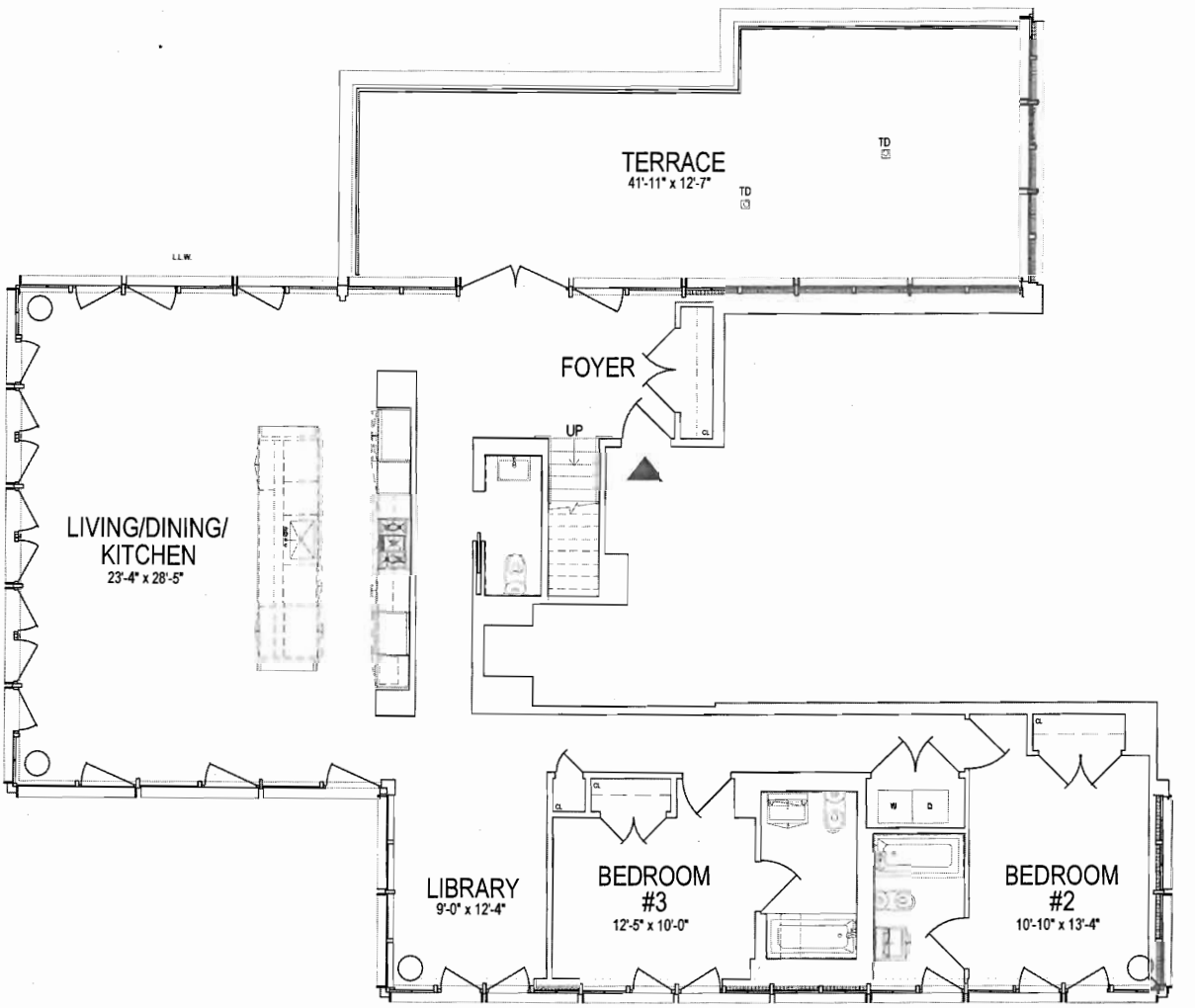
UNIT PH1





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THE SUTTON CONDOMINIUM

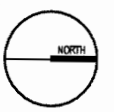


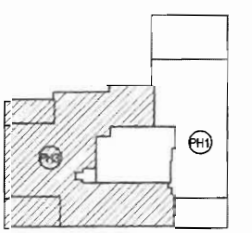
(LOWER LEVEL AT 28TH FLOOR)

UNIT PH3

3 BEDROOMS
3.5 BATHS
FLOOR 28-29
3,281 SQ FT
TERRACES: 1,184 SQ.FT

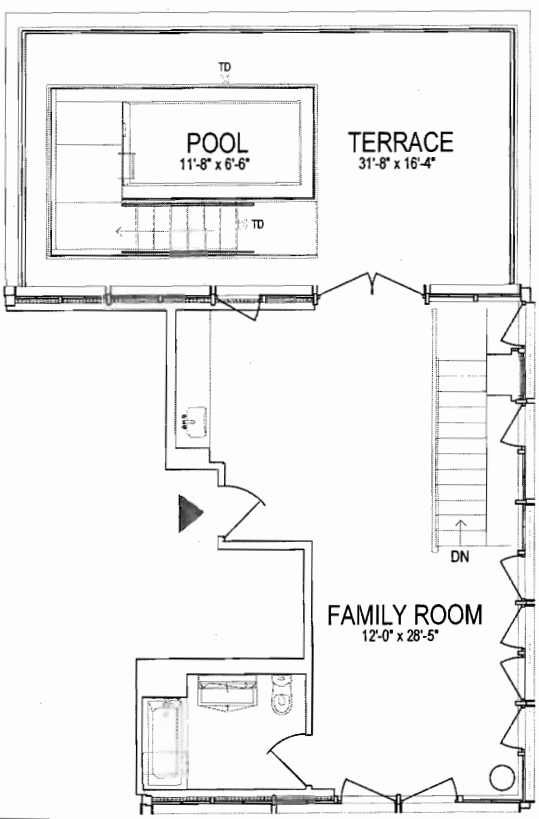




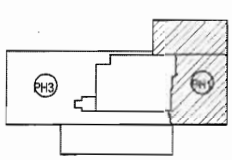


This floor plan is based on construction drawings; and all dimensions and depictions of column and shaft widths and locations are approximate and subject to normal construction variances and tolerances. Minor inaccuracies in square footage and inaccuracies in layout and room dimensions as shown on this floor plan will not excuse a purchaser from completing the purchase of a unit without abatement in price or recourse against Sponsor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

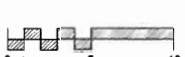
THE SUTTON CONDOMINIUM

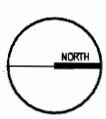


(UPPER LEVEL AT 29TH FLOOR)



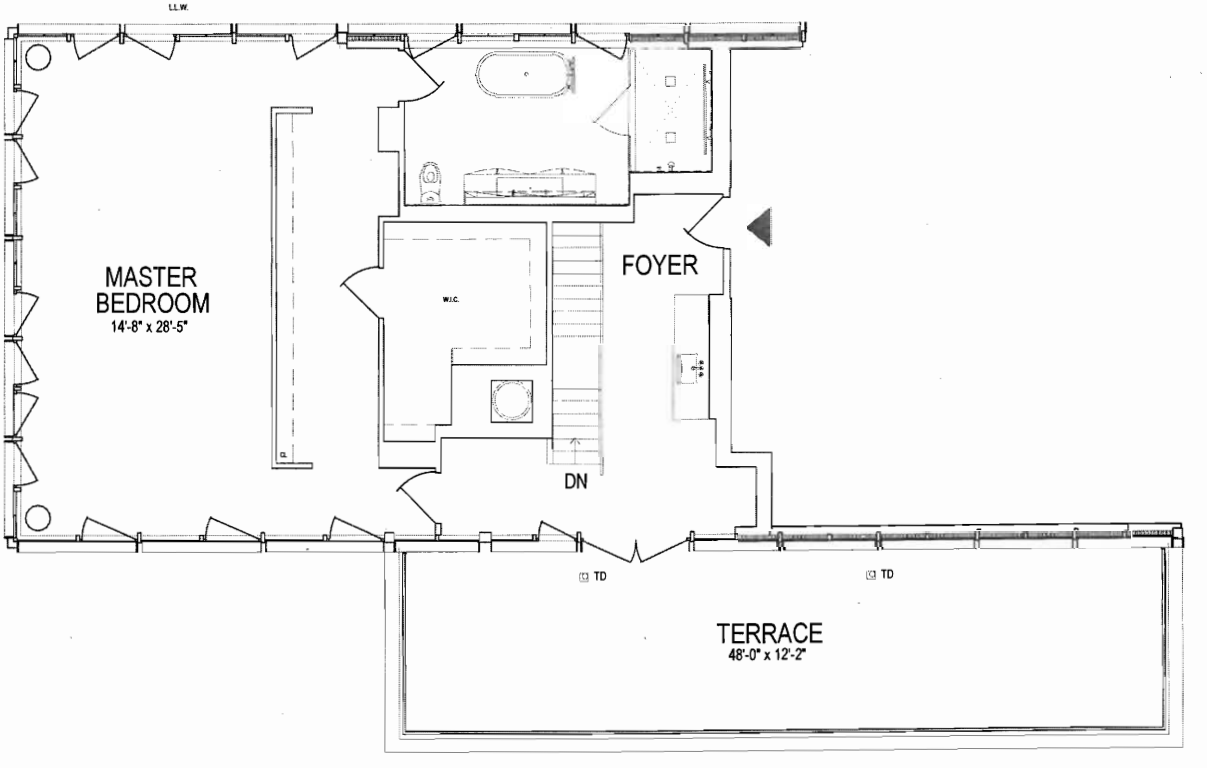
UNIT PH1





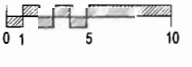
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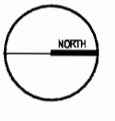
THE SUTTON CONDOMINIUM

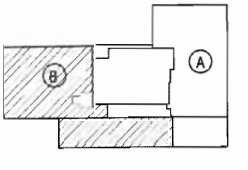


(UPPER LEVEL AT 29TH FLOOR)

UNIT PH3







This floor plan is based on construction drawings; and all dimensions and depictions of column and shaft widths and locations are approximate and subject to normal construction variances and tolerances. Minor inaccuracies in square footage and inaccuracies in layout and room dimensions as shown on this floor plan will not excuse a purchaser from completing the purchase of a unit without abatement in price or recourse against Sponsor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

ISRAEL SCHECHTER, PLLC

ATTORNEY AT LAW

570 Lexington Avenue
New York, NY 10022
Telephone: (212) 755-5511
Facsimile: (212) 755-5554

October 14, 2014

Toll First Avenue LLC
C/O Toll Brothers City Living
75 Broad Street, 21st Floor
New York, NY 10004

Re: THE SUTTON CONDOMINIUM
959 First Avenue
Block: 1345 Lots: 26,27,28,29
Borough: Manhattan

Gentlemen:

You have requested that we provide you with an estimate of the real estate tax assessments on a condominium to be created upon completion of construction of a mixed use building at the above location.

You have also requested an estimate of the real estate taxes that would be applicable to the condominium upon completion of the project, without regard to any potential tax exemption benefits, as well as an estimate of real estate taxes assuming the property's eligibility for tax benefits pursuant to section 421-a of the New York Real Property Tax Law (the 421-a program).

You have advised us that title to the Site ,which is currently designated as Block 1345, Lots 26, 27, 28, and 29 on the Official Tax Map of the City of New York, is owned by Toll First Avenue LLC. You have informed us that you intend to construct a twenty- nine (29) story elevator mixed use building that will contain approximately 179,721 square feet of grade and above gross floor area. You advised that the Condominium will be comprised of 114 residential units, two commercial units and 12 storage units.

You have informed us that you started construction on April 10, 2014 and will complete construction in or about August, 2016. You have further advised us that the first fiscal year of condominium operation is currently anticipated to be from January 1, 2017 through December 31, 2017.

Although the setting of an assessment on any particular property is subject to an individual assessor's subjective determination based upon general assessment guidelines, it is possible to estimate an approximate assessed value based upon a number of factors.

These factors include actual construction costs, the property's location, a hypothetical economic analysis of the condominium as if it were a rental property (as required pursuant to section 581 of the New York Real Property Tax Law), assessed valuations of comparable buildings and New York City Department of Finance Assessment Guidelines. We have examined these factors in arriving at our estimates.

The assessment history of the property is as follows:

Tax Lots 26, 27, 28 & 29			Land	Total
Final	2006/07	Actual	$ 945,478	$2,281,446
		Transition	$1,149,078	$2,026,926
Final	2012/13	Actual	$3,969,000	$4,877,100
		Transition	$3,351,137	$4,227,377
Final	2013/14	Actual	$3,061,800	$4,877,100
		Transition	$3,061,800	$4,855,860
Final	2014/15	Actual	$3,969,000	$4,877,100
		Transition	$4,513,320	$4,866,480

New York City is an annual assessing jurisdiction and is required to assess property for each upcoming fiscal tax year (July 1 – June 30) based upon its use and condition on January 5th (taxable status date). Annual increases or decreases in assessed value resulting from construction, demolition or other physical changes to the property (i.e., "physical" or "alteration" increases) are taxable the year they are levied. For "class 4" commercial properties, and "class 2" residential properties having more than 10 units, annual assessment increases or decreases not resulting from physical changes (i.e., "equalization" changes) are phased in for tax purposes over a five (5) year period at 20% per year. Hence, two assessed values: 1) the "actual assessment," which is reflective of the City's claimed market value; and 2) the "transitional assessment," which is based on physical increases and the 5-year phase in of equalization changes. Real property taxes in any given year are based on the lesser of the actual or transitional assessment.

As of January 5, 2016, which will be the basis for the property's 2016/17 assessed value, you have advised us that the project will be 75% complete. Given the property's condition and use as of the taxable status date, we estimate that the 2016/17 taxable assessed value will be $17,867,250

As of January 5, 2017, which will be the basis for the property's 2017/18 assessed value, you have advised us that the project will be complete. Given the property's condition and

use as of the taxable status date, we estimate that the 2017/18 taxable assessed value will be $22,500,000.

The most recent tax rates available as of the date of this letter are those used by the City of New York for 2013/14 tax year. The "Class 2" tax rate is 13.145%. Since tax rates can and have changed annually (increasing or decreasing) based on a number of factors, for the purpose of this projection, we have reviewed annual "Class 2" tax rate changes from 2003/14 through 2013/14. The estimated tax rates therefore assume a 0.416% annual increase over the 2013/14 rate (one tenth of the cumulative 10 year increase of 4.16%). Our review of "Class 4" tax rates changes during the same period indicates a net cumulative decrease. However, since there have been increases in the rate in each of the most recent two tax years, our estimated tax rate for "Class 4" also assumes a 0.416% annual increase over the 2013/14 rate of 10.323% .

As it is unlikely that there will be an official apportionment of the assessment for 2016/17 and utilizing an estimated "Class 2" rate of 13.310%, we estimate that real estate taxes for the fiscal year July 1, 2016 through June 30, 2017 (exclusive of any potential tax exemption benefits) would approximate $2,378,13.98. Assuming that your offering plan contains a provision apportioning the tax liability among the units based on common interest percentage, real estate taxes would approximate:

ALLOCATED REAL ESTATE TAXES

Residential Lots	$2,325,234.64
Commercial Lots	$ 44,720.21
Storage Lots	$ 8,175.94

We have been advised, that in allocating the assessed values for the individual condominium units, since July 1, 2007 The New York City Department of Finance procedures call for determining the percent of the total building value attributed to each condominium based on the percentage interest in common elements as stated in the condominium declaration recorded with the New York City Register. Based on these procedures, and using the percentages of common interest that are anticipated to be recorded with the City Register, the allocation of taxes is estimated as set forth below.

Assuming that the property is converted to condominium status for the 2017/18 tax year and utilizing the estimated tax rates, we estimate that real estate taxes for the fiscal year July 1, 2017 through June 30, 2018 (exclusive of any potential tax exemption benefits) would approximate $2,994,984.00.

	Estimated Taxable Assessed Value	Estimated Tax Rate	Estimated Tax Liability
Residential Lots	$21,999,537	13.365%	$2,940,236.06
Commercial Lots	$ 423,109	10.496%	$ 44,409.54
Storage Lots	$ 77,354	10.496%	$ 10,338.40

The above estimates do not take into account any future increases in the level of assessed valuation applied to residential and commercial property.

You have advised us that the project is eligible for and that you intend to apply for 20 year real property tax exemption benefits pursuant to Section 421-a of the New York Real Property Tax Law. Should your 421-a application ultimately be approved, the 2016/17 and 2017/18 exemptions will be based on 100% of the increase in the property's pre-construction assessed value. **Upon review of your 421-a application, the NYC Department of Housing Preservation and Development (HPD) will determine the project's eligibility as well as the tax year prior to start of construction (421-a mini-tax year). As the mini-tax year may be either 2006/07 or 2012/13, we have calculated the net tax liability using alternative mini-tax years.**

Given the project's start and anticipated completion dates, both the 2016/17 and the 2017/18 tax years should receive a 100% exemption over the mini-tax year's assessed value. Should your application be granted, using the 2006/07 taxable assessed value of $2,026, 926, we estimate the assessed value and tax liability to be as follows:

	Estimated Taxable Assessed Value	Estimated Tax Rate	Estimated. Tax Liability
2016/17			
Entire Tax Lot	$2,026,926	13.310%	$269,783.86
2017/18			
Residential Lots	$1,981,841	13.365%	$264,873.12
Commercial Lots	$ 38,116	10.496%	$ 4,006.66
Storage Lots	$ 6,969	10.496%	$ 731.50

Should your application be granted, using the 2012/13 taxable assessed value of $4,227, 377, we estimate the assessed value and tax liability to be as follows:

	Estimated Taxable Assessed Value	Estimated Tax Rate	Estimated. Tax Liability
2016/17			
Entire Tax Lot	$4,227,377	13.310%	$562,663.88

	Estimated Taxable Assessed Value	Estimated Tax Rate	Estimated Tax Liability
2017/18			
Residential Lots	$4,133,348	13.365%	$552,421.98
Commercial Lots	$ 79,495	10.496%	$ 8,343.82
Storage Lots	$ 14,534	10.496%	$ 1,525.50

No representations or warranties are made herein regarding the property's eligibility for exemption and/or abatement benefits, that the New York City Department of Housing Preservation & Development and Department of Finance will approve these benefits, or that these benefits will ultimately be realized or realized in the amounts set forth. See separate opinion of Sponsor's 421-a counsel.

This letter was prepared at the sponsor's request. The figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation. No government agency has passed upon these figures or the estimates of assessed valuation and taxes herein. We have not passed on the accuracy of any figures or estimates contained in the Offering Plan, and offer no warranties on real estate assessments, tax classifications, taxes, or tax rates for any period. All prospective purchasers are advised that, although the estimates of assessed valuation upon completion of construction are good faith estimates, such assessed valuations when actually made may be less or greater than as estimated herein.

The above estimates do not take into account any future increases in the level of assessed valuation applied to residential and commercial property or any increase in the real estate tax rates. The above opinion is based upon our interpretation of The New York State Real Property Tax Law and The Administrative Code of the City of New York and is not intended to be a guarantee or assurance that the actual tax assessments or actual taxes will be as estimated.

No representation is made that the provisions of law or New York City Department of Finance policies and practices will apply at the time the construction of the building is complete. You should be aware that the laws, regulations and practices of the

Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

While we believe our opinions are well-founded, they are not intended, and should not be construed as, representations or warranties that assessment and taxes will not be determined in a different amount. The foregoing analysis is based upon our knowledge of the making and review of assessments by the Real Property Assessment Department and the Tax Commission of the City of New York with respect to residential properties

held in the condominium form of ownership. Application of a particular approach to valuation by an individual assessor may yield a different result.

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

Very truly yours,

ISRAEL SCHECHTER, PLLC

BY: _____
ISRAEL SCHECHTER

IS:

DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 959 First Avenue, County, City, and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: **THE SUTTON CONDOMINIUM**

DECLARANT: **Toll First Avenue LLC**
75 Broad Street, 21st Floor
New York, New York 10004

DATE OF DECLARATION:

The land affected by the within instrument lies in Tax Block 1345 Tax Lot formerly known as Lot __ and now known as Lots _____-_____ inclusive on the Tax Map of the Borough of Manhattan, County, City, and State of New York.

Record and Return to:

SEIDEN & SCHEIN, P.C.

Attorneys for Declarant
570 Lexington Avenue
New York, New York 10022

(212) 935-1400

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B.	Description of the Units
B-1.	421-a Affordable Units
C.	Definitions
D.	By-Laws
E.	Budget for First Year of Condominium Operation

DECLARATION
OF
THE SUTTON CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

Toll First Avenue LLC, a New York limited partnership having an office at 75 Broad Street, 21st Floor, New York, New York 10004 (the "Declarant"), does hereby declare as follows:

ARTICLE 1

DEFINITIONS

All capitalized terms used in this Declaration (hereinafter referred to as the "Declaration") that are not otherwise defined in the Articles hereof or in the By-Laws (as herein after defined) will have the meanings set forth in **Exhibit C** annexed hereto, unless the context in which they are used will otherwise require.

ARTICLE 2

SUBMISSION OF THE PROPERTY

2.1 Declarant hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), and pursuant thereto does hereby establish a condominium to be known as "**THE SUTTON CONDOMINIUM**" (the "Condominium").

2.2 Attached to this Declaration as **Exhibit D** and made a part hereof are the By-Laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said By-Laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws").

ARTICLE 3

The Land

Included in the Property described in Article 2 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the County of New York, City and State of New York, commonly known as 959 First Avenue, and more particularly described in **Exhibit A** annexed hereto and made a part hereof. The Land is owned by Declarant in fee simple absolute. The Land has an area of approximately 8,822 square feet.

ARTICLE 4

The Property

Included in the Property described in Article 2 is a building (the "Building") consisting of two (2) commercial units (collectively, the "Commercial Units," and individually a "Commercial Unit"), twelve (12) storage units (collectively, the "Storage Units" and individually a "Storage Unit") and 113 residential units (collectively, the "Residential Units" and individually a "Residential Unit"). Twenty-three (23) Residential Units have been designated as the "421-a Affordable Units" as more particularly set forth on **Exhibit B-1** annexed hereto. The Commercial Units, Storage Units and the Residential Units are sometimes hereinafter collectively referred to as the "Units" and individually as a "Unit." The Commercial Units, together with the Commercial Common Elements (as hereinafter defined), are collectively referred to as the "Commercial Section." The Residential Units and the Storage Units, together with the Residential Common Elements, and the Residential Limited Common Elements (as hereinafter defined), are collectively referred to as the "Residential Section." The owner of a Commercial Unit is herein called a "Commercial Unit Owner," and all of the owners of the Commercial Unit are herein collectively called the "Commercial Unit Owners." The owner of a Storage Unit is herein called a "Storage Unit Owner," and all of the owners of the Storage Units are herein collectively called the "Storage Unit Owners." The owner of a Residential Unit is herein called a "Residential Unit Owner" and all the owners of the Residential Units are herein collectively called the "Residential Unit Owners." The owner of a 421-a Affordable Unit is herein called a "421-a Affordable Unit Owner" and all the owners of the 421-a Affordable Units are herein collectively called the "421-a Affordable Unit Owners." The Commercial Unit Owners, Storage Unit Owners, and all Residential Unit Owners are collectively referred to herein as the "Unit Owners" and individually as a "Unit Owner."

ARTICLE 5

The Building

The Building is a single structure consisting of a cellar and thirty-three (33) floors above, plus mechanical bulkheads above the main roof. The Building will be constructed of stone, steel, concrete, aluminum and glass.

ARTICLE 6

The Units

6.1 **Exhibit B** annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its Unit designation; (ii) tax lot number; (iii) approximate location in the Building; (iv) approximate square foot area; (v) number of rooms; and (vi) the percentage interest in the Common Elements appurtenant to such Unit. The location of each Unit is shown on the floor plans of the Building (the "Floor Plans") certified by Goldstein, Hill & West Architects, LLP and intended to be approved by the Tax Map Unit of the City of New York and filed in the Office of the Register of the City of New York, County of New York (the "Register's Office") following the recording of this Declaration.

6.2 Each Unit includes, and each Unit Owner shall be responsible for, entrance doors to the Unit, the interior sheetrocked walls and partitions, non-structural flooring, interior stairways, floor coverings and plastered or sheetrocked ceilings affixed, attached or appurtenant to such Unit, smoke detectors, carbon monoxide detectors, all plumbing, gas and heating fixtures and equipment such as, but not limited to, refrigerators, dishwashers, heating, ventilating and air conditioning ("HVAC") units (including the fans inside the units), heating equipment, ranges and other equipment and appliances, as may be affixed, attached or appurtenant to such Unit and serving such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures and appliances within the Unit, and (ii) any special equipment, fixtures or Facilities (as hereinafter defined) affixed, attached or appurtenant to the Unit by or for the benefit of a Unit Owner, to the extent located within a Unit from the panel and serving or benefiting only that Unit including, but not limited to, any freight elevators or freight entrances servicing a Commercial Unit. Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting,

finishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity of the Building or affect any of the mechanical and electrical systems of such Unit or of the Building.

6.3 The Commercial Units include all windows and window frames, storefronts, entranceways and door assemblies and related and similar installations in the exterior façade which exclusively opens into, or is appurtenant to, the Commercial Units, as more particularly delineated on the Floor Plans.

6.4 As of the date of the filing of this Declaration with the Register's Office, fee simple absolute title shall automatically vest in Declarant in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

Dimensions of Units

The approximate floor area of each Residential Unit and Commercial Unit has been measured horizontally, on each of one or more floors, from the exterior side of the exterior Building walls, the Building line or Property line to the midpoint of an interior partition or continuous structural element separating one Unit from another Unit, public corridor, stairs, elevators, mechanical equipment spaces or any other Common Element. Where the window wall is recessed between masonry piers, the area is measured from a Building line which is taken as a straight line from exterior face of pier to exterior face of pier, parallel to the Property line. Columns and mechanical pipes and shafts, (whether along the perimeter or within the Unit) were not deducted from the square foot area of the Unit. Outdoor floor areas of terraces or other outdoor areas, if any, appurtenant to a Unit were not included in the Unit's approximate floor areas.

The approximate floor area of each Storage Unit has been measured horizontally from the Unit side of the exterior Building walls or interior partition to the midpoint of an interior wire mesh partition. Columns and mechanical pipes and shafts, within the Unit were not deducted from the square foot area of the Unit.

ARTICLE 8

Common Elements

8.1 The common elements of the Condominium (the "Common Elements") consist of the entire Property, including the Land and all parts of the Building and

improvements thereon, other than the Units. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all Facilities (defined below) therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, operation, maintenance or safety of the Property. The Common Elements of the Condominium that serve or benefit exclusively (a) the Residential Units or the Residential Unit Owners or the Storage Units or Storage Unit Owners are called "Residential Common Elements," (b) one or more but not all of the Residential Units or the Residential Unit Owners are called "Residential Limited Common Elements," or (c) the Commercial Unit or the Commercial Unit Owner are called "Commercial Common Elements." The "General Common Elements" are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the General Common Elements. The General Common Elements are for the common use of all Unit Owners.

8.2 As used in this Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, converter, radiator, heater, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, 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 tub or box.

8.3 The Common Elements will remain undivided and no Unit Owner or other person will bring or will have the right to bring any action for partition or division thereof except as may be specifically provided for herein and in the By-Laws.

8.4 The General Common Elements consist of the following:

8.4.1 The Land (as more particularly described in Exhibit A attached to this Declaration), together with all easements, rights and privileges appurtenant thereto;

8.4.2 Any of the following: all foundations, footings, columns, girders, floor slabs and structural ceilings, beams, and supports and interior load bearing walls,

8.4.3 The façade, exterior walls and structural elements of exterior walls including, but not limited to, non-operable windows and spandrel glass, if any, in the Residential Section of the Building, but excluding (i) all operable windows

and operable window frames in the Residential Section of the Building and (ii) all windows and window frames, storefronts, entranceways and door assemblies and related and similar installations in the exterior façade which exclusively opens into, or is appurtenant to, the Commercial Unit;

8.4.4 The rooms and Facilities located as follows: in the cellar, the electric switchboard room, the telephone room, the fire pump room, the gas meter room, the water meter room, the restroom located across from the gas meter room, the Building storage located across from the fire pump room, the resident manager's office, the elevator lobby and the ejector pit room; the stairway down to the cellar level from the first floor; apartment 2AA and the mechanical room on the second floor; the mechanical room on the fourth floor; the mechanical room, elevator alcove, electrical room and fire pump room on the thirtieth floor; the mechanical areas, stairs, roof, and the underlying roof structure and waterproofing on the main roof level; the bulkhead roof and ladder to the main roof and all other areas designated as a General Common Element on the Floor Plans;

8.4.5 Any other Facilities in the Building which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of all of the Commercial Section and the Residential Section and are not a part of any Unit, Residential Common Elements, Commercial Common Elements or any Limited Common Element.

8.5 The Residential Common Elements consist of the following:

8.5.1 Residential electric meters and panels, electric closets, feeders, risers and Facilities, Residential Section gas meter(s), and cables serving exclusively the Residential Section;

8.5.2 The operable windows (including frames) and skylights (including frames), if any, that serve the Residential Section;

8.5.3 Kitchen, bathroom and dryer exhaust ducts, corridor and Residential Unit supply air ducts if any, water lines supply and return for heating, water pressure reducing valve system, and all other Facilities in the floor and ceilings serving or benefiting exclusively the Residential Section;

8.5.4 CATV riser and all other Facilities located in the Property serving or benefiting exclusively the Residential Section to the extent that the same are not owned by a third party;

8.5.5 The rooms and Facilities located as follows: in the cellar, the compactor room, the restroom located adjacent to the ejector pit room, the bicycle room, the residential amenity room and its adjacent vestibule, the kid's room, the laundry room, the restroom adjacent to the laundry room; on the first floor, the residential vestibule, residential lobby, package room, the mailroom, the residential service vestibule and hallway, the residential lounge, the closet adjacent to the residential lounge, the gallery, and the courtyard; the residential

storage room on the second floor; the residential storage room on the fourth floor; the mechanical room on the twenty-ninth floor; the generator room on the thirtieth floor, and all other areas designated as a Residential Common Element on the Floor Plans;

8.5.5 The passenger elevator and its shafts, pits, machine rooms and Facilities;

8.5.7 All passages, hallways, stairs and corridors, all mechanical space and all other rooms, areas, spaces and other parts of the Building which are not Storage Units, Residential Units, Residential Limited Common Elements or part of the Commercial Units, Commercial Common Elements, or General Common Elements;

8.5.8 All other Facilities exclusively serving the Residential Section, excluding the Storage Units, the Residential Units, the Residential Limited Common Elements, the Commercial Units, the Commercial Common Elements, and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Section.

8.5.9 Notwithstanding anything to the contrary in this Article 8, if a Residential Common Element benefits only certain Residential Unit Owners, then the alteration, addition, repair, replacement and restoration thereto shall be performed by the Residential Board and the cost thereof shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element in the proportion that the Common Interest of each benefiting Residential Unit Owner bears to the Common Interests of all benefiting Residential Unit Owners.

8.6 The Residential Limited Common Elements consist of the following:

8.6.1 The terraces to which one or more Residential Units have exclusive access as set forth in Exhibit B annexed hereto. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, Residential Unit Owners with a terrace appurtenant to their Residential Unit shall be responsible for all normal maintenance of such terrace at such Residential Unit Owner's sole cost and expense. The repair and replacement of the exterior surface of such terrace (e.g. pavers) shall be performed by the Residential Board and charged to the Residential Unit Owner. However, any structural or extraordinary repairs (non-recurring repair which requires more than the usual annual expense for ordinary wear) or replacements to such terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Residential Board and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense; provided, however, that any repairs or replacements that are necessitated or deemed advisable by the Board and result from the negligence or wrongful acts of

any Residential Unit Owner having exclusive access to a terrace, as set forth in Exhibit B annexed hereto, or any of its invitees, may be made or done by the Board, and the Board may charge the entire cost thereof to such Residential Unit Owner;

8.6.2 The balconies to which one or more Residential Units have exclusive access as set forth in Exhibit B annexed hereto. Residential Unit Owners with a balcony appurtenant their Residential Units shall be responsible for all normal maintenance of such balcony at the Residential Unit Owner's sole cost and expense. Structural and nonstructural repairs and replacements to any balcony shall be made by the Residential Board, at the Residential Board's discretion, and charged to such Residential Unit Owner; provided, however, that any repairs or replacements that are necessitated or deemed advisable by the Board and result from the negligence or wrongful acts of any Residential Unit Owner having exclusive access to a balcony, as set forth in Exhibit B annexed hereto, or any of its invitees, may be made or done by the Board, and the Board may charge the entire cost thereof to such Residential Unit Owner;

8.6.3 All other Facilities exclusively serving one or more but not all Residential Units, excluding the Residential Units, the Residential Common Elements, the Commercial Units, the Commercial Common Elements, and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of one or more but not all of the Residential Units.

8.7 The Commercial Common Elements consist of the following:

8.7.1 Electric meters, water meters, gas meters and other utility meters (if any) serving or available for the exclusive use of the Commercial Section;

8.7.2 Ductwork, and all other HVAC and electric and similar Facilities serving or benefiting exclusively the Commercial Section;

8.7.3 All remaining Facilities exclusively serving the Commercial Units, excluding the Commercial Units, the Storage Units, the Residential Units, the Residential Common Elements, the Residential Limited Common Elements and the General Common Elements, which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Commercial Units.

8.7.4 Notwithstanding anything to the contrary in this Article 8, if a Commercial Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all

benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Common Element at their sole cost and expense.

ARTICLE 9

Use Of Building And Units

9.1 As more particularly set forth in the By-Laws, Residential Units may be used only for residential purposes and for any home occupation uses to the extent permitted under applicable zoning law and ordinances and other applicable governmental laws and regulations, but not for retail use. A Residential Unit may also be used for any other lawful purposes (but not for retail use), subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for the Building, (2) applicable governmental laws and regulations, (3) the use of such Residential Unit not adversely affecting the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, (4) compliance with the By-Laws and (5) the prior written permission of the Residential Board, which permission shall in no event be granted unless such Board affirmatively finds that the conditions in (1) through (5) above have been met.

9.2 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Declarant may, without the permission of the Residential Board or any other Board, (1) grant permission for the use of any Unsold Residential Unit (as defined in Exhibit C) owned by it or its designee for any purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for such Residential Unit or any other governmental regulations, and (2) use any Unsold Residential Units owned by it or its designee as models and sales and/or promotion offices in connection with the sale or rental of the Units, subject only to compliance with applicable governmental laws and regulations.

9.3 The Commercial Units may be used for any lawful purposes, including, without limitation, department and other retail stores and outlets, storage, theaters, banks, restaurants and commercial and professional offices and studios.

9.4 Vault space in the Cellar, if any, shall be available for the use of the Commercial Unit Owners as set forth on the Floor Plans, and if so used the Commercial Unit Owners shall be responsible for vault taxes, if any, imposed as the result of the use of the vault space. If so used, routine maintenance and repair of the vault space, and the sidewalk hatch to the vault space, shall be the responsibility of the Commercial Unit Owners. However, the costs of any structural repairs, including repairs to the foundations or retaining walls adjacent to the vault space and the closing of the vault space, shall be a General Common Expense undertaken by the Condominium Board. The Commercial

Unit Owners shall not use the vault space unless it has accepted the use thereof in a writing delivered or sent by certified mail, return receipt requested to the Condominium Board.

9.5 In accordance with Section 339-m of the Real Property Law and the By-Laws, the Board of Managers shall have the right to impose Common Charges based on factors other than a Unit's percentage of Common Interest, as required, in order to comply with Section 421-a of the Real Property Tax Law.

9.6 Except for Storage Units Owned by Declarant or its designee, Storage Units shall only be sold by the Storage Unit Owner to a Residential Unit Owner. Storage Units shall only be leased by a Storage Unit Owner to a Residential Unit Owner or to a bona fide lessee of a Residential Unit Owner.

9.6.1 No Unit Owner, other than Sponsor, shall own more than two (2) Storage Units at a time without the express written consent of the Residential Board.

9.7 As more particularly set forth and described in the By-Laws, except as otherwise expressly provided herein or in the By-Laws, Storage Units may only be used for the personal storage of Residential Unit Owners or a bona fide lessee thereof.

ARTICLE 10

Changes in the Residential Section

Except to the extent prohibited by Law and the By-Laws, Declarant or its designee shall have the right, without the vote or consent of any Board, other Unit Owners or the Residential Mortgage Representatives, if any, (and to amend this Declaration, as necessary) to: (a) make alterations, additions or improvements to any Unsold Residential Units; (b) change the use (subject to Section 9.2 above) or layout of, or number of rooms of any Unsold Residential Units from time to time; (c) change the size and/or number of Unsold Residential Units by subdividing one or more Unsold Residential Units into two or more separate Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, converting a Residential Unit or any portion thereof to a Residential Common Element, a Residential Limited Common Element, a Commercial Unit, a Commercial Common Element, altering the boundary walls between any Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unit; (d) designate a General Common Element, a Residential Common Element, Residential Limited Common Element, or a Commercial Common Element as part of a newly created Residential Unit, Residential Limited Common Element, Commercial Unit, or Commercial Common Element or designate all or part of a Residential Unit as a newly

created Commercial Unit, Residential Common Element, Residential Limited Common Element, or Commercial Common Element; and (e) if appropriate, reapportion among the Unsold Residential Units affected by such change in size, use or number pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements; provided, however, that (i) the percentage interest in the Common Elements of any other Residential Units (other than Unsold Residential Units) shall not be changed by reason thereof unless the owners of such Residential Units shall consent thereto; (ii) Declarant or its designee, as the case may be, shall comply with all Laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Board and all other Unit Owners harmless from any liability arising therefrom. So long as Declarant or its designee owns at least one (1) Unsold Unit, the provisions of this Article 10 may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee. By written permission of the Residential Board, which permission, shall not be unreasonably withheld, any other Residential Unit Owner may be given, with respect to his Residential Unit, the same rights and be subject to the same limitations and conditions as are set forth in this Article 10 with respect to Unsold Residential Units. Notwithstanding the other provisions of this Article 10, no reapportionment of the interests in the Common Elements appurtenant to any Residential Unit shall be made unless there is first delivered to the Residential Board a written certification stating that the percentage interests of the respective Units in the Common Elements, immediately after such reapportionment, will be 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. The certification referred to in the preceding sentence shall be delivered (i) at Declarant's election, by Declarant, the managing agent of the Residential Section or of the Condominium or any other person reasonably acceptable to the Residential Board in the case of any Unsold Residential Unit, and (ii) by either the managing agent of the Residential Section or of the Condominium, or any other person reasonably acceptable to the Residential Board in the case of any other Residential Unit.

ARTICLE 11

Changes in the Commercial Section

Except to the extent inconsistent with the By-Laws or prohibited by Law, each Commercial Unit Owner shall have the right, subject to the approval of the Commercial Board, which shall not be unreasonably withheld, but without the vote or consent of the Residential or Condominium Boards, other Unit Owners or the Commercial or Residential Mortgage Representatives, if any, to: (1) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Commercial Unit and the Commercial Common Elements serving that Unit; (2) change the layout or number of rooms in the Commercial Unit from time to time; (3) change the Commercial Unit, by subdividing the same, into any desired number of Commercial Condominium Units, combining any of the

Commercial Unit or combining any units resulting from a subdivision, altering the boundary walls between the Commercial Unit, or otherwise; (4) designate a Residential Unit, a Residential Common Element, a Residential Limited Common Element, or a General Common Element as part of a newly created Commercial Condominium Unit or designate all or part of a Commercial Unit as a newly created Residential Unit, Residential Common Element, or Commercial Common Element; (5) reapportion among the newly created Commercial Unit and/or Residential Units resulting from any subdivision, combination or otherwise their percentage interests in the Common Elements which shall be 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; provided that in no case may such reapportionment result in a greater percentage of Common Interest for the total of the new Commercial Unit and/or Residential Units than existed for the original Commercial Unit; (6) change, alter or modify the facade and exterior portion of the Commercial Unit provided, however, that the percentage interest in the Common Elements of any portion of the Commercial Unit owned by another Commercial Unit Owner or of any Residential Unit shall not be changed by reason thereof unless the owner of such Unit shall consent thereto, and the Commercial Unit Owner shall comply with all Laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Board and all other Unit Owners harmless from any liability arising therefrom, and (7) amend the Certificate of Occupancy with respect to the Commercial Unit (any such amendment to be at the sole cost and expense of the Unit Owner of the Commercial Unit in question) to provide that such Commercial Unit may be used for any purpose which is lawful at the time that such amendment is made. Notwithstanding the foregoing, Declarant or its designee shall have the right to make the foregoing changes to any Unsold Commercial Unit without the consent of any Board or Unit Owner. In addition, for so long as Declarant or its designee owns at least one (1) Unsold Unit, any structural alteration, modification, addition or improvement to any Commercial Units, and any alteration, modification, addition or improvement to the façade and exterior portion of the Commercial Unit shall require the prior written consent of Declarant or its designee.

ARTICLE 12

Person to Receive Service

The Secretary of State of the State of New York is hereby designated to receive service of process in any action which may be brought against the Condominium, the Residential Section or the Commercial Section.

ARTICLE 13

Determination of Percentage Interests in Common Elements

The percentage interest of each Unit in the Common Elements has been 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.

ARTICLE 14

Encroachments

If (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachments shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board, Residential Board or Commercial Board, as the case may be, or made by Declarant or its designee, or a Commercial Unit Owner in accordance with this Declaration or the By-Laws or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

ARTICLE 15

Access to Common Elements

Each Unit Owner shall have an easement in common with all other Unit Owners to use all Common Elements located in the Building, including those located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit including an easement to connect to existing utilities including, but not limited to utilities for gas, electricity, steam and ventilation. Each Unit shall be subject to an easement in favor of all Unit Owners to use all Common Elements located in such Unit or elsewhere on the Property which serve other Units. In addition, Declarant, the Condominium Board, the Residential Board, the Commercial Board or their agents shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property. All

easements and rights of access described in this Article 15 shall be exercised in such a manner, to the extent practicable, as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. To the extent that entry by any Board is upon any Unit in which Common Elements are located, such entry shall be permitted on not less than three days' notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building).

ARTICLE 16

Easements and Name of Condominium

16.1 Except as set forth in this Declaration, each Residential Unit Owner shall have, in common with all other Residential Unit Owners, an easement for the use of the Residential Common Elements and the General Common Elements and any Facilities located therein, including, but not limited to, such easement as shall be necessary to operate, maintain, repair, rebuild, restore and replace, as necessary, such Residential Unit Owner's Unit. The Commercial Section and the Residential Section shall be subject to such easement.

16.2 Except as set forth in this Declaration, each Commercial Unit Owner shall have, in common with all other Commercial Unit Owners, if any, an easement for the exclusive use of the Commercial Common Elements and an easement for the use of the General Common Elements and any Facilities located therein, including, but not limited to, (i) such easement as shall be necessary to operate, maintain, repair, rebuild, restore and replace, as necessary, such Commercial Unit Owner's Unit, and (ii) such easements as shall be necessary for each Commercial Unit Owner to install or affix and maintain ductwork and all other HVAC Facilities serving or benefiting exclusively such Commercial Unit Owner's Commercial Unit, except (a) neither the Commercial Unit Owner (other than Declarant or its designee) nor any tenant of the Commercial Unit Owner (other than a tenant of Declarant or its designee) shall have the right to install, affix, or maintain ductwork or any other HVAC Facilities on or along the exterior of the Building and (b) any ductwork or any other HVAC Facilities that the Commercial Unit Owner (other than Declarant or its designee) or any tenant thereof (other than a tenant of Declarant or its designee) desires to install which will materially affect the Residential Section shall require the consent of the Residential Board. The maintenance, repair and replacement of such ductwork and all other HVAC Facilities serving or benefiting exclusively such Commercial Unit Owner's Commercial Unit shall be performed by the Commercial Unit Owner at the Commercial Unit Owner's sole cost and expense, and the repair of any damage to the Building caused by such installation or affixation, or the maintenance, repair or replacement of such ductwork and/or other HVAC Facilities shall be performed by the Board of Managers and paid for by such Commercial Unit Owner.

16.3 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Residential Section and the Commercial Section as the case may be, and for the use of any Common Element, to the extent necessitated by an emergency including but not limited to an easement by the Commercial Unit Owners for emergency access through and over the fire stairs in the Building. The Residential Section and the Commercial Section shall be subject to such easement.

16.4 The Residential Board shall have and each Residential Unit shall be subject to an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements, Residential Common Elements or Residential Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any existing encroachment and any non-material future encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Residential Units, the General Common Elements, the Residential Common Elements; or the Residential Limited Common Elements; 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, to the extent practicable, with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than three days' notice, except that no notice will be necessary in the case of an emergency.

16.5 Subject to Section 16.2 hereof, each Commercial Unit Owner shall have, in common with all other Commercial Unit Owners, and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Commercial Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any existing encroachment and any non-material future encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of any Commercial Unit, the Commercial Common Elements; 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, to the extent practicable, with the use of the Commercial Unit, the Residential Units or the Residential Common Elements for their permitted purposes. Such entry shall be permitted on not less than three days' notice, except that no notice will be necessary in the case of an emergency.

16.6 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

16.7 Declarant or its designee its successors and assigns shall, to the extent permitted by Law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs and awnings on the Property for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit, the sale or lease of all or any portion of

the Commercial Units and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit or of any Unsold Residential Units, as the case may be, without the consent of any Board or Unit Owner. In addition, Declarant or its designee shall have an easement and the right to erect, maintain, repair, replace, restore, renovate, remodel and reconstruct the facade of the Building from the ground floor level through and including the bottom of the second floor of the Building without the consent of any Board or Unit Owner.

16.8 The Commercial Unit Owners (other than Declarant or its designee) shall have an easement and the right to erect, maintain, repair and replace, from time to time, one or more signs and awnings appurtenant to the Commercial Units, below the second floor of the Building, and to repair, replace, restore, renovate, remodel and reconstruct the facade of the Building from the ground floor level through and including the bottom of the second floor of the Building with the consent of the Commercial Board but without the consent of the Residential Board or the Condominium Board; provided that any such sign and/or awning which a Commercial Unit Owner desires to erect or replace, and any alteration, replacement, restoration, renovation, remodeling, and/or reconstruction of the façade of the Building by such Commercial Unit Owner while Declarant or Declarant's designee owns any Unsold Units shall require the prior written consent of Declarant or Declarant's designee.

16.9 Declarant and it designee (as long as Declarant or its designee owns at least one Unsold Unit) and the Residential Board with respect to the Residential Section, the Commercial Board with respect to the Commercial Section and the Condominium Board with respect to the Property, shall have the right to grant such additional electric, gas, telephone, internet, cable, television, steam, ventilation or other easements for utilities, communications, access or other easements, and to construct any shafts, flues or install any air conditioning compressors or other equipment or Facilities on the roof or relocate any easements in any portion of the Residential Section, the Commercial Section or the Property, as the case may be, as Declarant or its designee, the Residential Board, the Commercial Board or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or to complete the Building as described in the Plan, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units; provided that (i) the Condominium Board and the Residential Board shall not grant such additional easements within each Commercial Unit without the written consent of the Commercial Unit Owners, (ii) the Condominium Board and the Commercial Board shall not grant such additional easements within a Residential Unit which would require the use of any useable square footage within a Residential Unit without the written consent of the affected Residential Unit Owner, (iii) the Condominium Board shall not grant such additional easements within the Residential Common Elements or the Residential Limited Common Elements without the written consent of the Residential Board, and (iv) such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use or occupancy of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Each Board shall have the right to permit or revoke a right in favor of

any company providing utilities or services, and such company's employees and agents, to have access to any Unit or the Common Elements in furtherance of the aforementioned easements to in order to install, operate, maintain and service same, provided such right of access shall be exercised in such manner so as to avoid unreasonable interference with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use or occupancy of the Residential Units for their permitted purposes.

16.10 Declarant and its designee, assignee and licensees shall have, and the Units and Common Elements shall be subject to, an easement, (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace satellite dishes and similar equipment on the roof and facade of the Building and elsewhere on the Common Elements and the conduit and Facilities relating thereto, other than those portions of the roof which constitute Residential Common Elements or Residential Limited Common Elements and to retain any and all income derived therefrom, and (b) to maintain any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, alteration, rebuilding, restoration or replacement thereof. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Declarant, its designees, assignees or licensees for the use of the aforesaid easements or equipment. Any satellite dish or other facilities placed upon the roof and the facade of the Building and elsewhere on the Common Elements by Declarant, its designees, assignees or licensees shall be the exclusive property of Declarant, its designees, assignees or licensees and neither the Condominium nor other Unit Owners shall have any rights with respect thereto. Notwithstanding the foregoing, additional utilities or the relocation of existing utilities cannot be installed in a Commercial Unit without the consent of the affected Commercial Unit Owner and provided further that access to a Unit or Common Element in furtherance of such easement shall be exercised in a manner so as to not unreasonably interfere with the normal conduct of business of the tenants and occupants the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice shall be necessary in the case of an emergency.

16.11 Any rights of access to the Commercial Units granted pursuant to this Article or elsewhere in this Declaration and the By-Laws shall be exercised only upon reasonable notice, but in no event less than three (3) days' notice, except in cases of emergency. The Boards shall use best reasonable efforts to schedule access to the Commercial Units so as to minimize disruptions to the business operations of the occupants of such Units, but shall not be required to schedule their right of access at times when overtime or holiday wage rates shall be payable to employees or employees of contractors as a result of such scheduling.

16.12 Declarant and its designee (as long as Declarant or its designee owns at least one Unsold Unit) and the Commercial Unit Owner, and their successors and assigns, shall, to the extent permitted by Law, have an easement to install, use, maintain, repair and replace (i) all mechanical equipment and associated piping and controls; (ii) all electrical risers, feeders, lines and equipment, including incoming service, main switch changer and distribution panel boards, conduits, wires, meters, transformers and panel

boards; (iii) all storm and sanitary sewer equipment and pipes (including vent lines, ejectors, interceptors, filters and valves); (iv) all other facilities of the Building (including shafts, pipes, wiring, ducts, vents, flues, cables, conduits and lines) (collectively, "Utilities") which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Commercial Unit now or in the future, except (a) neither the Commercial Unit Owner (other than Declarant or its designee) nor any tenant thereof (other than a tenant of Declarant or its designee) shall have the right to install, affix, or maintain any Utilities on or along the exterior of the Building and (b) any Utilities that the Commercial Unit Owner (other than Declarant or its designee) or any tenant thereof (other than a tenant of Declarant or its designee) desires to install which will materially affect the Residential Section shall require the consent of the Residential Board.

16.13 Declarant shall have an easement over all portions of the Property to complete construction thereof and to otherwise comply with its obligations under the Plan, if any.

16.14 The Board, the Residential Board, Declarant and Declarant's designee shall each have an easement through any Residential Unit and an easement to use any terrace or balcony which is appurtenant to such Residential Unit for the installation and temporary storage of equipment (such as, but not limited to, scaffolding), as necessary, in the sole judgment of such Board or Declarant or Declarant's designee, as the case may be, for the purpose of maintaining, repairing, altering, inspecting, rebuilding, replacing or restoring any component of the Building, including, but not limited to, the windows and the façade. Such entry shall be permitted on not less than three days' notice, except that no notice will be necessary in the case of an emergency.

16.15 The Commercial Unit Owner shall have an easement on, over, upon and across the residential service entrance and hallway connecting the service entrance to the downstairs staircase located on the first floor of the Building, for the purpose of accessing the General Common Elements located on the cellar level of the Building.

16.16 The Commercial Unit Owner shall have an easement on, over, upon and across the elevators and hallways connecting the elevators to the mechanical rooms, located on the second, fourth, twenty-ninth and thirtieth floors of the Building.

16.17 The Condominium and the Building shall be designated and known as "**The Sutton Condominium.**" For so long as Declarant owns any Units in the Building, Declarant shall own and control all rights and interests appurtenant to the name of the Condominium and/or the Building. For so long as Declarant owns any Units in the Building, only Declarant shall have the right to change or assign the name of the Condominium and/or the Building.

ARTICLE 17

Power of Attorney

17.1 Each Residential Unit Owner hereby grants to the persons who shall from time to time constitute the Residential Board an irrevocable power of attorney, coupled with an interest (in such form and content as the Residential Board shall determine) following due authorization (if required) from the Residential Unit Owners (a) to acquire or lease any Residential Unit, together with its Appurtenant Interests (as defined hereinafter), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired, or to sublease any Residential Unit so leased, without the necessity of further authorization by the Residential Unit Owners, on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Residential Board deems necessary or appropriate and (c) to execute, acknowledge and deliver any declaration or other instrument affecting the entire Residential Section which the Residential Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the entire Residential Section or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the entire Residential Section or the Common Elements which the Residential Board deems necessary or appropriate.

17.2 Each Commercial Unit Owner hereby grants to the persons who shall from time to time constitute the Commercial Board an irrevocable power of attorney, coupled with an interest(in such form and content as the Commercial Board shall determine) following due authorization (if required) from the Commercial Unit Owners (a) to acquire or lease any Commercial Unit or portion thereof, together with its Appurtenant Commercial Interests (as hereinafter defined) whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not to vote the interest appurtenant to) any Commercial Unit or portion thereof so acquired, or to sublease any Commercial Unit or portion thereof so leased, without the necessity of further authorization by the Commercial Unit Owners, on such terms as the attorneys-in-fact may determine, and (b) to execute, acknowledge and deliver (i) any

declaration or other instrument affecting the Commercial Section which the Commercial Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Commercial Section, (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Commercial Section or the Common Elements which the Commercial Board deems necessary or appropriate, or (iii) any easement permitting access between the Commercial Section and any property adjoining the Land, including the right to penetrate any General Common Elements located between the Commercial Section and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building.

17.3 Each Unit Owner hereby grants to Declarant and its designee (as long as Declarant or its designee owns at least one Unsold Unit) an irrevocable power of attorney, coupled with an interest, to amend the Condominium Declaration to effectuate the rights granted to Declarant under the Declaration. This provision shall be self-operative, but each Unit Owner shall execute and deliver to the Declarant, upon demand, any additional powers of attorney reasonably requested for such purpose.

17.4 Each Unit Owner hereby grants to the Commercial Unit Owners an irrevocable power of attorney, coupled with an interest, to amend the Condominium Declaration to effectuate the rights granted to the Commercial Unit Owners under the Declaration. This provision shall be self-operative, but each Unit Owner shall execute and deliver to the Commercial Unit Owners, upon demand, any additional powers of attorney reasonably requested for such purpose.

ARTICLE 18

Acquisition of Units by Boards

18.1 If (a) any Residential Unit Owner surrenders such Unit Owner's Unit, together with (i) the undivided interest in the Residential Common Elements and Residential Limited Common Elements and General Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Residential Section or the Condominium (such interests in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, (b) the Residential Board, pursuant to Article 8 of the By-Laws, acquires or leases a Residential Unit or Commercial Unit, together with the Appurtenant Interests, or (c) the Residential Board purchases, at a foreclosure or other similar sale, a Residential Unit or a Commercial Unit, together with the Appurtenant Interests, then, in any such event, title to any such Residential Unit or Commercial Unit, together with the Appurtenant Interests,

shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Residential Unit leased or subleased by the Residential Board or its designee shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interest in the Common Elements.

18.2 If (a) any Commercial Unit Owner surrenders such Unit Owner's Commercial Unit or any portion thereof, together with (i) the undivided interest in the Commercial Common Elements, and General Common Elements appurtenant thereto and (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Commercial Board or it designee, corporate or otherwise, on behalf of all Commercial Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Commercial Section or the Condominium (such interests in (i), (ii), and (iii) being hereinafter collectively called the "Appurtenant Commercial Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act, (b) the Commercial Board, pursuant to this Declaration and/or the By-Laws, acquires or leases all or a portion of any Commercial Unit, together with its Appurtenant Commercial Interest, or (c) the Commercial Board purchases, at a foreclosure or other similar sale, all or a portion of any Commercial Unit, together with its Appurtenant Commercial Interest, then, in any such event, title to all or any such portion of the Commercial Unit, together with its Appurtenant Commercial Interests, shall be held by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering all or any portion of a Unit leased or subleased by the Commercial Board or its designee shall be held by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners in proportion to their respective interests in the Common Elements.

18.3 The Residential Board shall have the authority to purchase, on behalf of all Unit Owners, a Residential Unit to be used as the residence of the Resident Manager of the Building and, in such event, title to all or any such portion of the Residential Unit, together with its Appurtenant Residential Interests, shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Residential Common Elements.

ARTICLE 19

Covenants Running With the Land

19.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest

therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and such Unit Owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public or any other third party. All present and future owners, tenants, subtenants, licensees, and other occupants of Units shall be subject to the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or sub-lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, subtenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

19.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

19.3 If this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 20

Amendments of Declaration

20.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Unit or any Commercial Unit Owner (a) any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 80% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws; (b) any provision of this Declaration benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be added to, amended, modified or deleted by vote of at least 66.667% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Residential Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected and (c) any provision of this Declaration benefiting, protecting or otherwise affecting only the Commercial Units or Commercial Unit Owners may be added to, amended, modified or deleted by the vote of 100% in number and in Common Interest of the affected Commercial Unit Owners taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to any Commercial Unit shall not be altered without the written consent of all Unit Owners directly affected; and provided further that each Commercial Unit Owner shall have the right to amend the Declaration without the consent of the other Commercial Unit Owner if such amendment does not have a material adverse effect on such other Commercial Unit Owner. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Unit, or any Commercial Unit Owner, (i) (x) the written consent of the Residential Mortgage Representatives, if any, to an amendment, modification, addition or deletion with respect to clause (a) above shall not be required unless such amendment, modification, addition or deletion materially impairs the value of the security interest of one or more Permitted Mortgagees, in which case such written consent shall not be unreasonably withheld or delayed and (y) with respect to clause (a) above, the Commercial Unit Owners may grant to any Permitted Mortgagee the right to consent to any amendment, modification, addition or deletion to this Declaration to the extent of any mortgage which encumbers the Commercial Unit for so long as such mortgage is on record; (ii) the written consent of the Residential Mortgage Representatives, if any, to an amendment, modification, addition or deletion with respect to clause (b) above shall not be required unless such amendment, modification, addition or deletion materially impairs the value of the security interest of one or more Permitted Mortgagees, in which case such written consent shall not be unreasonably withheld or delayed; and (iii) with respect to clause (c) above, the Commercial Unit Owners may

grant to any Permitted Mortgagee the right to consent to any amendment, modification, addition or deletion to this Declaration which affects the Commercial Unit to the extent of any mortgage which encumbers the Commercial Unit for so long as such mortgage is on record. No such amendment, modification, addition or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Unit or any Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by either (1) the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact or (2) the Residential Board as attorney-in-fact for the Residential Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Residential Unit Owners so to act as their attorney-in-fact or (3) the Commercial Board as attorney-in-fact for the Commercial Unit Owners, coupled with an interest, which Commercial Board is hereby authorized by the Commercial Unit Owners so to act as their attorney-in-fact, as the case may be. Subject to the foregoing provisions of this Section 20.1 and the rights of Declarant or its designee, the Commercial Unit Owners and the Commercial Board under Articles 9, 10 and 11 of this Declaration, Articles 8 and 9 of this Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential Mortgage Representatives, as the case may be, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby, or if only a Commercial Unit is affected, 100% in number and in Common Interest of such affected Commercial Unit Owner, or if only Residential Units are affected, 80% in number and in Common Interest of such Residential Unit Owners, approve such amendment, modification, addition or deletion in the manner set forth above.

20.2 If the number of rooms in an Unsold Residential Unit is changed, or the use, size and/or number of Unsold Residential Units is changed (whether as a result of a subdivision or combination of Unsold Residential Units or alteration of boundary walls between Unsold Residential Units, or otherwise) and the appurtenant percentage interests of Units in the Common Elements are reapportioned as a result thereof, all in accordance with Article 10 hereof, and in accordance with applicable Law, then Declarant or its designee causing such changes shall have the right to execute, or (upon its request) to require any other Unit Owner or any Board to execute, and record in the Register's Office and elsewhere, if required by Law, an amendment to this Declaration (together with such other documents as Declarant or its designee causing such changes deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Residential Unit or in the use, size and/or number of Unsold Residential Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests of Units in the Common Elements resulting therefrom, all without the approval of any Board, the Unit Owners or the Residential Mortgage Representatives, if any. In addition, if any Residential Unit Owner other than Declarant or its designee causing such changes is given the right by the Residential Board to make the changes described in this Section 20.2 with respect to such Unit Owner's Residential Unit or Residential Units, all in accordance with Article 10 hereof, then such Residential Unit Owner shall have the right to require the Residential (or Condominium)

Board to execute, and record in the Register's Office and elsewhere, if required by Law, any amendment to this Declaration and other documents which are necessary or appropriate (in the reasonable judgment of the Residential (or Condominium) Board) to reflect the changes made by the Residential Unit Owner, all without the approval of any Board, other Unit Owners or the Residential Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.3 If (a) the number of rooms in any Commercial Unit or the size of any Commercial Unit is changed and the percentage interest in the Common Elements appurtenant to such Commercial Unit belonging to the Owner causing such change is reapportioned among any newly created commercial condominium units resulting from any subdivision of the Commercial Unit, any combining of the Commercial Unit or of any units resulting from a subdivision, any alteration of the boundary walls between commercial condominium units, or otherwise, or (b) a Commercial Common Element is designated as part of a newly created commercial condominium unit or all or part of a Commercial Unit is designated as a newly created Commercial Common Elements, all in accordance with Article 11 hereof the Commercial Board (or the Commercial Unit Owners causing such changes) shall have the right to execute, or (upon request) to require any other Board or Unit Owner to execute, and record in the Register's Office, and elsewhere, if required by Law, an amendment to this Declaration (together with such other documents as (the Commercial Unit Owners or) the Commercial Board deems appropriate to effectuate the same) reflecting (i) such change in the number of rooms in or size of any Commercial Unit, the subdivision of the Commercial Unit into separate commercial condominium units, the combination of the Commercial Unit or of any newly created commercial condominium units resulting from a subdivision, the alteration of boundary walls between commercial condominium units, or otherwise, and the reapportionment of the percentage interests in the Common Elements among such newly created commercial condominium units or (ii) such designation of a Commercial Common Element as part of a newly created commercial condominium unit or such designation of part of a Commercial Unit as a newly created Commercial Common Element, all without the approval of any Board, the Unit Owners or the Residential Mortgage Representatives, if any. Notwithstanding the foregoing, Declarant or its designee shall have the right to make the foregoing changes to any Unsold Commercial Unit without the consent of any Board or Unit Owner. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.4 Amendments, modifications, additions or deletions of or to this Declaration, the By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Units or with the subdivision, combination or alteration of the Commercial Units, or of any newly created commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Units. In connection therewith, the Commercial Board, (or, when permitted, the Commercial Unit Owners) may cause this Declaration, the By-Laws and

the Rules and Regulations to be so amended, modified, added to or deleted from and the resulting provision thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners; provided such amendment does not have an adverse effect on the Residential Section or any Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section or the Residential Unit Owners, the Commercial Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion. Notwithstanding the foregoing, Declarant or its designee shall have the right to make amendments, modifications, additions or deletions of or to this Declaration, the By-Laws and the Rules and Regulations as may be necessary, appropriate or desirable in connection with the operation of any Unsold Commercial Units without the consent of any Board or Unit Owner.

20.5 The provisions of Sections 20.1 and 20.2 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant or its designee, and the provisions of Sections 20.1, 20.3, and 20.4, may not be modified, amended, added to or deleted, in whole or in part without the consent of the Commercial Board.

20.6 Amendments, modifications, additions or deletions of or to this Declaration are subject in all respects to Section 13.2 of the By-Laws which is incorporated by reference herein.

20.7 Notwithstanding any provision contained herein to the contrary, any amendment to this Declaration of a material adverse nature to Permitted Mortgagees of Residential Units (except for Permitted Mortgagees of any Unsold Residential Unit) shall require the written consent of at least 51%, in number and in Common Interest, of such affected Permitted Mortgagees. Such consent shall be deemed granted if the affected Permitted Mortgagee fails to respond to any written proposal for an amendment to this Declaration within sixty (60) days from receipt of the notice of the proposed amendment; provided that notice of such amendment is delivered to the Permitted Mortgagee by certified or registered mail, return receipt requested.

20.8 As long as the Declarant or any Declarant-designee shall continue to own at least one (1) Unit, the Board of Managers may not, without the Declarant's or Declarant-designee's prior written consent, (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Declarant or its designees, or (ii) interfere with: the offer, sale or leasing of Unsold Units at the Property; the operations of general or sales or leasing offices at the Property; or actions necessary for renovation, repair or correction at the Property, as required by Declarant.

ARTICLE 21

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated after a casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. No such vote shall be effective, however, (a) without the written consent (which consent shall not be unreasonably withheld or delayed) of Permitted Mortgagees which represent at least 51% in number and Common interest of all Units which are encumbered by a Permitted Mortgage, and (b) without the written consent of Declarant, until such time as Declarant and its designees do not hold title to any Unsold Unit. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payments shall be made to a Unit Owner until there has first been paid from out of such Unit Owner's share of such net proceeds all liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 22

Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 23

Captions

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof

ARTICLE 24

Certain References

24.1 A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

24.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

24.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 25

Severability

Subject to the provisions of Sections 19.2 and 19.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law.

ARTICLE 26

Covenant of Further Assurances

26.1 Any party who or which is subject to the terms of this Declaration, whether such party is s Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of any Board or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

26.2 If any Unit Owner (other than Declarant or its designee), any Board or any other Person or party (other than Declarant or its designee) which is subject to the terms of this Declaration fails, within 10 days after request therefor, to execute, acknowledge or

deliver any instrument, or to take any action which such Unit Owner, Board, Person, or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration at the request of any Board, then such Board is hereby authorized as attorney-in-fact for such Unit Owner, Board, Person, or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Board, Person or party and such document or action shall be binding on such Unit Owner, Board, Person or party.

26.3 If any Unit Owner, any Board or any other party which is subject to the terms of this Declaration fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver pursuant to this Declaration at the request of Declarant or its designee, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

26.4 The foregoing provisions of Sections 26.1 and 26.2 (i) shall not apply to the holder of any Permitted Mortgage of any Unit, and (ii) shall not be enforced against, but shall be enforced by, Declarant or its designee.

ARTICLE 27

Successors and Assigns

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee (not including Residential Purchasers of Units pursuant to the Plan), or, with the written consent of Declarant or its designee, any transferee of some or all of the then Unsold Residential Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Commercial Unit Owners, as the case may be, shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

ARTICLE 28

Consents

Whenever the consent, approval, satisfaction or permission of Declarant or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction or permission will not be required when neither Declarant nor any designee of Declarant owns any Unsold Units.

ARTICLE 29

Incorporation by Reference

The terms, covenants, conditions, descriptions and other information contained in (i) the Property Description annexed hereto as Exhibit A; (ii) the Description of the Units annexed hereto as Exhibit B; (iii) the Definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; and (v) the Floor Plans, are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the _____day of _____201_.

Toll First Avenue LLC

By:_____

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ____ day of _____in the year 201_, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

Exhibit A

Description of the Land

Legal Description

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County City, and State of New York, bounded and described as follows:

BEGINNING at a point in the westerly line of First Avenue distant 25'-5" southerly from the corner formed by the intersection of the southerly line of East 53rd Street with the westerly line of First Avenue;

RUNNING THENCE southerly, along the westerly line of First Avenue, 95'-5";

THENCE westerly, parallel with the southerly line of East 53rd Street, 64'-0";

THENCE northerly, parallel with the westerly line of First Avenue, 20'-0";

THENCE westerly, parallel with southerly line of East 53rd Street, 36'-0";

THENCE northerly, parallel with the westerly line of First Avenue, 75'-5";

THENCE easterly, parallel with the southerly line of East 53rd Street, 100'-0" to the point or place of BEGINNING.

Exhibit B

Description of Units

Exhibit B-1

421-a Affordable Units

2HH
2BB
2EE
2LL
2GG
2DD
3HH
3BB
3EE
3LL
3DD
3GG
3AA
4BB
4EE
4DD
4GG
4FF
4AA
5DD
5GG
5FF
5AA

Exhibit C

Definitions

DEFINITIONS

"421-a Affordable Unit"	One of twenty-three (23) Residential Units referenced in Exhibit B-1 to the Declaration which are being offered to qualified Purchasers whose income is no greater than 125% of AMI pursuant to Section 421-a of the New York State Real Property Tax Law and Title 28 Section 6-09 of the Rules of the City of New York (collectively, "421-a Affordable Units").
"421-a Affordable Unit Owner"	Any owner of a 421-a Affordable Unit. All such owners are herein collectively referred to as "421-a Affordable Unit Owners".
"421-a Affordable Unit Purchaser"	Any Person who has entered into a Purchase Agreement with Sponsor to purchase a 421-a Affordable 421-a Unit which has not been terminated or cancelled.
"421-a Rules"	28 RCNY§§6-01 through 6-09.
"AHC":	The New York State Affordable Housing Corporation.
"AHC Note and Mortgage":	That certain burn-off note and mortgage to be recorded against the 421-a Affordable Units by the Unit Owner, as mortgagor, and AHC, as mortgagee.
"Appurtenant Interest"	With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
"Area Median Income" or "AMI"	The area median income for the New York metropolitan statistical area as determined by the United States Department of Housing and Urban

	Development (HUD) under the United States Housing Act of 1937.
"Board of Managers" or "Condominium Board"	The overall board of managers of the Condominium, consisting of representatives of the Residential Board and of the Commercial Board.
"Building"	The structure located at 959 First Avenue, New York, New York.
"Closing"	The consummation of the transfer of fee title to the Unit in question to a Purchaser pursuant to a fully executed Purchase Agreement.
"Closing Date"	The date upon which a Closing occurs.
"Commercial Board"	The board of managers comprised of representatives of the Commercial Unit Owners.
"Commercial Common Charges"	Assessments payable to the Commercial Board by the Commercial Unit Owners for the purpose of meeting (a) Commercial Common Expenses and (b) each Commercial Unit Owner's pro rata share of General Common Expenses.
"Commercial Common Elements"	Those Common Elements which serve or benefit exclusively the Commercial Units and/or the Commercial Unit Owners.
"Commercial Common Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Commercial Common Elements.
"Commercial Common Interest"	The proportionate undivided interest, expressed as a numerical percentage, of the Commercial Common Elements appertaining to the Commercial Unit determined in accordance with the Declaration.
"Commercial Limited Common Elements"	Those Commercial Common Elements which serve or benefit one or more but not all of the Commercial Units and/or the Commercial Unit Owners.

"Commercial Section"	The Commercial Units, the Commercial Common Elements and the Commercial Limited Common Elements.
"Commercial Unit"	A Unit designated as a Commercial Unit in the Declaration, and all such Commercial Units are referred to herein collectively as "Commercial Units".
"Commercial Unit Owner"	Any owner of a Commercial Unit, and all such owners are herein collectively referred to as "Commercial Unit Owners".
"Common Charges"	Each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.
"Common Elements"	All portions of the Property other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements.
"Common Expenses"	The General Common Expenses, the Residential Common Expenses and the Commercial Common Expenses.
"Common Interest"	The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
"Condominium"	A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan, the term "Condominium" specifically refers to The Sutton Condominium.
"Condominium Act"	Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
"Condominium Documents"	The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.

"Declarant"	The Sponsor of this Offering Plan, or its designee. References to Declarant's rights throughout the Offering Plan, including the Declaration, are valid for so long as the Declarant has an ownership interest the Property.
"Declaration" or "Declaration of Condominium"	The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.
"Department of Law"	The New York State Department of Law.
"Eligible Purchaser"	A Purchaser who qualifies for the purchase of a 421-a Affordable Unit pursuant to the 421-a Rules.
"Family Member"	A parent; sibling; child by blood, adoption, or marriage; spouse; grandparent or grandchild.
"Filing Date"	The date that the Plan is accepted for filing by the Department of Law.
"First Unit Closing"	The first Closing of title with a bona fide Purchaser of a Unit.
"Floor Plans"	The floor plans of the Units certified by a registered architect or licensed professional engineer, and filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.
"GBL"	Section 352-e of the New York State General Business Law.
"General Common Charges"	Assessments payable to the Condominium Board by the Residential Board and the Commercial Board for the purpose of meeting General Common Expenses.
"General Common Elements"	The Land and all parts of the Building, including its foundations, support and main roof, other than the Units, the Residential Common Elements, the Residential Limited Common Elements, the

	Commercial Common Elements and the Commercial Limited Common Elements.
"General Common Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements.
"HPD"	The New York City Department of Housing Preservation and Development.
"Insurance Trustee"	A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.
"Land"	All that certain tract, plot, piece and parcel of land situate, lying and being in the City and State of New York, County of New York, as more particularly described in **Exhibit A** to the Declaration.
"Law"	The laws and ordinances of any or all of the Federal, New York State, New York City, New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.
"Lot-Line Window"	Windows on the portion of the Building facing lots 31, 122 & 123 to the west (Residential Units 6-9P, 10-26A, 10-20D, 21-25H, 26M, PH1, PH2, PH3).
"Majority of Unit Owners"	Majority of Unit Owners means either (i) more than fifty per cent in Common Interest in the aggregate, or (ii) more than fifty per cent in number of Units in the aggregate, or (iii) more than fifty per cent in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in

	number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.
"Managing Agent"	A person employed by the Condominium Board pursuant to Article II, Section 3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.
"Market-Rate Unit"	One of ninety-one (91) Residential Units which are being offered at market rate (collectively, Market-Rate Units"). The prices of Market-Rate Units have been established solely by Sponsor and are not subject to the review or approval by the Department of Law or any other governmental agency.
"Market-Rate Unit Owner"	Any owner of a Market-Rate Unit. All such owners are collectively referred to as "Market-Rate Unit Owners".
"Market-Rate Unit Purchaser"	Any Person who has entered into a Purchase Agreement with Sponsor to purchase a Market-Rate Unit which has not been terminated or cancelled.
"Offering Plan"	The document filed with the New York State Department of Law which describes the Condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".
"Operation of the Property"	The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
"Permitted Mortgage"	A mortgage placed on a Unit made to a bank, trust company, insurance company, federal savings and

	loan association, pension fund or other institutional lender, the Sponsor, Sponsor-designee or the Seller of the Unit.
"Permitted Mortgagee"	The holder of a Permitted Mortgage or a guarantor of record.
"Purchase Agreement"	The agreement to purchase a Unit pursuant to this Offering Plan.
"Person"	A natural person, corporation, partnership, association, limited liability company, trustee or other legal entity.
"Power of Attorney"	The document, signed by Unit Owners, which appoints: (i) the Board of Managers, as attorney-in-fact, to acquire, on behalf of all Unit Owners, any Unit which the Unit Owner thereof wishes to sell or abandon, together with the Appurtenant Interests thereto, and to deal with any such Units so acquired as they may determine; and (ii) the Sponsor, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium, or any of said documents, under certain conditions set forth in the Power of Attorney.
"Primary Residence":	A 421-a Affordable Unit Owner's residence in the Unit for 183 days or more in the preceding calendar year, unless such Unit Owner proves, by providing documentation, that his or her residence in the Unit for less than 183 days was caused by (i) active service in the Armed Forces of the United States; (ii) a serious/long-term disability requiring hospitalization or rehabilitation; (iii) involuntarily institutionalization; or (iv) the Unit Owner began occupancy during the preceding calendar year.
"Property"	Means and includes the Land, the Building and all other improvements thereon, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in

	connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.
"Purchaser"	Any Person who has entered into an agreement with Sponsor to purchase any Unit which agreement has not been terminated or cancelled.
"Recording officer" and "Recording" or "Recorded"	Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.
"Register's Office"	The City Register of the City of New York.
"Residential Board"	The board of managers representing the Residential Unit Owners.
"Residential Common Charges"	Assessments payable to the Residential Board by the Residential Unit Owners for the purpose of meeting (a) Residential Common Expenses and (b) each Residential Unit Owner's pro rata share of General Common Expenses.
"Residential Common Elements"	Those Common Elements which serve or benefit exclusively the Residential Units and/or the Residential Unit Owners.
"Residential Common Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Residential Common Elements and/or the Residential Limited Common Elements (to the extent that such expenses are not the obligation of the Residential Unit Owners owning the Residential Units to which the Residential Limited Common Elements are appurtenant) or in connection with any services or facilities exclusively benefiting the Residential Section or the Residential Unit Owners.
"Residential Common Interest"	The proportionate undivided interest, expressed as a numerical percentage, of the Residential Common Elements appertaining to each Residential Unit determined in accordance with the Declaration. The Residential Common Interest is the basis of determining a Unit Owner's liability for a share of the Residential Common Expenses.

"Residential Limited Common Elements"	Those Residential Common Elements which serve or benefit one or more but not all of the Residential Units and/or the Residential Unit Owners.
"Residential Section"	The Residential Units, the Residential Common Elements and the Residential Limited Common Elements.
"Residential Unit"	Any Unit designated as a Residential Unit in the Declaration. All such Residential Units, are, collectively, referred to as the "Residential Units". The Market-Rate Units and the 421-a Affordable Units are all Residential Units.
"Residential Unit Owner"	Any owner of a Residential Unit, and all such owners are collectively referred to as "Residential Unit Owners".
"Rules and Regulations"	The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
"Special Assessment"	The charge allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, except as otherwise provided in the Declaration or in the By-Laws.
"Sponsor"	The promoter of a project and/or an offering plan to convert a particular parcel of property to cooperative or condominium ownership. Toll First Avenue LLC is the Sponsor of this Offering Plan.
"Sponsor-designee"	Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the

	right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".
"Storage Unit"	Any Unit designated as a Storage Unit in the Declaration. All such Storage Units, are, collectively, referred to as the "Storage Units."
"Storage Unit Owner"	Any owner of a Storage Unit, and all such owners are collectively referred to as "Storage Unit Owners."
"Unit"	Any space in the Building designated as a Unit, and all such Units are collectively referred to as the "Units".
"Unit Owner"	The Person or Persons owning a Unit in fee simple absolute, and all such unit Owners are collectively referred to as the "Unit Owners."
"Unit Deed"	The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.
"Unit Designation"	The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans.
"Unsold 421-a Affordable Units"	Any 421-a Affordable Unit owned by Sponsor or its designee at the time in question.
"Unsold Commercial Unit"	Any Commercial Unit owned by Sponsor or its designee at the time in question.
"Unsold Residential Unit"	Any Residential Unit owned by Sponsor or its designee at the time in question.
"Unsold Units"	Any Unit owned by Sponsor or its designee at the time in question.

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Exhibit D

By-Laws

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BY-LAWS OF THE SUTTON CONDOMINIUM

ARTICLE 1

GENERAL

1.1 Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of The Sutton Condominium (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately 8,822 square feet of land (the "Land") which forms a part of Block 1345 on the Tax Map of the Borough of Manhattan, County, City, and State of New York, the building and other improvements now or hereafter to be constructed thereon or therein, as the case may be (hereinafter collectively called the "Building"), including, without limitation, the Units and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the New York County Office of the Register of The City of New York ("City Register's Office"), together with these By-Laws. All terms used herein including, but not limited to, "Declarant or its designee" and "Declarant or a designee of Declarant," which are not separately defined herein, shall have the meanings given to those terms in the Declaration.

1.2 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and other occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration as they may be amended from time to time, are accepted and ratified.

1.3 Principal Office of Condominium. The principal office of the Condominium shall be located within the Property or at such other place within the Borough of Manhattan reasonably convenient thereto, as may be designated from time to time by the Condominium Board (as hereinafter defined).

ARTICLE 2

BOARD OF MANAGERS

2.1 Number, Term and Qualification.

2.1.1 As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"). From and after the first annual meetings of Unit Owners as provided in Section 3.1, the Condominium Board shall consist of a Residential Board of five (5) persons elected or designated by the Residential Unit Owners, subject to Declarant's Subsection 3.9.3 rights, and a Commercial Board of two (2) persons elected or designated by the Commercial Unit Owners. The Condominium Board, the Residential Board and the Commercial Board are herein sometimes referred to collectively as the "Boards" and individually as a "Board."

2.1.2 Each member of the Residential Board and the Commercial Board, except for the first Boards as provided in Section 2.4 and except as otherwise provided herein, shall be elected at the separate annual meetings of Residential Unit Owners and the Commercial Unit Owners and shall serve until the next annual meeting thereof and until successors have been elected and qualified. There shall be no limit on the number of successive terms a Board member may serve.

2.1.3 Except for Board members elected or designated by Declarant or its designee (a) all members of the Residential Board shall be either Residential Unit Owners or officers, directors, shareholders, partners, principals, members, trustees, employees or beneficiaries of corporations, partnerships, limited liability companies fiduciaries or any other entities which own Residential Units, or Permitted Mortgagees or family members of any of the foregoing, and (b) all members of the Commercial Board shall be either a Commercial Unit Owner or officers, directors, members, managers, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries or any other entities which may own a Commercial Unit or a managing agent for such Commercial Unit Owner or an employee thereof, Permitted Mortgagees of the Commercial Unit, lessees of the Commercial Unit or portions thereof, or family members of any of the foregoing. Other than Board members elected or designated by Declarant or its designee no Board member shall continue to serve after such member ceases to be qualified as set forth above. As used herein the term "Permitted Mortgagee" means the holder of any "Permitted Mortgage" of a Unit or Units which is permitted to be placed thereon pursuant to these By-Laws.

2.2 Powers and Duties

2.2.1 The Boards shall collectively have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by Law, the Declaration or these By-Laws may not be delegated to the Boards by the Unit Owners). All determinations, however, which (a) affect only the Residential Section and do not adversely affect the Commercial Section or the use of the Commercial Section for its permitted purposes, shall be made by the Residential Board or (b) affect only the Commercial Section and do not adversely affect the Residential Section or the use of Residential Units for their permitted purposes, shall be made by the Commercial Board. All other determinations with respect to the administration of the affairs of the Condominium including, without limitation, determinations which (i) relate to the Residential Section and adversely affect the Commercial Section, or (ii) relate to the Commercial Section and adversely affect the Residential Section, or (iii) relate to or affect the General Common Elements, shall be made by the Condominium Board. Any dispute between the Residential Board and the Commercial Board with respect to whether the Residential Board or the Commercial Board shall be entitled to make any determination shall be settled by Arbitration (as hereinafter defined); provided, however, that no such dispute with respect to whether the determination of one adversely affects the other shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the other party within 10 business days of receipt by it of notice of such determination. In addition, any dispute between the Residential Board and the Commercial Board with respect to whether any matter is entitled to be determined by the Condominium Board shall be settled by Arbitration, which Arbitration shall be determined on the basis of what is in the best interests of the Condominium. As used herein the term "Arbitration" means arbitration conducted in accordance with the provisions of Article 11 and the term "adversely affect" shall mean the uses prohibited by Section 6.16.

2.2.2 Subject to the provisions of Subsection 2.2.1, and without limiting the generality thereof, the Boards shall each have all powers and duties expressly set forth elsewhere in the Declaration and By-Laws and shall be entitled to make such determinations and take such actions and incur such liabilities as may be required to effectuate each Board's obligations under the Declaration and By-Laws.

2.2.2.1 The Condominium Board shall be entitled to make determinations with respect to the following matters:

2.2.2.1(a) Operating, caring for, keeping up, maintaining, repairing and replacing of the General Common Elements, including contracts for utilities, services and supplies;

2.2.2.1(b) Determining the amount of General Common Charges (as hereinafter defined) and the amount of Special Assessments for all Units;

2.2.2.1(c) Employing and dismissing personnel necessary for the maintenance and operation of the General Common Elements;

2.2.2.1(d) Adopting, amending or adding to, the rules and regulations of the Condominium;

2.2.2.1(e) Making additions and improvements to, or alterations of, the General Common Elements;

2.2.2.1(f) Making repairs and restorations of the General Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings;

2.2.2.1(g) Enforcing obligations of Unit Owners, the Commercial Board and the Residential Board;

2.2.2.1(h) Levying fines against Unit Owners, the Commercial Board or the Residential Board for violations of the rules and regulations of the Condominium adopted by the Board (any such fines shall constitute General Common Charges payable by the Unit Owner or Board against which they are levied);

2.2.2.1(i) Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor;

2.2.2.1(j) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves both the Residential Section and the Commercial Section or the General Common Elements, as set forth in 6.2;

2.2.2.1(k) Borrowing money on behalf of the Condominium, when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the General Common Elements; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of $150,000 in any one fiscal year (regardless of the balance of any 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 interest in the Common Elements without the consent of the owner of such Unit. If any sum borrowed by the Condominium Board pursuant to the authority contained in this subparagraph 2.2.2.1(k) is not repaid by said Board, a Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit;

2.2.2.1(l) Bringing actions on behalf of the Unit Owners, as their interests may appear, with respect to any cause of action relating to the General Common Elements, as the Condominium Board deems advisable;

2.2.2.1(m) Organizing corporations or limited liability companies to act as designees of the Condominium Board with respect to such matters as such Board may determine;

2.2.2.1(n) Executing, acknowledging and delivering of (i) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Condominium Board deems necessary or appropriate;

2.2.2.1(o) Preparing, executing and recording, 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;

2.2.2.1(p) Obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Section 6.2; and

2.2.2.1(q) Leasing or purchasing an apartment for use as the residence of the building superintendent, either in the Building or elsewhere (in compliance with applicable Law and regulation) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment.

2.2.2.2 The Residential Board shall be entitled to make determinations with respect to the following matters:

2.2.2.2(a) Operating, caring for, keeping up, maintaining, repairing and replacing the Residential Section, including contracts for utilities, services and supplies;

2.2.2.2(b) Determining the amount of Residential Common Charges (as hereinafter defined), subject to the determination of the Condominium Board with respect to General Common Charges, and the amount of Special Assessments for all Residential Units;

2.2.2.2(c) Collecting Residential Common Charges from Residential Unit Owners;

2.2.2.2(d) Employing and dismissing personnel necessary for the maintenance and operation of the Residential Section, including the building superintendent;

2.2.2.2(e) Adopting, amending or adding to the Residential Rules and Regulations (as provided in Schedule A hereof);

2.2.2.2(f) Subject to Section 8.2. of the By-Laws, purchasing, leasing and otherwise acquiring in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners, Residential Units offered for sale or lease or surrendered by their owners to the Residential Board;

2.2.2.2(g) Purchasing Residential Units or Commercial Unit at foreclosure or other similar sales, in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners;

2.2.2.2(h) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) Residential Units acquired by, and subleasing Residential Units leased by, the Residential Board or its designee, on behalf of all Residential Unit Owners;

2.2.2.2(i) Making additions and improvements to, or alterations of, the Residential Common Elements and the Residential Limited Common Elements;

2.2.2.2(j) Making repairs to and restorations of the Residential Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings;

2.2.2.2(k) Enforcing obligations of Residential Unit Owners and the Boards;

2.2.2.2(l) Levying fines against Residential Unit Owners for violations of the Residential Rules and Regulations (any such fines shall constitute Residential Common Charges payable by the Residential Unit Owner against whom they are levied);

2.2.2.2(m) Maintaining bank accounts on behalf of the Residential Section (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor;

2.2.2.2(n) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Residential Section as set forth in Section 6.2;

2.2.2.2(o) Borrowing money on behalf of the Residential Section when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the Residential Section or otherwise in connection with any permitted action or activity of the Residential Board; provided, however, that (i) except as provided in Section 8.6 of the By-Laws, the consent of at least 66-2/3% in Common Interest of all Residential Unit Owners shall be required for any borrowings in excess of the aggregate amount of $150,000 (including the pro rata share of the Residential Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(k)) in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit, and (iii) the Commercial Unit Owners will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Residential Board pursuant to the authority contained in this subparagraph 2.2.2.2(o) is not repaid by said Board, a Residential Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all Residential Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or any lien which said creditor has filed or has the right to file against such Residential Unit Owner's Unit;

2.2.2.2(p) Bringing actions on behalf of the Residential Unit Owners, as their interests may appear, with respect to any cause of action relating to the Residential Section, as the Residential Board deems advisable;

2.2.2.2(q) Organizing corporations or limited liability companies to act as designees of the Residential Board with respect to such matters as such Board may determine, including, without limitation, in connection with the acquisition of title to or the leasing or subleasing of Residential Units by the Residential Board on behalf of Residential Unit Owners;

2.2.2.2(r) Executing, acknowledging and delivering (i) any declaration or other instrument affecting only the Residential Section which the Residential Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of

the Residential Section, or (ii) any consent, covenant, restriction, easement or declaration affecting only the Residential Section and which the Residential Board deems necessary or appropriate;

2.2.2.2(s) Executing, acknowledging and delivering any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Residential Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings;

2.2.2.2(t) Operating, maintaining and supervising of all Residential Common Elements and Residential Limited Common Elements;

2.2.2.2(u) Purchasing or leasing, in the name of the Residential Board, space for the storage of personal property of Residential Unit Owners, and in connection therewith the promulgation of conditions, rules and regulations for the operation and supervision thereof;

2.2.2.2(v) Imposition of move-in fees and charges, and transfer fees in connection with the sale or lease of a Residential Unit, provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant or its designees; and

2.2.2.2(w) Leasing or purchasing an apartment for use as the residence of the building superintendent, either in the Building or elsewhere (in compliance with applicable Law and regulation) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment.

2.2.2.3 The Commercial Board shall be entitled to make determinations with respect to the following matters:

2.2.2.3(a) Operating, caring for, keeping up, maintaining, repairing and replacing the Commercial Section, including contracts for utilities, services and supplies;

2.2.2.3(b) Determining the amount of Commercial Common Charges, subject to the determination of the Condominium Board with respect to General Common Charges, and the amount of Special Assessments for the Commercial Unit;

2.2.2.3(c) Collecting Commercial Common Charges from Commercial Unit Owners;

2.2.2.3(d) Employing and dismissing personnel necessary for the maintenance and operation of the Commercial Section;

2.2.2.3(e) Adopting, amending and adding to, the rules and regulations of the Commercial Section;

2.2.2.3(f) Selling, leasing, mortgaging and otherwise dealing with all or any portion of the Commercial Section. This 2.2.2.3(f) is not intended, except to the extent provided elsewhere to the contrary, to interfere with the ability of Commercial Unit Owners to sell, lease, mortgage, subdivide or combine portions of their individual Units;

2.2.2.3(g) Making additions and improvements to or alterations of the Commercial Common Elements;

2.2.2.3(h) Making repairs to and restorations of the Commercial Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings;

2.2.2.3(i) Enforcing obligations of the Commercial Unit Owners and the Boards;

2.2.2.3(j) Opening and maintaining bank accounts with respect to the Commercial Section and designating the signatories required therefor;

2.2.2.3(k) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Commercial Section as set forth in Section 6.2;

2.2.2.3(l) Borrowing money on behalf of the Commercial Section when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the Commercial Section or otherwise in connection with any permitted action or activity of the Commercial Board; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Commercial Unit Owners shall be required for any borrowings in excess of the aggregate amount of $75,000 (including the pro rata share of the Commercial Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(l)), in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit, and (iii) the Residential Unit Owners will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Commercial Board pursuant to the authority contained in this subparagraph 2.2.2.3(l) is not repaid by said Board, a Commercial Unit Owner who pays to the creditor such proportion thereof as such Unit

Owner's interest in the Common Elements bears to the interest of all Commercial Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or any lien which said creditor has filed or has the right to file against such Commercial Unit Owner's Unit;

2.2.2.3(m) Bringing actions on behalf of the Commercial Unit Owners, as their interests may appear, with respect to any cause of action relating to the Commercial Section, as the Commercial Board deems advisable;

2.2.2.3(n) Organizing corporations or limited liability companies to act as designees of the Commercial Section with respect to such matters as the Commercial Board may determine;

2.2.2.3(o) Executing, acknowledging and delivering (i) any declaration or other instrument affecting only the Commercial Section which the Commercial Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Commercial Section, and (ii) any consent, covenant, restriction, easement or declaration affecting only the Commercial Section which the Commercial Board deems necessary or appropriate

2.2.2.3(p) Purchasing, leasing and otherwise acquiring in the name of the Commercial Board or its designee, on behalf of all Commercial Unit Owners, the Commercial Unit or portions thereof offered for sale or lease or surrendered by their owners to the Commercial Board;

2.2.2.3(q) Purchasing the Commercial Unit or portions thereof at foreclosure or other similar sales, in the name of the Commercial Board or its designee, on behalf of all Commercial Unit Owners;

2.2.2.3(r) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) the Commercial Unit or portions thereof acquired by, and subleasing the Commercial Unit or portions thereof leased by, the Commercial Board or its designee, on behalf of all Commercial Unit Owners; and

2.2.2.3(s) Operating, maintaining and supervising of all Commercial Common Elements.

2.2.3 Any act with respect to a matter determinable by any Board and deemed necessary or desirable by such Board in connection therewith shall be done or performed

by such Board or shall be done on its behalf and at its direction by the agents, employees or designees of such Board.

2.2.4 For convenience of operation of the Condominium, any Board may designate another Board to act as its agent with respect to any matters the determination of which is entitled to be made by such designating party and in connection with such designation may execute, acknowledge and deliver any application, instrument or document, including, without limitation, any power of attorney or indemnification from liability that such designated party may require or request.

2.2.5 Any action required or permitted to be taken pursuant to the provisions of these By-Laws or the Declaration by either the Residential Board or the Commercial Board (including, without limitation, the billing and collection of Common Charges and Special Assessments, and the enforcement of any obligations of any Unit Owner) may be taken by either the Residential Board or the Commercial Board in the name of the Condominium Board which shall, upon request, execute, acknowledge and deliver any and all instruments, documents or applications in connection therewith; provided, however, that the party desiring to take such action shall, subject to the provisions of Section 2.15, indemnify and hold harmless the other and, in the case of action taken by the Commercial Board, the Commercial Board shall also indemnify and hold harmless the Residential Unit Owners from any expense or liability thereof or therefrom.

2.2.6 As long as the Declarant or any Declarant-designee shall continue to own at least one (1) Unit, the Board of Managers may not, without the Declarant's or Declarant-designee's prior written consent, (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Declarant or its designees, or (ii) interfere with: the offer, sale or leasing of Units at the Property; the operations of general or sales or leasing offices at the Property; or actions necessary for renovation, repair or correction at the Property, as required by Declarant.

2.2.7 Notwithstanding any other provision of the Declaration or of these By-Laws, the Commercial Unit Owner, if there is, or is deemed to be, only one Commercial Unit, is designated by the Commercial Board to perform all of the duties, and is empowered with the powers otherwise granted herein to the Commercial Board, and in such matters shall act for and on behalf of itself and the Commercial Board in the same manner and with the same authority as the Commercial Board and, if required, in the name and stead of the Commercial Board, in connection with the operation of the Condominium. In so acting, the Commercial Unit Owner, if there is, or is deemed to be, only one Commercial Unit, and all Persons acting for and on behalf of the Commercial Unit Owner in such capacities shall be indemnified to the same extent as the Commercial Board and its members and officers are otherwise indemnified hereunder or otherwise, without limitation of any indemnification of such Commercial Unit Owner as an Owner.

2.3 Managing Agents and Managers. With respect to matters the determinations concerning which any Board is entitled to make, such Board may employ a managing agent and/or a manager at a compensation established by such Board to perform such duties and services as such Board shall authorize. Each Board may delegate to such

managing agent or manager other powers granted to such Board by these By-Laws, except the powers set forth in Subsections 2.2.2.1(b), (e), (g), (h), (m), (n), (o) and (p); 2.2.2.2(b), (e), (f), (o), (p), (q) and (r); 2.2.2.3 (b), (e), (f), (1), (m) and (n). Subject to the limitations set forth in this Section 2.3, the Commercial Board, the Condominium Board and the Residential Board may by mutual agreement employ one managing agent and/or manager to jointly act on their respective behalves and the costs of which shall be a General Common Expense, provided, however, that notwithstanding anything to the contrary contained herein, any decision with respect to whether or not to so employ one managing agent or manager shall not be the subject of Arbitration.

2.4 First Boards. The Condominium Board shall initially consist of two (2) persons designated by Declarant to initially comprise the Residential Board and one (1) person designated by Declarant to initially comprise the Commercial Board. The various Board members shall be deemed to have been "elected" as members of such Boards for the purposes of these By-Laws. Within 365 days after the date of the First Unit Closing the Residential and Commercial Boards will call for the first annual meetings of Residential Unit Owners and Commercial Unit Owners for the purpose of electing new Boards in accordance with the provisions of Section 3.1. The terms of each such member of the Residential Board and the Commercial Board shall expire annually.

2.5 Resignation and Removal. Any Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board from which such member is resigning. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Subject to the provisions of Subsection 3.9.3, any Residential Board or Commercial Board member may be removed, with or without cause, by a majority vote of Residential Unit Owners or Commercial Unit Owners, as the case may be, present in person or by proxy at a regular or special meeting of Residential Unit Owners or Commercial Unit Owners, as the case may be, at which a quorum is present. Any Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Residential or Commercial Board members designated by Declarant or its designee may only be removed for gross negligence, willful misconduct or fraud by a majority vote of Residential Unit Owners or Commercial Unit Owners, as the case may be, present in person or by proxy at a regular or special meeting of Residential Unit Owners or Commercial Unit Owners, as the case may be, at which a quorum is present, and replaced as described in Section 2.6. In addition, any member of either Board who is designated as such by Declarant or its designee, may be removed by such designating party at any time, with or without such cause, and the party making such removal shall have the right to designate the replacement for such member.

2.6 Vacancies. Subject to the provisions of Section 3.9.3, any vacancy on the Residential Board or Commercial Board for whatever reason shall be filled by the members of the Residential or Commercial Board then in office, at a special meeting of such Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the respective Board until the next annual meeting

of the Residential Unit Owners or Commercial Unit Owners, as the case may be, when a successor shall be elected for the remainder of the term of the member creating such vacancy. Notwithstanding anything to the contrary contained in these By-Laws, in the case of a vacancy on any Board, created by the resignation, removal or any other cause which results in any Board member designated by Declarant or its designee, ceasing to be a member of any such Board, Declarant or its designee, as the case may be, shall have the sole right to designate a replacement for such member.

2.7 Organizational Meetings of the Residential and Commercial Boards. The first meetings of the Residential Board and the Commercial Board following each annual meeting of each of the Residential Unit Owners and Commercial Unit Owners shall be held immediately following each such annual meeting.

2.8 Regular Meetings of Boards. Regular meetings of the Residential Board and Commercial Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof, provided that in the case of the Residential Board, at least four such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member thereof, by personal delivery, mail, facsimile or email, at least five business days prior to the day named for such meeting.

2.9 Special Meetings of Boards. Special meetings of the Residential Board and the Commercial Board may be called by the respective President or Vice President of the Residential Board or Commercial Board by giving five business days' prior notice to each member of such Board by personal delivery, mail, facsimile or e-mail, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Residential Board or of the Commercial Board shall be called in like manner and on like notice on the written request of at least two members of the Residential Board or one member of the Commercial Board, respectively.

2.10 Resolutions of Boards. The Residential Board and the Commercial Board shall each cause to be promptly delivered to the other copies of all resolutions adopted by it except to the extent (a) of matters privileged under applicable Law, (b) relating to the terms of the sale, leasing or subleasing of any Unit or portion of any Unit, other than the nature of the use thereof, and (c) relating to matters not related to the Property.

2.11 Meetings of Condominium Board. No organizational or regular meetings of the Condominium Board shall be held unless otherwise required by applicable Law in which event such required meetings shall be held at such time and place in the Borough of Manhattan as shall be determined by the Condominium Board, provided that notice thereof be given to Board members by personal delivery, mail, facsimile or e-mail at least five business days prior to the day named for such meeting. Special meetings of the Condominium Board may be called by the President of the Residential Board or the President of the Commercial Board by giving five business days' prior notice to each member of such Board by personal delivery, mail or telegram, which notice shall state the time, place (which shall be in the Borough of Manhattan) and purpose of the meeting.

2.12 Waiver of Notice. Any Board member may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of a Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of a Board, no notice shall be required and any business may be transacted at such meeting.

2.13 Determinations by Boards; Quorums.

2.13.1 Except as otherwise set forth in Subsection 2.13.4, all determinations by any Board shall be made at a meeting of such Board at which a quorum thereof is present. At any Commercial, Condominium, or Residential Board meeting, a majority of the members thereof shall constitute a quorum, and the votes of a majority of such members present shall constitute the decision of such Board.

2.13.2 When the Residential Board and the Commercial Board, with 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 Condominium Board, such determination shall constitute the determination of the Condominium Board. No meeting of the Condominium Board as such shall be necessary for any determination by it to be made. However, in the event any meeting of the Condominium Board is held, a majority of the members of the Condominium Board shall constitute a quorum for the transaction of business and a majority of the votes cast at any meeting at which a quorum is present shall constitute the decision of such Board.

2.13.3 If at any Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.13.4 Members of any Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of any Board may be taken without a meeting if all members of such Board consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of such Board.

2.14 Compensation. No member of any Board shall receive any compensation for acting as such.

2.15 Liability of Boards and Unit Owners.

2.15.1 To the extent permitted by applicable Law, no member of any Board shall have any personal liability with respect to any contract, act or omission of any Board or of any managing agent or manager in connection with the affairs or operation of the

Condominium, the Commercial Section, or the Residential Section or any Limited Common Element (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by any Board or by any managing agent or manager thereof shall state that it is made by such Board, managing agent or manager only as agent for all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, as the case may be, that such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium or the Residential or Commercial Section, as the case may be, or any Limited Common Element shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, as the case may be, and, unless expressly stated to the contrary in such contract (as determined by the relevant Board in its sole and absolute discretion), to the extent permitted by applicable Law, shall be limited to such Unit Owner's interest in such Unit Owner's Unit and such Unit Owner's appurtenant Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract or agreement may also provide that it covers the assets, if any, of the Board on whose behalf the contract or agreement is made. Board members shall have no liability to Unit Owners except that a Board member shall be liable to such Unit Owner for such Board Member's own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member and each Residential or Commercial Board member, as the case may be, against any liability or claim except those arising out of such member's own bad faith or willful misconduct. Any Board may contract or effect any transaction with any Board member, any Unit Owner, Declarant, Declarant's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.15.2 No Board or any member thereof shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, such Board or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of such Board or any member thereof or (ii) any injury, loss or damage to any individual or property, occurring in or about either a Unit or any General or Limited Common Element.

2.16 Fidelity Bonds. Each Board shall obtain or ensure maintenance of fidelity bonds or insurance, in amounts deemed appropriate by it, for all of its members, officers and employees and for the managing agent or manager, if any, employed by it and the premiums on such bonds or insurance shall constitute General Common Expenses, Commercial Common Expenses, or Residential Common Expenses, as the case may be.

2.17 Committees. Each Board may, subject to such limitations and exceptions as such Board may prescribe, appoint an Executive Committee and such other committees as such

Board may deem appropriate, each to consist of as many members as such Board shall deem appropriate for the purpose of making such reports and studies as each such Board deems appropriate. Any Executive Committee of the Condominium Board shall be required to consist of at least one member of the Residential Board and one member of the Commercial Board. For so long as Declarant is entitled to designate members to any Board, any committee appointed by any such Board shall have as at least one of its members a member appointed by Declarant.

2.18 Principal Offices of Boards. The principal offices of the Boards shall each be located within the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by such Boards.

2.19 Status of Boards. In addition to the status conferred upon each of the Boards under or pursuant to the provisions of the Condominium Act, each of the Boards shall, to the extent permitted by applicable Law, be deemed to constitute a separate association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of any of the Boards pursuant to the provisions of 2.20, the provisions of this Section 2.19 shall no longer be applicable to such Board.

2.20 Incorporation of Boards. To the extent and in the manner provided in the Condominium Act, each of the Boards may by action of such Board as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that any Board so incorporates, it shall have, to the extent permitted by applicable Law, the status conferred upon it under such statutes in addition to the status conferred upon such Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions hereof and the provisions of such certificate of incorporation and by-laws.

2.21 Boards as Agents of Unit Owners. In exercising their respective powers and performing their respective duties under the Declaration and these By-Laws, each Board shall act in good faith as, and shall be, the agent of the Unit Owners such Board represents, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3

UNIT OWNERS

3.1 Annual Meetings. The first annual meeting of Commercial Unit Owners shall be called for a date which is no more than 365 days after the First Unit Closing. Such meeting shall be held not less than 10 days nor more than 40 days after such date. At such meeting,

the incumbent Commercial Board shall resign and the Commercial Unit Owners shall elect or designate the Commercial Board's two (2) members in accordance with Section 2.1 and as otherwise provided in these By-Laws. Thereafter, annual meetings of Commercial Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At each such annual meeting, the incumbent Commercial Board members shall resign and new Board members shall be elected or designated in accordance with Section 2.1 and as otherwise provided in these By-Laws. Within 10 days following each annual meeting, the Commercial Board shall elect or designate in accordance with Section 2.1 and these By-Laws two representatives to the Condominium Board. On a date which is no more than 365 days after the First Unit Closing, the Residential Board will also call the first annual meeting of the Residential Unit Owners. Such meetings shall be held not less than 10 days nor more than 40 days after such date. At such meeting, the incumbent Residential Board shall resign and the Residential Unit Owners shall elect (in accordance with the provisions of Section 2.1 and as otherwise provided in these By-Laws) a Residential Board consisting of five (5) members. Thereafter, annual meetings of Residential Unit Owners shall be held within approximately thirty (30) days of each anniversary of the first annual meeting. At such meetings, the incumbent Board members shall resign and the members of the Residential Board shall be elected and there shall also be transacted such other business as may properly come before such meetings. The members of the Residential Board shall also serve as members of the Condominium Board. No joint annual meeting of Residential Unit Owners and the Commercial Unit Owners shall be required to be held unless otherwise required by Law, in which event each such joint annual meeting shall be held on the date above specified for the annual meeting of Residential Unit Owners.

3.2 Place of Meetings. Meetings of all or any Unit Owners, Residential Unit Owners or Commercial Unit Owners, as the case may be, shall be held at the principal office of the Condominium or the Residential or Commercial Section, respectively, or, at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the appropriate Board.

3.3 Special Meetings. The President of the Residential or Commercial Board shall call a special meeting of respective Unit Owners, if so directed by resolution of the respective Board or upon a petition signed and presented to the Secretary of the respective Section by Unit Owners holding in the aggregate not less than 25% in Common Interest of all Unit Owners in such Section. The President and the Vice President of the Condominium shall call a special joint meeting of all Unit Owners if so directed by resolution of the Condominium Board or upon a petition signed and presented to the Secretary of the Condominium by Unit Owners holding in the aggregate not less than 25% in Common Interest of Residential Unit Owners or 100% in Common Interest of Commercial Unit Owners.

3.4 Notice of Meetings and Actions Taken. Notice of each annual or special meeting shall be given by the appropriate Secretary to all Unit Owners of record entitled to vote thereat. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the

notice. All notices hereunder shall be given by personal delivery, mail or telegram, at least ten (10) but no more than thirty (30) business days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address at the Property or elsewhere as any Unit Owner has designated by notice in writing to the appropriate Secretary at least ten (10) days prior to the giving of notice of the applicable meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least thirty (30) days prior to the day fixed for such meeting, and such notice shall be accompanied by a copy of the text of such proposed amendment.

3.5 Adjournment of Meetings. If any joint or separate meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

3.6 Order of Business. The order of business at all joint or separate meetings of Unit Owners shall be as follows:

(a) Call to order;

(b) Roll call;

(c) Proof of notice of meeting;

(d) Reading of minutes of preceding meeting;

(e) Reports of officers;

(f) Reports of members of the Board;

(g) Reports of committees;

(h) Election of inspectors of election (when so required);

(i) Election of members of the Board (when so required);

(j) Unfinished business;

(k) New business; and

(l) Adjournment.

3.7 Title to Units. Title to Units may be taken by any individual, corporation, partnership, association, limited liability company, trust or other entity, or any two or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

3.8 Voting.

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on such Unit Owner's behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Residential Unit Owners or Commercial Unit Owners and at all joint meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the appropriate Board and shall be revocable at any time by written notice to such Secretary by the Unit Owner so designating; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. No Board or its designee shall be entitled to vote the interest appurtenant to any Unit owned by such Board and the Common Interest of such Unit shall be excluded from the total Common Interests when computing the interest of Unit Owners for voting purposes.

3.8.2 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or such Unit Owner's proxy) entitled to vote thereat (including Declarant with respect to Units owned by Declarant or its designee) shall be entitled to cast one vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to such Unit Owner's Unit.

3.8.3 Whenever a particular percentage of Common Interest must be reached for voting purposes and such required percentage is in terms of the Residential Unit Owners, as a group, or the Commercial Unit Owners as a group (as opposed to all Unit Owners as a whole), such required percentage shall mean a percentage in terms of total Common Interests attributable to that particular group and not the percentage of Common Interests attributable to all Unit Owners.

3.9 Election of Board Members; Rights of Declarant.

3.9.1 All elections of Board members shall be determined by plurality vote.

3.9.2 When voting for members of the Residential or Commercial Board, respectively, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interests owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Each Unit Owner shall be entitled to cast the number of votes determined in accordance with Subsection 3.8.2 for each member to be elected by the Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9.3 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Residential Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Residential Units owned by it until Declarant has closed title to all of the Unsold Residential Units owned by it so that none of them remain Unsold Units. Declarant shall hold a majority of seats on the Residential Board until the later to occur of

(i) five (5) years from the date of the First Unit Closing or (ii) the date upon Declarant shall own Unsold Residential Units having a percent Common Interest in the Residential Section in the aggregate of ten (10%) percent or less (the "Declarant Control Period"). Notwithstanding the foregoing, Declarant may, at its discretion, relinquish voting control of the Residential Board prior to the end of the Declarant Control Period. In addition, even after the later of (i) and (ii), above, for so long as Declarant owns Unsold Residential Units having a percentage of Common Interest in the Residential Section in the aggregate of at least five (5%) percent, (a) Declarant shall have the right to designate two (2) members of the Residential Board, or one less than a majority of the Residential Board, as the case may be, and (b) for so long as Declarant owns at least one (1) of the Unsold Residential Units, Declarant shall have the right to designate one (1) member of the Residential Board. For so long as Declarant owns at least one (1) of the Unsold Residential Units, the number of members of the Residential Board may not be increased without the consent of Declarant.

3.9.4 Notwithstanding the provisions of Section 3.9.3 of these Bylaws, Declarant, as a controlling member of the Board, may exercise veto power over decisions with respect to Common Expenses, other than Common Expenses required to (i) to comply with applicable laws or regulations; (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer, for a period ending not more than the earlier of five (5) years after the First Unit Closing or whenever Unsold Units constitute less than twenty-five percent (25%) of the Common Interest.

3.9.5 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Commercial Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Commercial Units owned by it until Declarant has closed title to both of the Unsold Commercial Units owned by it so that none of them remain Unsold Units. In addition, Declarant shall hold both seats on the Commercial Board until Declarant no longer owns any Unsold Commercial Units. Notwithstanding the foregoing, Declarant may, at its discretion, relinquish voting control of the Commercial Board prior the transfer of title to both Commercial Units.

3.10 Majority of Unit Owners. Except as may otherwise be provided by Law, as used in these By-Laws, the terms "Majority of Residential Unit Owners", "Majority of Commercial Unit Owners" and "Majority of Unit Owners" means either those Residential Unit Owners, Commercial Unit Owners, or Unit Owners, as the case may be, having more than 50% of the total authorized votes of either Residential Unit Owners, Commercial Unit Owners, or all Unit Owners, as the case may be, determined in accordance with the provisions of Section 3.8, who are present in person or by proxy and voting at any meeting at which a quorum is present.

3.11 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of (a) Residential Unit Owners owning more than 50% of the Common Interests attributable to all Residential Units shall constitute a quorum at all meetings of Residential Unit Owners, (b) Commercial Unit Owners owning more than 50% of the Common Interests attributable to all Commercial Unit Owners shall constitute a quorum at all meetings of Commercial Unit Owners, and (c) Unit Owners owning more than 50% of

the Common Interests attributable to all Units shall constitute a quorum at all joint meetings of Unit Owners, except that the Commercial Board shall have the absolute right to require an adjournment of such joint meetings for not longer than 30 days unless an emergency exists.

3.12 Majority Vote. Except where otherwise provided by Law, the Declaration or these By-Laws, (a) at all separate meetings of Residential Unit Owners, the affirmative vote of a Majority of Residential Unit Owners shall be binding upon all Residential Unit Owners for all purposes, (b) at all separate meetings of Commercial Unit Owners, the affirmative vote of a Majority of Commercial Unit Owners shall be binding upon all Commercial Unit Owners for all purposes, and (c) at all joint meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

3.13 Determination of Unit Owners. When the Residential Unit Owners and Commercial Unit Owners, with each acting separately in accordance with the provisions of 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. No joint meeting of Residential Unit Owners and the Commercial Unit Owners shall be necessary for any such determination to be made by all Unit Owners.

ARTICLE 4

OFFICERS

4.1 Designation. The principal officers of the Condominium shall be (a) for the Residential Section, a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the Residential Board, (b) for the Commercial Section, a President and Secretary/Treasurer thereof, both of whom shall be elected by the Commercial Board, and (c) for the entire Condominium, (i) a President thereof, who shall be the same person serving as President of the Residential Section, (ii) a Vice President and Treasurer thereof, who shall be the same person serving as President of the Commercial Section, and (iii) a Secretary thereof, who shall be the same person serving as Secretary of the Residential Section. The Condominium Board, Commercial Board and the Residential Board may each appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. Any officer or director of the Residential Section may also be an officer or director of the Commercial Section and any officer or director of the Commercial Section may also be an officer or director of the Residential Section. None of the officers of the Residential Board, the Commercial Board or the Condominium Board need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Residential Board after the first annual meeting of Residential Unit Owners. Thereafter, the President and Vice President of the Residential Board must be members of the Residential Board.

4.2 Election of Officers. The officers of the Residential Board and the Commercial Board shall be elected annually by the members of the Residential Board and the Commercial Board, respectively, at the organizational meetings thereof, except that the initial officers of the Residential Board and the Commercial Board shall be elected, respectively, by the initial Residential Board members and the initial Commercial Board members and shall hold office at the pleasure of such Boards and until their successors are elected.

4.3 Resignation and Removal of Officers. Any officer may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board which elected such officer. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board electing him, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

4.4 Presidents. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all joint meetings of Unit Owners and at all meetings of the Condominium Board. The President of the Residential Section shall be the chief executive officer thereof and shall preside at all meetings of the Residential Board and Residential Unit Owners. The President of the Commercial Section shall be the chief executive officer thereof and shall preside at all meetings of the Commercial Board and the Commercial Unit Owners. Each of said Presidents shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners or Residential Unit Owners or Commercial Unit Owners from time to time as the President decides is appropriate to assist in the conduct of the affairs of the entire Condominium or of the Residential or Commercial Section, as the case may be.

4.5 Vice Presidents. Each of the Vice Presidents shall take the place of the President under whom such Vice President serves and perform the duties of the President whenever such President shall be absent or unable to act. If both the President and the Vice President of the Residential Section, the Commercial Section, or the Condominium are unable to act, the Board under whom such President and Vice President serves shall appoint some member of such Board to act in the place of such President and Vice President on an interim basis. Each Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board or by the President under whom such Vice President serves.

4.6 Secretaries. The Secretary of the Condominium shall keep the minutes of all joint meetings of Unit Owners and of the Condominium Board. The Secretary of the Residential Section shall keep the minutes of the meetings of the Residential Board and Residential Unit Owners. The Secretary of the Commercial Section shall keep the minutes of the meetings of the Commercial Board and the Commercial Unit Owners. Each of the Secretaries shall have charge of such books and papers as the Board under which such

Secretary serves shall direct and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 Treasurers. Each of the Treasurers shall have the care and custody of the funds and securities of the Condominium, the Commercial or the Residential Section, as the case may be, and shall be responsible for keeping full and accurate financial records and books of account thereof showing all receipts and disbursements necessary for the preparation of all required financial data. Each of the Treasurers shall be responsible for the deposit of all funds and other securities in the name of the Board for which such Treasurer serves (or in the name of the managing agent appointed by such Board) in such depositories as may from time to time be designated by such Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.8 Execution of Documents. Unless otherwise delegated by the Board, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium or of the Residential or Commercial Section shall be executed by any officer thereof or by such other person or persons as may be designated by the applicable Board. However, any Board can, by resolution, determine that an expenditure in excess of a specified amount by said Board must be countersigned by two members of said Board.

4.9 Compensation of Officers. Except as otherwise provided by the Board for which such officer serves, no officer shall receive any compensation for acting as such.

ARTICLE 5

NOTICES

5.1 Notices. All notices required or desired to be given hereunder to any Board shall be personally delivered or sent by registered or certified mail to the office of such Board or to such other address as such Board may designate from time to time, by notice in writing to the other Board and if there is a managing agent of such Board, a duplicate shall be sent in like manner to such managing agent. All notices to any Residential Unit Owner or Commercial Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail to the Property address of such Residential Unit Owner or Commercial Unit Owner or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Condominium Board and the Commercial or Residential Board. All notices to Permitted Mortgagees shall be personally delivered or sent by certified or registered mail to their respective addresses, as designated by them from time to time, in writing to the Condominium Board, Commercial Board and the Residential Board. All notices shall be deemed to have been given when personally delivered or mailed in a postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

5.2 Waiver of Service of Notice. Whenever notice is required to be given by Law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6

OPERATION OF THE PROPERTY

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 Except as otherwise provided herein, all costs and expenses attributable to the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements ("General Common Expenses") shall be determined by the Condominium Board as set forth below, and shall be borne by the Unit Owners. General Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be General Common Expenses. General Common Expenses shall also include such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the General Common Elements. The Condominium Board shall from time to time and at least annually prepare a budget to meet General Common Expenses and shall allocate and assess to the Residential Unit Owners and the Commercial Unit Owners, pro rata in accordance with the aggregate respective Common Interests of the Residential Unit Owners and Commercial Unit Owners (except as otherwise provided in the Declaration or these By-Laws, or to the extent a different method of allocation is described in Schedule B, Projected Budget for First Year of Condominium Operation ("Schedule B"), as set forth in the Plan, a copy of which is attached hereto and made a part hereof as **Exhibit E**) ("General Common Charges") to meet General Common Expenses. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General Common Expenses in accordance with submetering, contract allocations, and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable Law. Notwithstanding anything to the contrary set forth above, the Condominium Board may not modify its method of allocations and assessments or increase the services or number of building employees servicing the Commercial Unit in such a manner as would increase the Common Charges otherwise payable by the Commercial Unit Owners, without the consent of the Commercial Unit Owners. To the extent practicable, the Condominium Board shall allocate costs based upon metered or submetered usage.

6.1.2 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 Residential Common Elements or the Residential Limited Common Elements ("Residential Common Expenses") shall be determined exclusively by the Residential Board and shall be borne solely by the Residential Unit Owners in proportion to their respective Common Interests, except as otherwise provided in the

Declaration or in these By-Laws. Notwithstanding anything to the contrary in this Subsection 6.1.2, if a Residential Common Element or Residential Limited Common Element benefits only certain Residential Unit Owners, then the costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element or Residential Limited Common Element in the proportion that the Common Interest of each benefiting Residential Unit Owner bears to the Common Interest of all benefiting Residential Unit Owners, except as otherwise provided in the Declaration or in these By-Laws. In addition, except as otherwise provided in these By-Laws, such Residential Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Residential Common Element or Residential Limited Common Element at their sole cost and expense. Residential Common Expenses shall include, without limitation, such amounts as the Residential Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Residential Common Elements or the Residential Limited Common Elements and the rental or purchase of an apartment to be used as the residence of the Building resident manager and all costs and expenses associated therewith. Residential Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Residential Common Expenses. The Residential Board 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 respective Residential Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Residential Common Charges") to meet (a) Residential Common Expenses and (b) the Residential Unit Owners' pro rata share of General Common Charges (except as otherwise provided in the Declaration or these By-Laws). From time to time the Residential Board may increase or decrease the amount of Residential Common Charges payable for a fiscal year or any portion thereof to meet a revised estimate or determination of Residential Common Expenses for such fiscal year or any portion thereof. During the Condominium's initial two fiscal years but not thereafter, the Residential Board's authority shall include the right to base the amount of Residential Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Residential Common Charges payable by Residential Unit Owners for any period to reflect actual operating costs for such period. In addition to basing charges on Common Interests, the Residential Board may also make allocations and assessments of Residential Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of Law. The Residential Board 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 annual budget to all Residential Unit Owners and Permitted Mortgagees thereof. In the event that the annual receipts collected from Unit Owners during the first year of Condominium operation commencing on the date of First Unit Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of $100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium

Board in proportion to each Unit's percentage of Common Interest (except as otherwise provided in the Declaration or in these By-Laws). Rebates, if any, attributable to Units purchased from Declarant during the first year of condominium operation will be distributed by the Condominium Board to Declarant and the Residential Unit Owner(s) in proportion to the amount of time Declarant and each Residential Unit Owner owned such Unit.

6.1.3 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, Commercial Common Elements ("Commercial Common Expenses") shall be determined by the Commercial Board and shall be borne solely by the Commercial Unit Owners. Notwithstanding anything to the contrary in this Section 6.1.3, if a Commercial Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Common Element or Limited Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Common Element at their sole cost and expense. Commercial Common Expenses shall also include such amounts as the Commercial Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Commercial Common Elements, and such amounts, determined by the Commercial Board as may be required for the purchase, lease or sublease by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, of any portion of a Commercial Unit whose owner has elected to sell, lease, transfer or convey such portion of the Unit or which is to be sold at a foreclosure or other sale. Commercial Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Commercial Common Expenses. The Commercial Board shall from time to time and at least annually prepare a budget to meet Commercial Common Expenses and shall allocate and assess to the Commercial Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Commercial Common Charges") to meet (a) Commercial Common Expenses, and (b) the Commercial Unit Owners' pro rata share of General Common Charges. Such budgets shall include such amounts for reserves as the Commercial Board deems appropriate. In addition to basing charges on Common Interests, the Commercial Board may also make allocations and assessments of Commercial Common Expenses in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of Law. The Commercial Board shall advise all Commercial Unit Owners promptly in writing of the amount of Commercial Common Charges payable by each of them and shall furnish copies of each budget on which such Commercial Common Charges are based to all Commercial Unit Owners and Permitted Mortgagees thereof.

6.1.4 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any General Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Condominium Board as agent for and on behalf of the Unit Owners, or forming a part of or included in any Residential or Commercial Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by (i) the Residential Board if a Residential Common Element is involved, as agent for and on behalf of the Residential Unit Owners or (ii) the Commercial Board if a Commercial Common Element is involved, as agent for and on behalf of the Commercial Unit Owners. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.1.5 Common Expenses shall include real estate taxes and other taxes and assessments on the Property until the Units are separately assessed.

6.1.6 Notwithstanding anything to the contrary herein, no part of the net earnings of the Condominium may inure (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Unit Owner or individual.

6.1.7 The Board shall have the right, subject in all respects to the provisions of Section 2.2.7 hereof, to levy Special Assessments to meet Common Expenses. All Special Assessments relative to the Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). Special Assessments may be payable either in one lump sum or in installments, as the Board shall determine; provided, however, that the Board shall give each Unit Owner not less than thirty (30) days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges.

6.1.8 In accordance with Section 339-m of the Real Property Law and these By-Laws, the Board of Managers shall have the right to impose Common Charges based on factors other than a Unit's percentage of Common Interest, as required.

6.2 Insurance.

6.2.1 The Condominium Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) fire insurance with all risk extended

coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the entire Building, together with all service machinery contained therein and covering the interests of the Condominium, each of the Boards and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings), said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b)rent insurance in an amount equal to Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all Boards and all officers, directors, managing agents and employees of the Condominium, the Residential Section, and the Commercial Section; (i) directors and officers liability insurance; and (j) such other insurance as the Condominium Board may determine. For so long as the Unsold Residential Units and Commercial Unit are owned by Declarant, the Condominium Board shall also maintain war risk insurance, to the extent obtainable from the United States of America or any agency thereof at reasonable rates, flood insurance and insurance against loss or damages from leakage of sprinkler systems, steam boilers, air conditioning equipment, pressure vessels or similar apparatus or such other insurance as may be required by any Permitted Mortgagee holding a mortgage on the Unsold Units. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a General Common Expense and shall be borne by the Residential Unit Owners and the Commercial Unit Owners in such proportions between them, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or other such parties designated by the Condominium Board). If any such insurance carrier, agent, broker or other party fails to make such determination and the Residential Board and the Commercial Board fail to agree on a determination or if either disagrees with any such determination made by such insurance carrier, agent, broker or other party or if there is any other dispute under this Subsection 6.2.1, the matter shall be determined by Arbitration.

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by (a) the Residential Board if the loss involves only the Residential Section, (b) the Commercial Board if the loss involves only the Commercial Section, (c) the Condominium Board if the loss involves both the Residential Section and the Commercial Section, or the General Common Elements. Insurance proceeds with respect to any loss shall be payable to the Board entitled to adjust such loss, as aforesaid, except that the proceeds of all policies of physical damage insurance, if in excess of $1,000,000, shall be payable to a New York City bank or trust company designated by the Condominium Board as Insurance Trustee (as hereinafter defined) pursuant to the provisions of Section 12.5. Any dispute between or among the Boards under this Subsection 6.2.2 shall be determined by Arbitration.

6.2.3 All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees. The Condominium Board shall provide copies of insurance certificates to any Permitted Mortgagee upon request. Further, all Permitted Mortgagees shall be notified in writing within ten (10) days of the lapse of any insurance policy maintained by the Board of Managers.

6.2.4 The Condominium Board shall also be required to obtain and maintain, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as such Board may from time to time determine, covering (i) each Board, the managing agent or agents thereof, each Board member, and each officer and employee of the Condominium and Residential and Commercial Section, (ii) the Commercial Unit Owners, and its managing agent or agents, (iii) Declarant and its members and the officers of its members, and (iv) Residential Unit Owner, except that such policy will not cover liability of a Residential Unit Owner arising from occurrences within such Residential Unit Owner's own Unit or within the Limited Common Elements, if any, appurtenant to such Residential Unit Owner's Unit. The Condominium Board shall review such limits once each year. The insurance required in accordance with this Subsection 6.2.4 shall also cover cross-liability claims of one insured against another.

6.2.5 Any insurance maintained by the Condominium Board may provide for such deductible amounts as such Board determines.

6.2.6 The Condominium Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum combined single limits of liability of $500,000 for bodily injury or death arising out of any one occurrence including $500,000 for damage to property and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the apartment or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. To the extent either party is

insured for loss or damage to property, each party will look to their own insurance policies for recovery.

6.3 Repair or Reconstruction after Fire or Other Casualty.

6.3.1 In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty (unless 75% or more of the Building is destroyed or substantially damaged and 75% of all Unit Owners, as well as Permitted Mortgagees which represent at least 51% of the Units encumbered by a Permitted Mortgage, in number and Common Interest, affirmatively resolve not to proceed with repair or restoration), the Residential Board with respect to any damage to or destruction of the Residential Section, the Commercial Board with respect to any damage to or destruction of the Commercial Section, and the Condominium Board with respect to any damage to or destruction of the General Common Elements, will arrange for the prompt repair and restoration thereof and the applicable Board or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. If only the Commercial Section (including the Commercial Common Elements) is destroyed or damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owners, in proportion to their respective Common Interests, will bear the entire amount of the deficit as a Commercial Common Expense, or shall receive all of the surplus, as the case may be. Similarly, if only the Residential Section (including the Residential Units, Residential Common Elements and/or the Residential Limited Common Elements) is damaged or destroyed by fire or other casualty and the insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be borne as a Residential Common Expense or profit, respectively, and shared entirely by all Residential Unit Owners in proportion to their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). If said damage or destruction by fire or other casualty affects the Commercial Section, the Residential Section and the General Common Elements, or any combination of two thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Residential Section, Commercial Section and General Common Elements, as the case may be, bears to the total cost of repairing all damage or destruction. However, the Commercial Board shall still have the right to make all arrangements for the prompt repair and restoration of the Commercial Unit to the extent they are affected by such damage or destruction (except as otherwise provided in the Declaration or in these By-Laws). If said damage or destruction, however, affects only the General Common Elements, then any deficit or surplus in insurance proceeds shall be borne as a General Common Expense or profit, respectively, as provided in 6.1.1 or shared by all Unit Owners in proportion to their Common Interests. Any surplus payable to any Unit Owner pursuant to this Subsection 6.3.1 shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order or priority of such liens.

6.3.2 Unless the Unit Owners and Permitted Mortgagees have elected not to restore the Building as provided in Subsection 6.3.3., damage or destruction to a Unit or a Limited Common Element as a result of fire or other casualty shall be promptly repaired and reconstructed by the Owner of the affected Unit(s) where such repair or reconstruction does not involve the Common Elements for which the repair or reconstruction is the obligation of the Condominium Board, the Residential Board or the Commercial Board as provided in Subsection 6.3.1. If a Unit Owner fails to repair or reconstruct such Unit Owner's Unit, the Board of Managers may cause the Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be a charged to the defaulting Unit Owner as a Special Assessment.

6.3.3 If 75% or more of the Building is destroyed or substantially damaged and if 75% of all Unit Owners, as well as Permitted Mortgagees which represent at least 51%, in number and Common Interest of Units encumbered by a Permitted Mortgage, affirmatively resolve not to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws); provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds, such amounts as may be necessary to discharge or reduce all unpaid liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. As used in this Section 6.3, the words "promptly repaired and reconstructed" mean resolve as promptly as practical under the circumstances but in any event, not more than 60 days from the date of such damage or destruction.

6.3.4 Any dispute between or among any Boards arising under this Section 6.3 shall be determined by Arbitration.

6.3.5 In the event that a material portion of the Building or a Unit which secures a Permitted Mortgage is damaged or destroyed by fire or other casualty, the Board shall send notice to such affected Permitted Mortgagee (if the Board has been given the name and address of such Permitted Mortgagee) within thirty (30) days from the day that such damage or destruction occurred.

6.4 Payment of Common Charges.

6.4.1 The Residential Unit Owners and the Commercial Unit Owners shall be obligated to pay to the Condominium Board the General Common Charges assessed to them by the Condominium Board pursuant to the provisions of Section 6.1 at such time or times as the Condominium Board determines. All Residential Unit Owners and Commercial Unit Owners shall be obligated to pay Residential or Commercial Common Charges, as the case may be, assessed by the Residential and Commercial Boards pursuant to the provisions of Section 6 at such time or times as such Boards determine. The Boards may jointly determine to cause the Condominium Board to act as their respective agent to collect Residential Common Charges and Commercial Common Charges as applicable.

Unless otherwise determined by the Board to which they are payable, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a sale or other conveyance by him (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages and the statutory lien for unpaid Common Charges which have become due and payable, and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit, convey for no consideration such Unit together with its appurtenant Common Interests, to the Residential or Commercial Board or the Condominium Board or their designees, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Residential or Commercial Common Charges or General Common Charges, as the case may be, thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except that, to the extent permitted by Law, a Permitted Mortgagee who purchases a Unit at a foreclosure sale of a Permitted Mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of more than six (6) months of unpaid Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by Law, the Residential Board, on behalf of all Residential Unit Owners, shall have a lien on each Residential Unit for unpaid Residential Common Charges, together with interest thereon, assessed against such Unit. Except to the extent prohibited by Law, the Commercial Board, on behalf of all Commercial Unit Owners, shall have a lien on each Commercial Unit for unpaid Commercial Common Charges, together with interest thereon, assessed against such Unit. In addition, except to the extent prohibited by Law, the Condominium Board, on behalf of all Unit Owners, shall have a lien for General Common Charges unpaid to it by (i) the Residential Unit Owners, together with interest thereon, on all Residential Units, in proportion to their respective Common Interests, and (ii) the Commercial Unit Owners, together with interest thereon, on the Commercial Unit, in proportion to their respective Common Interests.

6.4.3 All liens provided for in Subsection 6.4.2, to the extent permitted by applicable Law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.4.4 Notwithstanding Subsection 6.4.2, neither the seller nor the purchaser of a Residential Unit shall be liable for, nor shall the Residential Unit be conveyed subject to a lien for, any unpaid Common Charges against such Residential Unit accrued prior to such conveyance in excess of the amount set forth in a written statement from the Residential Board.

6.4.5 In the event that prior to the Units being separately assessed for real estate tax purposes, a Board pays real estate taxes on behalf of a Unit Owner, the amount of such real estate taxes shall be deemed to be Common Charges, and such Board shall have a lien (as provided in Subsection 6.4.2) for any such accrued and unpaid amounts.

6.5 Collection of Common Charges. Each Board shall take prompt action to collect any Common Charges due to such Board which remain unpaid for more than thirty days after the due date for payment thereof. In the event that any Board fails to take such action, another Board in its own name, or, if necessary, in the name of the Board to which such charges are due, may take any action for the collection of such charges which the Board to which such charges are due may have taken, including, without limitation, the institution of such actions and the recovery of interest and expenses as provided in this Article 6.

6.6 Default in Payment of Common Charges. In the event that a Unit Owner is delinquent in the payment of Common Charges, or any other assessment or charges levied by the Board for sixty (60) days or more, the Board shall promptly notify the Unit Owner's Permitted Mortgagee of such delinquency in writing. In the event any Unit Owner fails to make payment of Common Charges when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of $150.00 or one (1%) percent of such amounts which remain unpaid for more than ten days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by Law) on such unpaid amounts computed from the due date, thereof, together with all costs and expenses, including, without limitation, attorneys' fees paid or incurred by any Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by Law. All such "late charges", interest, costs and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, each Board may establish its own alternate fees or interest rate for late payments, whether such fees or interest rate are more or less than the charges set forth herein.

6.7 Foreclosure of Liens for Unpaid Common Charges. In any action brought by any Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner of such Unit shall be required to pay a reasonable rental for the use and occupancy of such Unit Owner's Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Board, acting on behalf of all Unit Owners represented by such Board, shall have the power to purchase any such foreclosed Unit, and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit or portion thereof (but not to vote the votes appurtenant to such Unit or portion thereof). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations,

such Unit Owner shall remain liable for the deficit. Notwithstanding anything to the contrary set forth above, the Condominium Board, the Residential Board and the Commercial Board, at the request of Declarant or a Commercial Unit Owner, will enter into a non-disturbance agreement with any tenant with which Declarant or a Commercial Unit Owner has entered into a lease for any of the Commercial Unit. Under the terms of the non-disturbance agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Boards will agree that so long as there is no event of default under said lease, as would entitle the Declarant, the Commercial Unit Owners or any successor landlord under the lease to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Board's lien on a Commercial Unit for Common Charges or any other sums of any sort, and the Boards shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Commercial Unit in question be interfered with, nor shall the leasehold estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Boards, or, in case any Board takes possession of the Commercial Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that if any Board or any other party succeeds to the interests of the Declarant or Commercial Unit Owner under the lease the tenant will agree to be bound to such Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to such Board or party as its landlord.

6.8 Statement of Common Charges. Each Board shall promptly provide the other Boards and any Unit Owner who so requests, with a written statement of all unpaid Common Charges due to it from Unit Owners.

6.9 Maintenance and Repairs.

6.9.1 Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, (a) in or to any Unit (excluding Common Elements included therein except as otherwise provided in these By-Laws) shall be made by the owner of such Unit at such Unit Owner's sole cost and expense, and shall conform to standards established by the Board of Managers, (b) in or to the General Common Elements shall be made by the Condominium Board and, except as otherwise provided herein, the cost and expense thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense, (c) in or to the Residential Common Elements or the Residential Limited Common Elements shall be made by the Residential Board and, except as otherwise provided herein, the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense, (d) in or to the Commercial Common Elements shall be made by the Commercial Board and, except as otherwise provided herein, the cost and expense thereof shall be charged to all Commercial Unit Owners as a Commercial Common Expense.

6.9.1.1 Notwithstanding that operational windows (including frames) located in Residential Units are Residential Common Elements, in the event that

one or more such windows and/or window frames is damaged the Residential Board shall repair or replace such window and/or window frame and the cost of such repair or replacement shall be borne by such Residential Unit Owner. It shall be the responsibility of the Residential Board to ensure that replacement Residential Unit windows contain safety "stops" designed specifically to prevent a child from falling out of the window.

6.9.1.2 In the event that the New York City Building Code in effect requires some or all of the Lot-Line Window openings to be closed, the work to close such window openings shall be performed by the Board and the cost shall be borne by all Residential Unit Owners of the Condominium as a Residential Common Expense. However, any and all work required or desired to be undertaken inside the Unit (such as, but not limited to, drywall installation and repair, painting and woodwork) shall be performed by the Unit Owner at such Unit Owner's sole cost and expense.

6.9.2 Notwithstanding the provisions of Subsection 6.9.1:

6.9.2.1 In the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner or any guest, agent, licensee, tenant or invitee of a Unit Owner, the entire cost thereof shall be borne by such Unit Owner, (b) the Condominium Board, the entire cost thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense, (c) the Commercial Board, the entire cost thereof shall be charged to all Commercial Unit Owners as a Commercial Common Expense, or (d) the Residential Board, the entire cost thereof shall be charged to all Residential Unit Owners as a Residential Common Expense, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

6.9.2.2 The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and no neon or colored lights may emanate therefrom and neither the windows, window frames nor mullions may be modified, altered or replaced without the consent of the Residential Board.

6.9.2.3 Residential Unit Owners with a terrace appurtenant to their Residential Unit shall be responsible for all normal maintenance of such terrace at such Residential Unit Owner's sole cost and expense. The repair and replacement of the exterior surface of such terrace (e.g., pavers) shall be performed by the Residential Board and charged to the Residential Unit Owner. However, any structural or extraordinary repairs (non-recurring repair which requires more than the usual annual expense for ordinary wear) or replacements to such terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Residential Board and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense. Residential Unit Owners with a balcony appurtenant to their Residential

Units shall be responsible for all normal maintenance of such balcony at the Residential Unit Owner's sole cost and expense. Structural and nonstructural repairs and replacements to any balcony shall be made by the Residential Board, at the Residential Board's discretion, and charged to such Residential Unit Owner. The Residential Board may require a Residential Unit Owner to remove plants and other installations placed on terraces or balconies by said Residential Unit Owners if the Residential Board determines, in its reasonable discretion, that such plants and other installations adversely affect the integrity of the terraces or balconies or any part of the Building appurtenant thereto. Further, the Residential Board may direct a Residential Unit Owner to remove all personal items from a terrace or balcony for maintenance, repairs and replacements thereto. The Residential Board may establish such other rules and regulations it deems necessary to protect the Residential Common Elements and the Residential Units and the Condominium Board may establish such rules and regulations as it deems necessary to protect the health and safety of the occupants.

6.9.2.4 The exterior surface of all windows in the Residential Section if so determined by the Residential Board, shall be washed and cleaned by such Board and the cost and expense thereof shall be a Residential Common Expense. Otherwise, the exterior of all windows in the Residential Section shall be washed or cleaned at the cost and expense of the Residential Unit Owner. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Commercial Unit shall be washed and cleaned by the Commercial Unit Owner or occupant thereof at such Commercial Unit Owner's sole cost and expense. No Unit Owner or occupant shall clean or permit to be cleaned any window or require, permit or allow it to be cleaned, from the outside, in violation of Section 202 of the Labor Law of the State of New York, or any future Law of like import, or (if applicable) in violation of the rules of the Board of Standards and Appeals of the City of New York or any other governmental authority having jurisdiction over the Land or the Building. Each Unit Owner shall indemnify the Condominium Board and the other Unit Owners, and their respect agents and employees, for all losses, damages, or fines suffered by any of the them as a result of a violation of the aforesaid, Laws, ordinances, regulations or rules.

6.9.2.5 The exterior of all front doors of Residential Units shall not be painted or decorated other than with the consent of the Residential Board.

6.9.2.6 Any repairs or maintenance work performed with respect to the individual HVAC units in each Residential Unit shall only be performed by a company or individual previously approved by the Residential Board.

6.9.2.7 Except as otherwise provided in Section 9.4 of the Declaration, routine maintenance and repair of the vault space in the Cellar shall be the obligation of the Commercial Unit Owners having the exclusive use thereof. The costs of any structural repairs, including repairs to the foundations or retaining walls adjacent to the vaults and the closing of the vaults, shall be performed by the Condominium Board and the cost therefor shall be a General Common Expense.

6.9.2.8 It shall be the obligation of the Condominium Board to clean the sidewalks surrounding the Building and to remove the snow therefrom, and to maintain, repair and replace the sidewalks per the requirements of applicable Law. The cost of maintaining, repairing and replacing the sidewalks shall be a General Common Expense. Notwithstanding the foregoing, (i) the cost of cleaning the sidewalks adjacent to the Commercial Unit shall be borne by the Commercial Unit Owners as a Commercial Common Expense and (ii) the cost of cleaning the sidewalks adjacent to the entrances to the Residential Section shall be borne by the Residential Unit Owners as a Residential Common Expense.

6.9.3 Each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any terrace, roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, the public areas of the Building and the Common Elements shall be kept in good, clean and neat appearance, m conformity with the dignity and character of the Building, by (a) each Board with respect to such parts of the Building required to be maintained by it, and (b) each Residential Unit Owner with respect to the windows and shades, Venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Unit Owner's Unit. Nothing contained herein shall be deemed to limit, in any way, the Commercial Unit Owners with respect to window treatments or entranceways into such Units or the use of windows and shades, Venetian or other blinds, drapes, curtains or other window decorations in their respective Commercial Unit.

6.9.4 Notwithstanding anything to the contrary set forth in this Declaration or the By-Laws, the Condominium Board shall not, without the consent of the Declarant and the Commercial Unit Owners, decrease the level of services available to the Commercial Unit as of the date of the filing of the Declaration, including, but not limited to, heat and cooling which shall be made available to the Commercial Unit 365 days a year (or 366 in a leap year), 24 hours a day.

6.9.5 In the event of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building or other persons, or required to avoid the suspension of any necessary service in the Building) (i) affecting the Residential Section, Commercial Section employees will assist Residential Section employees, and (ii) affecting the Commercial Section, Residential Section employees will assist Commercial Section employees and the costs thereof shall be appropriately allocated to the Section receiving the benefit of such assistance.

6.10 Violations of Maintenance Obligations.

6.10.1 In the event that any Residential Unit Owner fails to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Article 6 or of any Limited Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Residential Board may, but shall not be obligated to, perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Residential Unit Owner, within thirty (30) days after receiving notice of such default from the Residential Board (or sooner, and without the need to give notice, in the case of emergency), 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 by the Residential Board, together with 10% for overhead and interest thereon at the rate of 2% per month from the date on which such Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Residential Unit Owner to such Board and shall, for all purposes hereunder, constitute Common Charges payable by such Residential Unit Owner.

6.10.2 In the event that any Commercial Unit Owner fails or neglects in any way to perform any obligation with respect to the maintenance, repair or replacement of such Unit Owner's portion of the Commercial Unit, the Commercial Board may, but shall not be obligated to, perform or cause to be performed any such painting, decorating, maintenance, repair or replacement provided that (a) the Commercial Board gives the Commercial Unit Owner written notice that such repair or replacement is necessary (except in the case of an emergency, in which case no notice shall be required) and that the Commercial Board will complete such repair or replacement in the event the Commercial Unit Owner does not promptly act or complete the repair or replacement, and (b) the Commercial Unit Owner, within thirty (30) days after receiving such notice, fails to cure its default, or in the case of a default not reasonably susceptible to cure within such period, fails to commence and to thereafter prosecute 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 by the Commercial Board, together with 10% for overhead, interest thereon at the rate of 2% per month from the date on which the Commercial Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by Law) shall be payable by such Commercial Unit Owner to the Commercial Board and shall, for all purposes hereunder, constitute Commercial Common Charges payable by such Commercial Unit Owner. The Commercial Board shall have the right, in the event that the Commercial Unit Owner disputes the amount of such payment or whether the Commercial Unit Owner is obligated to pay the same, to submit such dispute to Arbitration. The Commercial Unit Owner shall pay the cost of such repair or replacement only after a determination by Arbitration (or by a court) to the effect that (i) the repair or replacement was required to be performed by the Commercial Unit Owner, (ii) the Commercial Unit Owner failed to perform such repair or replacement, and (iii) the cost of such repair or replacement by the Commercial Board was

reasonable. Any repair or replacement performed by the Commercial Board in accordance with the terms of this Subsection 6.10.2 shall be its sole responsibility with respect to the quality of such repair or replacement and the proper completion thereof. The Commercial Board shall indemnify the Commercial Unit Owner and hold it harmless from and against any claims, costs, expenses or liabilities whatsoever, including reasonable counsel fees, in any way incurred by the Commercial Unit Owner, in connection with the manner of completion of such painting, decorating, maintenance, repair or replacement by the Commercial Board of any defect described herein (but not for the existence of the condition requiring such repair or replacement).

6.11 Alterations, Additions, Improvements and Repairs of Units.

6.11.1 No Residential Unit Owner shall make any structural, addition, improvement or repair in or to such Residential Unit Owner's Residential Unit without the prior written approval of the Residential Board which shall not be unreasonably withheld or delayed. No Commercial Unit Owner shall make any structural alteration, addition, improvement or repair in or to such Unit Owner's Unit without the prior written approval of the Commercial Board, which shall not be unreasonably withheld or delayed. Such Boards shall have the obligation to answer any written request by their respective Unit Owners for approval of a proposed structural alteration, addition, improvement or repair in or to such Unit Owner's Unit within 45 days after such request is received, and the failure to do so within the stipulated time shall constitute such Board's consent to the proposed alteration, addition, improvement or repair. Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, each Board may exercise the right to reasonably approve the Unit Owner's contractors and suppliers, and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to such Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. A Board may impose fees upon a Unit Owner to reimburse the Board for its costs incurred in reviewing or supervising the aforesaid work. Notwithstanding anything to the contrary contained in this Subsection 6.11.1, neither Declarant or its designee nor a Permitted Mortgagee of Declarant or its designee or assignee, nor the owner of any Unsold Residential Unit shall be required to obtain the approval of any Board or any Unit Owner for any alteration, addition, improvement or repair, whether structural or non-structural, in or to Unsold Units including without limitation the installation of mezzanines in Unsold Residential Units, to the extent permitted by Law and applicable governmental regulations, or to enter into any alteration agreement with respect thereto. In addition, for so long as Declarant or its designee owns at least one (1) Unsold Unit, any structural alteration, modification, addition or improvement to any Commercial Unit, and any alteration, modification, addition or improvement to the façade and exterior portion of the Commercial Unit, shall require the prior written consent of Declarant or its designee.

6.11.2 All alterations, additions, improvements and repairs by any Board or Unit Owners shall be made in compliance with all Laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to

be made any alteration, addition, improvement or repair shall agree, and shall be deemed to have agreed, to hold each Board and all other Unit Owners harmless from any costs or liability arising therefrom.

6.11.3 Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition, improvement or repair in or to any Unit so approved by the appropriate Board (if such approval is required) shall, if required by Law or such department or authority, be executed by said Board or, if required, by the Condominium Board, provided that no Board shall incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, material man, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom. Notwithstanding anything to the contrary set forth above, Declarant is hereby authorized on behalf of the Boards to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units, Commercial Unit and Common Elements as Declarant is entitled to perform in accordance with the terms of the Declaration and these By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the "Required Documentation") and, the appropriate Board, if requested by Declarant, shall execute the Required Documentation.

6.11.4 In the event that any alterations, additions, improvements or repairs made by any Residential Unit Owner shall materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance or reissuance of a temporary or permanent certificate of occupancy for other Units or the Building, then upon the written request of Declarant, the Condominium Board or any other Board whose Unit Owners are affected, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the Declarant or the Board, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

6.11.5 No Board or Unit Owner shall use or suffer to be used in any part of the Building any labor forces incompatible with the labor forces which are completing any construction of the Building on behalf of Declarant. In addition, the prosecution of the work necessary to obtain an amended or final Certificate of Occupancy for the Building as set forth in the Plan, including the completion of "punch list" work by or on behalf of Declarant, shall take precedence over the prosecution of any other work at the Building.

6.11.6 The Residential Board shall have the authority to establish rules for any alterations, additions, improvements or repairs made by any Residential Unit Owner to such Residential Unit Owner's Residential Unit, except for Unsold Residential Units owned by Declarant, Declarant's designee, or a Permitted Mortgagee of Declarant for its designee or assignee.

6.12 Alterations, Additions, Improvements or Repairs to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, improvements or repairs in or to any General or Limited Common Element shall be made by the Board or Unit Owner(s) required to maintain such General or Limited Common Element and the cost and expense thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense, to all Residential Unit Owners or Commercial Unit Owners as Residential or Commercial Common Expense, or to the Unit Owner(s) responsible therefor, as the case may be. Whenever in the judgment of the Residential Board, the Commercial Board or the Condominium Board, as the case may be, the cost of any alteration, addition, improvement or repair would exceed $200,000 in the aggregate in any calendar year (except if such alteration, addition, improvement or repair is provided for in a duly approved budget), then such proposed alteration, addition, improvement or repair shall not be made unless first approved by a majority of Residential Unit Owners, a majority of Commercial Unit Owners, or a majority of Unit Owners, as the case may be, who shall be required to bear the cost and expense thereof as aforesaid and by the Residential Mortgage Representatives (as hereinafter defined), if any, with respect to alterations, additions, improvements or repairs made by the Residential Board and, with respect to alterations made by the Commercial Board, with the consent of each Permitted Mortgagee holding a mortgage on a Commercial Unit. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions, improvements or repairs costing in the aggregate $200,000 or less in any calendar year may be made as aforesaid without the approval of the Unit Owners or said Mortgage Representatives, or said Permitted Mortgagees. As used in this section 6.12, the term "majority" shall mean more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units.

6.13 Alterations of Certain Common Elements.

6.13.1 In the event that pursuant to any of the provisions of these By-Laws, any consent by any Board, Mortgage Representative or Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (sometimes collectively referred to in this Section 6.13 as an "Alteration"), proposed to be made by Declarant or its designee, Unit Owners or any Board (sometimes collectively referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by such Board, Mortgage Representative or Unit Owner (referred to in this Section 6.13 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Alteration. If the Opposing Party does not give notice of any objection to the Proponent within 30 days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Alteration. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objection(s) of the Opposing Party) within such 30-day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent, as its sole remedy, may make the

proposed Alteration. In no event shall any arbitrator in such Arbitration determine that the Opposing Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Alteration to be paid by it, and (ii) that all costs and expenses for maintaining and repairing such Alteration after its completion will not be charged to Unit Owners represented by the Opposing Party as Common Expenses (b) the proposed Alteration would not materially interfere with the use and enjoyment of the owners, tenants and occupants of those Units represented by the Opposing Party; and (c) the proposed Alteration would not materially adversely affect the structure of the Building or be in violation of the provisions of the Declaration or these By-Laws or with any Laws.

6.13.2 Nothing contained in Subsection 6.13.1 shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as such Proponent believes will meet the objections of the Opposing Party or of any arbitrator, or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Opposing Party's approval.

6.13.3 A Commercial Unit Owner shall be entitled, at its sole cost and expense, to make any alteration, addition, improvement or repair in or to the Commercial Common Elements, or the exterior facade of the Building adjacent to such Unit Owner's Unit at such Unit Owner's cost and expense, with the prior written approval of the Commercial Board, which shall not be unreasonably withheld, and, provided that Declarant or its designee owns at least one (1) Unsold Unit, with the prior written approval of Declarant or its designee.

6.14 Restrictions on Use of Units.

6.14.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, each Residential Unit shall be used only for residential purposes and for any home occupation uses to the extent permitted under applicable zoning Law and ordinances and other applicable governmental Laws and regulations, but in no event for commercial use and not for any use otherwise herein expressly prohibited by the Declaration or these By-Laws.

6.14.1.1 The Residential Board, may, in its discretion, grant permission for the use of a Residential Unit for any other purpose (but not for retail use), provided such use (1) is permitted by Law, (2) does not violate the then existing certificate of occupancy for such Residential Unit, (3) does not adversely affect the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, and (4) complies with all applicable governmental regulations. Such permission by the Residential Board shall be in writing and shall be personal to the Residential Unit Owner to which such permission is given, and may be limited in duration and subject to such terms and conditions as the Residential Board may require. Any successor in title to such Residential Unit shall be required to obtain the prior written approval of the Residential Board before using such Residential Unit for any purpose other than stated in Subsection 6.14.1.

6.14.1.2 No portion of a Residential Unit (other than the entire Unit) may be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this Subsection 6.14.1) may be accommodated therein.

6.14.2 Notwithstanding the provisions of Subsection 6.14.1, Declarant or its designee may, without the permission of the Residential Board, (a) grant permission for the use of any Unsold Residential Unit for any purpose, provided such use is permitted by Law, does not violate the then existing certificate of occupancy for such Residential Unit and the user of such Unit complies with all applicable governmental regulations, (b) use any Unsold Residential Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to the provisions of the Declaration and these By-Laws and in compliance with applicable governmental Laws and regulations, and (c) use, or grant permission for the use of, the Common Elements, during regular business hours, for the purpose of advertising or otherwise promoting (i) the Building (ii) the sale or rental of any Unsold Units which Declarant or its designee owns and (iii) the commercial interests of Toll Brothers Inc., or any of its affiliates or subsidiaries.

6.14.3 No Residential Unit Owner shall use, store, generate, treat, transport, handle or dispose of within its Unit or elsewhere in the Building any Hazardous Substances, other than ordinary cleaning fluids which are used, stored, generated, treated, transported, handled and disposed of by an occupant in strict compliance with applicable Law. No Commercial Unit Owner shall use, store, generate, treat, transport, handle or dispose of within its Unit or elsewhere in the Building any Hazardous Substances, except in strict compliance with applicable Law. "Hazardous Substances" means any pollutants, contaminants, toxic or hazardous substances, materials, wastes, constituents, compounds or chemicals (including, without limitation, petroleum or any by-products or fractions thereof, any form of natural gas, lead, asbestos and asbestos-containing materials, building construction materials and debris, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon and other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, infectious, carcinogenic, mutagenic, or etiologic agents, pesticides, defoliants, explosives, flammables, corrosives and urea formaldehyde foam insulation) that are regulated by, or may now or in the future form the basis of liability under, any Law.

6.14.4 For so long as the Property receives real estate tax benefits pursuant to section 421-a of the Real Property Tax Law ("421-a Benefits"), the minimum term for all occupancy agreements executed by parties other than Declarant or Declarant's designee shall be one (1) year.

6.14.5 For so long as the Property receives 421-a Benefits, whenever any household appliance in any Residential Unit, or any household appliance that provides heat or hot water for any Residential Unit in the Building is installed or replaced, such new household appliance shall be certified as meeting the energy efficiency standards set forth in the Federal Energy Star program. The term "household appliance" shall mean any refrigerator, room air conditioner, dishwasher or clothes washer within a Residential Unit in the Building, and any boiler or furnace that provides heat or hot water in any Residential

Unit in the Building ("Household Appliance"). Notwithstanding the foregoing, the requirements of this Section 6.14.5 shall not apply i) in the event that the installation of an appropriately sized Energy Star certified Household Appliance would necessitate the movement of walls or fixtures to create sufficient space for the installation of such Household Appliance and/or ii) an Energy Star certified boiler or furnace of sufficient capacity is not manufactured. The purpose of this Section 6.14.5 is to comply with Section 11-245.8 of the Administrative Code of the City of New York and Section 6-05(d)(1) of Chapter 6, Title 28 of the Rules of the City of New York.

6.14.6 All leasing of 421-a Affordable Units shall be in accordance with Article 8 of these By-Laws and shall be to exclusively persons with an annual household income of not more than 125% of AMI, as determined by the Residential Board of Managers. The aggregate payments made by any lessee of a 421-a Affordable Unit in any calendar month shall not exceed the combined cost of such 421-a Affordable Unit Owner's bona fide Common Charges, mortgage payments, utility costs and real estate taxes, plus ten percent (10%) of all such costs, as determined by the Residential Board. The foregoing restrictions shall not apply to Declarant or its designee.

6.14.7 Upon the transfer of title of the Commercial Unit by Declarant to a third-party, which transfer results in the Commercial Unit losing its status as an Unsold Unit, the Commercial Unit shall have installed therein a ceiling which is designed for sound attenuation and reduction.

6.14.8 Except for Storage Units Owned by Declarant or its designee, Storage Units shall only be sold by the Storage Unit Owner to a Residential Unit Owner. Storage Units shall only be leased by a Storage Unit Owner to a Residential Unit Owner or to a bona fide lessee of a Residential Unit Owner.

6.14.8.1 No Unit Owner, other than Sponsor, shall own more than two (2) Storage Units at a time without the express written consent of the Residential Board.

6.14.9 As more particularly set forth and described in the By-Laws, except as otherwise expressly provided herein or in the By-Laws, Storage Units may only be used for the personal storage of Residential Unit Owners or a bona fide lessee thereof.

6.15 Use of Common Elements.

6.15.1 Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other parts of the General or Limited Common Elements other than in (a) Residential Limited Common Elements for the exclusive use of a particular Residential Unit Owner or (b) in the areas designated as storage, without the prior consent of the Residential Board as to the Residential Common Elements, the Commercial Board as to Commercial Common Elements or the

Condominium Board as to General Common Elements. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3 Residential Unit Owners shall require their tradesmen to utilize exclusively the elevator designated by the Residential Board, if any, for transporting packages, merchandise or other objects.

6.15.4 In the event that the Condominium Board erects a sidewalk bridge or other scaffolding at the Building, the Condominium Board shall give due regard to the use of the Commercial Unit at the time in question and shall use best efforts to (i) minimize any disruption to the use of and interference with the visibility of such Commercial Unit and (ii) not restrict ingress or egress through the exterior doorways to the Commercial Unit. In furtherance thereof, the Condominium Board agrees to consult with the Commercial Unit Owner prior to the installation of such sidewalk bridge or other scaffolding and to permit the Commercial Unit Owner to install, as a General Common Expense, signs upon the sidewalk bridge and scaffolding. Any sidewalk bridge or other scaffolding installed shall be a "two-story" structure with adequate lighting.

6.15.5 Except pursuant to the terms and provisions of the Declaration and these By-Laws, in no event shall the Condominium Board or Unit Owners impair, restrict or impede the use of the General Common Elements described in the Declaration, by the Commercial Unit Owners or anyone claiming by, through or under the Commercial Unit Owners including, but not limited to, the tenants and occupants of any portion of the Commercial Unit or their respective licensees or invitees.

6.15.6 The owner of any two or more Residential Units, which Units are serviced or benefited by any Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any residential 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 Residential Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such 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 Common Interests shall be made, provided such owner agrees, at its sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner ceases to exercise such exclusive right of use. The owner of any such Units which are Unsold Residential Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board. Notwithstanding the above, if an owner transfers or conveys its Residential 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.

6.16 Other Provisions as to Use.

6.16.1 No nuisance shall be allowed in the Residential Section nor shall any use or practice be allowed in the Residential Section which is a source of annoyance to the 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 nuisance, immoral, improper or offensive use (whether or not unlawful) and no unlawful use shall be allowed in the Residential Section or any portion thereof. All valid Laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property shall be complied with at the full expense of the respective Unit Owners or the Boards, whoever shall have the obligation to maintain or repair such part of the Property. Except as otherwise provided in the Declaration, the Commercial Section may be used for any lawful purpose including, without limitation, department and other retail stores, health clubs, theaters, banks, restaurants, commercial and professional offices; and no sale, lease, sublease or use of all or any portion of the Commercial Section shall be deemed to adversely affect the Residential Section.

6.16.2 The Commercial Units may be used for any lawful purposes, including, without limitation, department and other retail stores and outlets, storage, theaters, banks, restaurants and commercial and professional offices and studios.

6.17 Right of Access.

6.17.1 Each Residential Unit Owner grants a right of access to such Unit Owner's Unit to each of the Boards, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing. The Commercial Unit Owners, upon the same terms and conditions as set forth in Subsection 6.23.1, and the Residential Unit Owners grant a right of access to their respective Units to each of the Boards, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the General or Limited Common Elements or any other part of the Property, or for the purpose of curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in such Unit Owner's Unit and threatening another Unit or all or any part of the General or Limited Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the General or Limited Common Elements within such Unit Owner's Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the General or Limited Common Elements, Unit or any other Unit in the Building or to correct any condition which violates the provisions of any Permitted Mortgage covering another Unit, provided that requests for such entry are made not less than three (3) days in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes. In case of an emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

6.17.2 Each Unit Owner grants a right of access to such Unit Owner's Unit, and the Boards shall grant rights of access to the General Common Elements and the respective Limited Common Elements to Declarant and its contractors, subcontractors, architects, engineers, agents and employees, for the completion of the Building and any punch list work therein, provided that access thereto shall be exercised upon reasonable notice during reasonable hours in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

6.18 Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations (the "Rules and Regulations") concerning the use of the Residential Common Elements and the Residential Limited Common Elements. The Residential Board may from time to time, modify, amend or add to the Rules and Regulations except that a Majority of Residential Unit Owners may overrule such Board with respect to any such modification, amendment or addition. The Commercial Board may adopt and from time to time, modify, amend or add to reasonable rules and regulations as they concern the use of the Commercial Unit and the Commercial Common Elements. The Condominium Board may adopt and from time to time, modify, amend or add to the Rules and Regulations concerning the use of the General Common Elements, except that a Majority of Unit Owners may overrule said Board with respect to any such adoption, modification, amendment or addition. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto, shall be furnished by the Board responsible therefor to each affected Unit Owner not less than 30 days prior to the effective date thereof.

6.19 Real Estate Taxes, Water Charges and Sewer Rents. Water and sewer services shall be supplied to and for all of the Units and the Limited Common Elements through one or more building systems by the City of New York or such other utility servicing the Unit. Except to the extent Unit Owners are billed directly by the City Collector, the Condominium Board shall pay all such charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. The Commercial Board shall collect such charges from the Commercial Unit Owners which may be based on separate submetering of such Units, and will remit such amount to the Condominium Board. The remaining costs for the Building will be paid by the Residential Unit Owners and included in Residential Common Charges. In the alternative, the Commercial Board may require the Commercial Unit Owner to install a separate water meter. Until the Units are separately assessed for real estate tax purposes, the Residential and Commercial Unit Owners shall pay their respective pro rata share of all real estate taxes with respect to the Property (in the proportion that the Common Interest that each Residential Unit or Commercial Unit, as the case may be, bears to the Common Interests of all Units) to the Condominium Board as Common Charges, which will in turn pay such taxes to the proper authorities of The City of New York. In the event of a proposed sale of any Residential Unit, the Residential Board, on request of the selling Residential Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title insurance company, a letter agreeing to pay all charges for water, sewer rents and real estate taxes (so long as such Board is still collecting and paying such charges) affecting such owner's Unit to the date of the closing of title to such Unit, promptly after such

charges have been billed by the proper authorities; provided that such Unit Owner is not delinquent in the payment of Common Charges or Special Assessments.

6.20 Electricity. Electricity for each Unit shall be separately metered or sub-metered for each Unit (or portion thereof). Each Unit Owner shall be required to pay the bills for electricity consumed or used in such Unit Owner's Unit (or portion thereof) and the Limited Common Elements to which such Unit has exclusive access, directly to the utility company as directed by the Board except that in the event that the Units are sub-metered, such Unit Owner shall be required to pay bills for electricity consumed or used in such Unit Owner's Unit either to the Board or to the utility company or company engaged by the Board to perform such services as directed by the Board. The Common Expenses shall include fees for administering and servicing the sub-meters. In the event that a Unit Owner fails to pay for its sub-metered electricity, such electricity charges shall be deemed Common Charges allocable to the defaulting Unit Owner for which the Board shall have a lien as provided in Section 6.6. hereof. Electricity for the Residential Common Elements and Commercial Common Elements shall be supplied through separate master meters. The cost of master metered electricity which serves the Residential Common Elements shall be paid by the Residential Board and shall be borne by the Residential Unit Owners as Residential Common Charges. The cost of master metered electricity which serves the Commercial Common Elements shall be paid by the Commercial Board and shall be borne by the Commercial Unit Owners as Commercial Common Charges.

6.21 Gas. Gas for Residential Section heating and cooking will be supplied by the utility company servicing the gas distribution system and charges therefor shall be paid by the Residential Board and borne all Residential Unit owners as a Residential Common Expense. The Commercial Board of Managers reserves the right to install gas submeters or to require the Commercial Unit Owners to install separate gas meters.

6.22 Utilities Serving the General Common Elements. Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, steam, electricity and gas serving or benefiting any General Common Element shall be (a) considered part of the expense of maintaining such General Common Element, (b) determined by the Condominium Board, and (c) charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense. Any dispute as to the amount of such cost or expense shall be determined by Arbitration.

6.23 Abatement and Enjoinment of Violations by Unit Owners.

6.23.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give (a) the Condominium Board with respect to matters affecting the General Common Elements, (b) the Residential Board with respect to matters affecting the Residential Section, and (c) the Commercial Board with respect to matters affecting the Commercial Section, the right, in addition to such other rights set forth in these By-Laws, (i) to enter any Residential Unit or Commercial Unit or General or Limited Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or

breach and such Board shall not thereby be deemed guilty or liable in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at Law or in equity, the continuance of any such violation or breach.

6.23.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant or its designee shall give to Declarant and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at Law or in equity, the continuance of any such violation or breach.

ARTICLE 7

MORTGAGES

7.1 Notice to Boards. A Unit Owner who mortgages such Unit Owner's Unit, or the holder of any mortgage encumbering such Unit, shall notify the Residential Board in the case of a Residential Unit or the Commercial Board in the case of all or a portion of any Commercial Unit, of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with such Board. Such Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages. A Unit Owner who satisfies a mortgage or causes the assignment of a mortgage covering such Unit Owner's Unit shall so notify the applicable Board and shall file a conformed copy of the satisfaction or assignment of such mortgage with such Board. Each of such Boards shall maintain such information in a book entitled "Mortgages of Units".

7.2 Notice of Default and Unpaid Common Charges. Whenever so requested in writing by a Permitted Mortgagee, the Residential Board with respect to Permitted Mortgagees of Residential Units and the Commercial Board with respect to Permitted Mortgagees of any Commercial Unit, shall promptly report to such Permitted Mortgagee any default in the payment of Residential Common Charges or Commercial Common Charges, as the case may be, or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws of which such Board may have received notice. Each Board, when giving notice to a Unit Owner of any such default, shall, if requested, also send a copy of such notice to any Permitted Mortgagee thereof. Any Permitted Mortgagee holding a mortgage on an Unsold Residential Unit or a Commercial Unit shall be deemed to have requested the notice referenced in the first sentence of this Section.

7.3 Performance by Permitted Mortgagees. The Residential Board, Commercial Board or Condominium Board, as the case may be, shall accept, by any Permitted Mortgagee of a Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or

performed by such Unit Owner, in which event the Permitted Mortgagee shall be subrogated to the rights and interests of the Condominium Board, the Residential Board or the Commercial Board as the case may be upon such payment or performance.

7.4 Examination of Books. Each Unit Owner and its Permitted Mortgagee shall be permitted to examine the books of account of the Condominium (including, in the case of Residential or Commercial Unit Owners and Permitted Mortgagees thereof, the books of account of the Residential Section or the Commercial Section, as the case may be) at reasonable times, upon reasonable prior written notice to the applicable Board, on business days, but not more than once a month.

7.5 Representatives of Mortgagees.

7.5.1 In the manner more particularly set forth in Subsection 7.5.2, the holders of Institutional Residential Mortgages (as hereinafter defined) on any Residential Unit may, at their election, designate one or more (but not more than three) representatives ("Residential Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Residential Mortgages, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Residential Mortgage Representatives are so designated and notice thereof is given to the Residential Board, the act of any such Representative (or a majority of such Representatives if more than one is so designated) shall be deemed binding upon the holders of all Institutional Residential Mortgages. As used herein, the term "Institutional Residential Mortgage" means an Institutional Mortgage (defined below) covering a Residential Unit or Units. As used herein the terms "Permitted Mortgage" and "Institutional Mortgage" means any first mortgage covering a Unit or Units, the initial holder of which is (i) Declarant or its designee, (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, investment or finance company, mortgage trust or entity which is in the business of providing loans secured by condominium units, or (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

7.5.2 Any designation of a Residential Mortgage Representative made in writing by the holders of Institutional Residential Mortgages on any Residential Unit, constituting a majority in principal amount of all Institutional Residential Mortgages shall be binding upon the holders of all Institutional Residential Mortgages. Any such designation of any Residential Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the appropriate Board. Unless otherwise required by Law, all Permitted Mortgagees holding mortgages on Residential Units, other than holders of Institutional Residential Mortgages, shall have no right to participate in the selection of Residential Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Residential Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.5.3 In the manner more particularly set forth in Subsection 7.5.4, the holders of Institutional Commercial Mortgages (as hereinafter defined) may, at their election,

designate one or more (but not more than three) representatives ("Commercial Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Commercial Mortgages, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Commercial Mortgage Representatives are so designated and notice thereof is given to the Commercial Board, the act of any such Representative (or a majority of such Representatives if more than one is so designated) shall be deemed binding upon the holders of all Institutional Commercial Mortgages. As used herein, the term "Institutional Commercial Mortgage" means an Institutional Mortgage (defined above) covering a Commercial Unit or Units.

7.5.4 Any designation of a Commercial Mortgage Representative made by the holders of Institutional Commercial Mortgages, constituting a majority in principal amount of all Institutional Commercial Mortgages shall be binding upon the holders of all Institutional Commercial Mortgages. Any such designation of any Commercial Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the appropriate Board. Unless otherwise required by Law, all Permitted Mortgagees of the Commercial Unit, other than holders of Institutional Commercial Mortgages, shall have no right to participate in the selection of Commercial Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Commercial Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.6 Consent of Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of any Board, officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against its mortgagor.

ARTICLE 8

SELLING, LEASING AND MORTGAGING OF UNITS

8.1 Selling and Leasing. No Residential Unit Owner, other than Declarant or its designee, may sell or lease such Unit Owner's Unit except by complying with the following provisions.

8.1.1 Any Residential Unit Owner who receives a bona fide offer to (a) purchase such Unit Owner's Residential Unit together with its appurtenant Common Interest, or (b) lease such Unit Owner's Residential Unit (such offer to purchase or lease a Residential Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror", and the Residential Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which the Offeree Unit Owner intends to accept, shall give notice by certified or registered mail, return receipt requested, to the Residential Board of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside Offeror, the terms of the proposed transaction (including, but

not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as the Residential Board may reasonably require. The giving of such notice to the Residential Board, on behalf of all the Unit Owners represented by the Residential Board, shall constitute an offer by the Offeree Unit Owner to sell such Unit Owner's Residential Unit together with its appurtenant Common Interest or to lease such Unit Owner's Residential Unit to the Residential Board, or its designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Offeree Unit Owner to the Residential Board acting on behalf of all Residential Unit Owners that the Offeree Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Residential Board may reasonably request. Not later than twenty (20) days after receipt of such notice together with such information as may have been requested by the Residential Board, the Residential Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by hand delivery or by certified or registered mail, return receipt requested, to purchase such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Unit Owners represented by the Residential Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner. However, if there is any inconsistency between such terms and conditions and the terms of this Article 8, the terms and conditions of this Article 8 shall prevail and shall be controlling.

8.1.2 In the event the Residential Board shall timely elect to purchase a Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, the Residential Board shall, upon the closing of title to such Unit, pay over the entire purchase price of such Residential Unit to the Offeree Unit Owner (without providing such Offeree Unit Owner with a deposit or down payment) and title shall close at the office of the attorneys for the Residential Board, in accordance with the terms of the Outside Offer, within the later of (i) 60 days after the giving of notice by the Residential Board of its election to accept such offer and (ii) the closing date specified in the Outside Offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed within ten (10) days after the Residential Board elects to accept such offer. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Residential Board may purchase the Residential Unit and assume or take title to the Residential Unit subject to said existing mortgage or mortgages, as the case may be and the Residential Board shall receive a credit against the purchase price for the entire principal balance of said mortgage(s). At the closing, the Offeree Unit Owner, if such Residential Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Residential Board, or to its designee, corporate or otherwise, on behalf of all 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 tax and/or documentary stamps affixed at the expense of such Offeree Unit Owner, who

shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Residential Board, or its designee, corporate or otherwise, as of the closing date. In the event such Residential Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Residential Board, or to its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Residential Board, or its designee, corporate or otherwise, as tenant, covering such Residential Unit, for the rental and term contained in such Outside Offer.

8.1.3 In the event the Residential Board or its designee shall fail to accept such offer within 20 days after receipt of notice, as aforesaid, the Offeree Unit Owner shall have an additional 60 days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Unit Owner shall accept the Outside Offer within such 60-day period but such sale or lease, as the case may be, shall not be consummated within an additional 60 days following the expiration of such 60-day period, then, should such Offeree Unit Owner thereafter elect to sell such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, the Residential Board, in its discretion, may waive the Offeree Unit Owner's obligation to comply with either or both of the 60 day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

8.1.4 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

8.1.5 Any lease executed in connection with the acceptance of any Outside Offer to lease a Residential Unit shall be consistent with these By-Laws and shall provide that it may not be materially modified, amended or extended without the prior consent in writing of the Residential Board, that the tenant shall not assign such Unit Owner's interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Residential Board and that the Residential Board, if permitted by applicable Law, shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1.6 Except as hereinbefore set forth, the form of any such lease executed by the Residential Board or an Outside Offeror shall be a printed, reasonably applicable form of Residential lease which is generally approved by the Residential Board which governs the Unit to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by the Residential Board. Any lease executed by the Residential

Board, as tenant, shall provide that the tenant thereunder may freely assign said lease or sublet all or part of the premises demised thereunder without the consent of the landlord.

8.1.7 The foregoing restrictions of this Section 8.1 shall apply to the sale or lease of Storage Units.

8.1.8 The foregoing restrictions of this Section 8.1 shall not apply to Unsold Residential Units (including the lease of or by a Residential Unit to Declarant or its designee or a lease by Declarant or its designee) or the Commercial Units (or any Commercial condominium units into which the Commercial Units may hereafter be divided). Declarant or its designee, and the Commercial Unit Owner(s) shall have the right to freely sell their respective Units, or to freely lease all or any part of the Unsold Residential Units or the Commercial Unit as the case may be, without having to first offer the same for sale or lease to any Board.

8.1.9 All re-sales of 421-a Affordable Units shall be made exclusively to persons with an annual household income of not more than 125% of AMI at a re-sale price that shall not exceed the re-seller's purchase price for acquiring such 421-a Affordable Unit, plus an adjustment for inflation (as defined herein). The "adjustment for inflation" shall be calculated by multiplying the re-seller's purchase price to acquire the 421-a Affordable Unit by a fraction, the numerator of which shall be the Consumer Price Index for the full calendar month immediately preceding the date of such adjustment, and the denominator of which shall be the Consumer Price Index for the date that such re-seller acquired title to such 421-a Affordable Unit. The "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, New York, New York Northeastern New Jersey Area, All Items (1982-84 = 100), or any successor index thereto, appropriately adjusted. If the Consumer Price Index ceases to be published, and there is no successor thereto, such other reasonably similar index as is designated by the Condominium Board shall be substituted for the Consumer Price Index. For the purpose of calculating the re-sale price of a 421-a Affordable Unit, the re-seller's purchase price to acquire a 421-a Affordable Unit shall not include closing costs associated with the acquisition of such 421-a Affordable Unit. The Residential Board of Managers shall certify the household income of all 421-a Affordable Unit re-sale purchasers and the re-sale purchase price of all 421-a Affordable Units in accordance with this Section 8.1.9 simultaneously with the Residential Board's exercise of its rights under Section 8.1 hereof.

EACH CONTRACT FOR THE RE-SALE OF A 421-A AFFORDABLE UNIT SHALL PROVIDE THAT SUCH CONTRACT IS SUBJECT TO THE RESIDENTIAL BOARD'S RIGHTS, AS PROVIDED IN THIS SECTION 8.1.

8.2 Consent of Residential Unit Owners to Purchase or Lease of Residential Units and Storage Units by Residential Board. The Residential Board shall not exercise any option hereinabove set forth to purchase or lease any Residential Unit and/or Storage Unit without the prior approval of a Majority of Residential Unit Owners. However, the Residential Board shall have the right to release or waive such option without the prior approval of a majority of Residential Unit Owners.

8.3 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to such Unit Owner's Unit without including therein its appurtenant Common Interest, it being the intention 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 interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 8.3 shall permit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.4 Release by Residential Board of Right of First Refusal. The right of first refusal contained in Section 8.1 may be released or waived by the Residential Board only in the manner provided in Section 8.5. In the event the Residential Board shall release or waive its right of first refusal as to any Residential Unit, such Residential Unit together with its appurtenant Common Interest may be sold, conveyed or leased, free and clear of the provisions of Subsections 8.1 .1 and 8.1.2, provided that such sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3.

8.5 Certificate of Termination of Right of First Refusal. A certificate executed by an officer of the Residential Section stating that the provisions of Subsection 8.1.1 have been met by a Residential Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Residential Board, and that as a result thereof the rights of the Residential Board thereunder have terminated (provided that any sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3), shall be conclusive upon the Residential Board and the Residential Unit Owners in favor of all persons who rely on such certificate in good faith. The Residential Board shall furnish such certificate upon request to any Residential Unit Owner with respect to whom the provisions of Subsection 8.1.1 have, in fact, terminated.

8.6 Financing of Purchase of Residential Units and Storage Units by Residential Board. The purchase of any Residential Unit and/or Storage Unit by the Residential Board or its designee, on behalf of all Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Residential Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Residential Board may levy an Special Assessment against each Residential Unit Owner in proportion to such Unit Owner's respective Common Interest (except as otherwise provided in the Declaration or in these By-Laws), as a Common Charge, and/or the Residential Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased (plus any other Units that then owned by the Residential Board together with its (their) appurtenant Common Interest(s).

8.7 Exceptions. The provisions of Section 8.1 shall not apply with respect to any lease, sale or conveyance of any Residential Unit or Storage Unit together with its

appurtenant Common Interest by (a) the Unit Owner thereof to such Unit Owner's spouse, domestic partner, adult children or grandchildren, parents, grandparents, adult siblings or to any one or more of them or to any affiliate of the Unit Owner thereof, (b) Declarant or its designee, (c) the Residential Board, (d) the sale of a Residential Unit and/or Storage Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit and/or Storage Unit or giving of a deed in lieu of such foreclosure, provided that such lien is not held by the Unit Owner or spouse, domestic partner, adult children or grandchildren, parents, grandparents, adult siblings or to any one or more of them or to any affiliate of the Unit Owner thereof, or (e) a Permitted Mortgagee or such Permitted Mortgagee's nominee, who has acquired title to any Residential Unit and/or Storage Unit at any foreclosure sale of such Unit Owner's Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit and or Storage Unit subject to, the provisions of this Article 8. In addition, the provisions of Section 8.1 shall not apply to any lease, sale or conveyance of the Commercial Unit or any part thereof. The term "affiliate" shall be deemed to be an individual or entity which owns more than 50% of the beneficial interest of such Unit Owner, or an entity with respect to which such Unit Owner owns more than 50% of the legal and beneficial interest.

8.8 Gifts and Devises, etc. Any Residential Unit Owner shall be free to convey or transfer such Unit Owner's Residential Unit by gift, or may devise such Unit Owner's Residential Unit by will or have such Unit Owner's Residential Unit pass by intestacy, without being subject to the restrictions of Section 8.1; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit shall remain subject to, the provisions of this Article 8. Storage Units shall only be gifted, devised, or passed by intestacy by a Storage Unit Owner to a Residential Unit Owner without being subject to the restrictions of Section 8.1 hereof; provided, however, that each succeeding Storage Unit Owner shall be bound by, and such Unit Owner's Storage Unit shall remain subject to, the provisions of this Article 8.

8.9 Unauthorized Sales or Leases of Residential or Storage Units. Any purported sale or lease of a Residential Unit or Storage Unit consummated in violation of Sections 8.1 or 8.3 shall be voidable at the election of the Residential Board and if the Residential Board shall so elect, the Residential Unit Owner or Storage Unit Owner shall be deemed to have authorized and empowered the Residential Board to institute legal proceedings to eject the purported purchaser (in case of an unauthorized sale) or to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Residential Unit Owner or Storage Unit Owner as the owner or landlord, as the case may be. Said Residential Unit Owner or Storage Unit Owner shall reimburse the Residential Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.10 Charges Imposed on Sale or Lease of Residential Units or Storage Units. If permitted by law, the Residential Board shall be entitled to fix by resolution and collect, before any sale or lease of a Residential Unit or Storage Unit is consummated, a reasonable

charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by the Residential Board, in connection with the sale or lease. If such charge is adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner. The aforementioned charge shall not apply to the lease of a Residential Unit or Storage Unit to Declarant or its designee, to the sale or lease of Unsold Units by Declarant or its designee, or to the sale or lease of Unsold Units by a Permitted Mortgagee of Declarant that acquires title to Unsold Units.

8.11 Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and make arrangements for recording in the City Register's Office, the Power of Attorney required by Article 17 of the Declaration.

8.12 Notices Concerning Residential Unit Occupancy. Within five (5) days following acquisition of a Residential Unit or the commencement of a lease relating thereto, the new Unit Owner or lessor, as the case may be, shall notify the Managing Agent of the Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by the By-Laws, who will be using or occupying the Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the Managing Agent.

8.13 Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. In the event that any Unit shall be acquired by the Residential Board or the Residential Board, or their respective designees, corporate or otherwise, on behalf of all Residential Unit Owners or all Residential Unit Owners, as the case may be, as tenants in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit as herein provided.

8.14 Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease such Unit Owner's Unit unless and until the Unit Owner shall have paid in full to the appropriate Board all unpaid Common Charges theretofore assessed by said Board against such Unit and until such Unit Owner shall have satisfied all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages.

8.15 Mortgage of Units. Subject to Article 7 and Section 8.14, each Unit Owner shall have the right to mortgage such Unit Owner's Unit to a Permitted Mortgagee, provided that, with respect to any mortgage covering a Unit, the Unit Owner making such mortgage shall notify in writing the appropriate Board of the making of such mortgage.

8.16 Lease or Purchase of Residential Unit or Other Apartment for Superintendent's Residence. The Residential Board or the Condominium Board shall have the right to lease or purchase a Residential Unit or other apartment for the residence of the superintendent and shall have the right to amend, modify, extend, renew and otherwise deal in any way with respect to any such lease all without the approval of any of the Unit Owners.

ARTICLE 9

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the General or Limited Common Elements, each Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the General or Limited Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by such Board. The award made for any such taking shall be payable to the Board responsible for the repair and restoration thereof, as aforesaid; provided, however, that if any such award exceeds $1,000,000, such award shall be payable to the Insurance Trustee and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be (a) borne and shared by all Unit Owners with respect to any taking of the General Common Elements pro rata, as follows: first, to the Residential Unit Owners and the Commercial Unit Owners in accordance with their respective Common Interests; thereafter, each Board shall allocate such deficit or surplus, as the case may be, pro rata, to the Residential Unit Owners and to the Commercial Unit Owners, respectively, in accordance with their respective Common Interests; (b) borne and shared by all Residential Unit Owners with respect to any taking of the Residential Common Elements pro rata in accordance with their Common Interests; and (c) borne and shared by all Residential Unit Owners having exclusive access to the Residential Limited Common Elements pro rata in accordance with their respective interest in such Residential Limited Common Interests; and (d) borne and shared by all Commercial Unit Owners with respect to any taking of the Commercial Common Elements pro rata in accordance with their Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that (1) 75% or more of all Unit Owners, as well as Permitted Mortgagees which represent at least 51%, in number and Common Interest of Units which are encumbered by a Permitted Mortgage, affirmatively resolve not to proceed with such repair or restoration of their respective Limited Common Elements, or (2) 75% or more of all Unit Owners, as well as Permitted Mortgagees which represent at least 51%, in number and Common Interest, affirmatively resolve not to proceed with such repair and restoration of the General Common Elements, then such repairs or restorations of the Limited Common Elements and/or General Common Elements shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners pro rata in the same manner as is set forth above, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not Permitted Mortgages. Any dispute between any Boards under this Article 9 shall be settled by Arbitration. In the event of the taking in condemnation or by eminent domain of all or any part of the Common Elements or Limited Common Elements, the Board shall notify all Permitted Mortgagees in writing within thirty (30) days from the day of such condemnation.

ARTICLE 10

RECORDS AND AUDITS

10.1 Records. Each Board or the managing agent for that Board, if any, shall keep detailed records of the actions of such Board, minutes of the meetings of such Board, minutes of the meetings of the Unit Owners for whom such Board serves and financial records and books of account with respect to the activities of such Board, including a listing of all receipts and expenditures. In addition, the Residential Board shall keep a separate account for each Residential Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Residential Board against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 Audits. Within four months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by (a) the Residential Board to all Residential Unit Owners, (b) the Commercial Board to all Commercial Unit Owners, and (c) the Condominium Board to the Residential Board and the Commercial Board, and, if so requested, to any Permitted Mortgagee, as the case may be. The cost of such report submitted by (1) the Residential Board, shall be paid by the Residential Unit Owners as a Residential Common Expense, (2) the Commercial Board, shall be paid by the Commercial Unit Owners as a Commercial Common Expense, and (3) the Condominium Board shall be paid by the Residential Board and the Commercial Board as a General Common Expense.

10.3 Availability of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 11

ARBITRATION

11.1 General Procedure. Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association is not then in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York having jurisdiction over the matter. The decision of the arbitrator so chosen shall be given within 10 days after such arbitrator's appointment. Any arbitrator appointed

or selected in connection with any arbitration under this Article 11 shall be a lawyer or real estate owner, developer, or manager familiar with condominium properties and having general legal or real estate experience, as the case may be, of not less than fifteen years.

11.2 Costs and Expenses. The fees, costs and expenses of the arbitrator will be borne by the losing party in the arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitrator, such fees, costs and expenses will be borne equally by the disputants unless otherwise set by the arbitrator. Each disputant will also bear the fees and expenses of such disputant's counsel and expert witnesses. All costs and expenses paid or incurred by the Condominium Board, the Residential Board or the Commercial Board, as the case may be, in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, will constitute General Common Expenses, Residential Common Expenses or Commercial Common Expenses, as the case may be.

11.3 Agreement by Parties. The parties to any dispute required or permitted to be submitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 11.1 with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes".

ARTICLE 12

MISCELLANEOUS

12.1 Waiver. No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

12.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

12.3 Certain References.

12.3.1 A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

12.3.2 The terms "herein", "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

12.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.4 Severability. Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. In the event any provision of these By-Laws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 Insurance Trustee. The Insurance Trustee shall be a bank or trust company in The City of New York, designated by the Condominium Board and having a capital surplus and undivided profits of $500,000,000 or more. In the event the Insurance Trustee resigns or the Condominium Board wishes to replace it, the Condominium Board shall promptly appoint a new Insurance Trustee. The Condominium Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a General Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York. If required by Declarant's construction or permanent lender, such lender or its designee shall be the Insurance Trustee until its release of all Units from the lien of its mortgage.

12.6 Successors and Assigns. Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee or, with the written consent of Declarant or its designee, any transferee of some or all then Unsold Residential Units then owned by Declarant or its designee, as the case may be (but not to Purchasers of Residential Units pursuant to the Plan). The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Commercial Unit Owners, as the case may be, shall have the right, at any time in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

12.7 Covenant of Further Assurances.

12.7.1 Any party who or which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of any Board, or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.7.2 If any Unit Owner (other than Declarant or its designee), any Board or any other Person or party (other than Declarant or its designee), which is subject to the terms of these By-Laws fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board, Person, or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of any Board, then such Board is hereby authorized as attorney-in-fact for such Unit Owner, Board, Person, or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Board, Person or party and such document or action shall be binding on such Unit Owner, Board, Person or party.

12.7.3 If any Unit Owner, Board or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant or its designee, then Declarant or Declarant's designee are hereby authorized, as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party' as the case may be.

12.7.4 The foregoing provisions of Sections 12.7.1 and 12.7.2 (i) shall not apply to the holder of any Permitted Mortgage of any Unit, and (ii) shall not be enforced against, but shall be enforced by, Declarant or its designee.

12.7.5 Any conflict between these By-Laws and the Declaration shall be resolved in favor of the Declaration.

ARTICLE 13

AMENDMENT TO BY-LAWS

13.1 Amendments by Unit Owners. Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Unit or any Commercial Unit Owner, (a) any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 80% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these By-Laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected, (b) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of these By-Laws and (c) any provision of these By-Laws benefiting, protecting or otherwise

affecting only the Commercial Section or the Commercial Unit Owners may be amended, modified, added to or deleted by affirmative vote of 100% in number and in Common Interest of all affected Commercial Unit Owners taken in accordance with the provisions of these By-Laws. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, Permitted Mortgagees, any Unsold Residential Units, the Commercial Section or any Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by (1) the Residential Board, as attorney-in-fact for the Residential Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Residential Unit Owners so to act as their attorney-in-fact or (2) the Commercial Board, as attorney-in-fact for the Commercial Unit Owners, coupled with an interest, which Commercial Board is hereby authorized by such Commercial Unit Owners to act as their attorney-in-fact or (3) the Condominium Board, as attorney-in-fact for all Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Declarant or its designee, any Unsold Residential Units, the Commercial Section, or the Commercial Unit Owners, (i) (x) the written consent of the Residential Mortgage Representatives, if any, to an amendment, modification, addition or deletion with respect to clause (a) above shall not be required unless such amendment, modification, addition or deletion materially impairs the value of the security interest of one or more Permitted Mortgagees, in which case such written consent shall not be unreasonably withheld or delayed and (y) with respect to clause (a) above, the Commercial Unit Owners may grant to any Permitted Mortgagee the right to consent to any amendment, modification, addition or deletion to these By-Laws to the extent of any mortgage which encumbers the Commercial Unit for so long as such mortgage is on record; (ii) the written consent of the Residential Mortgage Representatives, if any, to an amendment, modification, addition or deletion with respect to clause (b) above shall not be required unless such amendment, modification, addition or deletion materially impairs the value of the security interest of one or more Permitted Mortgagees holding Permitted Mortgages on Residential Unit(s), in which case such written consent shall not be unreasonably withheld or delayed; and (iii) with respect to clause (c) above the Commercial Unit Owners may grant to any Permitted Mortgagee the right to consent to any amendment, modification, addition or deletion to these By-Laws which affects the Commercial Unit to the extent of any mortgage which encumbers the Commercial Unit for so long as such mortgage is on record; (iv) the provisions of this Section 13.1 may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential Mortgage Representatives and Commercial Mortgage Representatives, as the case may be), eighty percent (80%) in Common Interest of all Unit Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

13.2 Amendments Affecting Declarant or its Designee or Commercial Unit Owners. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration, or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the

affected Commercial Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Commercial Unit Owner, (b) without the prior written consent of Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to these by-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, or otherwise adversely affecting Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Residential Unit or Commercial Unit, with respect to any amendment, modification, addition or deletion of or to these By-Laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or Residential Unit, or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit or Commercial Unit.

13.3 Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or Sections 6.1, 6.2, 6.4.2, 6.4.3, 8.7(d) or (e), or 8.10 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

13.4 Amendments of a Material Adverse Nature to Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, any amendment to the By-Laws of a material adverse nature to Permitted Mortgagees of Residential Units (except for Permitted Mortgagees of any Unsold Residential Unit) shall require the written consent of at least 51%, in number and in Common Interest, of such affected Permitted Mortgagees. Such consent shall be deemed granted if the affected Permitted Mortgagee fails to respond to any written proposal for an amendment to these By-Laws within sixty (60) days from receipt of the notice of the proposed amendment; provided that notice of such amendment is delivered to the Permitted Mortgagee by certified or registered mail, return receipt requested.

ARTICLE 14

AMENDMENTS CONCERNING COMMERCIAL SECTION

Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Section or the subdivision of any Commercial Unit into separate Commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Unit and it is contemplated that in connection therewith the Commercial Board will cause the Declaration, these By-Laws and the Rules and

Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Commercial Section and Commercial Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section, or any Residential Unit Owners, the Commercial Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion.

SCHEDULE A

RULES AND REGULATIONS OF THE RESIDENTIAL SECTION

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Residential Section shall not be obstructed or used for any other purpose than ingress to and egress from the Residential 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 fire tower landings of the Residential Section, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of the Residential Section.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or fire towers of the Residential Section.

4. No public hall or public elevator vestibule of the Residential Section shall be decorated or furnished by any Residential Unit Owner in any manner.

5. Each Residential Unit Owner shall keep such Residential Unit Owner's Residential Unit and any Limited Common Elements appurtenant thereto (including the surface and drains of any terrace appurtenant to a Residential Unit) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance. Any determination as to what constitutes a good state of preservation and cleanliness for any Residential Unit Owner's terrace shall be within the sole but reasonable discretion of the Residential Board.

6. No window guards 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 Residential Board or the managing agent of the Residential Section. No clothes, sheets, blankets, laundry or other articles of any kind shall be hung on or out of a Unit or its appurtenant Limited Common Elements. No window frames or mullions may be removed, altered or replaced without the written consent of the Residential Board.

7. No radio, television aerial, satellite dish or similar device shall be attached to or hung from the exterior of the Residential Section and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Residential Section except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Residential Board or the managing agent of the Residential Section, nor shall anything be projected from any door or window of the Residential Section without similar approval, except as may otherwise be required by Law.

8. No heat, ventilator or air conditioning device or window fan shall be installed in any Residential Unit without the prior written approval of the Residential Board, which approval may be granted or refused in the sole discretion of the Residential Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Residential 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 Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Residential Unit Owner's Unit.

10. No velocipedes, bicycles, scooters or similar vehicles shall be allowed in any of the elevators other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and no baby carriages or any of the above-mentioned vehicles or other equipment, furniture or other personal articles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Residential Section.

11. No Residential Unit Owner shall make or permit any disturbing noises or activity in the Residential Section, or do or permit anything to be done therein, which will interfere with the rights, comfort or convenience of other Unit Owners or the tenants or occupants of the Residential Section. No Residential Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph, radio, television computer, stereo or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Residential Board. No construction or repair work or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or unless such work is performed by Declarant.

12. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition), shall be permitted, kept or harbored in a Residential Unit without the same in each instance having been expressly permitted in writing by the Residential Board or the managing agent of the Residential Section and such consent, if given, shall be revocable by the Residential Board in its sole discretion, at any time. In no event shall any Residential Unit Owner maintain more than two (2) pets in a Residential Unit (other than fish) without the consent of the Residential Board nor shall any bird, reptile, or other animal be permitted in any public elevator in the Residential Section, other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, or in any of the public portions of the Residential Section, 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 Residential Section or on the sidewalk or street adjacent to the Building. Each Residential Unit Owner who keeps any type of pet in such Unit Owner's Residential Unit may be required to enter into an agreement with the

Residential Board setting forth such other rules regarding pets as the Residential Board shall deem suitable and indemnifying and holding harmless the Condominium, all Unit Owners and the managing agent from all claims and expenses resulting from acts of such pet. The Board of Managers shall have the right to prohibit an animal from residing or visiting the Building if, in the Board's judgment, such animal creates a nuisance, health hazard or an unsanitary condition.

13. Servants, messengers and tradespeople visiting or residing in the Residential Section may be required to use the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, for ingress and egress. and shall not use any of the other elevators for any purpose, except that nurses in the employ of Residential Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Unit Owners, guests or tenants. However, a guest or visitor of a Residential Unit Owner may use any of the elevators freely, if authorized by such Unit Owner.

14. All service and delivery persons may be required to use the service entrance unless otherwise directed. All packages, whenever feasible, will be required to be delivered by outside personnel to the package room in the lobby where such packages will be held for pick-up by Residential Unit Owners. Deliveries, if made, will be made from the package room to individual Residential Units only by building personnel or as otherwise directed by building personnel. Such deliveries will be made only at such times as a Unit is occupied by the resident thereof or an authorized person and said resident or authorized person is willing to accept delivery. If the Residential Unit is not so occupied or delivery is declined, the package will be held in the package room until the resident or authorized person returns or requests delivery. In the case of packages containing perishable food items, service or delivery persons who are registered with building personnel will be permitted to make deliveries directly to individual Residential Units after such service or delivery persons have received approval for such delivery from the Residential Unit Owner.

15. Trunks and heavy baggage shall be taken in or out of the Residential Section by the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and through a designated entrance only.

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

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

18. No refuse from the Residential Units shall be sent to the below grade levels of the Building except at such times and in such manner as the Residential Board or the managing agent of the Residential Section may direct.

19. Water-closets and other water apparatus in the Residential Section shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Residential Unit shall be repaired and paid for by the Owner of such Unit.

20. No occupant of the Residential Section shall send any employee of the Residential Section or of the managing agent thereof out of the Building on any private business.

21. The agents of the Residential Board or the managing agent, and any contractor or worker authorized by the Residential Board or the managing agent of the Residential Section, may enter any room or Residential Unit at any reasonable hour of the day, on at least one day's Prior written notice to the Residential Unit Owner, for the purpose of inspecting such Residential 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 manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

22. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

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

24. No vehicle belonging to a Residential Unit Owner or to a member of the family guest, tenant or employee of a Residential Unit Owner shall be parked in such manner as to or prevent ready access to any entrance to or exit from the Building by another vehicle.

25. Complaints regarding the services of the Residential Section shall be writing to the Residential Board or to the managing agent of the Residential Section.

26. Any consent or approval given under these Residential Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Residential Board at any time by resolution of the Residential Board. Further, any such consent or approval of the discretion of the Residential Board, be conditional.

27. Residential Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper(f) refrain from depositing waste of an explosive nature therein; (g) observe all Laws regarding recycling of refuse then imposed by governmental agencies having jurisdiction thereover and (h) observe any additional recycling rules established by the Condominium Board or the Residential Board.

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

29. Residential Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units or any public portions of the Building.

30. No Residential Unit Owner or any of such Unit Owner's agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in such 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.

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

32. Nothing shall be done or kept in any Residential Unit, or in the General, Residential or Limited Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Condominium Board. No Residential Unit Owner shall permit anything to be done or kept in such Unit Owner's Unit or in the General, Residential or Limited Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any Law. No waste shall be committed in the General, Residential or Limited Common Elements.

33. The Boards shall have the right from time to time to relocate any portion of the Common Elements devoted to storage or service purposes.

34. No group tour or exhibition of any Residential Unit or its contents shall be conducted, except group tours or exhibitions of any Unsold Residential Units owned by Declarant or its designee, nor shall any auction sale be held in any Residential Unit, except Unsold Residential Units without the prior consent of Residential Board or the managing agent of the Residential Section.

35. In the event that any Residential Unit is used for home occupation purposes which are permitted by Law and the By-Laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

36. Unless expressly authorized by the Residential Board in each case, at least 80% of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.

37. There will be no barbecuing on Residential Limited Common Elements, or on the General Common Elements, except as specifically designated by the Residential Board.

38. The Residential Board 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 Residential Section when, in the reasonable judgment of the Residential Board, the Residential Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Residential Section, or the preservation of good order therein, or the operation or maintenance of the Residential Section, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Residential Section. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Residential Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner or other occupant.

39. No article, including, but not limited to, bicycles and similar vehicles, shall be stored or allowed to stand on terraces, other than furniture of the kind usually maintained in outdoor areas.

40. Plantings on any terrace shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace, but shall stand on supports at least two inches above the surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. No planter shall be placed on any private terrace area or balcony if it exceeds a capacity of 2 cubic feet or if it

imposes a load exceeding 60 pounds per square foot, without the express written consent of the Board and, if required, the New York City Department of Buildings. No installation of any planters shall be permitted on the roofs of any penthouse bulkheads.

41. No Residential Unit Owner or any of his family members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit or Residential Limited Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Residential Limited Common Elements.

42. Smoking shall be prohibited in the Common Elements and Limited Common Element located inside and outside of the Building. Smoking in violation of this rule shall be deemed to constitute a nuisance pursuant to Paragraph 6.16.1 of the By-Laws. The term "smoke" or "smoking" shall include carrying, burning, or otherwise handling or controlling a lit or smoldering product containing tobacco, or other flammable substances, including, but not limited to, cigarettes, cigars, or pipes.

43. Portions of all curtains, drapes, shades or blinds ("Window Treatments") in each Unit which are visible from the exterior of the Building shall be white or off-white in color to give the Building a uniform exterior appearance. Such Window Treatments shall be hung from each such window within sixty (60) days of the Closing Date, unless otherwise provided by the Board in writing. Under no circumstances shall newspapers, blankets, bed sheets, clothes or other articles of any kind be hung in such windows in lieu of Window Treatments.

ESCROW DEPOSIT BOND

Bond #: DRAFT

KNOW ALL MEN BY THESE PRESENTS: THAT WE, **TOLL FIRST AVENUE LLC**, as Principal, and **FEDERAL INSURANCE COMPANY**, organized under the laws of the State of **INDIANA** and authorized to do business in the State of New York, having its principal office located at **15 MOUNTAIN VIEW ROAD, WARREN, NJ07059**, as Surety are jointly and severally held and firmly bound unto, **Mr. & Mrs. JOHN DOE, 1234 ANY STREET, ANYTOWN, NY 99999** , as Obligee, in the sum of **THE AMOUNT OF THE DEPOSIT** Dollars ($_____), lawful money of the United States of America for the payment of which we jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns, firmly by these presents.

WHEREAS, the above bound Principal and Obligee have entered into a Purchase Agreement on **DATE OF PURCHASE AGREEMENT**, for the construction of a family residence located at **959 FIRST AVENUE NEW YORK, NY 10022**.

NOW THEREFORE, THE CONDITION OF THE OBLIGATION, is such that if the above name principal shall well and truly perform or cause to be performed its obligation as set forth in said Purchase Agreement and in each and every respect comply with the conditions therein contained, then this obligation is to be void, otherwise to remain in full force and effect until passage of title or return of escrow, whichever is sooner.

THE SURETY shall abide by directives in conformity with the provision of the Escrow Regulations contained in Part 20.3. (4-5) promulgated by the Department of Law pursuant to Section 352-e (2-b) and 352-h of the General Business Law of the State of New York.

ANY CLAIM, under this bond for breach of any of the terms of the Purchase Agreement referred to above must be filed with the Surety and Principal within six (6) months of said breach.

PROVIDED, that in no event shall the liability of the Surety hereunder exceed the penal sum of this bond. NO PARTY OTHER than the Obligee shall have any right hereunder as against the Surety.

The Surety may cancel its liability as to future assessments under this bond at any time by written notice to the Obligee at least fifteen days in advance of the date of cancellation.

Signed, sealed and dated this _____ of _____, 20__. (BOND EXECUTION/EFFECTIVE DATE)

PRINCIPAL: **TOLL FIRST AVENUE LLC**

BY: _____

SURETY: **FEDERAL INSURANCE COMPANY**

BY: _____

DANIEL P. DUNIGAN, Attorney-in-Fact

CHUBB GROUP OF INSURANCE COMPANIES 15 Mountain View Road, Warren, New Jersey 07059-1615

CHUBB

GENERAL AGREEMENT OF INDEMNITY

This Agreement is made and entered into as of the 7th day of May, 2013, by the undersigned (individually and collectively, the "Indemnitors") for the benefit of FEDERAL INSURANCE COMPANY and its subsidiaries, affiliates, co-sureties, fronting companies, and/or reinsurers and their successors and assigns, whether in existence now or formed hereafter (individually and collectively, the "Surety"), for the purpose of indemnifying the Surety from any and all loss, cost, and expense in connection with any and all surety bonds, undertakings, guarantees, and/or contractual obligations previously or hereafter executed, issued, procured, or undertaken by the Surety, whether directly or as a result of any asset purchase, merger, acquisition, or similar transaction, including renewals and extensions thereof (each a "Bond" and collectively "Bonds"), for or on behalf of: any of the Indemnitors, whether individually or jointly with others; any current or hereafter created or acquired subsidiary, affiliate, joint venture, and/or other legal entity in which any of the Indemnitors has a substantial, material, or beneficial interest; and/or any other third party at the request of any of the Indemnitors.

As an inducement to the Surety and in consideration of the Surety's execution of or delivery of one or more Bonds, the Surety's refraining from canceling one or more Bonds, and/or the Surety's assumption of one or more Bonds and for other good and valuable consideration, the Indemnitors jointly and severally agree with the Surety as follows:

1. To promptly pay all initial and renewal premiums due for any Bonds, at the current rate charged by the Surety, until the Surety has been provided satisfactory evidence, in its sole discretion, that it has been fully released of liability under such Bonds.

2. To indemnify, exonerate, and save the Surety harmless from and against every claim, loss, damage, demand, liability, cost, charge, bond premium, suit, judgment, attorneys' fees, and reasonable expense that the Surety incurs in consequence of having obligations in connection with any Bonds ("Losses"). Expense includes, but is not limited to: (a) the cost incurred by reason of making any investigation in connection with any Bonds or this Agreement; (b) the cost of procuring or attempting to procure release from any Bonds, including the defense of any action brought in connection therewith; and (c) the cost incurred in bringing suit to enforce this Agreement against any of the Indemnitors. Payments of amounts due the Surety hereunder, including interest, shall be made immediately upon the Surety's demand. Vouchers, affidavits, or other evidence of payment by the Surety shall be prima facie evidence of the Indemnitors' liability for any such Losses.

3. To promptly deposit upon the Surety's demand an amount of money sufficient to fund liability asserted against the Surety and/or to fund any reserve that the Surety may, in its sole discretion, establish in anticipation of incurring Losses. Such funds will be used by the Surety to pay Losses or may be held by the Surety as collateral against potential future Losses. Any funds remaining after the Indemnitors' settlement or payment of all Losses will be returned to the Indemnitors within thirty (30) days from the date of the Indemnitors' settlement or payment of the Losses.

4. The Surety has the right, in its sole and absolute discretion, to pay, settle, or compromise any claim or pay any Losses under any Bonds. The Surety's decision shall be final, binding, and conclusive upon the Indemnitors.

5. If the Surety (a) receives any claim under any Bond or (b) establishes, in its sole discretion, any reserve in anticipation of incurring Losses, the Indemnitors will provide the Surety or its designees free access to all records of the Indemnitors (including, but not limited to, books, papers, records, documents, accounts, and electronically stored information), for the purpose of examining and copying, until the Surety has been provided satisfactory evidence, in its sole but reasonable discretion, that it has been fully released of liability under all Bonds. The Indemnitors expressly authorize the Surety to access their credit reports and financial records, including, but not limited to, account numbers, account balances, and account activity from financial institutions and other third parties. The Indemnitors hereby authorize such financial institutions and other third parties to disclose all such information to the Surety as the Surety may request.

6. The Indemnitors constitute, appoint, and designate the Surety as their attorney-in-fact with the right, but not the obligation, to exercise all rights of the Indemnitors assigned or granted to the Surety and to execute and deliver any other assignments or documents deemed necessary by the Surety to exercise its rights under this Agreement in the name of the Indemnitors.

7. The Indemnitors shall have no rights of indemnity, contribution, or right to seek collection of any other outstanding obligation against any of the other Indemnitors and hereby expressly waive all such rights until the Indemnitors' obligations under this Agreement have been satisfied, in the Surety's sole discretion.

8. The Indemnitors acknowledge that the Surety may share any information relevant to underwriting the risk of any and all Bonds with co-sureties, fronting companies, and/or reinsurers.

9. The Surety may decline to execute, procure, extend, or renew any bond or other undertaking requested by the Indemnitors and may cancel or terminate any Bond without incurring any liability whatsoever to the Indemnitors or otherwise impairing its rights, however derived.

10. The obligations of the Indemnitors under this Agreement shall not be affected by: (a) the Surety's failure to execute procure, extend, or renew any bond or other undertaking; (b) the Surety's failure to consent to changes in any Bonds or any contract or obligation secured thereby; (c) the Surety's cancellation of any Bonds; (d) the Surety's execution of any agreement to take collateral or return collateral; (e) the Surety's execution or release of any other security agreement; (f) the Surety's execution or release of any other indemnity agreement; and/or (g) the Surety's termination, release, or limitation of any other the Indemnitors' obligations under this Agreement.

11. The Indemnitors shall be in default of this Agreement if any of them: (a) become involved as debtor in any agreement or proceeding of liquidation, insolvency, receivership, and/or bankruptcy; (b) breach any provision of this Agreement; (c) make representations to the Surety by or on behalf of any of the Indemnitors that prove to have been materially false or misleading when made; and/or (d) fail to provide collateral in response to a proper request therefor by the Surety.

12. If any provision or portion of this Agreement shall be unenforceable, this Agreement shall not be void, but shall be construed and enforced with the same effect as though such provision or portion were omitted. This Agreement is in addition to and not in lieu of any other agreement relating to the obligations described herein. It is not intended to substitute, replace, alter, or effect a novation of any other agreement that may pertain to the obligations related to any of the Bonds. The Surety's rights under this Agreement shall be deemed to be cumulative with and in addition to all other rights of the Surety, however derived. This Agreement shall be liberally construed so as to protect, exonerate, hold harmless, and indemnify the Surety.

13. Separate suits may be brought hereunder as causes of action accrue, and the bringing of suits or the recovery of judgment upon any cause of action shall not prejudice or bar the bringing of other suits upon other causes of action, whether theretofore or thereafter arising. Each Indemnitor is the agent of all the Indemnitors for the purpose of: (a) service of process in the jurisdiction in which the Indemnitor being served resides, is domiciled, is doing business, or is found; or (b) accepting service of any notification, demand, or claim from the Surety hereunder.

14. The Indemnitors acknowledge that their obligations under this Agreement remain for Bonds executed for entities that it may sell, dissolve, or otherwise dispose of in the future.

15. This Agreement may be terminated as to any of the Indemnitors. Termination will become effective thirty (30) days after receipt by the Surety of a written termination notice sent to the following address:

    Chubb & Son, a division of
    Federal Insurance Company
    15 Mountain View Road
    Warren, New Jersey 07059-1615
    Attn: Surety Department

    The termination shall not be effective as to any Bonds that the Surety executed or procured, or committed to execute or procure, prior to the effective date of the termination.

16. There shall be no waiver, modification, or change of the terms of this Agreement by any employee or agent of the Surety, by any broker of the Surety or the Indemnitors, or by any other person without the written approval of an officer of the Surety.

17. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. The Indemnitors hereby acknowledge that the failure of any one of them to execute this Agreement shall not in any way affect the validity or enforceability of this Agreement as to those Indemnitors who have executed this Agreement.

18. The Indemnitors represent to the Surety that they have a substantial, material, and/or beneficial interest in the obtaining of Bonds by any of the Indemnitors and in the transaction(s) for which any of the other Indemnitors has applied or will apply to the Surety for Bonds pursuant to this Agreement. The Indemnitors represent that they have the full power and authority to execute, deliver, and perform this Agreement and to carry out the obligations stated herein. The Indemnitors further represent and warrant that their execution, delivery, and performance of this Agreement does not and will not conflict with, constitute a default under, or result in a breach or violation of their respective organizational documents, any law, governmental rule, regulation, order, writ, injunction, judgment, or decree of any court or governmental authority, or any other agreement applicable to or binding upon the Indemnitors.

19. It is understood and agreed that Indemnitor(s) will, upon the written request of the Surety, promptly procure the full and complete discharge of the Surety from said bonds and all liability by reason thereof. If such full and complete discharge is unattainable, the Indemnitor(s) will, if requested by the Surety, promptly provide the Surety an irrevocable letter of credit acceptable to the Surety, as collateral, in an amount sufficient to cover all undischarged liability under said bonds, or promptly make other provisions acceptable to the Surety to fully collateralize the aforesaid undischarged liability. Indemnitor further agrees that, in the event of its breach of its obligation to collateralize the undischarged liability under said bond, the Surety will have no adequate remedy at law and shall therefore be entitled to specific performance of the Indemnitor's obligation to collateralize such undischarged liability. The Surety's failure to act to enforce its right to specific performance hereunder shall not be construed as a waiver of that right, which may be enforced at any time at the Surety's sole discretion.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, this Agreement is executed by the parties to be effective on the date first set forth above.

Sign below if the Indemnitor is a corporation:

Each of the undersigned hereby affirms to the Surety that he or she is a secretary or a duly authorized officer of the corporation that enters into this Agreement as an Indemnitor. In such capacity the undersigned is familiar with all of the documents that set forth and establish the rights that govern the affairs, power, and authority of such corporation, including its certificate or articles of incorporation, bylaws, and resolutions. Having reviewed all such applicable documents and instruments and such other facts as deemed appropriate, the undersigned hereby affirms that such corporation has the power and authority to enter into this Agreement and that the individual executing this Agreement on behalf of such corporation is duly authorized to do so.

Indemnitor:
Toll Brothers, Inc.
Federal Tax ID:
23-2416878

Print or type Corporate Address on lines below:
250 Gibraltar Road
Horsham, PA 19044

SIGNATURE No. 1:

By: _____ (Seal)
(Signature of Authorized Officer)

Joseph R. Sicree, Senior Vice President
(Print or type Name and Title)

On this 7th day of May, 2013, before me personally appeared Joseph R. Sicree, known or proven to me to be the Senior Vice President of Toll Brothers, Inc., the corporation executing the above instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that the seal affixed is the seal of said corporation and that it was affixed and that he/she executed said instrument by authority of the Board of Directors of said corporation.

ACKNOWLEDGEMENT: STATE OF PENNSYLVANIA COUNTY OF MONTGOMERY

_____ (Seal)
Notary Public

My commission expires: 9-23-2013

NOTARIAL SEAL
JENNIFER L. LANDIS
Notary Public
E.NORRITON TWP., MONTGOMERY COUNTY
My Commission Expires Sep 23, 2013

SIGNATURE No. 2:

By: _____ (Seal)
(Signature of Authorized Officer)

Kevin J. McMaster, Senior Vice President
(Print or type Name and Title)

On this 7th day of May, 2013, before me personally appeared Kevin J. McMaster, known or proven to me to be the Senior Vice President of Toll Brothers, Inc., the corporation executing the above instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that the seal affixed is the seal of said corporation and that it was affixed and that he/she executed said instrument by authority of the Board of Directors of said corporation.

ACKNOWLEDGEMENT: STATE OF PENNSYLVANIA COUNTY OF MONTGOMERY

_____ (Seal)
Notary Public

My commission expires: 9-23-2013

NOTARIAL SEAL
JENNIFER L. LANDIS
Notary Public
E.NORRITON TWP., MONTGOMERY COUNTY
My Commission Expires Sep 23, 2013

Sign below if the indemnitor is an individual:

Indemnitor:

(Signature) _____ (Print or type address) _____

(Print or type name of individual indemnitor) _____ (Social Security Number) _____

On this day of , 20 , before me personally appeared , known or proven to me to be person described in and who executed the above instrument, and acknowledged that he/she freely and voluntarily executed said instrument.

ACKNOWLEDGEMENT: STATE OF _____ COUNTY OF _____

_____ (Seal)
Notary Public

My commission expires: _____

Return to:
NEW YORK STATE AFFORDABLE HOUSING CORPORATION
641 Lexington Avenue
New York, New York 10022

AHC ID#_____
AHC Grantee: NYC PARTNERSHIP HOUSING DEVELOPMENT FUND COMPANY, INC.

GRANT ENFORCEMENT

NOTE AND MORTGAGE

_____,

Obligor

And

NEW YORK STATE AFFORDABLE HOUSING CORPORATION,

Mortgagee

Dated as of: _____, 201__

This instrument affects realty and personal property situated in the State of New York, in the City of New York in Block ____, Lot ____, on the Tax Map of the County of _____.

THIS NOTE AND MORTGAGE made as of the ____ day of _____, 201__, between _____, (an) individual(s) residing at 959 First Avenue, New York, New York ("Obligor") and the NEW YORK STATE AFFORDABLE HOUSING CORPORATION, a public benefit corporation created and existing as a subsidiary of the NEW YORK STATE HOUSING FINANCE AGENCY pursuant to Section 45-b of the Private Housing Finance Law having its principal place of business at 641 Lexington Avenue, New York, New York 10022 ("Mortgagee").

Obligor hereby acknowledges that the Mortgagee has provided funds in the amount of the Recapture Obligation (as defined in Paragraph 1 of this Note and Mortgage) under the Affordable Home Ownership Development Program (Article XIX of the Private Housing Finance Law) ("Program") as funds to be held in trust and to be used solely in connection with the acquisition or improvement of the Property (as defined in Paragraph 2 of this Note and Mortgage) ("Grant Funds") and that this Note and Mortgage shall be subject to the trust fund provisions of Section 13 of the Lien Law. Obligor understands that the amount of the Recapture Obligation represents a portion of the cost of the improvements or the purchase price of the Property and agrees to the recapture of such amount of the Recapture Obligation as required herein as the ultimate beneficiary of such improvement and/or as the purchaser or owner of the Property.

1. For value received, Obligor promises to pay to Mortgagee or order the sum of Twenty-Five Thousand Dollars ($25,000.00) (the "Recapture Obligation"), payable according to and in the manner provided in the rider attached to and hereby made a part of this Note and Mortgage (the "Rider").

2. The Obligor hereby mortgages to the Mortgagee all right, title and interest of the Obligor in and to the Property described in Schedule A annexed hereto and hereby made a part hereof, designated as Block ____ Lot ____, on the Tax Map of the City of New York, County of New York ("Property"), together with:

(a) the buildings and improvements on the Property.

(b) all of the Obligor's right, title and interest in and to any land lying in the bed of the streets in front of and adjoining the Property to the center lines of such streets.

(c) all fixtures which now are or which later may be attached to or used or useful in connection with the Property. This does not include the household furniture.

(d) all condemnation awards for any taking by a government or agency of the whole or part of the real Property or any easement in connection with the Property. This includes awards for changes of grades of streets.

(e) all right, title and interest but not obligation, of the Obligor in and to all leases and other agreements affecting the use or occupancy of the Property or any common area appurtenant thereto.

(f) any right, title and interest of the Obligor in and to any common areas appurtenant thereto.

3. Obligor will fulfill the Recapture Obligation at the time and in the manner provided in the Rider. If the Obligor fails to make any payment required pursuant to the Rider to this Note and Mortgage, the lien created by this Mortgage will remain a lien on the Property to secure payment of the unpaid portion of the Recapture Obligation.

4. The Obligor and Mortgagee hereby acknowledge that the Property is subject to the lien of a first loan made by _____ (the "Lender(s)"). The parties hereto agree that all terms and provisions of this Note and Mortgage will be subject and subordinate to the lien of the Lender(s) and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms of such mortgage loan(s) or incidental thereto, or to protect the security thereof, to the full extent thereof. Mortgagee shall not be entitled to any payments hereunder until the Lender(s) are paid in full. If any action or proceeding of foreclosure is instituted by the Lender(s), the Obligor will immediately upon service thereof, deliver to the Mortgagee and NYC

Partnership Housing Development Fund Company, Inc., the Grantee with respect to the Grant Funds under a Grant Agreement identified as AHC-_____ between the Mortgagee and Grantee ("Grant Agreement"), whose address appears in Paragraph 12 of this Note and Mortgage, a true copy of each notice, petition, summons or papers howsoever designated, served in such action or proceeding or in any such action or proceeding.

5. The Recapture Obligation secured by this Note and Mortgage will become immediately due and payable if any one or more of the following occurs:

i) if the Obligor fails to make any payment on the Lender(s) loan(s) within 60 days of the date that any payment on such loan(s) was due;

ii) if the Obligor sells, rents (except with regard to the rental of any accessory apartment on the Property, to the extent that such accessory apartment rental usage is permitted under the Grant Agreement), conveys any interest in or otherwise fails to occupy the Property as his/her principal place of residence; and

iii) if any other default exists under this Note and Mortgage or the Lender(s) loan(s).

6. Obligor will keep the improvements on the Property insured against loss by fire and other risks as required by Lender(s) or as required by the Mortgagee.

7. Obligor will keep the Property in reasonably good repair.

8. The Recapture Obligation secured hereby will not require the payment of installments and will be a standing obligation which will be without interest.

9. Obligor represents and warrants that Obligor lawfully owns the Property and that the Obligor has the right to mortgage the Property to the Mortgagee. In addition, the Obligor gives Mortgagee a general warranty of title. Obligor further represents and warrants that the Property will be the Obligor's principal place of residence.

10. If the Mortgagee incurs any costs in collecting the Recapture Obligation secured by this Note and Mortgage, including but not limited to reasonable attorney's fees, such costs will be added to the Recapture Obligation and will also be secured by this Note and Mortgage.

11. The Obligor will, within ten (10) days after request by the Mortgagee and at the Obligor's expense, furnish the Mortgagee with a statement, duly acknowledged and certified, setting forth the amount of the Recapture Obligation and whether any offsets or defenses exist against the Recapture Obligation.

12. Any notices, demands certifications, requests, communications or the like ("Notices") required or permitted to be given under this Note and Mortgage, unless otherwise specifically provided in this Note and Mortgage, will be in writing and will be delivered personally or given by regular,

certified, or registered mail, correct postage prepaid, to the addresses first set forth above, and to _____, (Grantee) whose address is _____, _____, New York, or such other addresses as the parties may for themselves designate in writing for the purpose of receiving Notices hereunder. Notices to the Mortgagee will be marked "Attention: Director, New York State Affordable Home Ownership Development Program." Notices will be deemed given when actually, personally delivered and receipted or when deposited with the post office registry clerk or an official United States post box.

13. The terms, covenants and conditions of this Note and Mortgage will in all respects be governed, construed, applied and enforced in accordance with the laws of the State of New York.

14. This Note and Mortgage may not be modified, amended, changed, discharged or terminated orally, but only by an agreement in writing, in a form suitable for recording, signed by the party against whom the enforcement of the modification, amendment, change, discharge or termination is sought.

15. The Obligor warrants and represents that the Obligor (and the undersigned representatives of the Obligor, if any) has full power, authority and legal right to execute and deliver this Note and Mortgage and to mortgage all right, title and interest of the Obligor in and to the Property pursuant to the terms hereof and to keep and observe all of the terms, covenants and conditions of this Note and Mortgage on the Obligor's part to be performed. Obligor further represents and warrants that he is eligible to participate in the Program as a Home Buyer or Home Owner pursuant to the terms of the Grant Agreement.

16. If there is more than one Obligor each will be separately liable. The words "Obligor" and "Mortgagee" will include their heirs, executors, administrators, successors and permitted assigns. If there are more than one Obligor or Mortgagee the words "Obligor" and "Mortgagee" used in this Note and Mortgage will be read as if written in the plural. Words in the masculine or feminine gender appearing herein will be deemed to refer to either or both male or female persons, as the sense of the sentence requires.

17. This Note and Mortgage may be executed in one or more duplicate originals bearing the same date.

The Obligor states that the Obligor(s) has read this Note and Mortgage, received a completely filled in copy of it and has duly signed this Note and Mortgage as of the date at the top of the first page.

Obligor

_____

ACKNOWLEDGEMENT

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On the ____ day of _____ in the year 201__, before me, the undersigned, a notary public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is 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 on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public
Commission Expires: _____

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On the ____ day of _____ in the year 201__, before me, the undersigned, a notary public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public
Commission Expires: _____

SCHEDULE A
LEGAL DESCRIPTION

RIDER

To A Certain Note and Mortgage Dated _____, 201__ made by _____, ("Obligor(s)")

1. The amount to be recaptured under this Note and Mortgage will be the amount of the Recapture Obligation except that following the fifth anniversary of the date which appears at the top of the first page, such amount will be reduced by 10% per year for each 6 months that the Obligor has occupied the Property as the Obligor's principal place of residence in excess of five full years. For the purposes of this Rider, occupancy for any part or fraction of a year will be treated as follows:

(i) over 4 months but less than 6 months, as ½ year of residence and, will, if the Obligor is entitled to reductions under this Rider, entitle the Obligor to an additional reduction of 10% of the Recapture Obligation.

(ii) over 6 months, as 1 full year of residence will, if the Obligor is entitled to reductions under this Rider, entitle the Obligor to an additional reduction of 20% of the Recapture Obligation; and

2. The period of occupancy and the amount to be recaptured under this Note and Mortgage is demonstrated by the following table:

period of occupancy of at least _____	but less than	per cent of Recapture Obligation to be repaid
1 day	64 months	100 %
64 months	66 months	90 %
66 months	76 months	80 %
76 months	78 months	70 %
78 months	88 months	60 %
88 months	90 months	50 %
90 months	100 months	40 %
100 months	102 months	30 %
102 months	112 months	20 %
112 months	114 months	10 %
114 months	----------	0 %

3. If the Recapture Obligation becomes due and payable, the amount of the Recapture Obligation to be repaid by the Obligor will be determined by the Mortgagee as of the occurrence of the earliest date (i) the Obligor defaulted under this Note and Mortgage or the Lender(s) loans (if there are other Lenders); and (ii) the Obligor sold, rented (except with respect to the rental of an accessory apartment on the Property to the extent to which such rental usage is permitted under the Grant Agreement), conveyed any interest in, or otherwise failed to occupy the Property.

4. This Note and Mortgage will be deemed of no further force and effect upon _____, 201__ (the date of the tenth anniversary of the date set forth at the top of the first page), and neither party to this Note and Mortgage will have any further rights or obligations under this Note and Mortgage against each other, except that, if the Obligor has failed to fulfill the Recapture Obligation due or otherwise defaulted under the terms of this Note and Mortgage, then the security interest created by this Note and Mortgage (in other words, the lien on the Property) will continue until the amount of the Recapture Obligation plus all costs of collection payable under the terms of this Note and Mortgage have been discharged by the Obligor. The Mortgagee will, on or after such date, if the Obligor has complied with all of the requirements of this Note and Mortgage, upon written request by Obligor, execute a satisfaction or discharge of this Note and Mortgage.

5. If the Recapture Obligation becomes due and payable due to Obligor's conveyance of the Property (except for a conveyance to an eligible purchaser, under the terms of the Grant Agreement, and assumption of the Recapture Obligation by such eligible purchaser), Obligor's right to retain the following amounts shall be prior to the Mortgagee's right to the Recapture Obligation to be repaid under paragraphs 2 and 3 of this Rider:

The amount the Obligor may retain from the proceeds of sale shall be the sum of the following:

a) his down payment made at the time of his initial purchase of the Property,

b) his verified costs of home improvements up to the maximum amount of $2,000, and

c) his resale expenses which will include only the following items to the extent actually incurred:

   i) broker's commission on the resale

   ii) legal fees for closing documents prepared by the seller's counsel and normally borne by the seller under the customary practice of the locality, and

iii) any transfer tax or recording fee payable by the seller pursuant to state statute or local ordinance in connection with the conveyance.

The proceeds of sale shall include cash and all other items of value received from the subsequent buyer and all mortgages or other encumbrances assumed by the subsequent buyer or to which the Property may be subject in the hands of the subsequent buyer.

6. This Note and Mortgage may be assumed by any eligible Home Buyer under the terms of the Grant Agreement, as the same may be amended, subject to the prior written consent of the Mortgagee. Notwithstanding anything contained herein to the contrary, upon the transfer of the Property to such eligible purchaser who assumes this Note and Mortgage, no sums shall be due and payable under this Note and Mortgage, the Recapture Obligation shall not become due and payable and the period of occupancy of the original Obligor for purposes of Section 2 of this Rider shall be tacked on to the period of occupancy of subsequent eligible purchasers assuming this Note and Mortgage, under the Grant Agreement, with the consent of the Mortgagee, so that the percent of Recapture Obligation to be repaid shall be calculated as if the periods of occupancy of all such eligible purchasers, including the original Obligor, are aggregated. Such calculations of the percent of Recapture Obligation to be repaid shall be adjusted to ensure that no reduction in the percent of Recapture Obligation to be repaid shall accrue during any period of vacancy or default on the provisions of this Note and Mortgage, but the Recapture Obligation shall remain as a lien on the Property during such periods.

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CERTIFICATION OF SPONSOR AND PRINCIPALS OF SPONSOR PURSUANT TO PART 20 OF THE REGULATIONS ISSUED UNDER GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

New York State Department of Law
120 Broadway
23rd Floor
New York, New York 10271

Attention: Investment Protection Bureau

Re: Condominium Offering Plan
The Sutton Condominium
959 First Avenue, New York, New York 10022

Gentlemen:

The undersigned certify as follows:

We are the Sponsor and the principals of the 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 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 making this certification. We jointly and severally certify that the Offering Plan does, and that all 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.

TOLL FIRST AVENUE LLC

BY: _____

David Von Spreckelsen
Division President

Sworn to before me this
7th day of July, 2014

_____
Notary Public 7/7/14

JEAN WILKINSON
Notary Public, State of New York
No. 01WI6114149
Qualified in Kings County
Commission Expires: 08/09/2016

PRINCIPALS OF SPONSOR:

Richard T. Hartman

Sworn to before me this
27th day of June, 2014
Karen A Felice
Notary Public

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
KAREN A. FELICE, Notary Public
Horsham Twp., Montgomery County
My Commission Expires November 1, 2016

David Von Spreckelsen

Sworn to before me this
7th day of July, 2014
Notary Public 7/7/2014

JEAN WILKINSON
Notary Public, State of New York
No. 01WI6114149
Qualified In Kings County
Commission Expires: 08/09/2016

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Goldstein Hill & West Architects, LLP
11 Broadway, Suite 1700
New York, New York 10004

CERTIFICATION OF SPONSOR'S ARCHITECT
PURSUANT TO SECTION 20.4(c) OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

Oct 14, 2014

New York State Department of Law
120 Broadway
New York, New York 10271
Att.: Investment Protection Bureau

Re: 959 First Avenue
New York, New York 10022

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). We have examined the building plans and specifications that were prepared by Goldstein Hill & West Architects, LLP and dated March 19, 2014 and prepared the Report dated Oct 14, 2014, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a registered architect in the State in which the property is located.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and together with the Consulting Engineers (WSP Group Structural Engineers and Ettinger Engineering) investigated the facts set forth in the Report and the facts underlying 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 based on our visual inspection:

(i) sets forth in narrative form the physical condition of the entire property as it will exist upon completion of construction and renovation, provided that construction and renovation is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property as it will exist upon completion of construction and renovation, provided that construction and renovation is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond the reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Very truly yours,

Name:
Title:

Sworn to before me this 14th
day of October, 2014

Notary Public

SEAN DAWSON
NOTARY PUBLIC-STATE OF NEW YORK
No. 01DA6178763
Qualified In New York County
My Commission Expires December 10, 2015

Douglas Elliman
Property Management

PART 20: CERTIFICATION BY EXPERT AS TO ADEQUACY OF CONDOMINIUM BUDGET

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

August 7, 2014

Re: Condominium Offering Plan
The Sutton Condominium
959 1st Avenue
New York, New York

The sponsor of the condominium offering plan for the captioned Property retained our firm to review Schedules B and B-1 containing projections of income and expenses for the first year of condominium operation. Douglas Elliman Property Management is involved in the management of a significant number of Cooperatives, Condominiums and Rental Properties in the greater New York metropolitan area consisting of approximately 350 properties containing approximately 45,000 residential units. Douglas Elliman Property Management and its predecessors have been engaged in the management of Cooperatives, Commercial and Rental Properties for more than 20 years.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Schedules.

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 the Schedules 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) set forth in detail the projected income and expenses 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 first year of condominium operation;

(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;

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Douglas Elliman
Property Management

(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 I/we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

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 or expenses for the first year of condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

DOUGLAS ELLIMAN
PROPERTY MANAGEMENT

By: _____
Name: Eli S. Garber
Title: Vice President

Sworn to before me this
7th day of August, 2014

_____
Notary Public

DONNA M. CHIN
NOTARY PUBLIC, State of New York
No. 01CH5078927
Qualified in Kings County
Commission Expires 11/16/15

Douglas Elliman
Property Management

PART 20: CERTIFICATION BY EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER(S)

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

August 7, 2014

Re: Condominium Offering Plan
The Sutton Condominium
959 1st Avenue
New York, New York

The sponsor of the condominium offering plan for the captioned Property retained our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. Douglas Elliman Property Management is involved in the management of a significant number of Cooperatives, Condominiums and Rental Properties in the greater New York metropolitan area consisting of approximately 350 properties containing approximately 45,000 residential units. Douglas Elliman Property Management and its predecessors have been engaged in the management of Cooperatives, Commercial and Rental Properties for more than 20 years.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the commercial unit listed in Schedule B.

We have reviewed Schedule B as it impacts upon the commercial 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 the common charges payable by the owner of the commercial unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial 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 owner of the commercial unit:

(i) sets forth in detail the projected common charges for the commercial unit for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner(s) of the commercial unit;

Douglas Elliman
Property Management

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b)with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial 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.

DOUGLAS ELLIMAN
PROPERTY MANAGEMENT

By: _____
Name: Eli S. Garber
Title: Vice President

Sworn to before me this
7th day of August, 2014

_____
Notary Public

DONNA M. CHIN
NOTARY PUBLIC, State of New York
No. 01CH5078927
Qualified in Kings County
Commission Expires 7/10/15