

CONDOMINIUM OFFERING PLAN

347 BOWERY CONDOMINIUM

347 Bowery
New York, New York 10003

OFFERING PRICE - 5 RESIDENTIAL UNITS \$46,750,000.00

OFFERING PRICE - 2 COMMERCIAL UNITS \$24,800,000.00

TOTAL OFFERING PRICE - \$71,550,000.00

The Condominium will contain 5 Residential Units and 2 Commercial Units. All of the Residential and Commercial Units are offered for sale under this Plan.

<i>Sponsor:</i> 347 Bowery Owner, LLC 401 Broadway New York, New York 10013	<i>Selling Agent:</i> Urban Compass Inc. 100 Jane Street New York, NY 10014
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The Date of Acceptance for Filing is January 20, 2015. This Plan may not be used after January 19, 2016 unless extended by amendment.

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

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

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

Offering Plan Attorneys:
Marans, Weisz & Newman, LLC
29 Broadway, Suite 2400
New York, New York 10006

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SPECIAL RISKS

- 1) Because Sponsor is retaining the unconditional right to rent rather than sell units, there is no commitment on the part of the Sponsor to sell more units than the fifteen percent (15%) necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium. The Building may be occupied by tenants who have no intent to purchase.
- 2) The standard insurance amount provided by the Federal Deposit Insurance Corporation for bank deposits is \$250,000 per depositor, per insured bank for each account ownership category. See Section entitled "Procedure to Purchase."
- 3) Each owner of a Unit with children under eleven (11) must, by law, install window guards at such Unit Owner's cost and expense.
- 4) Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York State Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to the expiration thereof, and ultimately for obtaining a FCO covering the entire Building within two (2) years from the date of the issuance of the first TCO or first closing. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two (2) year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO (2) YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings. Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO.

A Factsheet on Certificates of Occupancy is available on the DOB website at:

- 5) Because the Sponsor and the by-laws may permit Unit Owners to undertake renovations to individual Units prior to obtaining a FCO, these renovations may cause additional delays which are out of Sponsor's control and notwithstanding that Sponsor is still obligated to procure the FCO.
- 6) The Condominium Board, at the request of Sponsor or a Commercial Unit Owner, will enter into a non-disturbance agreement with any tenant with which Sponsor or a Commercial Unit Owner or its designee has entered into a lease for all or any part of a Commercial Unit. Under the terms of the non-disturbance agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration of Condominium and the Board will agree that so long as there is no event of default under said lease, as would entitle Sponsor or a Commercial Unit Owner or any successor 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 unpaid Common Charges or any other sums of any sort, and the Board shall agree 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, 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 Board, or in case any Board takes possession of a Commercial Unit pursuant to any provisions of the Condominium Documents or otherwise; provided, however, that if any Board or any other party succeeds to the interests of Sponsor or a 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.
- 7) In addition to the initial Deposit in the amount of ten percent (10%) of the purchase price due upon the execution of the Purchase Agreement, a second check, in the amount of ten percent (10%) of the purchase price, will be due to Sponsor by Purchaser no later than six (6) months after the date that the Purchase Agreement is fully executed and a copy returned to the Purchaser constituting the second Deposit for a total Deposit in the amount of twenty percent (20%) of the purchase price.
- 8) Deposits given by a Purchaser to Sponsor for extra work for a Unit shall be initially deposited in the Escrow Account but may be released by Escrow Agent to Sponsor from the Escrow Account to pay for material purchased in connection with the extra work or to pay for the extra work itself in accordance with the terms and conditions of the Purchase Agreement for the particular Unit and, if applicable, any separate agreement between Purchaser and Sponsor governing such extra work.
- 9) Sponsor has obtained construction financing from a consortium of banks with the lead

lender being the German American Capital Corporation and the agent for the lender being Deutsche Bank Trust Company Americas secured by mortgages which mortgages, it is anticipated, will be repaid from the proceeds of the sale of the Units. The mortgages securing said financing will have a maturity date of June 21, 2017. If the Sponsor has not fully repaid the mortgages securing the financing described above from sales of the Units, the mortgages provide a mechanism by which Sponsor can extend the maturity term of the mortgages or Sponsor could, at its option, seek to refinance the then outstanding balance of the mortgages with another lender either as construction loans or depending on the status of sales of the Units at such time as permanent loans.

10) A Purchaser may obtain financing from any lending institution or other source, but the Purchaser's obligation to purchase a Unit pursuant to an Agreement shall not be contingent on the Purchaser obtaining such financing, so that a Purchaser will remain obligated under the Agreement whether or not such Purchaser has been able to obtain financing and Purchaser shall be in default of the Purchase Agreement if Purchaser cannot pay the balance of the purchase price at closing due to not obtaining adequate financing. Neither Sponsor nor Selling Agent makes any representation whatsoever as to the terms or availability of any mortgage or other financing. Prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be limited and it could expire before the closing date, and Sponsor shall have no liability as a result of any scheduling, rescheduling or adjournment of closing beyond the expiration of a loan commitment.

11) There are numerous time constraints imposed in the Purchase Agreement set forth in Part II of this Offering Plan. TIME IS OF THE ESSENCE as to all such time constraints. This means that if the Purchaser fails to perform within the applicable time frame, he may waive substantive rights, or incur a forfeiture of substantial sums of money. Thus, a purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default, will both have the Contract canceled, and lose his down payment. Purchasers are advised to consult with their attorney concerning all terms of this offering. Please see the section of this Plan entitled "Procedure to Purchase" in Part I, and the Form of Purchase Agreement set forth in Part II for a statement of all applicable time limitations.

12) If at a Purchaser's request Sponsor grants an adjournment or adjournments of his or her closing of title in excess of five (5) days in the aggregate, the Sponsor has the option of collecting an additional five percent (5%) of the purchase price of the Unit as an additional down payment. In addition, if the Sponsor grants such adjournment or adjournments, (i) the apportionment of those items set forth in paragraph 8 of the Purchase Agreement shall be made as of the originally established closing date rather than as of the date the closing actually occurs, and Purchaser shall pay Sponsor \$250 per day for each day the Closing is adjourned. Nothing herein shall be construed to mean that the Sponsor must grant an adjournment of title when requested to do so. See the section of Part I of this Offering Plan entitled "Terms of Sale."

13) The legal fee of Sponsor's Condominium Counsel in the amount of \$2,350.00 per Unit shall be paid by Purchasers at the time of and in respect of the Closing.

14) Purchasers shall be required to pay at closing a contribution to the Working Capital Fund in an amount equal to two (2) months of Common Charges for their Units. This fund shall be used to pay for items in the budget which will be payable prior to the time that sufficient monthly Common Charges have accrued to pay these items.

15) Within the later of (i) one hundred twenty (120) days after the date by which Units constituting seventy-five percent (75%) of the Common Interests of the Condominium have been conveyed to Unit Owners or (ii) three (3) years from the date of conveyance of title to the first Unit, the Sponsor will relinquish voting control of the Board of Managers.

16) In the event that Purchaser fails to close title to the Unit on the date originally scheduled for the closing of title, postpones the closing for any reason, or is deemed at fault for not timely sending notice of a title defect, and title thereafter closes, then: (a) the closing apportionments shall be made as of the originally scheduled closing date regardless of when the actual closing of title occurs; and (b) the apportionments shall be: (a) made as of the originally established closing date rather than as of the date the closing actually occurs, (ii) Purchaser shall pay to Seller an amount equal to 0.04% (or such lower rate per day which is the legal limit, if 0.04% per day exceeds the legal limit) of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date (which is equivalent to a rate of 14.6% per annum); and (iii) Purchase shall pay Sponsor's counsel \$250.00 for each adjournment.

17) The rights and obligations of the Purchaser under this Agreement shall not be contingent upon Purchaser obtaining a loan to finance the acquisition of the Unit Purchase Agreement

18) Purchasers should note there are both Residential Units and Commercial Units in this offering, with separate form Purchase Agreements for each type of Unit. The two separate form of Purchase Agreements are set forth in Part II of this Offering Plan.

19) No Unit Owner may make any addition, alteration or improvement to their Unit prior to Sponsor obtaining a Certificate of Occupancy for the Building if such addition, alteration or improvement is of a nature such the New York City Department of Buildings will require that the application for such addition, alteration or improvement be closed out prior to the issuance of a Certificate of Occupancy for the Building or if such addition, alteration or improvement shall in any manner delay or impact Sponsor's obtaining of a Certificate of Occupancy. Only Sponsor shall have the right to consent to additions, alterations and improvements by Unit Owners prior to the issuance of a Certificate of Occupancy and such consent may be withheld

in Sponsor's sole discretion.

20. As noted in the Architect's Report contained in Part II of the Plan, the north façade windows on the 5th, 7th, 9th, and 11th floors are "Lot Line Windows" which are equipped with one fire sprinkler head as required by the New York City Building Code. Three (3) windows on the 2nd floor on the east façade of the Building at the base building are "Side Yard Windows." The habitable rooms having these windows have other windows that, under the existing New York City Building Code, will satisfy light, air and other requirements for the lawful use of such rooms for habitation purposes. So long as the north windows are not more than ten percent (10%) of the area of the façade, on a floor by floor basis, then such windows may remain regardless of how close an adjacent building is constructed to the north of the Building. These windows are identified in the Floor Plans contained in Part II of the Plan.

INTRODUCTION

General

The purpose of this Plan is to set forth all of the material terms of the offer. This Plan may be amended from time to time when an amendment is filed with the New York State Department of Law and served on all offerees as defined in Section 20.1 (d) of the regulations promulgated by the New York State Department of Plan. The Plan is presented in two parts that together constitute the entire Plan. Part I sets forth a description of the material terms of the offer and Part II contains, among other things, a detailed description of the Property, a form of purchase agreement, legal opinions as to certain tax matters discussed in the Plan, certifications of Sponsor and certain experts. The Condominium will be subject to and complies with Article 9-B of the New York State Real Property Law, as the same may be amended from time to time (the "Condominium Act").

The Sponsor

347 Bowery Owner LLC., a New York limited liability corporation with offices at 401 Broadway, New York, New York 10003 (the "Sponsor"), is the Sponsor of this offering pursuant to which five (5) Residential Units and two (2) Commercial Units are to be offered for sale in the building to be known as 347 Bowery, Brooklyn, New York (the "Property") to be called the 347 Bowery Condominium (the "Condominium").

The Property

Sponsor acquired the Property from 347 Bowery LLC by deed dated June 21, 2013. The Sponsor is the current owner of the Property.

Sponsor is developing on the Property a thirteen (13) story building to be established as a condominium with five (5) Residential Units and two (2) Commercial Units. Each Residential Unit will be sold together with a particular Storage Unit as designated in the Plan. Prices and other pertinent information for all residential Units will be as set forth in Schedule A contained herein.

Condominium Ownership

Basic aspects of condominium ownership include:

(i) Each Purchaser owns his or her Unit outright and is entitled to exclusive possession of that Unit together with an interest in and right to use the common elements, and

exclusive right to use limited common elements, if applicable;

(ii) Common Elements are parts of the Property, in addition to his/her own Unit, which a Unit Owner owns in common with the owners of all other Units, such as entryways, stairways, hallways, utility areas, and similar elements of the building, to the extent applicable, that serve all Unit Owners. A Unit Owner will share the non-exclusive right to use the Common Elements with all other Unit Owners. The common areas of the Project will include the foundation supports, a lobby, hallways, staircases, portions of the roof, a package room, electrical room, telecommunications room, refuse room, elevator and the water/sprinkler/mechanical room. Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units, but which are not owned by that Unit Owner. The Limited Common Elements in this Building include a patio and a garden accessed through particular Units as well as certain terraces and balconies accessed through particular Units.

(iii) Each Unit Owner shall pay Common Charges in accordance with the Condominium Act, Real Property Law Sections 339 (i) and (m) or applicable state and local law;

(iv) Each Unit Owner shall be obligated to comply with the Declaration, the By-laws (both of which are described below and fully set forth in Part II of the Plan), rules and regulations and any other requirements of the Board of Managers;

(v) Each Unit Owner may vote for the members of the Board of Managers, which is the group elected by Unit Owners to operate the Condominium once Sponsor no longer controls all of the positions on the Board of Managers as more particularly discussed in the By-Laws set forth in Part II of the Plan and as summarized in the section entitled "Board of Managers" below in Part I of the Plan. The Board of Managers will set Common Charges based on cash needs of the building operation and, in general, make all decisions necessary to run the Condominium.

(vi) Each Unit will be separately taxed and may be separately mortgaged. Under present income tax laws, if a Unit Owner itemizes income tax deductions, he or she may deduct from income for income tax purposes real estate taxes and any interest paid on the mortgage on his or her Unit; and

(vii) Individual Unit Owners are responsible for maintenance and repairs to their individual Units. After the closing of title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the fixtures, equipment, appliances and personal property situation within the Unit, as well as liability insurance with respect to occurrences in or about the Unit. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of

the By-laws.

To establish the Condominium, the Sponsor will record a Declaration of Condominium (the "Declaration") in the Office of the City Register in New York County, submitting the Property to the Condominium Act. The Declaration, together with the By-Laws of the Condominium, will be recorded by Sponsor at its sole cost and expense prior to its conveyance of title to the first Unit. The form and content of the Declaration and By-Laws will be substantially similar to the copies of those documents contained in Part II of the Plan.

The costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to the Common Elements or the Building as a whole are known as Common Expenses. Assessments billed by and payable to the Condominium Board by Unit Owners for the purpose of meeting Common Expenses are known as Common Charges as provided under Section 339(i) and (m) of the New York Condominium Act. They are determined by a Unit Owner's Common Interest. Electricity and gas for each Unit is separately metered and Unit Owners will be billed by and pay all charges incurred in connection with the same. Purchasers are referred to the projected budget for the first year of condominium operation in Schedule B for more specific information regarding Common Charges, and to Schedule C regarding estimated energy and utility costs.

Who May Purchase

This offering is made only to individuals aged 18 years or older and entities qualified to do business in the State of New York who are competent to own real estate in the State of New York.

Summary of Documents

This Plan is divided into two parts. In Part I is a schedule of prices and estimated Common Charges ("Schedule A"), the projected budget for the first year of Condominium operation ("Schedule B"), estimated annual Unit energy costs ("Schedule B-1"), a statement of rights and obligations of Sponsor, summaries of certain documents and other terms of the offer. In Part II is the form of Purchase Agreement, the Declaration of Condominium, the By-Laws, and Sponsor's architect's detailed description of the building and improvements to be constructed, as well as other relevant information. Parts I and II together constitute the entire Plan. All of the documents referred to in this Plan are important.

The prices set forth in Schedule A have been set by the Sponsor alone and are not subject to approval by the Department of Law or any governmental agency.

The Plan delivered to prospective Purchasers 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 by prospective purchasers without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the office of the selling agent or from Sponsor's counsel.

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.

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DEFINITIONS

The following terms used in this Plan and in Article 9-B of the Real Property Law (the "Condominium Act"), have the following meanings:

Board of Managers (also "Condominium Board"): The governing body of the Condominium initially comprised of three (3) managers appointed by Sponsor.

Building: The structure containing the Units and the Common Elements of the Condominium (other than the land under the Building).

By-Laws: One of the documents governing the operation of the Condominium, the form of which is set forth in Part II of the Plan.

City Register's Office: The New York County Office of the Register of The City of New York.

Closing: Including words of similar import are used synonymously and mean the payment of the purchase price, including the transfer of legal ownership of a Unit pursuant to this Plan and the Purchase Agreement

Closing Date: The date scheduled for the closing of title to a Unit by Sponsor as same may be adjourned in accordance with the terms of the Purchase Agreement.

Commercial Unit: A Unit located in the Condominium, which pursuant to the New York City Zoning Resolution may only be used for non-residential purposes, but may offer services to Residential Units.

Commercial Unit Owner: The owner of a Commercial Unit.

Common Charges: Assessments payable to the Board of Managers by each Unit Owner for the purpose of meeting Common Expenses.

Common Expenses: The costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, including any reserve established in anticipation of the aforesaid costs and expenses.

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.

General Common Elements: The Land (as hereafter defined), all parts of the Building other than the Units, including the foundation, portions of the roof and supports of the Building, and all areas or facilities for the common use of all of the Units and the Unit Owners

including, but not limited to, the lobby, hallways, staircases, cellar, bathroom, mechanical room, electrical room, machine room, refuse room, elevator control room.

Common Interest (also "Percentage of Interest in Common Elements"):

The proportionate, undivided interest in fee simple absolute in the Common Elements pertaining to each Unit set forth in the Declaration. Such interest is expressed as a numerical percentage. The total of all Common Interest percentages pertaining to all Units equals 100%. The Common Interest of the Unit is the basis for determining, among other things, a Unit Owner's (a) proportionate share of the Common Expenses and (b) proportionate share of any distributions upon termination of the Condominium.

Condominium: The Units and Common Elements comprising the Property to be called the 347 Bowery Condominium. The words "Property" and "Condominium" are used interchangeably in this Plan.

Condominium Act: Article 9-B of the New York State Real Property Law.

Declaration: The recorded instrument by which the Property is submitted to the provisions of the Condominium Act, as such instrument may be amended from time to time, consistent with law and the By-Laws. The By-Laws, which govern the operation of the Condominium, are part of the Declaration.

Department of Buildings: The Department of Buildings of the City of New York.

Department of Law: The New York State Department of Law.

Deposit: The payment or payments required to be paid by Purchaser at the time a Purchase Agreement is tendered to Sponsor or at the time or times prior to Closing as provided in the Purchase Agreement.

Escrow Agent: Marans, Weisz & Newman, LLC.

Floor Plans: Floor plans prepared by Selldorf Architects showing the division of the Property into the Units and Common Elements and to be filed with the Condominium Declaration.

Insurance Trustee: A bank or trust company in the State of New York from time to time appointed to serve as such by the Condominium Board.

Land: The parcel of land on which the Building will be situated, as more particularly described in the Declaration.

Limited Common Elements: Those Common Elements for which a Unit Owner will have the exclusive right to use. In this Plan, examples of Limited Common Elements are the terraces and balconies accessed through particular Units (but excluding the 3rd floor terrace), the Storage Spaces located in the cellar and a portion of the fire egress passages.

Permitted Encumbrances: Encumbrances to the title to a Unit that a Purchaser agrees to take title subject to, as more particularly itemized on Schedule A annexed to the form of the Purchase Agreement contained in Part II of the Plan.

Permitted Mortgage: A mortgage of a Unit or Units permitted to be placed thereon pursuant to the provisions of the By-Laws.

Permitted Mortgagee: Refers to the holder of a Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holder(s) of the mortgages given by Sponsor to acquire and construct the Property, including the successors, assigns and affiliates thereof. The initial Permitted Mortgagee shall refer to Deutsche Bank Trust Company Americas as the agent for a consortium of banks with the lead lender being the German American Capital Corporation.

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

Property: The Land, the Building and other improvements thereon, and all easements, rights and appurtenances belonging thereto.

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

Purchaser: A Purchaser of a Unit pursuant to a Purchase Agreement.

Registered Guarantor: a guarantor on a Registered Mortgage who has registered with the Board of Managers by supplying the Board with the name and address of the guarantor.

Registered Mortgagee: a mortgagee that holds a mortgage on a Unit that has provided notice to the Board indicating they hold a mortgage on a Unit which notice has a copy of the mortgage along with contact information for the mortgagee

Registered Mortgage: the mortgage held by a Registered Mortgagee.

Residential Common Element – Those portions of the General Common Elements which are limited in use to the owners of the Residential Units such as the 3rd floor terrace.

Residential Unit: Any of the Units designated for residential use in the Declaration.

Residential Unit Owner: The owner of a Residential Unit.

Rules and Regulations: The rules and regulations of the Condominium made in accordance with the By-Laws. The rules and regulations, which will apply unless and until amended by the Board of Managers, are set forth as an addendum to the By-Laws in Part II.

Sponsor: Sponsor or any affiliate of Sponsor. An affiliate shall be deemed to be any person or entity designated by Sponsor to acquire title to one or more Units. Designees of Sponsor shall have the right to designate a person or entity, whether related or unrelated to Sponsor, to succeed to their rights and any such person or entity shall also be deemed a designee of Sponsor. A Sponsor is the promoter of the project and/or Offering Plan to convert a particular parcel of property to condominium ownership.

Unit: The space to be exclusively owned and occupied by a Purchaser.

Unit Deed: A bargain and sale deed with covenant against grantor's acts, from Sponsor to a Purchaser, conveying title to the Unit and its appurtenant Common Interest.

Unit Owner: An owner of any Unit. Two or more of such owners are collectively referred to as "Unit Owners".

Unsold Units: Any Units owned by Sponsor or its designee, other than any Unit purchased by and for the use of Sponsor or its designee, until such time as the same have been sold.

Working Capital Fund: Collection of funds for future common expenses.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Condominium will consist of five (5) Residential Units and two (2) Commercial Units in a newly constructed elevatored building, built on approximately 4,585 square feet of land. Each Residential Unit will have storage space in the cellar of the Building constituting limited common elements (See the Floor Plans contained in Part II of the Plan). All of the Units offering in the Plan are being offered vacant. The Building is currently under construction and no leases have been entered into either for the Residential Units or the Commercial Units.

The number and types of rooms in each Unit will be as provided in Schedule A entitled "Purchase Price and Allocation of Common Interest" and in the Floor Plans contained in Part II of this Plan. If any of the actual or approved building plans for the individual Units submitted to the New York City Department of Buildings differ from those included in the Floor Plans, the Offering Plan will be amended to include either amended Floor Plans to reflect the approved building plans or the approved building plans will be amended to reflect the Floor Plans, as applicable, to reflect the actual Units being developed.

A detailed description of the Units and facilities is also set forth in Part II of this Plan in the section entitled "Description of Property and Specifications or Building Conditions."

All Units will contain a refrigerator, stove and dishwasher. Each Unit will be furnished with a hookup for a washer/dryer located inside each dwelling unit.

The Units and the Building of which they are a part and all other improvements will comply with all applicable rules, regulations, laws, and other requirements of all governmental authorities having jurisdiction thereof including those governing zoning and construction, and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules and regulations and other governmental requirements pertaining thereto. Construction of the Condominium will comply with the Building Code of the City of New York. Before the closing of title to a Unit, a Certificate of Occupancy (or Temporary Certificate of Occupancy) will be issued permitting occupancy of that Unit.

LOCATION AND AREA INFORMATION

The Condominium is located in the East Village neighborhood in the Borough of Manhattan. This is a highly developed area, essentially residential, but served by a rich and diverse assortment of shopping, recreational, medical, religious, and educational facilities, as well as a network both of streets and roads, and urban transportation. The Condominium will be located on the corner of the Bowery and East 3rd Street. A residential condominium is located directly to the north of the Property. The Bowery Hotel is located across the street to the south of the Property. A four-story walk-up residential building is located directly to the east of the Property. Police, fire, water, sanitation, snow removal and road maintenance services are provided by the City of New York.

The Condominium is located within the 9th Precinct of the New York City Police Department located at 130 Avenue C. The New York City Fire Department, Engine Company No. 33, is located at 42 Great Jones Street. Medical needs of the community are served by the Beth Israel Medical Center, located at 281 First Avenue.

Public schools located in the vicinity of the Condominium include Earth School located at 600 East 6th Street and P.S. 63 William McKinley located at 121 East Third Street and the middle and high school East Side Community School located at 420 East 12th Street and the Forsyth Satellite Academy located at 198 Forsyth Street (grades 9-12 only). There are private schools in the area including St. George High School, a co-educational college preparatory, Ukrainian Catholic high school located on 215 East 6th Street, Grace Church School (currently grades K-10) located at 86 Fourth Avenue and 46 Cooper Square and the World Class Learning Academy located at 44 East 2nd Street (ages 2 through 11). Sponsor, however, makes no guarantee or representation as to which school a child residing at the Condominium may actually attend. Cooper Union, a college, is located at 30 Cooper Square and New York University is located at 22 Washington Square North, are both located in the vicinity of the Condominium.

The Property is zoned C6-1 (commonly building in a commercial district which is not a central business district used partly for residential use and partly for community facility or commercial use) and its permissible use is Residential (User Group 2), Retail and Commercial (User Group 6).

The nearest library branch is located at 135 Second Avenue (the Ottendorfer Branch). The nearest post office branch is located at 93 Fourth Avenue (the Cooper Station). Washington Square Park, Tompkins Square Park, the Mercer Playground and the Public Theatre are all located nearby. Houses of worship of most denominations and faiths are located in the vicinity of the Condominium. The nearest shopping areas are located on Second Avenue, Third Avenue, Astor Place, Houston Street and St. Mark's Place.

The Condominium is between the Bleecker Street and Astor Place subway stations of the 6 train and is near the Second Avenue subway station of the F train and the Broadway Lafayette subway station of the B, D, F and M trains. Bus lines serving the area include the M103 along the Bowery and the M15 along Second Avenue.

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SCHEDULE A

347 BOWERY CONDOMINIUM

347 Bowery
New York, NY, 10003

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE FIRST YEAR OF THE CONDOMINIUM OPERATION AUGUST 1, 2016 - JULY 31, 2017

(2)	(2)	(2)	(2)	(1)	(1)	(1)	(4)	(3)	(5)	(6)	(7)					
APPROX. UNIT SQUARE FOOTAGE										PROJECTED COMMON CHARGES		PROJECTED REAL ESTATE TAXES		TOTAL PROJECTED CARRYING CHARGES		
UNIT	UNIT TYPE	FLOOR DESIGNATION	TYPE	BEDS	BATHS	APPROX. UNIT SQUARE FOOTAGE	APPROX. TERRACE/BALCONY SQUARE FOOTAGE	APPROX. STORAGE SQUARE FOOTAGE	OFFERING PRICE	% INTEREST IN THE COMMON ELEMENTS	MONTHLY	ANNUAL	MONTHLY	ANNUAL	MONTHLY	ANNUAL
PH1	Residential	Floor 11-13	Triplex	3	3.5	3,796	681	152	\$ 17,000,000	19.34%	\$ 4,312	\$ 51,745	\$ 4,957	\$ 59,482	\$ 9,269	\$ 111,226
PH2	Residential	Floor 9-10	Duplex	3	3.5	2,754	262	116	\$ 8,000,000	11.70%	\$ 2,609	\$ 31,304	\$ 2,999	\$ 35,990	\$ 5,608	\$ 67,293
R-7	Residential	Floor 7-8	Duplex	3	3.5	2,754	262	94	\$ 7,750,000	11.57%	\$ 2,580	\$ 30,956	\$ 2,965	\$ 35,577	\$ 5,544	\$ 66,532
R-5	Residential	Floor 5-6	Duplex	3	3.5	2,754	262	74	\$ 7,500,000	11.43%	\$ 2,548	\$ 30,581	\$ 2,930	\$ 35,163	\$ 5,479	\$ 65,744
R-3	Residential	Floor 3-4	Duplex	2	2.5	2,466	131	50	\$ 6,500,000	10.13%	\$ 2,259	\$ 27,103	\$ 2,594	\$ 31,130	\$ 4,853	\$ 58,233
RESIDENTIAL TOTAL						14,524	1,598	486	\$ 46,750,000	64.17%	\$ 14,307	\$ 171,688	\$ 16,445	\$ 197,341	\$ 30,752	\$ 369,029
C-2	Commercial	Floor 2	Simplex	N/A	N/A	3,953	N/A	N/A	\$ 6,200,000	16.02%	\$ 3,571	\$ 42,849	\$ 4,338	\$ 52,061	\$ 7,909	\$ 94,910
C-1	Retail	Floor 1 / Below Grade	Duplex	N/A	N/A	4,895	N/A	N/A	\$ 18,600,000	19.81%	\$ 4,418	\$ 53,014	\$ 4,964	\$ 59,567	\$ 9,382	\$ 112,581
COMMERCIAL AND RETAIL TOTAL						8,848			\$ 24,800,000	35.83%	\$ 7,989	\$ 95,863	\$ 9,302	\$ 111,628	\$ 17,291	\$ 207,491
* 1,692 square feet below grade.						23,372			\$ 71,550,000	100.00%	\$ 22,296	\$ 267,352	\$ 25,747	\$ 308,969	\$ 48,043	\$ 576,520

FOOTNOTES TO SCHEDULE A

1. Floor Plans depicting layouts of Units in this Schedule A appear in Part II of the Plan. Purchasers should note that the sellable square footage of each Unit, as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan are approximate. The Units will be measured as follows: (i) With respect to Unit C-1, on the 1st floor from the outside face of the exterior wall at the property line, to the outside face of the demising wall and below grade from the outside face of wall to the outside face of the existing vault, including stair C; (ii) With respect to Unit C-2, from the outside face of the exterior wall at the property line, to the outside face of the demising wall (C-2 Storage Area is on the 2nd floor and is included in the total C-2 floor area); (iii) With respect to the Residential Units, from the outside face of the exterior wall to the outside face of the demising wall consisting of the entire floor area of Floors 3 to 13 excluding (a) the double height spaces, the Residential Common Elements and the elevator on the 3rd floor, and (b) the Limited Common Elements consisting of all terraces and balconies other than the 3rd floor terrace which is a Residential Common Element; and with respect to the General Common Elements, egress stair and elevator on the 3rd floor, from the inside face of wall to the inside face of wall. Because dimensions listed are based on measurements from exterior walls, they do not accurately represent the interior space in the Units and may significantly exceed the actual floor area. Floor area may include columns, mechanical pipes shafts, shaftways chases, chaseways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area. Any appurtenant space immediately adjacent to a Unit, which is only accessible or usable by a particular Unit, will be deemed a Limited Common Element appurtenant to such Unit and for the exclusive use and benefit of such Unit. Each Unit also includes the interior doors and walls and all plumbing, gas and electrical fixtures, lines, conduits and equipment such as refrigerators, dishwashers, panel boxes, ranges and other appliances, as may be affixed, attached or appurtenant to said Unit, not including the Building heating equipment and system, plumbing, gas and electrical fixtures and equipment as used in the preceding sentence include exposed and unexposed (to the extent solely serving or benefiting the Unit) gas and water pipes attached to the fixtures, appliances and equipment fixtures, appliances and equipment, and appliances and any special equipment, fixtures or facilities affixed, attached, or appurtenant to the Unit. 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. Measurements are approximate and are within reasonable tolerances.]

2. See the Section entitled "Description of Property and Specifications," for a more complete description of each Unit.

3. The respective Common Interest of each Unit in the Common Elements, in accordance with the provisions of Section 339i(1)(iv) of the Condominium Act, is based upon floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, as well as, the uniqueness of the Unit. The Common Interest is the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appertaining to each Unit.

4. The Purchase Prices of Units may be negotiated by Sponsor and therefore,

may be changed. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease Purchase Prices or modify other monetary terms of sale, including granting a mortgage loan contingency in a Purchase Agreement in an amount agreed to by Sponsor, without filing an amendment to the Plan at any time during the offering period, if such a decrease in the Purchase Price, modification of other monetary terms of sale, or mortgage loan contingency does not constitute a general offering or an advertised price, but is rather the result of an individually negotiated transaction. See "Changes in Prices and Units" and "Unit Closing Costs and Adjustments" in Part I of the Plan, for a more detailed description of purchase prices and closing costs.

5. Projected Monthly Common Charges for the year of operation commencing August 1, 2016 include only those expenses that are enumerated in Schedule B. Maintenance charges do not include expenses such as repairs to the interior of the Unit, and a Unit Owner's individual gas, electricity, hot water, heat, air conditioning and cable television service. Estimates of individually metered gas and electricity charges for each Unit are set forth in Schedule B-1. If the Purchaser should obtain financing for the purchase, the debt service on that loan will be an additional expense not covered by the Monthly Common Charges. Monthly Common Charges are arrived at by allocating to each Unit a share of the Monthly Charges proportionate to the Common Interest that that Unit bears in the Condominium. The actual first year of operation may be earlier or later than the projected annual period.

6. Each Unit will be separately taxed for New York City real property tax purposes. No Unit owner will be responsible for the payment of real estate taxes on a Unit not owned by them nor will any such Unit be subject to any liens arising from the non-payment of taxes on other Units.

Upon substantial completion of construction, the Property will be classified by the New York City Department of Finance ("DOF") as a tax class 2C property. Tax class 2C properties are primarily residential properties that consist of from two (2) to ten (10) cooperative or condominium units. The policy of DOF is to apportion each Unit's real estate taxes based on its Common Interest. However, Sponsor makes no representation that DOF will actually apportion the real estate taxes for each Unit based on Common Interest. Calculations of real estate taxes for the first year of operation have been made based upon the projected assessed value of the Property for FY2017 and the projection of the assessed value of the Property for FY2018, which commences on July 1, 2017. Post-construction real estate tax estimates were made by Marcus & Pollack LLP.

Based on projections for the 2016/2017 and 2017/2018 tax years, Marcus & Pollack LLP having assumed, but not guarantying, that 2016/2017 will be the first year that the Department of Finance will fully assess the Property based on the substantially completed Building. It is estimated that the aggregate real estate taxes payable with respect to all Units for

the first year of Condominium operation will total approximately \$59,567.00 assuming an actual assessed valuation for the Property of \$2,226,368.00 for 2016/2017 and \$3,777,280.00 for 2017/2018 reflected in the real estate tax projection opinion prepared by Marcus & Pollack LLP set forth in Part II of this Plan, and (b) a tax rate of 12.855% for the Residential Units and 10.684% for the Commercial Units for 2016/2017 and for 2017/2018. Purchasers should note that once the Building is assessed as being fully constructed, it is estimated that the real estate taxes for the Units will be considerably higher.

No warranty, guaranty or assurance is given as to any projected or estimated amount set forth above including, without limitation, the estimates of the Property's assessed valuation during the first year of Condominium operation; the estimates of the portions of such assessed valuations that will be allocable to the Units; the tax rate that will be in effect during the first year; will approximate the actual amount; or that DOF will allocate the Property's aggregate assessed valuation between the Units in accordance with the appraised values used by Marcus & Pollack LLP for such purpose, or that DOF will allocate the aggregate assessed valuation attributable to the Units among the different Units as described above.

7. Monthly carrying charges are composed of the monthly common charges and the monthly real estate taxes projected against each Unit (See Footnotes 5 and 6). Thus, the monthly carrying charges are composed of the total of columns referenced in footnotes 5 and 6. Unit Owners who itemize their deductions should, for federal income tax purposes, be entitled to a deduction for real estate taxes in the year in which same are paid or accrued SUBJECT TO ANY LIMITATIONS ON DEDUCTIONS RELEVANT TO SUCH BUYER. In the event real estate taxes change in future years, the tax deduction available on account of payment of such real estate taxes will also change. Please see the Tax Opinion Letter set forth in the Offering Plan for a more complete explanation. Purchasers are strongly encouraged to consult with their own tax professionals to ascertain the tax costs and benefits, if any, of ownership of a condominium unit.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTY BY ANYONE THAT THE ANNUAL CARRYING CHARGES OR EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS STATED, OR THAT SUCH CHARRYING CHARGES OR EXPENSES WILL NOT VARY FROM THE AMOUNTS SHOWN IN SCHEDULE A.

SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATIONS (see note 1)

August 1, 2016 – July 31, 2017

ESTIMATED INCOME

Common Charges (1)	
Common Charges – Residential Units	\$ 162,760.51
Common Charges – Commercial Units	\$ 104,791.65
Total Estimated Income	\$ 267,552.16

ESTIMATED EXPENSES			<u>Residential Unit</u>	<u>Commercial Unit</u>
			62.15%	38.75%
Payroll and Related Expenses (2)	\$ 126,907.00	\$ 67,141.54	\$ 59,765.46	
Electricity (3)	\$ 20,476.25	\$ 15,315.53	\$ 5,160.71	
Gas (4)	\$ 11,135.84	\$ 8,329.23	\$ 2,806.61	
Water and Sewer Charges (5)	\$ 3,933.07	\$ 3,933.07	\$ -	
Repairs and Maintenance (6)	\$ 8,550.00	\$ 6,395.11	\$ 2,154.89	
Service Contracts (7)	\$ 21,300.00	\$ 14,881.62	\$ 6,418.38	
Insurance (8)	\$ 22,600.00	\$ 14,044.86	\$ 8,555.14	
Management Fee (9)	\$ 18,000.00	\$ 11,186.17	\$ 6,813.83	
Legal and Audit Fee (10)	\$ 6,500.00	\$ 4,039.45	\$ 2,460.55	
Administrative (11)	\$ 1,350.00	\$ 838.96	\$ 511.04	
Reserve for Replacement (12)	\$ 26,800.00	\$ 16,654.97	\$ 10,145.03	
Total Estimated Expenses	\$ 267,552.16	\$ 162,760.51	\$ 104,791.65	

FOOTNOTES TO SCHEDULE B

General Notes

The estimated annual Common Charges during the first year of condominium operation is based on the Sponsor's expectation that the first Unit closing will occur on or about August 1st, 2016 and the first year of condominium operation will be from August 1, 2016 to July 31, 2017. The actual first year of operation may differ from such estimate. If the commencement date of the first year of condominium operation is six (6) months or greater from that set forth above, the Plan will be amended to include revised budget disclosing the then current projections. If the annual Common Charges in the revised budget projections exceed the earlier projections by twenty-five percent (25%) or more, the amendment will provide all Purchasers the right to rescind their Purchase Agreements and have their deposits refunded to them by sending written notice to the Sponsor within fifteen (15) days of receipt by such Purchaser of notification of such right. Sponsor may not declare a plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Offering Plan.

Specific Notes

(1) COMMON CHARGES – Budget: \$267,552.16

The estimated Common Charges to be collected from Unit Owners during the initial year of Condominium operation are based upon the assumption that the initial year will be the twelve (12) months commencing on August 1, 2016. The actual year of operation may be earlier or later.

(2) PAYROLL & RELATED EXPENSES – Budget: \$126,907.00

The Building staffing will consist of a part time superintendent, and two (2) lobby attendants. It is anticipated that the full staff will be employed at the commencement of the condominium. The projected level of staffing for the building complies with all applicable housing and labor laws. The Budget is based upon the employees not being members of any labor union. Employee wages include coverage for overtime, vacation and sick days.

Employees shall be employed by the Managing Agent with their salary expenses being reimbursable expenses. A personnel charge of thirty-nine percent (39%) shall be added to the approved salary expense which includes federal employment taxes, workers compensation insurance, fringe benefits and related employee payroll costs, taxes and expenses

Building Staff (#)	Wages/Yr/Person	Total Wages
Superintendent (0.5)	\$ 41,800.00	\$ 20,900.00
Lobby Attendant (2)	\$ 35,200.00	\$ 70,400.00
Subtotal Employee Salary		\$ 91,300.00
Personnel Charge (@39%)		<u>\$ 35,607.00</u>
Total Salaries, Wages, Payroll Taxes & Benefits		\$ 126,907.00

The lobby attendants and the superintendent are expenses shared by all Units.

(3) ELECTRICITY – Budget: \$20,476.25

The electrical budget for Common Areas only is based upon an estimate provided on March 14, 2014 by GEA Consulting Engineers, 545 Eighth Avenue, 11th Floor, New York, NY 10018. The estimated rates are based on approximate current rates. The estimated projected rates and subsequent costs are not guaranteed and it is expected that these rates will increase over time and are affected by the factors which are beyond 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 needs of building operation and weather conditions. Electric consumption by each Residential Unit and the Commercial Unit will be separately metered and the costs thereof will be paid directly to the utility provider.

The total estimated annual load for the Common Areas initial year of building operations is 94,041 KWHRS. At an average projected cost of \$0.198 /KWHR the total estimated electric common charges are \$20,476.25. The estimated residential electric common charges include taxes and an inflation rate of 10%.

(4) GAS – Budget: \$11,135.84

- a. GAS (cooking) – Budget: \$1,349.94
- b. GAS (domestic hot water) – Budget: \$3,670.40
- c. GAS (heating) – Budget: \$6,115.50

The gas budget is based upon an estimate provided on March 14, 2014 by GEA Consulting Engineers, 545 Eighth Avenue, 11th Floor, New York, NY 10018. The estimated rates are based on approximate current rates. The estimated projected rates and subsequent costs are not guaranteed and it is expected that these rates will increase over time and are affected by the factors which are beyond 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 needs of building operation and weather conditions. Gas will be commonly metered for consumption by the Residential and Commercial Units. If needed, the Retail Unit will be separately metered and the costs thereof will be paid directly to the utility provider.

The total estimated annual load for the initial year of building operations is 7,374 therms. At an average projected cost of \$1.51 /therm the total estimated gas common charges are \$11,135.84. This is divided between gas for cooking, heat and domestic hot water production.

(5) WATER & SEWER CHARGES – Budget: \$3,933.07

Municipal water and sewer will be provided by The City of New York. The water and sewer budget is based upon an estimate provided on March 14, 2014 by GEA Consulting Engineers, 545 Eighth Avenue, 11th Floor, New York, NY 10018. The estimated rates are based on approximate current rates. The estimated projected rates and subsequent costs are not guaranteed and it is expected that these rates will increase over time and are affected by the factors which are beyond 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 needs of building operation and weather conditions. Water will be commonly metered for consumption by the Residential Unit.

There are no common water and sewer charges shared by the Residential and Commercial Units. All costs are allocated to the Residential Units. The Commercial Units will be separately metered.

The total estimated annual usage by the Residential Units and Residential Common Areas for the initial year of building operations is 37,086 cubic feet per year. At an average projected cost of \$9.27 /cubic feet plus inflation and taxes for water usage the total estimated residential water and sewer common charges are \$3,933.07.

(6) REPAIRS AND MAINTENANCE – Budget: \$8,550.00

The building is being newly constructed and no historical costs for repairs and maintenance are available. Being a newly constructed, no amounts have been allocated

for the repair of building systems (mechanical, electrical, water, heating, cooling and other systems), envelope or for other capital expenditures. The projected budget is an estimate of Sponsor's budget expert based upon the experience and opinion of the reasonable cost of building repairs, maintenance and supplies for the initial year of building operations. These budget line items includes the purchase of small equipment and tools that maybe necessary during the initial year of building operations. Such equipment might include vacuum cleaner, snow blower, wet-vac machine and various power tools. Material components of the budget include:

Electric & Lighting	\$ 300.00
Elevators	\$1,000.00
General Building Maintenance & Repairs:	\$3,000.00
Painting & Paint Supplies	\$ 500.00
Plumbing	\$ 500.00
Supplies & Hardware:	\$3,000.00
<u>Windows / Doors / Locks/ Keys/ Access Devices:</u>	<u>\$ 250.00</u>
 Total:	 \$8,550.00

This is a shared expense of the Commercial and Residential Units. The allocation is based upon common interest.

(7) SERVICE CONTRACTS – Budget: \$21,300.00

The Budget represents the estimated costs for the initial year of building operations for service contracts and supplies. It should be noted that no service contracts have been entered into as of the date of the Plan. However it is anticipated that service contracts will be entered into prior to the initial year of building operating or service contracts for the building systems shall be included from the contractors who installed them. Purchasers are advised that the projections are only estimates and include reasonable allowances for increases in costs that may arise prior to the initial year of building operations.

Purchasers are advised that the initial year of the elevator service contract is included with the installation and part of the initial construction.

It is anticipated that maintenance and service contracts include, such items, as: fire/security systems maintenance, sprinkler maintenance, exterminating, water treatment, uniform expense, metal and marble maintenance, landscaping, mechanical equipment service contract, pump and motor maintenance and other service contracts as are

applicable in the operation of building of similar size and class. The Commercial Units will share in certain expenses based on its percentage of Common Interest.

(8) INSURANCE – Budget: \$22,600.00

The Budget is based upon proposal dated October 9, 2014 from Krauter & Company having offices at 1350 Avenue of the Americas, 18th Floor, New York, NY 10019. The insurance coverage will be obtained for the Building for the initial year of Condominium Operation. The insurance estimate is based upon the following information:

Number of Units:	5 residential / 2 commercial (condo)
Square Footage (Estimated):	30,000
Replacement Cost per Square Foot:	\$350
Construction Type:	Fire Resistive
Building Value:	\$10,500,000
Contents Value:	\$100,000
Maintenance Fees/Income:	\$300,000
Total Insurable Value:	\$10,900,000

COMMERCIAL PACKAGE POLICY

PROPERTY:

Building Limit:	\$10,500,000
Bus. Income Limit:	\$300,000
Personal Property Limit:	\$100,000
Equipment Breakdown:	Included - \$10,800,000
Earthquake:	\$1,000,000 (min)
Flood:	\$1,000,000 (min)
Debris Removal:	\$1,000,000 (min)
Increase cost of construction:	\$1,000,000 (min)

Coverage: All Risk "Special"
Form, Replacement Cost with
Agreed Amount on Building and
Actual Loss Sustained on the
Business Income

Deductible: \$5,000 Bldg. & Personal Property

GENERAL LIABILITY:

\$1,000,000 Per Occurrence
\$1,000,000 Personal & Advertising Injury
\$2,000,000 General Aggregate
\$1,000,000 Fire Legal Liability
\$5,000 Medical Payments
\$1,000,000 Employee Benefits Liability-\$1,000 Deductible
\$1,000,000 Non-Owned Automobile/Hired Car
\$1,000,000 Water Legal Liability

PREMIUM: Package property & Liability \$13,750.00 NY Fire Fee \$32.59

UMBRELLA LIABILITY POLICY

Limit of Liability: \$100,000,000 Per Occurrence
\$100,000,000 Aggregate

PACKAGE PREMIUM: \$20,000

DIRECTORS & OFFICERS LIABILITY

Limit of Liability \$1,000,000 Annual Aggregate
\$2,500 Retention

Premium: \$1,750

Note: Coverage is subject to completed application after board of directors has been elected. Copy of the By-Laws plus a Financial statement will be required to bind coverage.

CRIME:

Limit of Liability \$100,000 Annual Aggregate
\$2,500 Retention

Premium: \$850

This is s a summary of *proposed* insurance coverage—not a legal contract. It does not constitute an acceptance or binding of coverage. Specimen copies of these policies are available for your review prior to the binding of coverage.

In evaluating your exposure to loss, we have depended upon information provided by you. You should review the proposed coverage to confirm that it reflects the coverage, limits and terms that you require. Higher limits of liability may be available.

If there are other areas that need to be evaluated prior to binding coverage, or if any of the information you provided is now inaccurate, please bring these areas to our attention. Should there be a change in your business or exposures after coverage is bound, please let us know so that proper coverage changes can be discussed.

The Sponsor, at the sole cost and expense of the Condominium, will cause to be delivered to the Condominium on the closing date fire, casualty and general liability policies providing the insurance described above or binders thereof, on the terms that provide:

- (1) that each Unit Owner will be an additionally insured party;
- (2) that there will be no cancellation without notice to the Board of Managers;
- (3) a waiver of subrogation;
- (4) a waiver of invalidity because of the acts of the insured and the Unit Owners;
- and
- (5) a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

Lost income, water damage, elevator collision, boiler & machinery, fidelity bond are not included and available at additional cost. Unit Owners are advised to obtain insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements, and liability coverage to protect themselves against third party liability claims.

(9) MANAGEMENT FEE – Budget: \$18,000.00

The Budget is based upon the estimated annual cost for management services. At or prior to the first closing Sponsor expects the Board of Managers to enter into a written agreement with KW Property Management & Consulting (“KWPMC”), 75 Maiden Lane Suite 500 New York, NY 10038, a real estate management firm. The agreement shall be for a period of two (2) years and will automatically renew for successive one (1) year periods subject to termination by either party upon sixty (60) day prior written notice. KWPMC will receive an annual fee for the initial year of operations of \$18,000.00 payable in advanced in equal monthly installments. The management fee for the initial

year of building operations is based on prevailing rates for similar services for similar types of buildings.

(10) LEGAL AND AUDIT FEE – Budget: \$6,500.00

The Budget is based upon Board of Managers engaging (i) a law firm on an as needed basis to act as attorney for the Condominium and (ii) an accounting firm to provide auditing, tax return preparation and financial statement services. The accounting budget estimate was provided by Kane & Company, P.A. 250 Park Avenue, 7th Floor, New York, N.Y. 10177.

(11) ADMINISTRATIVE – Budget: \$1,350.00

The budgeted amount includes anticipated expenses for permits and licenses, Board expenses, meeting and events, building website, copying, postage, printing, messenger services and miscellaneous office supplies. The Administrative expenses are shared between the Commercial and Residential Units based upon common interest allocation.

(12) RESERVE FOR REPLACEMENT – Budget: \$26,800.00

The budgeted amount conforms to FHA/Fannie Mae requirements for a reserve fund equal to 10% of the annual operating budget.

IN THE OPINION OF KW PROPERTY MANAGEMENT & CONSULTING, THE PROJECTED COMMON CHARGE INCOME IS ADEQUATE TO MEET THE ESTIMATED OPERATING EXPENSES FOR THE INITIAL YEAR OF BUILDING OPERATIONS (SEE CERTIFICATION IN PART II OF THE PLAN). THIS OPINION ASSUMES THE INITIAL YEAR OF BUILDING OPERATIONS COMMENCES ON AUGUST 1, 2016. THE BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL GENERAL COMMON CHARGES OR GENERAL COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE BOARD OF MANAGERS WILL BE AS SET FORTH IN THE BUDGET. IN FACT, IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES FOR THE INITIAL YEAR OF BUILDING OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

SCHEDULE B-1

The estimated first year cost for electric consumption:

Unit	Total Electricity (kWh)	Effective Electric Price (\$/kWh)	Monthly Electric Cost (\$/month)	Annual Cost (\$/yr)
R-3	16,452	\$0.198	\$271.45	\$3,257.42
R-5	16,712	\$0.198	\$275.75	\$3,308.95
R-7	16,712	\$0.198	\$275.75	\$3,308.95
PH2	16,712	\$0.198	\$275.75	\$3,308.95
PH1	24,607	\$0.198	\$406.01	\$4,872.13

FOOTNOTES TO SCHEDULE B-1

I GENERAL

The charges indicated above are based on the following assumption:

Heating is based on 5,000 degree days. System shall maintain 70 degree Fahrenheit in the residential units when outdoor air temperature is 5 degree Fahrenheit.

Air conditioning system shall maintain 75 degree Fahrenheit when outdoor air temperature is 89 degree Fahrenheit. Windows to have curtains, Venetian blinds or other shading materials.

Each Residential Unit is calculated to have a gas range, and all other appliances included in the sale.

Construction of the Building will begin on or about November 1, 2014, and completion is estimated to be August 2016.

Apartment occupancy is assumed to be 2 people per master bedroom and one additional person per additional bedroom.

Residential Unit rates are based upon Con Ed rate structure SC-1 as of October 2014 with the following summer and winter charges:

For summer months - \$0.08907/kWh per first 250 kWh and \$0.10238/kWh for over 250 kWh

For winter months - \$0.08907/kWh per all kWh

In addition, the utility cost includes an average Market Supply Charge (MSC) of \$0.05582/kWh, an average Monthly Adjustment Clause (MAC) of \$0.01068/kWh, a System Benefits Charge of \$0.0038/kWh, a Renewable Portfolio Standard program charge of \$0.003/kWh, Merchant Function charge of \$0.001982/kWh, and Gross Receipts Tax (GRT) of 5.2794%. Charges also include a \$15.83 per month meter charge and \$1.20 per month billing and payment processing (BPP) charge. Sales tax is not included.

II ESTIMATED RESIDENTIAL UNIT ELECTRIC COSTS

Each Residential Unit will be metered separately for electric usage by utility provided electrical meters. This electric usage will include the power consumption of the roof mounted condensing unit that provides both heating and cooling to each Residential Unit.

Each Residential Unit has a lighting power density of 0.7 Watts per Square Foot and all appliances included in the sale of the apartment. The HVAC consumption is calculated based on a variable refrigerant flow split system with an outdoor condensing unit and indoor concealed fan coil units providing heating and cooling for the Unit. Each Unit has a dedicated outdoor condensing unit connected to multiple indoor fan coil units.

II ESTIMATED RESIDENTIAL UNIT GAS COSTS

There is no gas cost directly paid by each Residential Unit. The in unit gas consumption for cooking and dryer gas is on a common house meter and is part of the common utility costs for the Building.

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339 -i

The percentage of common interest for each Unit has been calculated by the Sponsor based upon floor space, subject to the location of such space and 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 as of the intended date of the filing of the Condominium Declaration in accordance with Section 339-i (iv) of the Real Property Law. Included on the page following is a statement of KW Property Management & Consulting, confirming the Sponsor's compliance with the foregoing provision of the Real Property Law.



October 27, 2014

347 Bowery Owner LLC
401 Broadway, Suite 1910
New York, New York 10013

Attn.: Mr. Glauco Lolli-Ghetti

Re: Condominium Offering Plan (the "Plan") for the
347 Bowery Condominium
347 Bowery
New York, New York (the "Property")

Dear Mr. Lolli-Ghetti:

All capitalized items not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

The Sponsor has requested my opinion on whether the method used to determine the undivided percentage of common interest of each Unit in the Common Elements in the above referenced Condominium complies with Real Property Law Section 339-i ("Section 339-i").

Our experience in the field includes management of operation of comparable condominium and cooperative properties. KW Property Management & Consulting is a licensed real estate brokerage and management firm actively involved in the management of over 150 cooperatives, condominium, home owner associations and rental properties since 2004.

In connection with this opinion, I have reviewed Schedule A of the Plan, the Declaration and the Floor Plans and have assumed the statements and information contained therein are correct and accurate. I have not reviewed or verified the calculations of floor areas used in determining the sizes of the Units or the Limited Common Elements.

Article Eighth of the Declaration states that "the percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the

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overall dimensions of the particular Unit." Article Eighth also states that the aggregate Common Interests of all Units equal one hundred percent (100%).

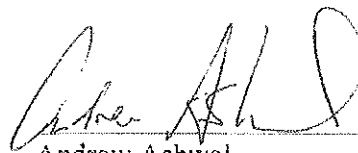
Section 339-i requires that the Common Interest of each Unit be based on any one of several methods of calculation. One of these allowable methods is the method stated in Article Eighth of the Declaration (Section 339-i(1)(iv)).

I have evaluated the allocation of Common Interest among the Units made by the Sponsor based on the foregoing factors and it is my opinion that the allocation of Common Interests is consistent with Section 339-i.

This opinion is confined to the matters addressed herein with respect to Section 339-i and is not intended, nor should it be construed, as an opinion on any other aspects of the Plan. Further, I assume no obligation to update or supplement this opinion to reflect any changes in statutory law or judicial precedent, or any changes in fact or circumstances that may hereafter come to our attention pertaining to the subject matter hereof.

I have no beneficial interest in the Sponsor or in the profitability of the conversion.

I consent to the incorporation of this opinion in the Plan and to the reference to my name therein in connection with this opinion.


Andrew Ashwal

Sworn to before me this
27th day of October, 2014.


Notary Public

Daniel Weisz
Notary Public State of New York
Westchester County
Lic. #02WE6425500
Comm. Exp. April 18, 2017

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New York, NY 10038
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COMMERCIAL UNITS

In addition to the Residential Units, the Condominium will contain two (2) Commercial Units located in the cellar, and on the first and second floors of the Building, to be known as C-1 and C-2, which Units are being offered for sale under the Plan. The Sponsor reserves the right to divide or merge the Commercial Units. The Commercial Units may be used for any lawful purpose. Notwithstanding the foregoing, the Commercial Units may not be used for an immoral, improper, offensive or unlawful purpose or the sale or display of pornographic photographs, magazines, movies or videotapes or as a so-called rubber goods shop or for any nude or semi-nude live performance or nude modeling or as a sex club or massage parlor or in a manner which would create a nuisance or be a source of annoyance or in any way interfere with the peaceful possession, enjoyment and proper use of the other Units or the common elements by the other Unit Owner(s).

The Condominium Board is obligated to supply building-wide services to the Commercial Units. All or any part of the Commercial Units may be leased or subleased by a Commercial Unit Owner, as provided in the Declaration and By-Laws set forth in Part II of the Plan, subject to the restrictions set forth above. The Residential Unit Owners other than Sponsor will have no interest in the rents, profits or revenues from the rental or use of any of the Commercial Units. No representation is made with respect to who the tenants or occupants of any portion of the Commercial Units may be at any time (except that the Commercial Units may be put at any time (except that the Commercial Units may be used for any lawful purpose or as otherwise limited by the Plan). The Commercial Unit Owners will have the right to freely lease all or part of the Commercial Units, as the case may be, without first having to offer the same for sale or lease to any Board.

The common charges payable by each Commercial Unit Owner are sufficient to cover the expenses fairly attributable to such Commercial Unit.

The Unit Owner of C-1 will not be permitted to use the sidewalk adjacent to the C-1 or any area outside C-1 but within or adjacent to the Building for any reason, including without limitation for the sale or display of any merchandise, for solicitations or demonstrations or for any other activity, except for the purpose of regular foot traffic and deliveries to and from C-1's for purposes consistent with the C-1's commercial use and otherwise as provided by Law.

The Condominium Board, at the request of Sponsor or a Commercial Unit Owner, will enter into a non-disturbance agreement with any tenant with which Sponsor or a Commercial Unit Owner or its designee has entered into a lease for all or any part of a Commercial Unit. Under the terms of the non-disturbance agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration of Condominium and the Board will agree that so long as there is no event of default under said lease, as would entitle Sponsor or a Commercial Unit Owner or any successor 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 unpaid Common Charges or any other sums of any sort, and the Board shall agree 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, 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 Board, or in case any Board takes possession of a Commercial Unit pursuant to any provisions of the Condominium Documents or otherwise; provided, however, that if any Board or any other party succeeds to the interests of Sponsor or a 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. The non-disturbance agreement shall also give any tenant of a Commercial Unit the same rights to act on behalf of a defaulting Board or Unit Owner as are otherwise available to the Sponsor or a Commercial Unit Owner under the Condominium Documents.

CHANGES IN PRICES AND UNITS

Changes in Prices

The Units will be offered at the prices set forth in Schedule A. Offering prices must be changed by a duly filed amendment to the Plan when the change in 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 for an individual Purchaser. However, prices and specified terms of sale may be negotiated on an individual basis and Sponsor may enter into an agreement with an individual Purchaser to sell one or more Units at prices different from those set forth in Schedule A, provided that in the case of a price increase to an individual Purchaser an amendment containing the new price will be submitted to the Department of Law prior to such price's use. In the case of an individual price decrease, no amendment shall be necessary for the price to be effective. An amendment whose sole purpose is to effect a change in price shall be effective immediately upon its receipt by the Department of Law.

Changes in Units

Notwithstanding anything to the contrary heretofore set forth, Sponsor or its designee shall, with respect to all Units owned by it, have the right, without the consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (a) make alterations, additions or improvements, structural and nonstructural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit; (b) change the layout or number of rooms in any Unit; (c) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between any Units or otherwise; and (d) reapportion among the Units affected by such change their appurtenant interests in the Common Elements; provided, however, that in each instance Sponsor or its designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall cause the Declaration to be amended, if applicable.

In the event Sponsor changes the size and/or number of Units, Sponsor shall increase or decrease the Common Interests appurtenant to such affected Units accordingly; however, the aggregate amount of the Common Interests of all of the Units shall remain at 100%. As a result of such a reapportionment of Common Interests of affected Units, the amount of the Common Charges and the real estate taxes and assessments payable by the Owners of such affected Units will be increased or decreased proportionately, but the amount of the Common Charges and real estate taxes and assessments payable by the Owners of Units unaffected will not be varied.

This Plan will be amended to reflect any change in the size, number or Common Interests of Units, or in the Common Elements. However, the layout and number of rooms within a Unit may be changed without prior notice or amendment to the Plan, except as hereafter set forth.

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 as aforesaid, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and such amendment is duly recorded. As more particularly set forth in the Declaration, Sponsor or its designee shall have the right to amend the Declaration to effectuate such changes in Unsold Units without the Condominium Board, the other Unit Owners, or any mortgagees consenting to, or executing, such amendment.

The provisions of the Declaration concerning combination and/or partitioning of any Unit by the Sponsor or its designee may not be modified or deleted by amendment without the written consent of the same. Neither the consent nor the signature of the Unit Owners nor of the Board of Managers or the mortgagees of Units not involved in any such change shall be required in connection with any amendment to the Declaration or By-Laws permitted or required above or to any application or other documents required in connection with any such amendment by any administrative agencies asserting jurisdiction there over, including, without limitation, any application or documents required by the New York City Department of Buildings and/or the Real Estate Assessment Bureau in connection with designations of separate tax lots for the affected Units or otherwise. Nonetheless, the Unit Owners not involved in any such change and the Board of Managers shall execute promptly and without charge therefor any such documents or applications necessary or convenient in connection with the effectuation of the provisions hereof, and by accepting the deed for his or her Unit a Unit Owner grants to the Sponsor and its designees an irrevocable power of attorney coupled with an interest to execute, deliver and/or record any amendment to the Declaration and the By-Laws and any and all documents and applications necessary or convenient to effectuate the foregoing. The form of said Power of Attorney is contained in Part II of the Plan.

Unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percent of common interest if a purchase agreement has been executed for that Unit and the Purchaser in question is not in default.

No change will be made in the size or number of Units and/or their respective percentages of common interest, and that no material change will be made in the size or quality of common elements, except by amendment to the Plan, and when applicable, to the Declaration. No material change will be made in the size and no material adverse change will be made in the quality of the Common Elements unless all Purchasers shall have consented and except by amendment to the Plan and, when applicable, to the Declaration.

No material change will be made in the size and no material adverse change will be made in the quality of the Common Elements unless sixty-seven percent (67%) of the Board of Managers and fifty-one percent (51%) of the Registered Mortgagees shall have consented.

INTERIM LEASES

The Sponsor reserves the right to lease vacant Units to Purchasers before the Closing. Any lease to a person who has signed a Purchase Agreement will be an "Interim Lease" on the terms set forth herein. An Interim Lease will be for a mutually agreed upon rent. No rental protection laws shall be applicable to Interim Leases. Such lease will also provide that an uncured default by the Purchaser under his/her Purchase Agreement will constitute a default under the lease entitling the Sponsor to declare a default under the lease. An uncured default under the lease can result in a default under the purchase agreement. Before the Sponsor may utilize a default under the lease to declare a default under the Purchase Agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim lessee unless the interim lessee has vacated the Unit. The interim lessee will have to vacate the Unit within ten (10) days after a default under the Purchase Agreement or rescission of the Purchase Agreement by the interim lessee.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute, in quadruplicate, a Purchase Agreement, in the form set forth in Part II of this Plan, and deliver the Purchase Agreement to Sponsor together with a check equal to the sum of ten percent (10%) of the purchase price. A second check in the amount of ten percent (10%) of the purchase price will be due to Sponsor by Purchaser together with a check in the amount of the full cost of any special work ordered by the Purchaser and itemized in the Purchase Agreement both no later than six (6) months after the date that the Purchase Agreement is fully executed and a copy returned to Purchaser. The aforementioned two (2) payments shall collectively constitute the Deposit as such term is defined below. Said checks shall be drawn to the order of "Marans, Weisz & Newman, LLC, as Escrow Agent." All funds received from Purchasers whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall

be made payable to or endorsed by Purchaser to the order of Marans, Weisz & Newman, LLC as Escrow Agent.

The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and should be read carefully by the prospective Purchaser and his or her legal or financial representative before being executed. The terms of sale and other provisions of an actual Purchase Agreement entered into between Sponsor and any Purchaser may vary from the provisions contained in the form of Purchase Agreement contained in Part II of the Plan. However, such variations shall have no effect on the provisions of any other Purchase Agreement theretofore or thereafter entered into between Sponsor and any other Purchaser nor shall such variations materially or adversely affect Sponsor's obligations as set forth in the Plan. Purchasers should be aware that if any conflict exists between the Plan and the Purchase Agreement, the provisions of the Plan shall in all events control.

In accordance with Section 352-e(2-b) of the General Business Law and Section 71-a(3) of the Lien Law of the State of New York and the New York State Attorney General's regulations promulgated pursuant thereto, Sponsor will hold all down payments (hereinafter sometimes referred to as "Deposits") received from Purchasers, directly or through its agents or employees, in a special segregated escrow account, until the closing of title to the Unit or earlier termination of the Purchase Agreement. Alternatively, in its discretion, Sponsor will secure a bond or indemnity contract from a licensed surety company in favor of the Purchaser in an amount equal to the down payment received, insuring protection of said down payment, which bond or contract will be delivered to Purchaser. The use of such bond will be pursuant to the regulations of the New York State Department of Law. If Sponsor elects to post a bond in accordance with the foregoing, Sponsor will amend the Plan accordingly. If no bond is posted, or until a bond is posted, such funds will be held as trust funds pursuant to Sections 352-h and 352-e(2-b) of said General Business Law and Section 71-a(3) of said Lien Law, in an interest-bearing account.

Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the handling or disposition of Deposits paid by such Purchasers. However, nothing in the preceding sentence shall limit the obligation of any Purchaser to pay the fees and expenses of Sponsor's attorneys (to the extent such fees and expenses are expressly disclosed in the Plan as may be amended from time to time) in connection with the purchase or closing of the Unit purchased by such Purchaser under the Plan.

A Deposit will be deemed to have been unconditionally tendered when it is delivered to Sponsor's attorneys, together with a Purchase Agreement in the form agreed to by Sponsor and signed by the Purchaser, without any request for a change in such form or the terms of the Purchase Agreement. Deposits shall remain the property of Purchaser until closing or earlier termination of the Purchase Agreement, except as otherwise provided herein or by law. The signature of Daniel Weisz, Esq. or Richard Marans, Esq. or Richard Newman, Esq., the

members of Marans, Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, NY 10006, attorneys for Sponsor, whose phone number is (212) 968-0244, shall be required to release any of such funds.

The Bank is covered by federal bank deposit insurance generally to a maximum of \$250,000.00 in the aggregate with respect to all funds deposited by any person in one or more deposit accounts (including, without limit, amounts directly deposited by such person and deposits held in escrow for such person by the Escrow Agent). The Wall Street Reform and Consumer Protection Act, which was signed into law on July 21, 2010, made the \$250,000.00 insurance limit permanent. If an individual makes a Deposit in excess of \$250,000.00 for the purchase of a Unit, or if the amount of such individual's deposits at the Bank and such Deposit exceed \$250,000.00, the aggregate of such Deposit and all other such deposits will generally not be insured in excess of \$250,000.00. See the section entitled "Special Risks."

The Escrow Agent:

The law firm of Marans, Weisz & Newman, LLC, with an address at 29 Broadway, telephone number (212) 968-0244, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Daniel Weisz, Richard Marans and Richard Newman. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account:

The Escrow Agent has established the escrow account at Hudson Valley Bank, 233 Broadway, New York, N.Y. 10279, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Marans, Weisz and Newman, LLC 347 Bowery Condominium Escrow Account ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit. Any deposit in excess of \$250,000.00 will not be insured.

All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Marans, Weisz & Newman, LLC, as Escrow Agent and deposited into the Escrow Account.

Any deposits (in addition to the Deposits) made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance with the terms of the Purchase Agreement and, if applicable, any separate agreement governing extra work.

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

The Purchase Agreement:

The Form of Purchase Agreement is included in Part II of the Plan. The relevant escrow trust fund provisions are included in Paragraph 3 of the Purchase Agreement, which must be executed by the Escrow Agent.

Notification to Purchaser:

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

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

Release of Funds:

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

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

The Escrow Agent shall release the Deposit if so directed:

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

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

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

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

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

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

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

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

Waiver Void:

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

Escrow Agent shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Deposit or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Deposit and continues to act as Escrow Agent.

Escrow Agent is acting merely as a stakeholder. Upon payment of the Deposit pursuant to the Plan, Escrow Agent shall be fully released from all liability and obligation with respect to the Deposit. Escrow Agent shall accept a Deposit made by certified or bank check, subject to collection.

Sponsor has agreed to compensate Escrow Agent for services rendered in connection with Escrow Agent's duties under the escrow agreement. Escrow Agent's fees and disbursements will neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

Escrow Agent will maintain all records concerning the Master Escrow Account for seven (7) years after the release of funds. Upon the dissolution of any law firm, which was the Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by the successor firm and shall notify the Department of Law of such transfer.

The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of this section of the regulations shall prevail over any conflicting or inconsistent provision in the Plan or in a Purchase Agreement.

Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to General Business Law Section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h. Funds from the escrow account remain the property of the purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the Sponsor or the escrow agent upon

any bankruptcy, incapacity or death.

Sponsor may apply to the Attorney General to use security in the form of surety bonds or a letter of credit, in accordance with the regulations of the Department of Law, in lieu of escrow of such funds. In the event Sponsor elects to use such alternative security, an amendment to that effect will be filed in the Plan fully complying with all provisions of the Department of Law for proof of satisfactory insurance of said funds.

Balance of Purchase Price and Closing Documents

After the Plan has been declared effective, Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such Purchaser's closing date. Such notice will be served in compliance with the regulations promulgated by the New York State Department of Law no less than thirty (30) days before the date set for the closing of the Units. Purchasers may waive this thirty (30) day notice provision in a writing addressed to Sponsor.

Sponsor expects the first closing of a Residential Unit to occur on or about August 1, 2016. If the date of the first closing of a Residential Unit shall be delayed by more than twelve (12) months after such date, each Purchaser will be offered a right to rescind his/her Purchase Agreement and receive return of his/her Deposit.

At the closing Purchaser shall be required to sign and deliver a Power of Attorney to the Board of Managers of the Condominium covering the Unit in the form contained in Part II of the Plan and pay certain closing fees, costs and adjustments (See the section entitled "Unit Closing Costs and Adjustments"). The Purchaser will also be required to pay the New York State and New York City real property transfer tax returns, mortgage recording taxes and Sponsor's and Purchaser's attorney fees covering the sale of his or her Unit, any real estate reporting return and statement required by the Internal Revenue Code or the regulations thereunder, all other documents required by law, and all other documents reasonably required by Sponsor or required under Purchaser's Purchase Agreement. The balance of the purchase price is also payable on closing. This amount shall be paid by a bank or cashier's check or certified check, drawn on or issued by a New York bank, trust company or other New York lending institution which is a member of the New York Clearing House Association, payable to Sponsor (or to any one Sponsor designates or directs in writing).

Once a Purchaser signs a Purchase Agreement, he or she must meet all obligations thereunder, including the obligation to pay the balance of the purchase price when due, provided he or she has been able to procure financing from a lending institution.

Sponsor has obtained construction financing from a consortium of banks with the lead lender being the German American Capital Corporation and the agent for the lender

being Deutsche Bank Trust Company Americas secured by mortgages which mortgages, it is anticipated, will be repaid from the proceeds of the sale of the Units. The mortgages securing said financing will have a maturity date of December 21, 2016. If the Sponsor has not fully repaid the mortgages securing the financing described above from sales of the Units as of this maturity date, the mortgages provide a mechanism by which Sponsor can extend the maturity term of the mortgages to June 21, 2017 or Sponsor could, at its option, seek to refinance the then outstanding balance of the mortgages with another lender either as a construction loan or depending on the status of sales of the Units at such time as a permanent loan.

Purchase Agreement Not Contingent Upon Financing

A Purchaser may obtain financing from any lending institution or other source, but the Purchaser's obligation to purchase a Unit pursuant to an Agreement shall not be contingent on the Purchaser obtaining such financing, so that a Purchaser will remain obligated under the Agreement whether or not such Purchaser has been able to obtain financing and Purchaser shall be in default of the Purchase Agreement if Purchaser cannot pay the balance of the purchase price at closing due to not obtaining adequate financing. Neither Sponsor nor Selling Agent makes any representation whatsoever as to the terms or availability of any mortgage or other financing. Prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be limited and it could expire before the closing date, and Sponsor shall have no liability as a result of any scheduling, rescheduling or adjournment of closing beyond the expiration of a loan commitment.

Default by Purchaser

If a Purchaser defaults in making any payments due under the Purchase Agreement or fails to execute and deliver documents, make the payments described above, or perform any of his other obligations under the Purchase Agreement, then Sponsor may, at its option, give written notice of default under the Purchase Agreement to Purchaser. If the default is not cured within thirty (30) days after written notice thereof, then the Purchase Agreement shall be deemed canceled and Sponsor shall be entitled to the payment due under the Purchase Agreement and any payments made thereunder including any costs for any special work ordered by Purchaser together with interest earned thereon, if any, as and for liquidated damages. Cancellation of a Purchase Agreement will permit Sponsor to sell the Unit to others as though the Purchase Agreement had never been made and the Purchaser shall not have any further rights against or obligations to Sponsor, the Condominium or others purchasing such Unit.

In the event the Sponsor cannot convey title to the Unit by reason other than the default of the Purchaser, all monies deposited by the Purchaser shall be returned to the Purchaser. However, Sponsor may attempt to cure its inability to convey title and if it does so, Sponsor shall be entitled to an adjournment of the Closing Date for a reasonable period of time.

Sponsor's Acceptance or Rejection of the Purchase Agreement

Purchasers will be afforded at least three (3) business days to review the Plan and all filed amendments thereto prior to executing a Purchase Agreement. In the event a Purchaser has not had at least three (3) business days to review the Plan and all filed amendments prior to signing and delivering a Purchase Agreement, the Purchaser may rescind within seven (7) days of delivery of an executed Purchase Agreement together with the required Deposit by giving the Sponsor written notice of such rescission by personal delivery (or if sent by mail such notice must be postmarked within the seven (7) day period). There will be a \$100.00 deposit required for each hard copy of the Plan delivered to a Purchaser. The \$100.00 will be refunded to a prospective Purchaser if the Plan is returned within seven (7) days after receipt to the Sponsor at the on-site sales office in good condition or applied as a credit at the Closing to the balance of the Purchase Price.

If Sponsor elects to accept the Purchase Agreement, one counterpart thereof, signed by the Sponsor, will be returned to the Purchaser within thirty (30) days of delivery of the same to the Sponsor. If the Purchase Agreement is not accepted by the end of such period it will be deemed rejected. Sponsor may reject any Purchase Agreement, without cause or explanation, so long as such rejection is not based upon race, creed, color, sex, national origin, ancestry, or any other ground proscribed by law. In the event of such rejection, the Purchaser's down payment will be promptly refunded. The Purchase Agreement will not be binding upon Sponsor until a copy executed by or on behalf of the Sponsor is delivered to the Purchaser.

Risk of Loss

Risk of loss from fire and other casualty shall remain with Sponsor until the earlier of conveyance of title to the Unit to Purchaser or actual possession of the Unit by Purchaser, but without any obligation or liability by Sponsor to repair or restore any Unit. Sponsor may, at Sponsor's option, elect to abandon the Plan or to repair or replace such loss or damage. If Sponsor does not elect to repair the damage, the Purchase Agreement will be cancelled and of no further force or effect. Sponsor shall provide Purchaser with sixty (60) days' notice as to whether Sponsor will elect to repair the damage or cancel the Purchase Agreement. Thereafter, Purchaser will be refunded his or her Deposit unless Purchaser is then in default thereunder beyond the applicable grace period, if any, in which event the Deposit will be retained by Sponsor as liquidated damages. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the purchase price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement. If a Purchaser takes possession of a Unit prior to closing title, he or she will assume the risk of loss and the obligation to repair the damage not covered by insurance already in place by Sponsor; therefore it is advisable that Purchaser obtain casualty insurance at such

time.

Purchase Agreement

The Purchase Agreement is contingent upon effectiveness of the Plan. If the Plan is abandoned, Purchase Agreements will be cancelled, and all monies held by Sponsor shall be returned to Purchasers.

A complete copy of the form of Purchase Agreement is included in Part II of the Plan.

Conflicts between Plan and Purchase Agreement

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

The Purchase Agreement and Plan may not contain, or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law.

ASSIGNMENT OF PURCHASE AGREEMENTS

Purchaser may not assign the Purchase Agreement without first obtaining the prior written consent of Sponsor, which consent may be granted or withheld in Sponsor's sole and absolute discretion. If Sponsor consents to the assignment, Purchaser shall pay a fee to Sponsor's counsel in the amount of \$500.00 in connection with the preparation of the assignment documents. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. Any purported assignment by Purchaser in violation of this Section shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase," and shall be voidable at the option of Sponsor.

EFFECTIVE DATE

Sponsor's offer to sell the Units is contingent upon the Plan being declared effective and compliance with the relevant conditions and time periods set forth in the Plan.

The Plan may be declared effective by (i) an amendment to the Plan or (ii) by personal service of notice on every Purchaser or by commencement of service by mail in the manner required by 13 NYCRR Section 20.1 (d) stating that the Plan is declared effective and submitting an amendment conforming to Section 20.5 (e) to the Department of Law within five

(5) days confirming that the Plan was declared effective on a specified date. Closing of the first Unit shall not occur until the Plan is declared effective and an effectiveness amendment is accepted for filing by the Department of Law.

The Plan may not be declared effective until bona fide Purchasers, including investors (Purchasers who are not intending to occupy the Unit but are not excluded by any of the criteria set forth below), have signed purchase agreements for at least fifteen percent (15%) of the Units (2 Units) offered under the Plan.

The Plan will not be declared effective based on (i) Purchase Agreements signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) Purchase Agreements where the Purchaser was not afforded the seven (7) days period to rescind the Purchase Agreement or the three (3) business day period to review the Plan and all filed amendments in accordance with the provisions set forth above in the section of the Plan entitled "Procedure to Purchase" or (iii) Purchase Agreements containing a "time of the essence" provision or Purchase Agreements with any provision where such provision was not acknowledged by the Purchaser; or (iv) Purchase Agreements with any Purchaser who is the Sponsor, the selling agent, the managing agent or is a principal of the Sponsor, the selling agent, the managing agent or is related to the Sponsor, the selling agent, the managing agent or to any principal of the Sponsor or the managing agent by blood, marriage or adoption or as a business associate, an employee, a member, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

The Plan must be declared effective when executed Purchase Agreements are accepted by Sponsor for eighty percent (80%) or more of the Units offered under the Plan (6 Units).

The Plan may be abandoned by Sponsor, at its sole option, at any time before it is declared effective. If the Plan is to be abandoned after filing and the Sponsor has accepted after Purchase Agreements, Sponsor shall promptly submit an amendment to the Department of Law together with form RS-3 as promulgated by the Department of Law. Within five (5) days after the Plan amendment abandoning the Plan has been accepted for filing, all monies paid by Purchasers shall be refunded to them in full with interest earned, if any. If there are no outstanding Purchase Agreements, Sponsor need not submit an amendment to the Plan but shall promptly submit for filing a Notice of Abandonment on Form RS-3, or such other form as may then be required by the Department of Law which shall be served simultaneously by the Sponsor on all commercial or professional tenants, if any, in the manner specified by Section 20.1 (d) (1) of the Regulations governing this Plan.

Once the Plan has been declared effective or executed Purchase Agreements for

eighty percent (80%) of the Units have been accepted by Sponsor, the Plan may not be abandoned unless (i) there is a title defect which cannot be cured without litigation or cannot be cured for less than a stated amount which shall not be less than one-half (1/2) of one percent (1%) of the total offering amount; or (ii) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than a stated amount which shall not be less than one-half (1/2) of one percent (1%) of the total offering amount; or (iii) the taking of any material portion of the property by condemnation or eminent domain. In calculating such amount Sponsor shall not include attorney's fees or title defects or determinations of any authority or regulatory association existing on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record.

TERMS OF SALE

The term "closing of title" or "closing" as used herein means the transfer of ownership of a Condominium Unit from Sponsor to the Purchaser(s) thereof.

After the Plan has been declared effective, the Sponsor will fix the dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such Purchaser's closing date. Such notice will be served no less than thirty (30) days before the date set for the closing of the Units.

At Closing, Sponsor will execute and deliver to each Purchaser a bargain and sale deed with covenant against grantor's acts substantially in the form set forth in Part II of the Plan and in proper form for recording for the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and title exceptions other than those described below (the "Permitted Exceptions") and in the proposed Unit deed.

A closing will take place only concurrently with the issuance of a temporary or permanent certificate of occupancy for the entire project or issuance of a partial, temporary or permanent certificate of occupancy for the Unit closed or the Building in which the Unit is located.

Purchasers shall be given an opportunity to inspect the Unit prior to Closing. Any work remaining to be done in the Unit pursuant to the Plan and/or the Purchase Agreement, shall be itemized on an "Inspection Statement," a form of which is contained in Part II of the Plan, signed by both Sponsor and Purchaser. Sponsor shall be obligated to complete the items on the Inspection Statement within a reasonable time after Closing. However, if Sponsor agrees in writing to complete any items on the Inspection Statement prior to closing, Purchaser must re-inspect the Unit on that day prior to closing stipulated by Sponsor or Sponsor to inspect and sign

off on all items Sponsor was to complete. No open items of work will be discussed at the Closing itself.

All personal property located within the Unit on the date the Purchase Agreement is signed or located within the common elements on the date the Declaration is filed that is owned by Sponsor is included in the conveyance unless specifically excepted in the Plan.

Sponsor's failure to complete any of the items on the Inspection Statement shall not be grounds to cancel or postpone the Closing

The Declaration and By-Laws and Floor Plans for the Condominium and such other documents, as required by law, will be recorded or filed in the City Register of New York County prior to the first conveyance of title to a Unit in accordance with the New York Condominium Act and any other applicable State and local law.

If at a Purchaser's request Sponsor grants an adjournment or adjournments of his or her closing of title in excess of five (5) days in the aggregate, the Sponsor has the option of collecting an additional five percent (5%) of the purchase price of the Unit as an additional down payment. In addition, if the Sponsor grants such adjournment or adjournments, (i) the apportionment of those items set forth in paragraph 8 of the Purchase Agreement shall be made as of the originally established closing date rather than as of the date the closing actually occurs, and Purchaser shall pay Sponsor \$250 per day for each day the Closing is adjourned. Nothing herein shall be construed to mean that the Sponsor must grant an adjournment of title when requested to do so.

Purchasers will be required to pay all transfer taxes due at Closing and comply with the requirements of the New York State Department of Taxation and Finance.

At time of conveyance of the first Unit, mortgagee will consent to the formation of a Condominium and acknowledge that its lien will be limited to unsold condominium Units, subordinate the lien of its mortgage to the Declaration or release its lien on the Condominium Unit being conveyed and its interest in the Common Elements.

At Closing, each Purchaser will execute a power of attorney in the form provided in Part II of the Offering Plan (and deliver said instrument to the Sponsor or Purchaser's title company for recording), designating the Board of Managers as his or her attorney in fact, coupled with an interest for, but not limited to, the purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Unit acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and for purposes consistent with the implementation of the Offering Plan.

At Closing, Sponsor will deliver and assign to Purchaser any manufacturers' warranties (to the extent available and assignable) with respect to any equipment and appliances installed by Sponsor in the Unit and the receipt by Purchaser of any subcontractors' warranty certificates for heating and plumbing relating to the Unit, if any, to the extent made by such subcontractors and to the extent such warranties are available. Sponsor will also assign to the Board of Managers any warranties available and assignable with respect to all equipment and appliances and heating, plumbing and roofing installed in the Common Elements.

The offering contemplated by the Plan is not subject to the Housing Merchant Implied Warranty Law as this law does not apply to buildings of this height.

Purchaser shall be responsible for obtaining and paying for a commitment from a title insurance company licensed to do business in the State of New York, to insure that the Condominium was validly formed pursuant to the Condominium Act and that the Purchaser has good and insurable fee title in the Unit, free and clear of all liens and encumbrances, except as set forth herein (see Permitted Encumbrances) and except for any mortgage that a Purchaser obtains to purchase the Unit, and subject to the provisions of the Declaration and By-Laws. See the next section of this Plan for the estimated cost of such title insurance.

Title to each Unit will be subject to the following exceptions in addition to the Permitted Encumbrances set forth below:

Permitted Exceptions

1. Mortgage made by 347 Bowery Owner, LLC to Deutsche Bank Trust Company Americas, in the amount of \$16,300,000.00 dated as of June 21, 2013 and recorded July 11, 2013 in the City Register's Office of New York County, State of New York as CRFN # 2013000273413.
2. Assignment of Leases and Rents made by 347 Bowery Owner, LLC to Deutsche Bank Trust Company Americas, dated June 21, 2013 and recorded July 11, 2013 as CRFN# 2013000273414.
3. Any state of facts an accurate survey of the Property or personal inspection of the Unit and/or Property would show and any additional state of facts a subsequent survey would show, provided such state of facts would not prevent the use of the Unit for dwelling purposes or render title unmarketable;
4. All of the terms, covenants and conditions of the Declaration, the By-Laws, the building plans as they are subsequently filed or recorded, the rules and regulations of the Condominium and the Offering Plan and amendments thereto;

5. Power of Attorney from the Unit Owner to the Board of Managers of the Condominium;
6. All easements set forth in the Declaration and By-Laws (as the same may be amended from time to time), and the deed, as subsequently recorded;
7. Any other declaration or instrument affecting the Property which Sponsor must file to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, New York City Planning Commission, Board of Standards and Appeals, or of any other public agency or authority, applicable to the construction, alteration, repair, demolition or restoration of the Building and creation of the Condominium;
8. Zoning and other resolutions, regulations and ordinances (and amendments thereto) now or hereafter adopted;
9. Any Declaration of Zoning Lot Restrictions and Ownership Statement and any other documents executed in connection therewith to be recorded against the Property including, but not limited to, any Waiver of Right to Consent to Declaration of Zoning Lot Restrictions;
10. Any Zoning Lot Development Agreement to be recorded against the Property;
11. Any documents relating to the deeding of unused development rights to a separate tax lot;
12. Consents by Sponsor or any former Owner of the Property for the erection of structure(s) under or above any street on which the Property abuts; and
13. Standard exceptions contained in the form of title insurance policy

Easements and Development Rights

Sponsor, Sponsor's designees and Commercial Unit Owners and their successors and assigns, 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, including, but not limited to, signs on the façade of the Building, for the purposes of general advertising; provided, however, that any such signs are in keeping with the nature of the Building, (ii) the sale or lease of any of the unsold Residential Units and all or any portion of the Commercial Units, (iii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit. Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the General Common Elements for any lawful purpose, including, but not limited to, the purposes of maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or

with the use of the Residential Units for their permitted purposes. The Condominium shall/shall not be entitled to any portion of fees, compensation or other profits received by Sponsor, its assignee or licensee for the use of the aforementioned easements.

The Residential Unit Owners, other than the Unit Owner of R-3, and only such Unit Owners will collectively be the beneficiary of an easement from the Unit Owner of Unit R-3 to access the Roof Terrace on the 3rd Floor over a certain portion of Unit R-3, as noted on a drawing annexed to the Declaration of Condominium set forth in Part II of the Plan, by passing through that portion of the corridor of Unit R-3 from the elevator door to the 3rd floor roof terrace a distance of approximately 35 feet 4 inches.

Sponsor, its heirs and assigns, reserve the right to retain the Property's 4,759 square feet of unused development rights in a separate development rights parcel or as otherwise permitted by law. A permanent waiver has been included in the Declaration, set forth in Part II of the Plan, whereby the Condominium, as a party-in-interest appoints Sponsor, its successors and/or assigns, as their agent in perpetuity in all respects with respect to the zoning lot of which the Property forms a part, and by reason of the foregoing, waives its right to join in any document affecting this zoning lot and grants Sponsor the authority to amend the zoning lot for the purposes set forth above. However, Sponsor cannot use any such development rights to subsequently enlarge the Building.

Lot Line Windows

As noted in the Architect's Report contained in Part II of the Plan, the north façade windows on the 5th, 7th, 9th, and 11th floors are "Lot Line Windows" which are equipped with one fire sprinkler head as required by the New York City Building Code. Three (3) windows on the 2nd floor on the east façade of the Building at the base building are "Side Yard Windows." The habitable rooms having these windows have other windows that, under the existing New York City Building Code, will satisfy light, air and other requirements for the lawful use of such rooms for habitation purposes. So long as the north windows are not more than ten percent (10%) of the area of the façade, on a floor by floor basis, then such windows may remain regardless of how close an adjacent building is constructed to the north of the Building. These windows are identified in the Floor Plans contained in Part II of the Plan

UNIT CLOSING COSTS AND ADJUSTMENTS

At Closing, each Purchaser shall be required to pay certain costs and expenses. The following is a list of the types and amounts of costs and expenses Purchasers should expect to pay. Estimates for title expenses are provided by Kensington Vanguard, and are based (as are all of the following items), on current rates and charges which are subject to change without prior notice:

(a) If a Purchaser elects to obtain fee title insurance, the Purchaser will pay the premium therefor which will vary depending upon the purchase price and whether or not a

mortgage title policy is obtained simultaneously with the fee title policy. Title insurance rates are set by the New York Board of Title Underwriters and filed with the New York State Insurance Department.

For illustrative purposes, a Purchaser buying a Residential Unit for \$6,500,000.00 would pay a premium of \$16,816.00. If that Purchaser obtained a mortgage in the principal amount of \$4,875,000.00, there would be an additional premium of \$3,273.00 for a total of \$20,089.00. For illustrative purposes, a Purchaser buying a Commercial Unit for \$6,200,000.00 would pay a premium of \$16,133.00. If that Purchaser obtained a mortgage in the principal amount of \$4,650,000.00, there would be an additional premium of \$3,129.00 for a total of \$19,262.00.

(b) Fees for recording the Unit Deed, the Power of Attorney in favor of the Board of Managers, and any mortgage the Purchaser obtains to finance the purchase of his or her Unit. The current recording fees are \$42.00 for each instrument plus \$5.00 per page, service fee to the title company of approximately \$150.00 and a filing fee of \$125.00 for the RP5217NYC form.

(c) The New York State Real Estate Transfer Tax, which is currently .4% of the purchase price, but when paid by the Purchaser, is increased to approximately .4057% since the shifting of the tax obligation from the Sponsor as a seller to Purchaser is deemed additional consideration from the Sponsor. For a purchase of a Residential Unit with a purchase price in the amount of \$6,500,000.00, the tax due would be \$26,000.00. For a purchase of a Commercial Unit with a purchase price in the amount of \$6,200,000.00, the tax due would be \$24,800.00.

(d) The New York City Real Property Transfer Tax, which is currently 1% of the purchase price for purchases \$500,000.00 or less and 1.425% for purchases greater than \$500,000.00 of a Residential Unit, but when paid by the Purchaser is increased, since shifting of the tax obligation from the Sponsor as a seller to the Purchaser is deemed additional consideration to the Sponsor. For a purchase of a Unit with a purchase price in the amount of \$6,500,000.00, the tax due would be \$92,625.00. For a Commercial Unit, the New York City Real Property Transfer Tax, is currently 1.425% of the purchase price for purchases \$500,000.00 or less and 2.625% for purchases greater than \$500,000.00, but when paid by the Purchaser is increased, since shifting of the tax obligation from the Sponsor as a seller to the Purchaser is deemed additional consideration to the Sponsor. For a purchase of a Commercial Unit with a purchase price in the amount of \$6,500,000.00, the tax due would be \$175,786.41. New York State imposes an additional real estate transfer tax on each conveyance or real property or interest in real property used in whole or in part as a personal residence when the consideration for the entire conveyance is \$1,000,000.00 or more in the amount of 1% of the consideration, or part of the consideration attributable to the residential real property. This additional tax is commonly referred to as the "mansion tax." For a purchase of a Residential Unit (assuming the entire Unit is used for Residential Purposes) for a Purchase Price of \$6,500,000.00, the tax due

would be \$65,000.00. This additional tax does not apply to the purchase of a Commercial Unit.

(e) Any Purchaser who obtains a mortgage loan to finance the purchase of his or her Unit shall reimburse Sponsor in the amount of any credit against the mortgage tax which the Purchaser receives pursuant to Section 339-ee(2) of the Real Property Law as a consequence of Sponsor's payment of mortgage tax on the construction mortgage for the Condominium. In accordance with said statute, the credit shall be the amount resulting from the product of the Unit's percentage of interest in the Common Elements and the mortgage tax already paid on mortgages affecting the Property. The mortgage tax is currently 2.05% less \$30.00 of any mortgage obtained by the Purchaser of less than \$500,000.00 and 2.175% less \$30.00 for mortgages of \$500,000.00 or more where the premises is a Residential Unit and 2.05% of a mortgage obtained by the Purchaser of a Commercial Unit of less than \$500,000.00 and 2.80 % for all mortgages of \$500,000.00 or more for all other types of property, including a Commercial Unit. Of this amount the lender pays a portion of the mortgage tax equal to .25% of the mortgage amount for mortgages on the Residential Units only. The Condominium Act credit described above is against the mortgage tax payable by Purchaser. The mortgage recording tax for a mortgage in the amount of \$4,875,000.00 prior to the 339ee credit would be \$93,813.75 for a Residential Unit. The mortgage recording tax for a mortgage in the amount of \$4,650,000.00 prior to the 339ee credit would be \$130,200.00 for a Commercial Unit.

Purchasers obtaining mortgage loans are also advised that they will be responsible for the payment of all closing costs and expenses in connection therewith in amounts determined by the lender. These costs customarily include among others, origination fees (or "points"), commitment fees, fees for credit checks, mortgage title insurance, lender's attorneys' fees and appraisal fees. Also a Purchaser obtaining a mortgage may be required by the lending institution to deposit monthly with the lending institution, commencing with the closing date, an escrow for the payment of annual real estate taxes and insurance premiums. The amount of such escrow deposit to be made at closing will depend on the number of months remaining between the closing of title and the date these amounts are next due to be paid and the estimated amounts then payable, as well as the custom and practice of the particular lender involved.

(f) The legal fee of Sponsor's Condominium Counsel in the amount of \$2,350.00 per Unit shall be paid by Purchasers at the time of and in respect of the Closing.

(g) If a Unit has not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, the adjustment will be based on an estimated "assessment" obtained by multiplying the total Property assessment by the Unit's percentage of interest in the Common Elements and multiplying that "assessment" by the then current tax rate. If separate assessments have not been made prior to the closing of title to the first Unit, the Board of Managers will collect from each Purchaser at closing and will place in escrow an amount equal to the Unit Owner's estimated proportionate share of the real estate taxes, if any, projected to be due for the entire Property for the half of the tax year next commencing after the

closing of said Unit (i.e., for either the first half or second half, depending on when the Unit closes). Alternatively, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such six (6) month period and may collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. If the tax assessor indicates that more than one half of a tax year may elapse before the Units are individually assessed, the Board of Managers shall collect monthly escrows from Unit Owners with their Common Charges, based upon the estimated tax bill for the entire Property, the Unit Owner's percentage of interest in the Common Elements and the then current tax rate (or, at the Board of Managers' discretion, a higher tax rate to provide against a possible increase in rate at the beginning of a new tax year). The Board of Managers will pay all taxes due from the escrow account. If the actual taxes due for any period for which the Board of Managers collected escrows are higher than the amount collected and held in escrow, the Board of Managers shall pay the difference and shall bill Purchasers for their proportionate share of any necessary reimbursement. If the actual taxes due are lower than the amount collected and held in escrow by the Board, the Board of Managers shall pay the tax bill and return to Purchasers their proportionate share of any excess. At such time as the Unit is separately assessed, the Unit Owner will pay taxes directly to the taxing authority.

(h) Purchaser shall have sole responsibility for payment of all professionals, including attorney(s), employed or retained by Purchaser.

(i) Purchasers shall also be required to pay at closing a contribution to the Working Capital Fund in an amount equal to two (2) months of Common Charges for their Units. This fund shall be used to pay for items in the budget which will be payable prior to the time that sufficient monthly Common Charges have accrued to pay these items.

(j) Purchasers shall also be required to pay at closing a pro-rated portion of Common Charges for the month in which the closing takes place.

(k) Additional \$250 if the closing is not held at Sponsor's attorneys' offices.

(l) Additional \$250 for each day of adjournment of the closing beyond any one-time adjournment granted upon request.

(m) Additional \$250 if the closing is held outside New York City.

(n) Additional \$250 to attorneys for Sponsor for the preparation of a letter of default.

Working Capital Contribution

Purchasers shall also be required to pay at Closing two (2) months of common charges as a contribution to the Working Capital Fund. This fund shall be used to create an account to set aside funds for future capital expenses.

Example of Typical Closing Costs

The following is a numerical example of all closing costs for a typical unit:

Assuming that a Purchaser closes timely and incurs no penalties under the Purchase Agreement, the closing costs for a Residential Unit with a purchase price of \$6,500,000.00 and a mortgage of \$4,875,000.00:

Title Insurance – Fee \$16,816.00; Mortgage \$3,273.00

Recording Fees - \$550.00

Transfer Taxes – New York City \$92,625.00; New York State \$26,000.00

New York State Mansion Tax \$65,000.00

Mortgage Recording Tax - \$93,813.75

Working Capital Fund – \$4,514.00

Sponsor's Attorney's Fee - \$2,350.00

Total - \$304,941.75

Assuming that a Purchaser closes timely and incurs no penalties under the Purchase Agreement, the closing costs for a Commercial Unit with a purchase price of \$6,200,000.00 and a mortgage of \$4,650,000.00:

Title Insurance – Fee \$16,133.00; Mortgage \$3,129.00

Recording Fees - \$550.00

Transfer Taxes – New York City \$175,786.41; New York State \$24,800.00;

Mortgage Recording Tax - \$130,200.00

Working Capital Fund – \$7,142.00

Sponsor's Attorney's Fee - \$2,350.00

Total - \$360,090.41

The entire contents of this section entitled "Unit Closing Costs and Adjustments", as the same may be revised or amended, shall be deemed incorporated in the Purchase Agreement for each Unit.

Where a Purchaser pays the transfer taxes, the taxing authorities consider such tax paid as additional consideration. The actual transfer tax due (as contemplated in the examples of calculations of closing costs set forth above) is based upon the so-called "grossed-up" selling price which includes the transfer tax as additional consideration.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

Sponsor is obligated to defend any suits or proceedings arising out of Sponsor's acts or omissions under the Plan and applicable law with respect to the offering. Sponsor will indemnify and hold the Board of Managers and the Unit Owners harmless from any such suits or proceedings.

The Condominium shall assume the performance of all obligations (including payment obligations) of the Sponsor, if any, accruing on or after the date of closing of title to the first Unit pursuant to the Plan, under the labor, service and maintenance agreements in effect on such date which have been assigned to the Condominium pursuant to the Plan, and shall indemnify and hold Sponsor harmless from and against any and all claims, liabilities, costs and expenses arising of or with respect to such agreements or with respect to the Property accruing on or after such date.

All representations under the Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Plan that are to be performed subsequent to the closing date will survive delivery of the deed.

Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to all unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to unsold Units. Except as specifically set forth herein, no bond or other security has been furnished to secure Sponsor's obligations hereunder, including, but not limited to, Sponsor's obligations to obtain a permanent Certificate of Occupancy. If Sponsor should cease having such financial resources, all selling activity shall cease, the Plan will be amended and all Purchasers offered the right to rescind their purchases. All obligations of Sponsor pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of all of the Unit Owners and not by the individual Unit Owners. However, nothing herein shall prevent an individual Unit Owner from bringing an action in the nature of a derivative action against the Board of Managers. During the time the principals of Sponsor control the Board, it is within their sole power to enforce the obligations of Sponsor pertaining to the Common Elements. Therefore, Sponsor agrees that during such period it will in its capacity as

the Board of Managers enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

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. In the event that Sponsor makes such election, (i) Common Charges will not be assessed by the Board of Managers to any Unit Owners; (ii) Sponsor shall disclose such information in the post-closing amendment to the Plan, and shall set forth the anticipated length of such day period; (iii) Sponsor shall provide at least thirty (30) days written notice of the expiration of the delay period and shall disclose such notice in an amendment to the Plan; (iv) during any such delay period, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders; (v) upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium; and (vi) the Sponsor shall remain obligated to update the budget for the Condominium, as provided in the governing regulations. 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 reserves the right to use its majority vote on the Board to cause a refund to be issued to Unit Owners, including Sponsor, for Common Charges collected pursuant to an annual Condominium operating budget which are in excess of actual Condominium operating expenses.

Sponsor shall procure fire and casualty insurance, as set forth in Schedule B, pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance, as reflected in Schedule B. Such insurance will provide that each Unit Owner is an additional insured and that there will be no cancellation without thirty (30) days notice to the Board of Managers and Unit Owners. The insurance policies will also contain waivers of subrogation, waivers of invalidity due to acts of insured and Unit Owners and waivers of pro rata reduction of liability of the insurer due to other insurance carried by individual Unit Owners.

Risk of loss from fire and other casualty shall remain with Sponsor until the earlier of conveyance of title to the Unit to Purchaser or actual possession of the Unit by Purchaser, but without any obligation or liability by Sponsor to repair or restore any Unit. Sponsor may, at Sponsor's option, elect to abandon the Plan or to repair or replace such loss or damage. If Sponsor does not elect to repair the damage, the Purchase Agreement will be cancelled and of no further force or effect. Sponsor shall provide Purchaser with sixty (60) days' notice as to whether Sponsor will elect to repair the damage or cancel the Purchase Agreement. Thereafter, Purchaser will be refunded his or her Deposit unless Purchaser is then in default thereunder beyond the applicable grace period, if any, in which event the Deposit will be retained by Sponsor as liquidated damages. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have

the right to reject title to the Unit or to receive a credit against, or abatement in, the purchase price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement. If a Purchaser takes possession of a Unit prior to closing title, he or she will assume the risk of loss and the obligation to repair the damage not covered by insurance already in place by Sponsor; therefore it is advisable that Purchaser obtain casualty insurance at such time.

Sponsor has obtained construction financing from a consortium of banks with the lead lender being the German American Capital Corporation and the agent for the lender being Deutsche Bank Trust Company Americas to develop the Condominium.

In the event of the dissolution or liquidation of the Sponsor or the transfer of twenty percent (20%) or more of the total number of Units in the Condominium, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.

Sponsor is obligated to build and complete the Condominium in substantial accordance with the Building Plans and Specifications identified in the Plan, subject to Sponsor's right to substitute equipment or materials of equal or better quality for construction and design and make modifications in layout or design; provided however, that Sponsor may not (i) substitute equipment or materials of lesser quality or design; or (ii) change the size, location of buildings or Units other improvements or Common Elements if such changes affect the percentage of Common Interests or adversely affect the value of any Unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change, except as more specifically provided in the section of this Plan entitled "Changes in Prices and Units."

Sponsor has installed carbon monoxide detectors as required in all New York City multiple dwellings.

Prior to the closing of title to the first Unit, Sponsor shall have obtained a temporary or permanent Certificate of Occupancy for the entire Condominium or alternatively, shall have obtained a temporary or partial certificate of occupancy for the Unit. Sponsor shall make best efforts to obtain a permanent Certificate of Occupancy and all necessary permits for all elements of the Condominium within two (2) years of closing of title to the first Unit, and, in any event, before expiration of a temporary Certificate of Occupancy, as the same may be renewed, replaced or extended.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of

occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York State Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to the expiration thereof, and ultimately for obtaining a FCO covering the entire Building within two (2) years from the date of the issuance of the first TCO or first closing. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two (2) year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO (2) YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings. Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO.

A Factsheet on Certificates of Occupancy is available on the DOB website at: http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf.

Because the Sponsor and the by-laws may permit Unit Owners to undertake renovations to individual Units prior to obtaining a FCO, these renovations may cause additional delays which are out of Sponsor's control and notwithstanding that Sponsor is still obligated to procure the FCO.

In the event any closing of title occurs before the issuance of a permanent Certificate of Occupancy covering the Unit, Sponsor shall maintain all deposits and funds received from the Purchaser of said Unit in a special escrow account as required by Section 352-e(2-b) of the General Business Law, unless Sponsor's engineer or architect or other qualified expert certifies that a lesser amount will be necessary to complete the work needed to obtain a permanent Certificate of Occupancy, in which case the sum exceeding the amount so certified by such engineer or architect or qualified expert may be released to Sponsor from the special escrow account. Alternatively, Sponsor may deposit with an Escrow Agent an unconditional, irrevocable

letter of credit or post a surety bond in the amount so certified. In the event Sponsor desires to post a bond pursuant to this paragraph, prior to posting such bond Sponsor will file an amendment to the Plan disclosing same. It should be noted that this paragraph is inserted pursuant to law and regulation and is subject to change in case of revision or amendment to such law and/or regulation.

At or prior to the Closing of a Unit, Sponsor must assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit to the Unit Owner and assign any warranties with respect to equipment and appliances installed in the Common Elements to the Board of Managers. Sponsor will deliver to the Purchaser upon the closing of title and assign or deliver to the Board of Managers upon the recording of the Declaration as applicable, warranties, if any, of manufacturers and subcontractors relating to heating, electrical work, plumbing, and appliances, as well as bonds relating to the Unit or the Common Elements respectively, if any. Sponsor undertakes to do the above only to the extent that warranties are actually made by such manufacturers and subcontractors and only to the extent such warranties and bonds are available and/or assignable.

Sponsor agrees to pay for the authorized and proper work involved in the construction and establishment and sale of the Condominium that Sponsor is obligated to complete under the Plan and will cause all mechanics liens with respect to such construction to be promptly discharged or bonded.

Sponsor shall deliver a set of as-built drawings to the Board of Managers following completion of construction.

Sponsor agrees to keep copies of the Plan, exhibits and documents referred to in the Plan on file at its office or at another designated place for six (6) years from the date the Declaration is recorded.

Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units and Common Elements, to complete construction in a manner consistent with the purposes of this Plan and to ensure Sponsor's rights and obligations hereunder. Sponsor is obligated to repair any damages caused as the result of the foregoing work to the extent it is obligated under the warranties provided under this Plan, if notified during the warranty period described below. Sponsor will not interfere with a Unit Owner's reasonable use of his or her Unit during any work period. However, there may be a temporary limitation as to use of the public areas. Sponsor's reservation and rights shall include, but not be limited to:

(i) The right to maintain general and sales and leasing office(s) and personnel on the Premises, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection and display of Units, as well as all Common

Elements, to prospective Purchasers or lessees; and

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

The quality of construction shall be comparable to construction standards customary in the particular trade and in accordance with the Plans and specifications. Notwithstanding the foregoing, Sponsor will not be responsible for correcting any defects in construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings are assigned to the Board of Managers or Unit Owners. In addition, in no event shall Sponsor be responsible for any condition resulting from normal wear and tear or natural shifting or settling of the Building, or for any defects of insubstantial nature, including but not limited to nail pops, ridging on sheet rock walls, lumber shrinkage, any consequential damage resulting from settlement or normal plumbing and heating noises. Subsequent to the conveyance of title to a Unit, Sponsor shall not be responsible for paint touch-ups, repair of dented appliances, porcelain or Formica chips and scratches in tubs, vanities or countertops, to the extent applicable. Sponsor has no obligation to make any repair to the Units or the Common Elements, except as expressly set forth in this Offering Plan.

Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with establishment of the Condominium, 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 Units held or owned by Sponsor (except for costs specifically made payable by Purchasers under this Plan), and will pay all selling expenses including, but not limited to, advertising and printing costs, architect and engineering fees, and costs of filing this Plan and amendments thereto.

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to Units not sold to Purchasers (for so long as Sponsor owns the same), and for its obligations with respect to relinquishing control of the Board of Managers, as hereafter set forth, the foregoing section sets forth the entire extent of the obligations of Sponsor hereunder and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Unit Owners under their respective Purchase Agreements.

Sponsor is developing the Property partially by means of loans (collectively, the "Loan") obtained from a consortium of banks with the lead lender being the German American Capital Corporation and the agent for the lender being Deutsche Bank Trust Company Americas (collectively, the "Lender") and partly by equity financing. It is contemplated by Sponsor that the Loan will be repaid from the proceeds of sales of the Units. The Loan documents provide that in order to release a sold Unit from the lien of the Loan, upon the sale of a Unit, the Lender requires payment of a "Minimum Release Price." The term of the

construction loan which closed on October 6, 2014, matures on December 21, 2016, provided that Sponsor will have the right to extend the maturity of the loan to June 21, 2017.

CONTROL BY THE SPONSOR

Within the later of (i) one hundred twenty (120) days after the date by which Units constituting seventy-five percent (75%) of the Common Interests of the Condominium have been conveyed to Unit Owners or (ii) three (3) years from the date of conveyance of title to the first Unit, the Sponsor will relinquish voting control of the Board of Managers. A meeting will be held to elect new board Managers unrelated to the Sponsor at such time.

Sponsor may not exercise veto power over expenses described in Schedule B of Part I of the Plan, without the consent of a majority in aggregate Common Interest of all Unit Owners (other than Sponsor voting as a Unit Owner) present at a duly called meeting of the Unit Owners or expenses required:

- (i) to comply with applicable laws or regulations; or
- (ii) to remedy any notice of violation; or
- (iii) to remedy any work order by an insurer.

BOARD OF MANAGERS

The Board of Managers of the Condominium shall initially consist of three (3) Managers. Until succeeded by the Managers elected by Unit Owners, Managers need not be Unit Owners; thereafter, all Managers shall be Unit Owners or their designees. The Managers, other than those appointed by Sponsor, shall be elected at the annual meeting of Unit Owners. The first Board of Managers of the Condominium will be comprised of individuals who are designated by Sponsor and who may be officers or employees of the Sponsor. The Sponsor shall retain the right to substitute other persons in the place of any such designated individuals until control of the Board of Managers is turned over to the Unit Owners.

No later than one (1) year after the closing of title to the first Unit, the Sponsor shall call the first annual Unit Owners' meeting. At the first annual meeting, a new Board of Managers consisting of either three (3) Managers or five (5) Managers shall be elected by the Unit Owners and the former Managers of the Board of Managers shall resign; provided, however, that Sponsor may continue to control the Board as set forth in the Section above entitled "Control By the Sponsor." From that point, at each election for positions on the Board of Managers, subject to Sponsor's right to control the Board as set forth above and subject to

Sponsor's right to have minimum representation on the Board of Managers as discussed below, the Commercial Unit Owners shall have the right to choose one (1) Manager if there are three (3) Managers on the Board of Managers and two (2) Managers if there are five (5) Managers on the Board of Managers. The initial term of office of at least one of the Managers shall be fixed for three (3) years, the initial term of office of at least one of the Managers shall be fixed at two (2) years, and the initial term of office of the remaining Managers shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Manager, his/her successor shall be elected to serve a term of three (3) years. Each Manager shall hold office until his/her successor has been elected and the first meeting of the new Board of Managers has taken place. In any event, at least the term of one Manager of the Board of Managers shall expire annually.

Thereafter, annual meetings shall be held on each anniversary of such date each succeeding year unless another annual meeting date is set at the annual Unit Owners' meeting. Special meetings of the Board of Managers shall be held when called by the President of the Board of Managers as directed by the Board of Managers or upon a petition signed by Unit Owners representing a majority in interest of the Common Elements having been presented to the Secretary of the Board of Managers. Notwithstanding the foregoing, to insure that the Sponsor has at least some minimum representation on the Board of Managers during its development and marketing program, the Sponsor shall at all times have the right, to designate at least two (2) Managers of the Board of Managers so long as it owns more than two (2) Units; and at least one (1) Manager of the Board of Managers so long as it owns one (1) Unit. Managers of the Board of Managers designated by the Sponsor need not be Unit Owners.

The first officers and Managers of the Board of Managers are Glauco Lolli-Ghetti, President, David A. Lipsic, Vice President and Daniel Weisz, Secretary/Treasurer. Glauco Lolli-Ghetti is the principal of Sponsor. David A. Lipsic is an employee of one of the member entities comprising Sponsor. Daniel Weisz is serving on the Board of Managers at the request of Sponsor.

No Managers of the Board of Managers will receive any compensation from the Condominium for acting as such.

At any regular or special meeting of Unit Owners, any one or more of the Managers of the Board of Managers may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created, provided notice of such proposed removal was given to the Condominium Board Manager and was specified in the notice of the meeting. Any Manager of the Board of Managers appointed by Sponsor or its designee may be removed by Sponsor or its designee (with the consent of the Sponsor) for any reason. Any Manager of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting. Officers may be removed at any meeting of the Board. Regardless of whether a Sponsor-appointee to the Board of Managers is removed by Sponsor, its designee or the Unit Owners, only the Sponsor or its

designee (with the consent of the Sponsor) shall have the right to designate a replacement for such Sponsor-appointee.

Each Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Units), shall be entitled to cast the votes appurtenant to such Unit equal to one vote for each .0001% (rounded off to the nearest .01%) of Common Interests at all Unit Owners' meetings, but the Board of Managers shall not cast any of its votes for the election of any Manager to the Board of Managers. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be effective for a period not in excess of six (6) months except for a designation to a Registered Mortgagee.

The By-Laws may be altered, amended or added to at any duly called Unit Owners' meeting provided: (i) that the notice of the meeting shall contain a full statement of the proposed amendment; (ii) that the amendment shall be approved by sixty-seven percent (67%) of the Unit Owners in number and common interest and fifty-one percent (51%) of the Registered Mortgagees; and (iii) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment shall affect or impair the validity or priority of the Unit Owner's interests and the interests of holders of a mortgage encumbering a Unit or Units, or adversely affect Sponsor's rights.

Anything herein to the contrary notwithstanding, for a maximum of two (2) years from the date of the recording of the Declaration in the New York County Clerk's Office, as long as the Sponsor continues to hold fifty-one percent (51%) or more in number of the Units, the Sponsor's prior written consent shall be required in order to amend either this Declaration or the By-Laws. Furthermore, so long as Sponsor or its designee shall own one or more Units or for a period of five (5) years after closing of title to the first Unit, whichever is sooner, the Board of Managers may not, without the prior written consent of the Sponsor, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (however, Sponsor will not unreasonably withhold consent to additions to the contingency fund provided for in Schedule B to the extent assessments are necessary to make expenditures required by law), or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient), or (iv) provide for new or additional services other than those provided for in Schedule B hereof. Sponsor shall have the right to withhold its consent to any of the foregoing actions. Notwithstanding the above, Sponsor's consent shall not be withheld for expenses required to comply with applicable law, to remedy any notice of violation, or to comply with any work order of an insurer. While Sponsor has voting control of the Board of Managers, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan.

The Board of Managers shall sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by Sponsor or its designee to any Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the signing of the application or such other document. A copy of any such application or other document will be furnished to the Board of Managers.

Compliance with By-Laws and Rules and Regulations

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

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

The powers of the Board of Managers are set forth in Article III of the By-Laws. Among those powers, which generally include everything in connection with the property and business of the Condominium other than that specifically directed or required to be done by the Unit Owners personally, are as follows:

To determine the amount of, collect and expend the Common Charges, including the right to accumulate a reserve for capital replacements.

To make reasonable rules and regulations in addition to those set forth in Article III of the By-Laws and to enforce them.

To employ others including a management agent and to delegate powers.

To maintain, make repairs to and replacements of the Common Elements and Limited Common Elements including exterior walls, roofs, pipes, wire conduit and public utility lines, any of which is located in one Unit and services another Unit, painting of exterior surfaces of doors and windows which open from a Unit. However, a Unit Owner shall be responsible for the maintenance of his Unit including electric repairs, plumbing stoppage, window cleaning, painting and decorating in the Unit, all glass breakage, pipes, wires and conduits in and servicing

the same Unit and repairs and replacements to the Unit.

To choose officers of the Condominium who must be Managers of the Board of Managers or Unit Owners and shall include: a President, who shall be the chief executive officer of the Condominium, shall preside at all meetings of the Unit Owners and Board of Managers and be an ex-officio member of all committees; a Vice President who shall substitute for the President in his absence; a Secretary who shall record all votes and minutes of all meetings of the Unit Owner and Board of Managers; and a Treasurer who shall have custody of the condominium funds and securities or if said funds are being held by a managing agent receive regular reports full and accurate accounts of receipts and disbursements and monitor same.

To open and maintain Condominium bank accounts (or delegate such responsibility to a managing agent and monitor same) and to designate signatories for such bank accounts.

To bring and defend actions on behalf of the Condominium by or against Unit Owners pertaining to the operation of the Condominium including foreclosure of liens for unpaid Common Charges.

To acquire title to any abandoned Unit or Units under foreclosure and take any steps necessary to repair or remove any that were so acquired.

To make repairs, restore or alter any Unit or the Common Elements after damage by fire or other casualty or condemnation.

To enter a Unit when necessary for the maintenance, care and preservation of the Property.

To furnish annually, at the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement certified by an independent public accountant, a statement regarding any taxable income attributable to the Unit Owners and a notice of the holding of the annual Unit Owners meeting. A Unit Owner, his representatives and mortgagee may examine the Condominium books and records upon reasonable notice and during normal business hours.

To act as an agent of those Unit Owners, if any, who give their written authorization to apply to the New York City real estate tax assessment agency by filing a single protest or complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Unit Owners for whom it is acting as agent and charge those Unit Owners a pro-rata share of expenses, disbursements and legal fees.

To obtain and maintain, to the extent obtainable, fire insurance with extended coverage, loss of business, income/extra expense, boiler and machinery, water damage, vandalism and malicious mischief endorsements covering the building, including all of the Units, bathrooms and fixtures initially installed by Sponsor including heat, ventilation and air condition and other service machinery (but not including furniture, furnishings or other personal property supplied or installed by Unit Owners), covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as such interest may appear, in an amount equal to one-hundred percent (100%) of the replacement value of the Building exclusive of land, foundation and other items normally excluded from coverage. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the "Insurance Trustee" (until Sponsor's mortgage is fully repaid, Deutsche Bank will be the Insurance Trustee), and such other insurance as the Board of Managers may determine.

In order to limit the liability of the Unit Owners, any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers as agent for the Unit Owners and for each holder of any mortgage or lien on a Unit and for each owner of any other interest in the Condominium property as a group only, and that no Manager of the Board of Managers nor individual Unit Owner shall be liable for such contract, agreement or commitment except that every Unit Owner shall be liable to the extent that his proportionate interest in the Common Elements bears to the total liability under such commitment. The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for willful misconduct, gross negligence or bad faith and the Unit Owners shall severally indemnify all Managers of the Board of Managers against any liabilities or claims arising from acts taken by a Manager of the Board of Managers in accordance with his duties, except acts of willful misconduct, gross negligence or acts made in bad faith.

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 the invalidity arising from any acts of the insured or any Unit Owners and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the Unit Owners, and Registered Mortgagees and Registered Guarantors. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the current policies.

In addition to the insurance set forth herein, Unit Owners, to be eligible for a FHA mortgage, must obtain supplemental or additional insure their personal effects and the interior of the Unit itself for fire and liability. Such insurance commonly referred to as an "HO-6 Policy," will be paid for by the Purchaser. Unit Owners shall not be prohibited from carrying other

insurance for their own benefit provided such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Sale or Lease of Units by Unit Owners

Each Unit Owner will have the right to lease his or her Unit. The Board of Managers shall set the terms for the processing of rentals provided that in each event a Unit Owner will be required to notify the Board of Managers at any time that it enters into a lease for its Unit. In no event may a Unit Owner who is not current in its payment of common charges be permitted to rent a Unit. The Unit Owner will be required to provide the Board of Managers with a copy of the lease.

The restrictions upon the sale and lease of Units set forth in this section shall not apply to Units owned by Sponsor or its designee or to a mortgagee acquiring title in foreclosure or by deed in lieu of foreclosure.

Mortgaging of Units by Unit Owners

Each Unit Owner has the right to mortgage his or her Unit, provided that (i) the mortgage shall be substantially in the form of the New York statutory form of mortgage, (ii) the Board of Managers is notified in writing of the making of the mortgage and receives a conformed copy of the mortgage and note, (iii) the mortgage states that if consent by the mortgagee is required to any amendment to the Condominium Declaration and By-Laws such consent will not be unreasonably withheld or delayed, and (iv) the Unit Owner making such mortgage first pays all assessments and Common Charges previously assessed by the Board of Managers against the Unit, and satisfies all unpaid liens against the Unit, except for the lien of a permitted mortgage. Notwithstanding the foregoing, the Sponsor and Sponsor's designee shall have the right to mortgage their Units without restriction or limitation, but any such mortgage shall contain the representations in clauses (iii) and (iv) of this paragraph (if applicable).

Common Charges and Assessments

The Board of Managers will prepare and furnish its budget to the Unit Owners from time to time and at least once a year. Based upon such budget and any modifications thereof approved by the Board of Managers, the Unit Owners will be charged for the cost of the operation of the Condominium in accordance with their percentage of interest in the Common

Elements. The Board of Managers may commence the collection of Common Charges upon the closing of title to the first Unit or thereafter in such amount as will be necessary to carry out the duties of the Board of Managers, as set forth in this Offering Plan. Such Common Charges shall be paid by the Unit Owners and by Sponsor as owner of Units that have not been sold to bona fide Purchasers. Each Unit Owner will be responsible to pay the Common Charges allocable to his or her Unit monthly in advance on the first day of each month, commencing with the closing of title to his or her Unit. Common Charges assessed during the month in which title closes shall be adjusted between the Purchaser and the Sponsor as of the closing date, if collection of Common Charges has commenced on or before said date.

The Common Charges assessed by the Board of Managers, in addition to the cost of repairing and maintaining the Common Elements, shall cover the cost of fire and liability insurance covering the Condominium, electricity and heat for the Common Elements, management fees, labor (e.g. part-time superintendent), water and sewer charges, audit and legal expenses, 10% reserve and may include, in the discretion of the Board of Managers, other sums necessary to carry on the affairs of the Condominium.

The Common Charges will not include maintenance, repairs or decoration of any Units or portions thereof (except for structural repairs), payments required pursuant to the terms of any Unit Owner's mortgage, or real estate taxes covering the individual Units.

The liability of each Unit Owner for the payment of the Common Charges thereafter assessed or becoming due against his or her other Unit, shall terminate upon a permissible sale, transfer or other conveyance of such Unit together with the appurtenant interest in the Common Elements made by him or her in accordance with the applicable provisions of the By-Laws. In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, convey his or her Unit together with the appurtenant interest to the Board of Managers or its nominee on behalf of all other Unit Owners, without any compensation, and in such event shall be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be required by the Board of Managers to pay unpaid Common Charges assessed against the Unit prior to his or her acquisition, except that a mortgagee acquiring title to the mortgaged Unit or a Purchaser at a foreclosure sale shall not be liable for such charges and the Unit shall not be subject to a lien for the payment of the Common Charges assessed prior to the acquisition of title thereto by a mortgagee or Purchaser at a foreclosure sale. However, such mortgagee or Purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title. After filing of a lien for unpaid Common Charges and in the event the lien is foreclosed by the Board of Managers, if the proceeds of the foreclosure sale shall not be sufficient for the payment of such unpaid Common Charges or if a Unit is acquired by a mortgagee or Purchaser in foreclosure, the unpaid balance shall be charged to all Unit Owners as a Common Expense. If there is any surplus remaining from the proceeds of a foreclosure sale after payment of the indebtedness and all the expenses of the sale, the surplus shall be paid to the Unit Owner.

Pursuant to Section 339-z of the Condominium Act, 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. Under Section 339-aa of the Condominium Act, a lien for non-payment of Common Charges will be subordinate only to liens for real estate taxes and to sums unpaid on a first mortgage of record on the Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the office of the County Clerk in New York County, and until all sums secured thereby, with the interest accrued thereon at twelve percent (12%) per annum shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever is earlier. The lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners, similar to a foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the unpaid Common Charges, without necessarily filing the lien. Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the Condominium Act, on Units in which the Sponsor is more than thirty (30) days in arrears of Common Charges while it is in control of the Board of Managers.

Pursuant to Section 339-kk of the Condominium Act, if a non-occupying owner rents any Unit to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Unit within sixty (60) days of the expiration of any grace period after they are due, upon notice in writing, all rental payments from the tenant shall be directly payable to the Condominium.

If the Common Charges, assessments or late fees due for any Unit have not been paid in full, within sixty (60) days after the expiration of any grace period of the earliest due date, the Board of Managers shall provide a timely written notice to the tenants, the non-occupying owner, the Registered Mortgagee, and the Registered Guarantor, providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the Board of Managers has been elected by and from among the Unit Owners who are in occupancy, the Board of Managers may elect not to require that rental payments be made payable to the Condominium. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three (3) business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the Condominium's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the Board of Managers, which must be held within thirty (30) days of the date that such Board of Managers receives notice that such owner seeks to dispute such claim. Nothing in this section shall limit any rights of Unit Owners or of the Board of Managers existing under any other law or agreement. Payment by a rental tenant to the

Condominium made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

Notwithstanding the foregoing, any first mortgagee who obtains title to a condominium Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the unit's unpaid regularly budgeted dues or charges accrued before acquisition of the title to the unit by the mortgagee. If the Condominium's lien priority includes costs of collecting unpaid dues, the lender will be liable for any fees or costs related to the collection of the unpaid dues.

Repairs

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, in or to any Unit and including the furnishings and appliances contained herein, will be made by the Unit Owner at the Unit Owner's sole cost and expense; and in or to the Common Elements will be made by the Board of Managers and the cost thereof will be a Common Expense (other than to a Limited Common Element where caused by the negligence, misuse, or neglect or the Unit Owner to whom this Common Element is restricted in use).

All maintenance, repairs and replacement of the Common Elements of the property, including, but not limited to, exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve one or more Units shall be made by the Board of Managers and the cost thereof shall be a Common Expense, except where such repair or replacement is necessitated by the negligence, misuse or neglect of a Unit Owner to whom the Common Element is restricted in use, in which event the cost and expense shall be assessed to and paid for by such Unit Owner. All repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of any Building, including roofs, or to any generally visible portion of the Common Elements, shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor. In the event that a Unit Owner fails to make any maintenance or repair, which maintenance or repair is necessary to protect any of the Common Elements, any other Unit, or, in the event of service of a Building Department violation notice covering the Unit upon the Board of Managers, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so after ten (10) days' written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the Unit Owner for the cost of all such

repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to his Unit or for repairs to any Common Elements restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, such charges shall be considered as additional Common Charges due from said Unit Owner, and the Board of Managers shall be entitled to bring suit to compel payment. In the event the Board of Managers brings a suit, the Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

The interior glass surfaces of all windows located in the Units are to be cleaned at the Unit Owner's expense. The exterior surfaces of all Unit windows shall be cleaned by the Board of Managers and the cost shall be a Common Expense. Broken window glass in a Unit shall be replaced by the Unit Owner at the Unit Owner's sole cost and expense, unless such breakage was caused by the Board of Managers or its agents, in which case replacement shall be made by the Board of Managers at its sole cost and expense. Entrance doors to Units and the roof of the Building shall be maintained and repaired by the Board of Managers unless the damage thereto was caused by a Unit Owner in which case the Board of Managers shall make the repair and charge the Unit Owner accordingly.

The Board of Managers and/or any agent of the Board of Managers shall have the right of access (which right shall be an easement) to inspect any Unit for the purpose of making any repairs or replacements to any of the Common Elements contained in such Unit or appurtenant to such Unit, or elsewhere in the Building, or to remedy any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage covering another Unit, or for the purpose of removing violations or curing defaults by Unit Owners, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use for which the Unit was intended. No prior notice shall be required if the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property or its residents or to avoid the suspension of any necessary service.

Additions, Alterations and Improvements by Unit Owners

No Unit Owner may make any addition, alteration or improvement to their Unit prior to Sponsor obtaining a Certificate of Occupancy for the Building if such addition, alteration or improvement is of a nature such the New York City Department of Buildings will require that the application for such addition, alteration or improvement be closed out prior to the issuance of a Certificate of Occupancy for the Building or if such addition, alteration or improvement shall in any manner delay or impact Sponsor's obtaining of a Certificate of Occupancy. Only Sponsor shall have the right to consent to additions, alterations and improvements by Unit Owners prior to the issuance of a Certificate of Occupancy and such consent may be withheld in Sponsor's sole discretion.

No Unit Owner may make any addition, alteration or improvement to the Common Elements unless provided otherwise in the By-Laws.

No Unit Owner shall make any structural addition, alteration, repair or improvement in his or her Unit or to the Common Elements appurtenant to his or her Unit, without the prior written approval of the Board of Managers which approval will not be unreasonably withheld provided that the addition, alteration, repair or improvement may be made while retaining the structural integrity of the Building nor have a material adverse effect upon any other Unit nor be aesthetically not in conformance with the other Units or the Building in general. In addition, no such additions, alterations or Unit Owner's improvements may be made unless the consent of the Unit mortgagee (if any) is obtained, if such consent is required under the terms of the Unit Owner's mortgage. Except as otherwise provided with respect to alterations by the Sponsor or Sponsor's designee, no application shall be filed with the New York City Buildings Department or with any other governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit unless approved and executed by the Board of Managers. No such application shall be made while the initial application by the Sponsor for a permanent certificate of occupancy for the Building or any portion thereof is pending. Such execution shall not subject the Board of Managers or any of its Managers to any liability to any contractor, subcontractor, material man, architect or engineer, by reason of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom. If requested by the Board of Managers, a Unit Owner shall indemnify the Board of Managers for loss, damage or liability resulting in any way from execution of any such documents.

Prior to and as a condition of granting consent to the making of a structural alteration, addition, repair or improvement to a Unit, the Board of Managers may require the Unit Owner to deliver plans and specifications to the Board of Managers and to execute an agreement in the form required by the Board of Managers, setting forth the terms and conditions under which the proposed work is to be done, including, without limitation the days and hours during which the work is to be done. The Unit Owner shall also provide the Board of Managers, with a copies of all insurance policies in the form required by the Board of Managers insuring all work to be performed by the Unit Owner and naming the Condominium and mortgagee, if applicable, as an additional insured.

The Unit Owner in question shall bear all costs relating to the alteration including insurance costs, all costs relating to any application to governmental authorities and all costs related to satisfying the Condominium's requirements.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance on an All Risk property insurance, also known as "Special Form" property insurance covering the Building and improvements now existing or hereafter erected upon or above the Condominium site (but not including wall, ceiling or floor decorations or coverings, or furniture, furnishings, fixtures, equipment or other personal property supplied or installed by Unit Owners), inclusive of all equipment, fixtures, motors, machinery, furnishings, and furniture installed and owned or leased and used in connection with the Condominium or with the Building and improvements upon or above the Condominium site, including all alterations, and additions thereto, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the "Full Insurable Value" thereof (as hereinafter defined), subject, at the option of the Board of Managers, to commercially reasonable deductibles, but in any event in an amount not less than that required to avoid the operation and effect of any co-insurance provisions in said policies. "Special Form" property insurance policies, including coverage for loss or damage caused by wind/hail and/or named storms, with no co-insurance clause, will be acceptable to the Board of Managers to satisfy this requirement. If any portion of the Property is located in a special flood hazard area (as defined by FEMA), then the Building and improvements now existing or hereafter erected upon or above that portion of the Property situated within a special flood hazard area shall be covered by flood insurance in an amount at least equal to the Full Insurance Value thereof (or such lesser amount of flood insurance as may be obtainable at commercial reasonable rates). The term "Full Insurance Value" shall mean actual replacement cost (exclusive of cost excavation, foundations and footings below the lowest basement floor). Each of such policies shall contain a New York Standard Mortgagee Clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payable provisions in favor of the Board of Managers and the Insurance Trustee, and such other insurance as the Board of Managers may reasonably determine.

The amount of fire insurance to be maintained on the Building upon the transfer of title to all Units and until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be in the amount of the full replacement value of the Building. The Board of Managers shall review the amount of fire insurance annually. Although there is no requirement for annual appraisals to ascertain whether the insurance coverage is adequate, such appraisals are required prior to renewal of any fire policy.

The Board of Managers will arrange for repair of the Units in the event of a casualty loss. In the event the insurance proceeds are not sufficient to cover the cost of repairs to the Units, the balance of the cost of such repairs will be assessed against all Unit Owners. For further provisions regarding repair or reconstruction of Units after fire, casualty or condemnation see Article Seven of the By-Laws which provides, among other things, for Unit Owners' approval to reconstruct in the event seventy-five percent (75%) or more of the Units are

destroyed or substantially damaged. In the event of a casualty loss, the Unit Owner will continue to pay the Common Charges on his Unit.

The proceeds of all policies of physical damage insurance carried by the Board of Managers shall be payable to the Board of Managers. In the event of a loss amounting to \$100,000.00 or less, and to the Insurance Trustee if the loss shall amount to more than \$100,000.00 to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners, as hereinafter set forth. The Insurance Trustee shall be designated by the Board of Managers and shall be a bank or trust company located in the State of New York. In the event that the Insurance Trustee shall resign or not qualify, the new Insurance Trustee shall hold all proceeds of insurance policies in accordance with Section 254.4 of the Real Property Law.

The comprehensive general liability insurance policy to be maintained until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners, covering claims for bodily injury, death or property damage, including contractual coverage, for incidents occurring on, in, or about the Condominium, with minimum limits of liability for each occurrence and \$2,000,000 in the aggregate and umbrella/excess liability insurance with limits not less than \$5,000,000 per occurrence and \$5,000,000 annual aggregate. There will also be a directors and officers liability insurance policy with limits not less than \$1,000,000 per occurrence and \$1,000,000 annual aggregate and a crime and fidelity policy.

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 may also obtain and maintain, to the extent obtainable, worker's compensation insurance, if applicable. The Board of Managers shall review such limits once each year. See Schedule B for the estimated cost of insurance for the Condominium.

All policies of physical damage insurance shall contain waivers of subrogation and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to the Board of Managers. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of then current policies.

In addition to the insurance set forth herein, Unit Owners may desire to obtain supplemental or additional insurance to insure his or her personal effects and the interior of the Unit itself for fire and liability. Such insurance, if taken by the Purchaser, will be payable by the Purchaser directly. Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance.

Restrictions on Occupancy and Use

A summary of some of the rules governing the occupancy and use of Units follows:

No pets other than dogs, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Condominium Board. No pets permitted by these rules shall be permitted in the Common Elements unless carried or on a leash.

Owners of a Unit, members of their families, their employees, guests and their pets shall not use or permit the use of the Premises in any manner which would be illegal or disturbing or a nuisance to other said Owners, or in such a way as to be injurious to the reputation of the Condominium.

No Unit Owner shall paint the exterior surfaces of the windows of the Unit.

No Unit Owner or any of his agents, servants, employees, licensees, or visitors shall at any time bring into or keep in his Unit any inflammable combustible or explosive fluid, material, chemical or substance.

No Unit Owner shall make or permit any disturbing noises in his Unit, or do or permit anything to be done therein, which will unreasonably interfere with the rights, comforts or conveniences of other Unit Owners.

No garments, rugs, etc., shall be hung from the windows or from any part of the Building or balconies or terraces or clotheslines strung, on, across or over the Common Elements (including any irrevocably restricted areas).

No sign of any kind shall be displayed to the public view on or in any Unit.

No Unit Owner shall leave or permit any personal property (i.e., bicycles, carriages, etc.) to be left in the hallways, corridors, lobby or other common areas except in designated areas established for this purpose.

Every Unit Owner shall comply with the recycling laws of the City of New York or any other governmental entity having jurisdiction thereof.

The Property is zoned C6-1 (commonly building in a commercial district which is not a central business district used partly for residential use and partly for community facility or commercial use).

The provisions set forth above shall not be applicable to the Sponsor. The Sponsor and its nominees and agents shall have the right and privilege to maintain general and local sales offices in and about the Condominium, including any model Units located within the Condominium Building or elsewhere throughout the Property, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Units to prospective purchasers, to utilize the Common Elements and without limitation, to do any and all things necessary and incident to the sale of the Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to market and sell the Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium.

Amendments to Declaration and By-Laws; Termination of Condominium

The By-Laws may be amended at any Unit Owners' meeting provided (a) the notice of meeting contains a full statement of the proposed amendment, (b) the amendment is approved by sixty-seven percent (67%) of the Unit Owners in number and in Common Interest at a duly called meeting of Unit Owners and (c) the amendment is duly recorded as an amendment to the Declaration and By-Laws; provided, however, that any amendment to the By-Laws that is material in nature must be approved by at least fifty-one (51%) of the Registered Mortgagees. No amendment may affect a Unit Owner's interest or the interest of a mortgage holder in a Unit or adversely affect the Sponsor's rights.

The Declaration may be amended by the Board of Managers upon a vote of sixty-seven percent (67%) of the Unit Owners in number and in Common Interest held at a duly called meeting of Unit Owners provided, however, that any amendment to the Declaration that is material in nature must be approved by at least fifty-one (51%) of the Registered Mortgagees.

The Condominium may not be terminated unless at least sixty-seven percent (67%) of the Unit Owners in number and in Common Interest and at least fifty-one (51%) of the Registered Mortgagees, if any, of the same Units agree to the withdrawal of the Property from the provisions of Article 9-B of the Real Property Law. The Sponsor or its nominee will not cast any of its votes for withdrawal unless sixty-seven percent (67%) or more of the Unit Owners and at least fifty-one (51%) of the Registered Mortgagees other than the Sponsor so vote, in which event the Sponsor will be free to cast its votes either for or against withdrawal.

Notwithstanding anything to the contrary contained herein, approval of the

Registered Mortgagees or Registered Guarantors may be implied when the Registered Mortgagee or Registered Guarantor fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

Notices to Registered Mortgagees and Registered Guarantors

The Registered Mortgagee and Registered Guarantors will be notified within ten (10) days by certified or registered mail, with a "return receipt" requested in the event of the following:

- i. Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage;
- ii. Any 60-day delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds the mortgage;
- iii. A lapse, cancellation, or material modification of any insurance policy maintained by the Condominium Association; and
- iv. Any proposed action that requires the consent of fifty-one percent (51 %) of the Registered Mortgagees and Registered Guarantors.

THE FOREGOING SUMMARY IS NOT INTENDED TO BE A COMPLETE DISCUSSION OF THE BY-LAWS OR DECLARATION. PROSPECTIVE PURCHASERS OR THEIR ATTORNEYS OR ADVISORS SHOULD REVIEW THE BY-LAWS, DECLARATION AND OTHER IMPORTANT DOCUMENTS SET FORTH IN PART II OF THE PLAN.

REAL ESTATE TAXES

Each Unit will be assessed and taxed as a separate tax lot by the City of New York for real estate tax purposes. A Unit Owner will not be responsible for unpaid taxes on other Units, nor will his or her Unit be subject to any lien arising from the non-payment of taxes on other Units.

It is estimated that the aggregate real estate taxes payable with respect to all Units for the first year of Condominium operation will total approximately \$59,567.00 assuming an actual assessed valuation for the Property of \$2,226,368.00 for 2016/2017 and \$3,777,280.00 for 2017/2018 reflected in the real estate tax projection opinion prepared by Marcus & Pollack LLP set forth in Part II of this Plan, and (b) a tax rate of 12.855% for the Residential Units and 10.684% for the Commercial Units for 2016/2017 and for 2017/2018. Purchasers should note that once the Building is assessed as being fully constructed, it is estimated that the real estate taxes for the Units will be considerably higher.

The first year of Condominium operation is expected to coincide with the fiscal years 2017 and 2018 which corresponds to a portion of the second half of calendar year 2016 and a portion of calendar year 2017.

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. Under Section 339-y of the Real Property Law, on or after the filing and recording of the Declaration and a deed for a Unit, a separate tax lot is to be or will have been created for each Unit in the Condominium. This overall assessment is then apportioned among the respective Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Floor Plans are filed with the Register's Office. Until the Residential Units are separately assessed, the entire assessment attributable to the Units will be paid by all Unit Owners in proportion to their relative Common Interests. There can be no assurance that the assessor will apportion the assessed valuation of the Property to a tax lot representing a Unit on the basis of the percentage of Common Interest appurtenant to the Unit. Moreover, there can be no assurance that there will not be an increase in the tax rate or the assessed valuation of a Unit or the Property on or after such apportionment or for any other reason. Such an increase would increase a Unit Owner's real estate taxes above the amounts estimated in Schedule A.

Real Property Law Section 581 provides that cooperative and condominium apartments shall be assessed for tax purposes as if the building was a comparable rental property. Thus, the New York City Department of Finance is prohibited for utilizing the sales prices of the individual Condominium Units in determining assessed valuation. Therefore, the prices for Units in the Plan and any sales or resales are not relevant in determining assessed valuation of the Property or of the individual Units.

No tax certiorari proceedings are presently pending with respect to the Property.

The By-Laws provide that the Board of Managers has the power to act as an agent of each Unit Owner who has given his written authorization to complain or apply to the New York City Department of Finance by filing a complaint on behalf of all Unit Owners for which it is acting as agent and assess as a Common Charge against all such Unit Owners a pro rata share of expenses, disbursements and legal fees paid or incurred in connection with any such complaint or application.

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PHILIP H. AZARIAN

BRUCE A. BRASKY

August 18, 2014

347 Bowery Owner, LLC
c/o Urban Muse
401 Broadway, Suite 1910
New York, New York 10013

Re: 347 Bowery
Manhattan Block 459 Lot 1

Dear Sir/Madam:

You have requested that we project the real estate tax liability for the mixed-use residential and commercial condominium building to be constructed at 347 Bowery.

The total Actual (target) and Transitional Assessed Valuations for the existing commercial class 4 property for the two most recent tax years and prior to the construction of the new condominium are set forth as follows:

<u>Tax Years</u>	<u>Actual Assessment</u>	<u>Transitional Assessment</u>
2013/14	\$ 838,800	\$ 820,980
2014/15	\$ 905,850	\$ 847,350

You have advised us of the following facts regarding this project:

1. 347 Bowery Street will be new construction held in the condominium form of ownership. Upon completion there will be five (5) separately assessed residential condominium dwelling units, one (1) retail unit and one (1) commercial office unit. The total gross square feet of the whole condominium building is approximately 29,056 square feet.
2. The site which comprises the subject property currently consists of the tax lot identified on the New York City Department of Finance records as Block 459, Lot 1 in Manhattan.
3. The construction is projected to commence on November 1, 2014 and is projected to be completed July 31, 2016. For the purposes of this analysis, we estimate that the property will be assessed as complete on January 5, 2017, the tax status date for tax year 2017/2018. We estimate the 2017/2018 tax year to be the first tax year in which the City's assessment roll fully reflects the value of the newly constructed building.

CUS & POLLACK LLP

347 Bowery Owner, LLC

August 18, 2014

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4. Once construction has been completed, the property will consist of a single condominium building with separately assessed condominium tax lots for each residential apartment and office unit and retail unit.
5. The first year of condominium operation is scheduled to extend from August 1, 2016 through July 31, 2017. As this period corresponds with the City's 2016/2017 and 2017/2018 fiscal tax assessment years, real estate taxes due for the first year of condominium operation will therefore be based on the assessed value of the tax lot for eleven (11) months of tax year 2016/17 and one (1) month of tax year 2017/2018. We project that the 2016/2017 assessed valuations will be based upon the assessment for a partially completed building..

We expect that 347 Bowery will be classified as a Tax Class 2C residential property and will therefore not have a transitional assessment upon completion of construction.

There are three recognized appraisal methods which are employed by the Real Property Assessment Department to determine the full market value of real property. These methods are the original cost method, capitalization of income approach and the sales price comparison method.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a significant indicator of value with respect to new buildings. Relevant data used in the cost method includes material and labor ("hard") costs, and financing, engineering, architectural, testing and professional fees and construction period taxes ("soft") costs.

The capitalization of income method is based upon the proposition that the annual net income generated by a property, when divided by the rate of return an investor at a given time would accept for his money in a competing investment, yields a close estimate of the market value of the property. In the past the Department of Finance has also utilized gross income multipliers to value residential property.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. However, the addition of sale prices of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation. Real Property Tax Law Section 581 requires that the Department of Finance assess residential condominiums without regard to their form of ownership. This requirement has been interpreted to mean that cooperatives and condominiums are to be assessed as if they were rental properties, thus requiring a valuation based upon the capitalization of income utilizing rents imputed from comparable rental properties.

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In arriving at the assessed valuation for each unit in the Condominium, the building is first assessed in its entirety. This overall assessment is then apportioned among the respective units, each of which will be assigned a tax lot designation once the condominium Declaration has been recorded with the City Register. In the past, the apportionment was based in part upon the proportion of the projected selling price presented in the Offering Plans for each residential unit bears to the gross sellout price for all residential units available for purchase in the project (hereinafter, "Proportionate Valuation"), and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases, if any, on particular units. However, more recently, the Department of Finance had enunciated a policy which has allocated assessed values for the residential unit within a condominium by utilizing each unit's respective percent interest in the common elements.

We make no representation that the Department of Finance will use any particular method to apportion assessed valuation among the units for the purpose of computing the portion of the condominium building's total assessed valuation that will be allocated to the units within the condominium building.

Reconciliation of the three approaches to valuation discussed above, for recently constructed residential apartment building throughout Manhattan, justifies an estimated overall Actual Assessed Valuation for the entire condominium building (including "land" and "building") upon completion of construction of \$3,777,280 or approximately \$130 per square foot based on the total building area of 29,056 gross square feet and we estimate the Taxable Assessed Value to be \$3,777,280. We project that the assessed value of the completed condominium building would first be reflected on the City's 2017/2018 tax assessment roll. We estimate that for tax year 2017/2018 upon completion of construction the condominium building property will have a Tax Class 2C Classification.

For our projections, we have placed greatest weight on the Comparable Assessment Study. The Comparable Assessment studies generally indicate that the City's assessment of newly constructed condominiums is often lower than what would normally be indicated by the capitalization of income method.

The most recent and currently available tax rate for residential real property is 12.855% and for commercial property is 10.684%. For purposes of the following projections, we have assumed that these overall rates will remain in effect for the 2016/2017, and 2017/2018 tax years. The estimated taxes payable during tax years 2016/2017, and 2017/2018 for the residential, office and retail condominium units as defined above, are projected as follows:

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Estimated Taxes Payable During Tax Year 2016/2017 – During the Course of Construction:

For purposes of this analysis, we have estimated that as of the January 5, 2016 taxable status date governing the 2016/2017 tax year, the property will be assessed as if a building still under construction based on the estimated construction start date of November 1, 2014, and the estimated completion date of July 31, 2016.

For purpose of this projection we have estimated that the property will be assessed as if the building is 60% completed.

The estimated actual assessed valuation for the 2016/17 assessment roll is estimated at \$2,266,368. We have estimated the taxable assessment of \$2,266,368 for 2016/17. It is estimated that for tax year 2016/17 the property will be assessed as a single residential tax lot and will not yet be subdivided into condominium tax lots. The assessed valuation will be multiplied by the estimated Tax Class 2 tax rate for 2016/17 of 12.855% for the residential property to arrive at the estimated 2016/17 tax liability of \$291,342 of which 11 months or \$267,064 will fall within the first year of the condominium operation.

Estimated Taxes Payable During Tax Year 2017/2018 – Upon Completion of Construction:

For purposes of this analysis, we have estimated that the property will be assessed as complete on January 5, 2017, the taxable status date governing the 2017/2018 assessment roll. The building is estimated to be assessed as a complete building and the total Actual Assessed Value of 347 Bowery, inclusive of the 5 residential condominium units and 1 retail unit and 1 office unit to be \$3,777,280, and the estimated total billable Assessed Value to be \$3,777,280.

We expect that upon completion of construction of the condominium building, the property will have a residential Tax Class 2C classification.

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Allocation of Assessed Value

We estimate that the estimated Assessed Values will be allocated among the residential, office and retail component based upon the common element percentage. The estimated assessed value and fiscal year taxes are as follows:

<u>Compact</u>	<u>Percentage</u>	<u>Tax Year</u>	<u>Taxable Total Assessment</u>	<u>Estimated Tax Rate</u>	<u>Estimated Fiscal Year Taxes</u>	<u>Estimate for First Year of Condo Operation</u>
Residential	64.17%	2016/17	\$1,454,328	12.855%	\$ 186,954	\$ 171,375
Residential	64.17%	2017/18	\$2,423,881	12.855%	\$ 311,590	\$ 25,966
Office	16.02%	2016/17	\$ 363,072	12.855%	\$ 46,673	\$ 42,784
Office	16.02%	2017/18	\$ 605,120	10.684%	\$ 64,651	\$ 5,388
Retail	19.81%	2016/17	\$ 448,968	12.855%	\$ 57,715	\$ 52,905
Retail	19.81%	2017/18	\$ 748,279	10.684%	\$ 79,946	\$ 6,662

For tax year 2016/17 the residential component estimated annual real estate taxes is estimated at \$186,954 of which 11 months of the real estate taxes or \$171,375 will fall within the first year of the condominium operation, wherein the property will be assessed as a building still under construction.

For tax year 2016/17 the office unit estimated annual real estate taxes is estimated at \$46,673 of which 11 months of the real estate taxes or \$42,784 will fall within the first year of the condominium operation, wherein the property will be assessed as a building still under construction.

For tax year 2016/17 the retail component estimated annual real estate taxes is estimated at \$57,715 of which 11 months of the real estate taxes or \$52,905 will fall within the first year of the condominium operation, wherein the property will be assessed as a building still under construction.

For the tax year 2017/18, when the building is assessed as complete, the residential component real estate taxes is estimated at \$311,590 of which 1 month of the real estate taxes or \$25,966 will fall within the first year of the condominium operation.

For the tax year 2017/18, when the building is assessed as complete, the office unit estimated annual real estate taxes is estimated at \$64,651 of which 1 month or \$5,388 will fall within the first year of the condominium operation.

For the tax year 2017/18, when the building is assessed as complete, the retail component estimated annual real estate taxes is estimated at \$79,946 of which 1 month or \$6,662 will fall within the first year of the condominium operation.

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Estimated Real Estate Taxes for the First Year of Condominium Operation – August 1, 2016 through July 31, 2017

For the first year of condominium operation covering the period of August 1, 2016 through July 31, 2017, we project that the real estate taxes will be based on eleven (11) months of tax year 2016/2017 and one (1) month of tax year 2017/2018. Thus, for the first year of condominium operation, the estimated real estate tax liability for the condominium will be as follows:

Residential Condominium Component

For the first year of condominium operation covering the period of August 1, 2016 through July 31, 2017 the estimated real estate tax liability for the residential condominium component would be as follows:

August 1, 2016 to June 30, 2017

(11 months of tax year 2016/2017 when it is estimated that as of the taxable status date January 5, 2016 the property is still under construction and the property will be assessed as tax class 2 residential condominium use.)

$$\$1,454,328 \times 12.855\% / 12 \times 11 = \$171,375$$

July 1, 2017 to July 31, 2017

(1 months of tax year 2017/18)

$$\$2,423,881 \times 12.855\% / 12 \times 1 = \$25,966$$

**Residential condominium component first year estimated real estate taxes
= \$197,341.**

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Office Condominium Unit

For the first year of condominium operation covering the period of August 1, 2016 through July 31, 2017 the estimated real estate tax liability for the office condominium unit would be as follows:

August 1, 2016 to June 30, 2017

(11 months of tax year 2016/2017 when it is estimated that as of the taxable status date January 5, 2016 the property is still under construction and the property will be assessed as tax class 2 for the residential condominium use.)

$$\$363,072 \times 12.855\% / 12 \times 11 = \$46,673$$

July 1, 2017 to July 31, 2017

(1 months of tax year 2017/2018)

$$\$605,120 \times 10.684\% / 12 \times 1 = \$5,388$$

Office condominium Unit first year estimated real estate taxes = \$52,061

Retail Condominium Unit

For the first year of condominium operation covering the period of August 1, 2016 through July 31, 2017 the estimated real estate tax liability for the retail condominium unit would be as follows:

August 1, 2016 to June 30, 2017

(11 months of tax year 2016/2017 when it is estimated that as of the taxable status date January 5th, 2016, the property is still under construction and the property is assessed as Class 2 for residential use)

$$\$448,968 \times 12.855\% / 12 \times 11 = \$52,905$$

July 1, 2017 to July 31, 2017

(1 months of tax year 2017/2018)

$$\$748,279 \times 10.684\% / 12 \times 1 = \$6,662$$

Retail condominium first year estimated real estate taxes = \$59,567

We note that the first year of condominium operation is projected to fall within part of tax year 2016/17 prior to the completion of the construction when the property will be assessed as a building still under construction. Real estate taxes in the second year of condominium operation will be higher reflecting 12 months of taxes to be assessed on a fully completed building in operation for tax years 2017/18 and 2018/19 based upon the completion date of July 31, 2016.

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Office Condominium Unit

For the first year of condominium operation covering the period of August 1, 2016 through July 31, 2017 the estimated real estate tax liability for the office condominium unit would be as follows:

August 1, 2016 to June 30, 2017

(11 months of tax year 2016/2017 when it is estimated that as of the taxable status date January 5, 2016 the property is still under construction and the property will be assessed as tax class 2 for the residential condominium use.)

$$\$363,072 \times 12.855\% / 12 \times 11 = \$46,673$$

July 1, 2017 to July 31, 2017

(1 months of tax year 2017/2018)

$$\$605,120 \times 10.684\% / 12 \times 1 = \$5,388$$

Office condominium Unit first year estimated real estate taxes = \$52,061

Retail Condominium Unit

For the first year of condominium operation covering the period of August 1, 2016 through July 31, 2017 the estimated real estate tax liability for the retail condominium unit would be as follows:

August 1, 2016 to June 30, 2017

(11 months of tax year 2016/2017 when it is estimated that as of the taxable status date January 5th, 2016, the property is still under construction and the property is assessed as Class 2 for residential use)

$$\$448,968 \times 12.855\% / 12 \times 11 = \$52,905$$

July 1, 2017 to July 31, 2017

(1 months of tax year 2017/2018)

$$\$748,279 \times 10.684\% / 12 \times 1 = \$6,662$$

Retail condominium first year estimated real estate taxes = \$59,567

We note that the first year of condominium operation is projected to fall within part of tax year 2016/17 prior to the completion of the construction when the property will be assessed as a building still under construction. Real estate taxes in the second year of condominium operation will be significantly higher reflecting 12 months of taxes to be assessed on a fully completed building in operation for tax years 2017/18 and 2018/19 based upon the completion date of July 31, 2016.

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This letter was prepared at the sponsor's request. Certain figures set forth herein are approximations derived from material submitted by the sponsor and area subject to variation. We have not passed upon the accuracy of any figures or estimates contained in the Plan, and offer no warranties of the amount of any tax liabilities for any period.

Prospective Purchasers are advised that while there is a formula which has been utilized by the Real Property Assessment Department in assessing such properties in the past, it has not been employed consistently, and it is therefore not possible to estimate or determine the post-construction assessed valuation of this property with any degree of certainty. However, the estimates presented below are based upon our interpretation of the current policies and practices of that department. All prospective purchasers are further advised that although the estimate of assessed valuation upon completion of construction is a good-faith estimate, such assessed valuation, when actually made, may be significantly more or less than as estimated herein.

The projections expressed above are based on our interpretation of the Real Property Tax Law, Administrative Code of the City of New York, and the applicable rules and regulations, policies and practices of the Department of Finance in effect as of the date hereof. While we believe our projections are well founded, they are not intended, and should not be construed as representations or warranties.

You should be aware that the laws, regulations and practices of the Department of Finance upon which this projection is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

The foregoing analysis is based upon our experience with the Real Property Assessment Department and the Tax Commission of the City of New York, and their assessment policies regarding newly constructed properties held in the condominium form of ownership. Application of a particular approach to valuation by an individual assessor may yield a substantially different result.

We hereby consent to the inclusion of this letter in the Offering Plan.

Very truly yours,


Marcus & Pollack LLP

MP:sm

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

Deductibility of Mortgage Interest and Real Estate Taxes

A Unit Owner will own his or her Unit in fee simple and each Unit will be a separate tax lot for real estate tax purposes. Therefore, each Unit Owner may mortgage his or her Unit and will be liable for payment of mortgage interest and principal and any real estate taxes assessed against the Unit.

Unit Owners who itemize their deductions should, for Federal Income Tax purposes, be entitled to a deduction of mortgage interest and real estate taxes in the year paid, or accrued, under Sections 163 and 164 of the IRS Code. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Counsel's Tax Opinion Letter. Each Unit Owner should, 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.

Unit Owners who use a Unit for professional or business use or for the production of income, will be entitled, under present law, to a deduction for Federal and New York State income tax purposes for the real estate taxes they pay on their Unit and for the interest they pay on any mortgage covering their Unit.

Tax Status of Condominium

The Condominium will be managed by the Board of Managers, which shall collect the Common Charges on behalf of the Condominium. Although it is not clear whether the Condominium would be treated as an association taxable as a corporation for Federal tax purposes, there is substantial authority for such treatment. Assuming that it is a taxable entity, the Condominium will file tax returns and be subject to the regular corporate income tax on its taxable income, and its taxable income would be computed as the excess of its gross income over its deductible expenses. However, any portion of the Common Charges that is segregated and used to finance specified capital expenditures should not be included in gross income.

The Condominium will probably not qualify under Section 528 of the Internal Revenue Code to be exempt from tax on certain income. If the Condominium meets all applicable requirements and properly makes the election, it may be exempt from tax on membership fees, dues and assessments from the Condominium Unit Owners. The excess of other income over deductions connected with the production of such income would nevertheless be subject to tax at a flat 30% tax rate. See Opinion of Condominium Counsel.

No warranty is or can be made by Sponsor or any other person that the United States Treasury Department or the New York State Department of Taxation will allow the aforementioned deductions and no representation or warranty is or can be made that the tax law or the regulations or rulings issued thereunder, or any judicial interpretation thereof, may not change so as to disallow the deductions in whole or in part. Neither Sponsor nor its counsel shall be liable if it is held that the Unit Owners are not entitled to such income tax deductions or to special exemptions as aforesaid due to changes in applicable law, regulation or decisional law. Neither counsel nor Sponsor shall have any liability should Unit Owners not be entitled to deductions if facts represented by Sponsor are not true.

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TAX OPINION OF CONDOMINIUM COUNSEL

October 28, 2014

347 Bowery Owner, LLC
401 Broadway, Suite 1910
New York, N.Y. 10003

Re: Offering Plan for 347 Bowery Condominium
Premises: 347 Bowery, New York, New York

Gentleman:

You have requested our opinion with regard to certain income tax matters relating to the Offering Plan (the "Plan") of 347 Bowery Condominium (the "Condominium") including specifically the availability of certain deductions for federal, New York State and New York City income tax purposes in respect of payments of mortgage interest and real estate taxes by individual Unit Owners and the tax treatment to be received by the Condominium.

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

You have advised us that the Sponsor will apply to the Department of Law of the State of New York to convert the premises located at 347 Bowery, New York, New York to condominium ownership pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York. The Condominium shall consist of five (5) Residential Units and two (2) Commercial Units. Each Unit Owner will hold title to his or her Unit in fee simple plus an undivided interest in the Common Elements. Each Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes. Each Unit Owner may place a separate mortgage on his or her Unit and, by doing so, incur direct liability for the interest payable on such mortgage. The Condominium will be operated by a Board of Managers which, pursuant to the By-Laws, will act as the agent of the Unit Owners. The primary function of the Board of Managers will be to collect the Common Charges and use such funds to supervise the maintenance and operation of the Common Elements.

As part of this opinion, we hereby adopt the opinion of KW Property Management and Consultant which on October 26, 2014 based on their expert factual determinations that the allocation of Common Interests (as such term is defined in the Plan), utilizing the method

described in 339-i (1) (iv), assigned to each Unit under this Plan is consistent with Real Property Law 339-i and as adopted is hereby incorporated into this opinion.

In connection with this opinion, we have reviewed various documents included in the Plan or as exhibits to the Plan relating to the Condominium including the Declaration and By-Laws.

In our opinion under present law, subject to the limitations discussed below, interest on a mortgage secured by a Residential Unit paid or accrued by an owner of such Residential Unit who is liable for the interest payment on such mortgage and who uses the Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his or her method of accounting, provided that he or she itemizes his or her deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by the Residential Unit Owner to purchase the Residential Unit and the Residential Unit Owner is an individual. The foregoing deduction may be impacted by the alternative minimum tax for some taxpayers.

The mortgage interest described above will also be allowable as deductions for New York State income tax purposes for Residential Unit Owners who are New York State residents who use the Residential Unit as their personal residence. No opinion is expressed as to the taxation of Residential Unit Owners who are not New York State residents or not individuals.

A condominium under New York State law is not a corporation but an unincorporated association ("Association"). We have been requested to opine as to whether the Association will be eligible to qualify as a tax-exempt organization for federal income tax purposes. In order for the Association to qualify as an exempt organization for federal income tax purposes under Section 528 of the Internal Revenue Code, it must meet the following six (6) conditions:

(1) The Association must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Association's property.

(2) Sixty percent (60%) or more of the Association's gross income of the Association must be derived from the payment of dues or fees or assessments from the Residential Unit Owners in their capacity as owner-members rather than in the capacity as customers for services.

(3) Ninety percent (90%) or more of the expenditures of the Association for the taxable year must be used for the acquisition, construction, management, maintenance and care of the Association's property.

(4) No part of the net earnings of the Association may inure to the benefit of any private individual.

(5) The Association must qualify as a "condominium management association," which is an organization meeting the requirements of condition (1) above with respect to a Condominium substantially all of which Units are used by individuals as residences.

(6) The Association must properly and timely elect to have Section 528 of the Internal Revenue Code apply for the taxable year.

A "condominium management association" for the purposes herein is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance and care of a condominium, provided substantially all of the units are used by individuals for residences. "Substantially all" the units will be considered used by individuals for residences if at least eighty-five percent (85%) of total square footage of all units within the project is used, or is intended to be used by individuals for residential purposes or purposes auxiliary to residential use, such as storage rooms, laundry and areas used by maintenance personnel. You have advised me that you anticipate that less than eighty-five percent (85%) of the square footage of the Units will be used for residential purposes. Therefore, the "substantially all" test will not be met, at least initially. Our review of the documents referred to above indicates that the Association does not meet all of the organizational tests described above to qualify for exemption. Therefore it is our opinion that the Association will not be eligible to elect tax-exempt status under Section 528 of the Internal Revenue Code.

This opinion only relates to the specific tax matters discussed above which do not necessarily comprise all tax matters which may be of significance to the purchasers of the Units. We express no view as to any federal, New York State or New York City tax consequences other than as explicitly discussed in the opinion or as to the tax status or tax consequences of the Plan under the laws of the United States or any foreign jurisdiction. Therefore, it is strongly recommended that each prospective purchaser of a Unit consult with his or her own tax advisor concerning the federal, New York State and New York City tax consequences of the purchase and ownership of a Unit in the Condominium. In no event will the Sponsor, Sponsor's counsel, the Board of Managers, counsel to the Board of Managers or any other person be liable if by reason of changes in fact or applicable law, regulations decisional law or Internal Revenue Service rulings, the tax consequences described above should change. No warranties are made that the tax laws upon which counsel bases this opinion will not change and no one else has been authorized to make any representations other than those contained herein.

This opinion has been prepared with the knowledge that it will be incorporated into the Plan.

Very truly yours,

Marans Weisz & Newman, LLC

By: 
Daniel Weisz, Esq.

WORKING CAPITAL FUND

Purchasers of Units shall be required to pay two (2) months of Common Charges at closing of title as working capital to the Working Capital Fund. The Working Capital Fund will be used to pay for items in the budget which will be payable prior to the time that sufficient monthly Common Charges and assessments have accrued to pay these items. Although the Working Capital Fund may be reduced by the aforementioned expenditures, it is not anticipated that the fund will be depleted by such expenditures. The Working Capital Fund shall be turned over to the Board of Managers on transfer of control to the Unit Owners. While the Sponsor is in control of the Board of Managers of the Condominium, the Working Capital Fund will not be used to reduce the Common Charges. Sponsor will not contribute to the Working Capital Fund for the Units held as Unsold Units.

No representation is made that the Working Capital Fund will be sufficient to accomplish the purpose set forth above, or other purposes as determined by the Board of Managers in its discretion. The Working Capital Fund is not intended to be a reserve fund for capital expenditures. If additional funds are required, it may be necessary to increase Common Charges or make special assessments against Unit Owners. The budget for first year of operations (See Schedule B) does include a ten percent (10%) contingency for unforeseen expenses.

Neither the Department of Law nor any government agency has passed upon the adequacy of the Working Capital Fund.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The managing agent for the Condominium will be KW Property Management & Consulting.

The management agreement shall commence upon the closing of the first Residential Unit for a term of two (2) years. The agreement shall be automatically renewed thereafter, provided, however, that either party shall have the right to cancel this agreement after the second year by written notice at least sixty (60) days' notice prior to the end of any term with or without cause.

The managing agent shall receive a monthly fee of \$1,500.00 plus reimbursement for out-of-pocket expenses and additional compensation for services other than customarily performed by a managing agent.

The major duties and services of the managing agent shall be:

- to hire and pay employees to maintain and operate the Building;

- oversee maintenance of the common areas of the Building;
- purchase supplies for the maintenance and operation of the Building;
- receive and pay all invoices relating to the common areas of the Building;
- attend 1 Board of Managers meeting per month;
- furnish monthly reports of receipts and disbursements to the Board of Managers
- prepare an annual operating budget for the Building for consideration by the Board of Managers;
- cooperate with the Condominium's accountants in the annual audit and preparation and filing of federal, State, City tax returns
- accept applications for alterations from Residential Unit Owners
- coordinate move-in and move-out
- accept applications from prospective Residential Unit Owners
- take all actions as may be necessary to comply with all orders, violations or requirements affecting the Condominium or the Building by any federal, state, City, municipal authority or any order of the New York Board of Underwriters
- bill monthly common charges and any special assessments and take all actions on behalf of the Condominium by way of legal process
- maintain all files relating to common charge records, insurance policies, leases and subleases, correspondence, bills and vouchers
- review all bills for services, works, utilities and supplies in connection with the maintenance and operation of the Building and prepare checks for Board's execution for payment of all such bills (no single order greater than \$2,500 to be paid without the approval of the Board unless specifically in the budget)

The Board of Managers shall indemnify the managing agent for any acts of the managing agent not constituting gross negligence, willful misconduct or failure to comply with its obligations under the management agreement.

There are presently no contracts or leases binding on the Condominium.

IDENTITY OF PARTIES

Sponsor

The Sponsor is 347 Bowery Owner LLC, a New York limited liability company

formed on June 6, 2013. Its offices are located at 401 Broadway, New York, New York. The sole principal of Sponsor is Glauco Lolli-Ghetti, the manager of Urban Muse, LLC, which is the sole member of Hunting LN, LLC, the Manager of 347 Bowery Partners, LLC, which is the sole equity member/Manager of 347 Bowery Member, LLC, which is the sole equity member of the Sponsor. Urban Muse has been active in the real estate industry since 2006, having developed 200 Eleventh Avenue Condominium, 200 11th Avenue, New York, New York, and 22-24 Downing Street, New York, New York, a townhouse development.

The Sponsor has not made any prior offerings of cooperatives, condominiums, planned Unit development homes or time shares within the past five (5) years.

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

Attorney for Sponsor

Daniel Weisz, Esq., of Marans, Weisz & Newman, LLC, 29 Broadway, Suite 2400, New York, New York 10006, prepared the Plan. Marans, Weisz & Newman LLC represents Sponsor in connection with all matters pertaining to this Plan.

Managing Agent

KW Property Management & Consulting will be the managing agent for the Property. KW Property Management & Consulting is a full-service property management company founded in 2004. From new construction to existing properties and entities, they serve high-rise, garden style, homeowner associations, rental and commercial properties, as well as execute work for U.S. courts and several of the nation's largest lending institutions and local banks on REO assets and receiverships – covering the entire spectrum of property management. Today, the company is one of the largest management providers in Florida with additional client portfolios along the U.S. East Coast and the Bahamas. The company services a portfolio of over 50,000 units with a staff of more than 700 employees.

Selling Agent

347 Bowery Street's sales team is headed by Leonard Steinberg and Hervé Senequier of Urban Compass. Leonard Steinberg and Herve Senequier are consistently amongst the top producing agents in the entire United States, and have marketed many of the City's most prolific new buildings including 150 Charles Street and 200 Eleventh Avenue. Drawing upon decades of experience and market-specific knowledge, they collaborate with leading developers,

world renowned architects and interior designers to create the most coveted properties in Manhattan, and have sold in excess of \$2 billion worth of New York real estate. Their scope of services include market research, product planning, unit mix analysis, amenity planning, interior design, consulting on management operations and staffing, marketing and branding the building, collateral material development, media planning and placement, pricing strategy, sales office management, broker outreach both domestically and internationally, public relations and social media strategy and weekly reporting.

Architect

The architectural firm retained by Sponsor to prepare the plans and specifications for the Condominium and to supervise construction is Selldorf Architects. Established by Annabelle Selldorf in 1988, the firm has worked on public and private projects that range from museums and libraries to a recycling facility; and at scales from the construction of new buildings to the restoration of historic interiors and furniture design. Some notable projects for which Selldorf Architects are the architect include Neue Galerie New York: Museum for German and Austrian Art; renovation of the Sterling and Francine Clark Art Institute in Williamstown, Massachusetts; two high-rise residential buildings in New York's High Line: 200 11th Avenue and 520 West 19th Street. Ms. Selldorf received her Bachelor of Architecture degree from Pratt Institute in New York and a Master of Architecture degree from Syracuse University in Florence, Italy. She is the President of the Board of the Architectural League of New York.

Sponsor is not affiliated with or related to and any of its consultants.

REPORTS TO UNIT OWNERS

The Board of Managers shall furnish to all Unit Owners, their mortgagees and the Department of Law of the State of New York (if and when required by law) and shall present annually (at the annual meeting) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owners. The Board of Managers, at least annually, shall fix and determined the annual budget and send a copy of the budget and any supplement to every Unit Owner and mortgagee. The total annual requirement shall be assessed as a single sum against all Units and prorated against each of the Unit according to the respective Common Interest apportioned to each Unit.

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

- (i) a financial statement of the Condominium prepared by a certified public accountant or public accountant within four (4) months from the end of such fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers.
- (ii) prior notice of the annual Unit Owners' meeting; and
- (iii) a copy of the proposed annual budget of the Condominium within four (4) months from the end of such fiscal year 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 in compliance with Section 20.4 (d) of this Part.

DOCUMENTS ON FILE

The Sponsor shall keep 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, on file and available for inspection without charge and copying at a reasonable charge at a specified location for six (6) years from the date of the first closing. The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the closing of the first Unit.

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 of 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.

There are no lawsuits or administrative or other proceedings now pending the outcome of which would materially affect this offering, the Property, the Condominium, the operation of the Condominium or Sponsor's capacity to perform its obligations under the Plan, which have not been disclosed herein.

In accordance with the provisions of the laws of the United States and the State of New York, Sponsor represents that Sponsor will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, ancestry, disability, marital status, age or other grounds prohibited by law in the sale of the Units offered by Sponsor pursuant to this Plan.

In the event of any material adverse amendment to the Plan, a Purchaser shall have the right, for a reasonable period of time that is not less than fifteen (15) days after date of presentation, to rescind his or her Purchase Agreement. Sponsor must return any deposit or

down payment to Purchasers who rescind.

SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor adopts the Description of Property and Building Condition contained in Part II of the Plan. Sponsor has no knowledge of any material defects or need for major repairs to the Property except as set forth in the Description of Property and Building Conditions.

347 Bowery Owner, LLC,
Sponsor

347 BOWERY CONDOMINIUM

PART II

FORM OF PURCHASE AGREEMENT

Purchaser(s)

with

347 BOWERY OWNER, LLC,

Sponsor/Seller

Unit Number ____

347 Bowery Condominium
347 Bowery
New York, New York

PURCHASE AGREEMENT

Unit Number _____
347 Bowery Condominium
347 Bowery,
New York, New York

(to be executed in quadruplicate)

THIS PURCHASE AGREEMENT (this "Agreement"), made as of the _____ day of _____, 201_, between 347 BOWERY OWNER, LLC, a New York limited liability company, having an office at 401 Broadway New York, NY (hereinafter, "Sponsor"), and _____, having an address at _____ (hereinafter, "Purchaser").

WITNESSETH:

1. Definitions. Terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in the Offering Plan for the 347 Bowery Condominium (such Offering Plan, together with any amendments thereto filed prior to the date hereof, is hereinafter referred to as the "Plan").

2. The Unit. Sponsor hereby agrees to sell to Purchaser and Purchaser hereby agrees to acquire from Sponsor, condominium Unit No. _____ (the "Unit") at the Condominium (as designated in the Declaration), together with the undivided _____% interest in the Common Elements appurtenant to such Unit, upon and subject to the terms and conditions set forth herein.

3. Purchase Price.

3.1 The purchase price for the Unit is \$_____ (the "Purchase Price") payable as follows:

(a) \$_____ (the "Initial Deposit"), due upon the signing and submitting of this Agreement, receipt of which (subject to collection) is hereby acknowledged;

(b) \$_____ (the "Second Deposit"), due no later than six (6) months subsequent to the Initial Deposit; (the Initial Deposit and the Second Deposit sometimes collectively known as the "Deposit"); and

(c) \$_____ (the "Balance"), constituting the balance of the Purchase Price, payable at the closing as hereinafter provided.

3.2 All checks shall represent United States currency, be drawn on or issued by a New York bank that is a member of the New York Clearing House Association and shall be unendorsed. Checks for the Deposit shall be Purchaser's good check(s) or, at Sponsor's option, Purchaser's certified check(s) or an official bank check(s), made payable to the direct order of "Marans Weisz & Newman LLC, as escrow agent". The check or checks for the Balance and all other sums due Sponsor pursuant to this Agreement shall be good certified check of Purchaser or official bank or cashier's check, made payable to the direct order of 347 Bowery Owner, LLC (or such other party as Sponsor directs to Purchaser, in writing, prior to the date of closing of title). If any check is returned, dishonored or fails collection for insufficient funds or for any other reason, the Escrow Agent is authorized to deliver such check to Sponsor and Sponsor will have the choice of remedies set forth in the Plan and in this Agreement with respect to an Event of Default (including without limitation, suing on such dishonored check or (at Sponsor's option) canceling this Agreement and returning the instrument to Purchaser without affording Purchaser a grace period to cure such default).

4. Escrow Provisions

4.1 The law firm of Marans Weisz & Newman, LLC, with an address at 29 Broadway Suite 2400, New York, New York 10006, telephone number (212) 968-0244, shall serve as escrow agent (the "Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated Richard Marans, Esq, Daniel Weisz, Esq. and Richard Newman, Esq. to serve as signatories on the "Escrow Account", as defined below. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in the in any of the foregoing.

4.2 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.

4.3 The Escrow Agent has established the escrow account at Hudson Valley Bank, 233 Broadway, New York, N.Y. 10279 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled the Marans, Weisz & Newman, LLC 347 Bowery Condominium Escrow Account ("Escrow Account"). 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. Any Deposit in excess of \$250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions. 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 sent written notice to the Purchaser and Seller. The notice shall provide the account number and the initial interest rate to be earned by the Deposit.

4.4 All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Marans Weisz & Newman, LLC, as Escrow Agent.

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

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

4.7 The Additional Deposit shall be deposited in the Escrow Account within five (5) business days after its receipt by Escrow Agent.

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

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

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

4.11 The Escrow Agent shall release the Deposit if so directed:

(a) Pursuant to terms and conditions set forth in the Purchase Agreement in Section 4 upon closing of title to the Unit; or

- (b) In a subsequent writing signed by both Sponsor and Purchaser; or
- (c) By a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs 4.11 (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs 4.11 (a) through 4.11 (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Unit is located and shall give written notice to both parties of such deposit

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

- (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- (b) all Purchasers after an Amendment abandoning the Plan is acceptance 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.

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

4.14 Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

4.15. A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e(2-b) and 352(h).

4.16. 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.

4.17. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e(2-b) and 352-(h) and the New York State Department of Law's regulations.

4.18. Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement.

4.19. Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

4.20. Sponsor agrees to defend, indemnify, and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

5. Closing Date and Place.

5.1. The closing of title shall be held at the offices of Marans, Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, New York 10006 (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than thirty (30) days' prior notice. Sponsor may, from time to time, adjourn such date and hour upon reasonable prior notice to Purchaser, which notice shall fix a new date (and hour and place, if appropriate) for the closing of title (but in no event may Sponsor adjourn the date originally set for a closing, once set, for more than twelve (12) months in the aggregate without the consent of Purchaser).

5.2. Whenever used herein, the terms "Closing Date" or "closing of title" or words of similar import shall mean the date on which the deed to the Unit is delivered to Purchaser.

6. Delivery of Deed and Power of Attorney.

6.1. At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying fee simple title to the Unit to

Purchaser, which deed shall be in substantially the form contained in Part II of the Plan, and Sponsor and Purchaser shall execute the deed and have the same acknowledged, in form for recording.

6.2 At the closing of title, Purchaser shall execute and acknowledge a power of attorney to the Board, prepared by Sponsor and in substantially the form contained in Part II of the Plan.

6.3 The executed deed and power of attorney shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded: (i) the deed shall be returned to Purchaser; and (ii) the power of attorney in favor of the Board shall be returned to the Board (or as the Board shall direct).

6.4 Purchaser's payment of the Balance and acceptance of the deed to the Unit shall constitute Purchaser's recognition that Sponsor has fully and satisfactorily performed those obligations stated in the Plan and/or this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the closing, and nothing herein shall be in derogation of the rights of purchasers under Article 23-A of the General Business Law, the Plan or Part 20 of the Regulations issued by the Department of Law.

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

7. State of Title.

7.1 At the closing of title, Sponsor shall convey to Purchaser fee simple title to the Unit, free and clear of all encumbrances, subject only to the Permitted Exceptions contained in the Plan. Any lien, encumbrance or condition to which title is not to be subject shall not be an objection to title if: (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the recording or filing fee; or (b) Purchaser's title insurance company will insure Purchaser, at the company's regular rates and without additional premium, that it will not be collected out of, or enforced against, the Unit; or (c) Purchaser's title insurance company is unwilling to issue the affirmative insurance described in subsection (b) at its regular rates and without additional premium, and the title insurance company referenced in Part I of the Plan would be willing to do so at its regular rates and without additional premium.

7.2 Sponsor shall be entitled to adjourn the closing to remove or correct any defect in title which is not set forth in the Permitted Exceptions. However, if such defect existed

at least ten (10) days prior to the closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least ten (10) days prior to the closing, then, for purposes of Article 12 below, Purchaser shall be deemed at fault for not having sent timely notice, and the closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

7.3 The covenants in the deed will be solely for the personal benefit of Purchaser and will not inure to the benefit of Purchaser's successors or subrogees. In the event of a claimed breach of any covenant of the grantor contained in the deed, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor, it being agreed that the liability of Sponsor will be limited to any loss or damage not covered by such title insurance. In the event that Purchaser elects not to purchase title insurance, then the liability of Sponsor shall be limited to any loss or damage that would not have been covered by the title insurance that was available to Purchaser at the closing. The terms of any marked-up title binder of any title insurance company authorized to do business in New York State issued in connection with any Unit shall be conclusive evidence of the title insurance coverage that was available to Purchaser. The provisions of this Article 7.3 shall survive the closing of title.

8. Closing Adjustments.

8.1 The following costs with respect to the Unit shall be apportioned between Sponsor and Purchaser as of the Closing Date:

- (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;
- (b) Common Charges for the month in which title closes; and
- (c) accrued fees and any other charges pursuant to an interim license or use and occupancy agreement, if any, covering the Unit.

8.2 If the Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title; however, the installment for the then current period shall be apportioned appropriately. If the Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment hereof shall be based upon the Property's actual taxes and assessment for such period prorated to the Unit in the manner set forth in the By-Laws and in Part I of the Plan. In addition, if separate assessments have not been made prior to the closing of title, the Board of Managers will collect from Purchaser at Closing and will place in escrow an amount equal to the Unit Owner's estimated proportionate share of the real estate taxes, if any, projected to be due for the entire Property for the half of the tax year next commencing after the Closing of said Unit (i.e., for either the first half or second half, depending on when the Unit closes).

8.3 Sponsor shall remit or cause to be remitted to Purchaser an amount equal to interest, if any, earned on the Deposit, on or promptly after the Closing Date.

8.4 In the event that Purchaser fails to close title to the Unit on the date originally scheduled for the closing of title, postpones the closing for any reason, or is deemed at fault for not timely sending notice of a title defect as provided in Article 7 above, and title thereafter closes, then:

(a) the closing apportionments shall be made as of the originally scheduled closing date regardless of when the actual closing of title occurs; and

(b) the apportionment of those items set forth in this Article 8 shall be: (a) made as of the originally established closing date rather than as of the date the closing actually occurs, (ii) an amount equal to 0.04% (or such lower rate per day which is the legal limit, if 0.04% per day exceeds the legal limit) of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date); and (iii) Purchase shall pay Sponsor's counsel \$250.00 for each adjournment. Nothing herein shall be construed to mean that the Sponsor must grant an adjournment of title when requested to do so. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

8.5 If at a Purchaser's request Sponsor grants an adjournment or adjournments of his or her closing of title in excess of five (5) days in the aggregate, the Sponsor has the option of collecting an additional five percent (5%) of the purchase price of the Unit as an additional Deposit.

8.6 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect to Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as aforesaid and as otherwise provided herein or in the Plan.

8.7 Any errors or omissions in calculating apportionments at Closing shall be corrected, and payment shall be made to the proper party, promptly after discovery. This provision shall survive the closing.

9. Closing Costs.

Purchaser shall be required to pay certain costs in connection with the purchase of the Unit, in addition to any net credit in favor of Sponsor that may result from the closing adjustments and any interest or late closing charge described in Article 8. Other than any such net credit in favor of Sponsor that may result from the closing adjustments (or certain other fees which may be payable prior to the closing, as described below), all such closing costs shall be paid by Purchaser, at closing, by Purchaser's unendorsed, personal certified check or by official bank check, in either event drawn only upon a bank that is a member of the New York Clearing House Association. Such closing costs will include the following, the amounts of which (where applicable) are based on rates in effect on the date hereof and are subject to change without prior notice:

9.1 If Purchaser elects to obtain fee title insurance, Purchaser will pay a premium to the title company for such insurance, which will vary depending upon the amount of insurance purchased.

9.2 Purchaser will pay a fee to the City Register for recording the deed and the power of attorney, and will pay a filing fee for the RP-5217 form. In addition, Purchaser's title insurance company may charge various fees and service charges in connection with such recordings and filings, all of which shall be payable by Purchaser.

9.3 If Purchaser obtains a mortgage loan, Purchaser shall pay all closing costs associated with such loan, which may include, but need not be limited to, the following:

- (a) a fee and service charge for recording the mortgage;
- (b) a mortgage recording tax in the amount provided for by law,
- (c) to Sponsor, a sum equal to the full amount (but not in excess thereof) of the partial mortgage recording tax credit provided by Section 339-ee(2) of the New York Condominium Act, to the extent the same is or becomes available, as a reimbursement for the mortgage recording taxes previously paid (such credit is based, in general, on the Common Interest of the Units being purchased multiplied by a portion of the mortgage tax previously paid on account of pre-existing mortgages on the Property), if applicable;
- (d) the premium for mortgage title insurance, if required by Purchaser's lender;
- (e) such other costs and expenses in connection with such loan as determined by Purchaser's lender.

9.4 Purchaser will be required to pay the amount of \$2,350.00 to Marans, Weisz & Newman, LLC, Sponsor's counsel, for each Unit purchased hereunder, in order to defray Sponsor's legal fees for services in connection with preparing the deed and power of attorney and for coordinating and attending the closing. If Purchaser obtains financing and the lender is unwilling to close at the offices of Sponsor's counsel or if Purchaser otherwise requests that the Closing occur other than at the office of Sponsor's counsel (or such other place as Sponsor may designate in its closing notice) and Sponsor in its sole discretion consents to such request, the closing may be held elsewhere in New York City, provided that Purchaser shall pay Sponsor's counsel a travel fee of \$250.00 and an additional \$250.00 if the Closing is held outside New York City. In addition, if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement (or Purchaser otherwise exercises its limited right with respect to an assignment as provided in Section 23.4 hereof), a fee of \$500.00, shall be payable by Purchaser to Sponsor's counsel, for preparation of an assignment agreement. Purchaser may be required to pay more than one fee pursuant to the preceding sentence and forgoing provisions with respect to a single Unit. At Sponsor's option in its sole discretion, any one or more of the foregoing fees to be paid to Sponsor's counsel shall be paid by Purchaser in advance, prior to closing, upon notice to

Purchaser. In the event Purchase is in default hereunder and Sponsor requests its counsel to send a default letter, Purchaser shall be obligated to pay \$250.00 to Sponsor's counsel.

9.5 Purchaser shall make a contribution to the Working Capital Fund of the Condominium, payable to the Board, in the sum of two (2) months Common Charges.

9.6 Purchaser shall pay to the Board the Common Charges for the Unit for the first full month following the month in which title closes.

9.7 Purchaser shall pay the Real Estate Transfer Tax due to the State of New York (the so-called "deed stamps" and, if applicable, the so-called "mansion tax"), the Real Property Transfer Tax due to the City of New York and any other real property transfer tax due to the City or State of New York. Purchaser agrees to indemnify and hold Sponsor harmless from and against any and all liabilities and expenses (including, without limitation, reasonable legal fees and disbursements) incurred by Sponsor by reason of the non-payment by Purchaser of any of the taxes Purchaser is obligated to pay hereunder in connection with the purchase of the Unit. Purchaser's obligations to pay the taxes described in this Article 9.7 and to indemnify Sponsor as herein provided shall survive the closing of title.

10. Transfer Tax Returns. At the closing, Purchaser shall duly complete and sign before a notary public the real property transfer tax return required to be filed with The City of New York ("RPT Form") and Purchaser shall duly complete and sign the Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate ("Combined Tax Form") required to be filed with the Department of Taxation and Finance of the State of New York (the "Tax Department"), or such other forms as may then be required by law. The RPT Form and Combined Tax Form shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer. Sponsor will similarly execute all of such forms and other documents required in connection with recording of the deed including, without limitation, smoke detector and multiple-dwelling affidavits.

11. The Plan.

11.1 Purchaser acknowledges having received and read a copy of the Plan, including all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York, at least three (3) business days before submitting this Agreement. If, however, Purchaser did not receive a copy of the Plan at least three (3) business days before submitting this Agreement, Purchaser may rescind this Agreement, by sending written notice of same to Sponsor by certified or registered mail, return receipt requested, reputable overnight courier or by personal delivery, in either case within seven (7) days of Purchaser's submission of this Agreement.

11.2 The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth herein at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern, except with respect to express modifications to the terms of the Plan included in this Agreement and agreed to by Sponsor and Purchaser, in which case such modifications will govern.

11.3 Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

12. Default by Purchaser. (a) Any of the following shall constitute an "Event of Default" hereunder:

(i) Purchaser's failure to pay the Second Deposit, Balance or any closing apportionment or closing cost required to be paid by Purchaser as stated herein on the Closing Date designated by Sponsor or the dishonor of any check given by Purchaser to Sponsor; or

(ii) the failure to pay, perform or observe any of Purchaser's other obligations hereunder; or

(iii) If Purchaser is or becomes the tenant of record of the Unit, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations; or

(iv) If Purchaser is or becomes the tenant of record of the Unit and Purchaser vacates or abandons the Unit; or

(v) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(vi) if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vii) if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same within thirty (30) days.

(b) TIME IS OF THE ESSENCE with respect to Purchaser's obligations to pay the Balance and to pay, perform or observe Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Purchaser shall have thirty (30) days from the giving of written notice of such default to cure the specified default. If the default is not cured within such thirty (30) days, TIME BEING OF THE ESSENCE, then Sponsor, in its sole discretion, may thereupon terminate this Agreement. If Sponsor so elects to terminate, this Agreement shall be deemed terminated, and Sponsor shall have the right to retain, as and for liquidated damages, the Deposit (and any interest earned of the Deposit, if any) plus the costs incurred by Sponsor for any special work, if any, in the Unit ordered by the Purchaser. Upon the termination of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for any of the proceeds for such sale. (c) Sponsor and Purchaser each hereby agree and acknowledge that it would be impractical and/or extremely difficult to fix or establish the actual damage

sustained by Sponsor as a result of a default by a Purchaser hereunder, and that, subject to the provision of Section 11(d) below, the Deposit (including all interest, if any) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred, including, without limitation, attorneys' fees, and shall be paid by Purchaser to Sponsor. The payment of the Deposit (including all interest, if any) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor.

(c) NEITHER SPONSOR NOR PURCHASER SHALL CHALLENGE THE VALIDITY OF THE PROVISIONS OF THIS AGREEMENT OR THE PLAN WITH RESPECT TO LIQUIDATED DAMAGES OR ANY RIGHT OF SPONSOR SET FORTH HEREIN OR THEREIN TO RETAIN THE DEPOSIT IN THE EVENT OF A PURCHASER DEFAULT. SUCH PROVISIONS HAVE BEEN AGREED TO VOLUNTARILY, AFTER NEGOTIATION, WITHOUT DURESS OR COERCION BY ANY PARTY UPON ANY OTHER PARTY, AND WITH EACH PARTY HAVING BEEN (OR HAVING HAD FULL AND ADEQUATE OPPORTUNITY TO BE) REPRESENTED AND ADVISED BY COUNSEL, ACCOUNTANTS, BROKERS, APPRAISERS AND OTHER EXPERTS AND ADVISORS OF ITS OWN CHOOSING.

13. Agreement Subject to Lien of Mortgage. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any money deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall continue to be subject and subordinate to the lien of any mortgage heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the fullest extent thereof, without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless, if Purchaser is obtaining financing on the Unit, Purchaser assumes such mortgages (at Sponsor's discretion). The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration, or the Unit is released from, or not subject to, the lien of such mortgage at closing (unless Purchaser has assumed the continuation of a mortgage lien encumbering such Unit as hereinabove described).

14. Agreement Subject to Plan Being Effective.

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan (as the same may be amended from time to time). The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any

reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, together with interest, if any, earned thereon, shall be returned to Purchaser. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. Sponsor's Inability to Convey the Unit. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election not to cure such inability, and Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such inability (without any abatement in or credit against the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return the Deposit to Purchaser, together with interest, if any, earned thereon. Upon making such payment, this Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan. The foregoing remedy must be exercised by written notice sent by Purchaser to Sponsor within ten (10) days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the first remedy described in clause (a) above, i.e., to acquire title subject to such inability.

16. Fixtures, Appliances and Personal Property. Only those fixtures, appliances and items of personal property that are described in the Plan as being included in the Unit are included in the sale of the Unit pursuant to this Agreement. No portion of the Purchase Price shall be attributable to such items.

17. Construction.

17.1 The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the Plans and Specifications (as defined in the Plan), subject to the right of Sponsor to amend the Plan and the Plans and Specifications in order to substitute materials, equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a temporary or permanent Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Plan in the Section entitled "Rights and Obligations of Sponsor."

17.2 The construction of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and Plans and Specifications as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

17.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth in the Plan. As a result, if all other prerequisites not involving the construction of the Unit are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without any credit against or abatement in the Purchase Price and without any provision for escrow) once a temporary or permanent Certificate of Occupancy is issued for the Unit (notwithstanding any construction items noted on Purchaser's Inspection Report (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligations under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building not preventing Purchaser's occupancy of the Unit).

17.4 Sponsor has projected that, based upon currently anticipated schedules; construction of the Building will be sufficiently completed to permit closings of Units to begin in or about **September 1, 2016 ("First Closing")**. If the Closing is delayed twelve (12) months or more from this date then the Purchasers will be offered a right to rescind the Purchaser Agreement. The actual date for the First Closing is only an estimate and is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites described in the Plan. Purchaser acknowledges that construction may be delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery or inability to obtain on a timely basis or otherwise materials or equipment, governmental restrictions, or other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise expressly provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the first Closing occurs substantially earlier or later than the projected date or the time to complete or to close title to the Unit is accelerated, delayed or is postponed by Sponsor, Purchaser's rights as set forth in Plan in respect thereof being in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of are hereby expressly waived by Purchaser.

17.5 Sponsor is obligated to construct the Building in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan.

18. Inspection of Unit. At least one week (but not more than one month) prior to the Closing Date, at Sponsor's direction, Selling Agent if applicable or Sponsor shall notify Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with Selling Agent to inspect the Unit within the week prior to

the Closing Date. Purchaser or his or her duly authorized agent shall attend such inspection, shall carefully inspect the Unit, and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule A to this Agreement) and deliver same to Selling Agent if applicable or Sponsor at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within the week prior to the Closing Date or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in "Rights and Obligations of Sponsor" in the Plan.

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

20. Damage to the Unit. If between the date of this Agreement and the closing of title, the Unit is damaged by fire or other casualty, the following shall apply:

20.1 The risk of loss to the Unit by fire or other casualty, until the earlier of closing of title or the taking of possession of the Unit by Purchaser, is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. In the event of damage or destruction of the Unit due to fire or other casualty prior to the closing of title and the election by Sponsor to repair or restore the Unit, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners if the Declaration has theretofore been recorded and any mortgagee of Sponsor, belong entirely to Sponsor and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing of title or the termination of the Agreement.

20.2 In the event of damage to or destruction of the Unit by fire or other casualty prior to the closing of title and the election by Sponsor, to notify the Purchaser within sixty (60)

days of the damage to the Unit, that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, then if the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest, if any, earned thereon, and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain all such sums deposited by Purchaser hereunder and any interest earned thereon, as and for liquidated damages. If a Purchaser takes possession of a Unit prior to closing title, i.e. via an interim lease, he or she will assume the risk of loss and the obligation to repair the damage; therefore it is advisable that Purchaser obtain casualty insurance at such time. An interim lessee assumes the risk of loss for the property that is not covered by the insurance for the Unit.

21. Prohibition Against Advertising. Purchaser hereby covenants and agrees that it shall not list the Unit for sale, resale, or lease with any broker or otherwise advertise, promote, or publicize the availability of the Unit for sale, resale or lease prior to the closing of title and for one (1) year thereafter. Any such listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser or its agents or representatives prior to the closing of title shall be an Event of Default hereunder, entitling Sponsor to the remedies set forth in Article 12 hereof. The provisions of this Article 21 shall survive the closing of title or the termination of this Agreement.

22. Broker. Purchaser represents to Sponsor that _____ and _____ (individually or collectively the "Broker") are the only broker(s) or sales agent(s) with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay the commission earned by the Broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, but not limited to, reasonable legal fees and disbursements. The provisions of this Article 22 shall survive the closing of title or the termination of this Agreement and are not made for the benefit of any third parties.

23. Agreement May Not Be Assigned.

23.1 This Agreement, or any interest of Purchaser herein, shall not inure to the benefit of any successors or assigns of Purchaser and may not be assigned by Purchaser, without the prior written consent of Sponsor, which consent may be given or denied by Sponsor in its sole discretion. Any purported assignment by Purchaser in violation of this Agreement shall be an event of default by Purchaser entitling Sponsor to all remedies available at law, in equity or otherwise, including, without limitation, the remedies set forth above, and shall be voidable at the option of Sponsor.

23.2 If Purchaser is a corporation, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the stock of Purchaser, or if Purchaser is a partnership, limited liability company or other entity, any sale, assignment, transfer, pledge,

encumbrance or other disposition of any interest in such partnership, limited liability company or other entity shall, for purposes of this Agreement, be considered an assignment and shall be subject to the provisions, prohibitions and terms of this Article concerning assignment of this Agreement, except that a sale of less than fifty percent (50%) of the stock, or in the case of a partnership, limited liability company or other entity, less than fifty percent (50%) of the ownership interests, of Purchaser which does not result in a change in control of Purchaser shall not be considered an assignment. For purposes of the preceding sentence only, "control" shall mean the ownership of fifty-one percent (51%) or more of the interests in such entity or possession of the power to direct the management and policies of such entity and the distribution of its profits.

23.3 If a Purchaser desires to assign its rights under this Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by Purchaser that differs from that reflected in this Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition, deletion or substitution is consented to by Sponsor (in Sponsor's sole discretion), Purchaser shall deliver to Selling Agent or Sponsor's counsel, four (4) signed forms of assignment of this Agreement (to be prepared by Sponsor's counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), as well as three (3) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, in the form required by law. Upon each assignment or other change consented to by Sponsor (in its sole discretion), the assignments and Form W-8 or Form W-9, as applicable, must be delivered to Selling Agent or Sponsor's counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of \$500.00 ("Assignment Fee") made payable to Marans, Weisz & Newman LLC (for services rendered in connection with the assignment), not less than twenty (20) days prior to the date scheduled for the Purchaser's closing. In no event shall Purchaser or its assignee (or any added or substituted party) have any right to adjourn or postpone the closing as a result of any such change or assignment. Sponsor is not obligated to consent to any such change or assignment and, Sponsor's refusal to consent to an assignment or change in name will not entitle Purchaser to terminate this Agreement or excuse Purchaser from any of its obligations hereunder or give rise to any claim for damages against Sponsor; and the prohibition against advertising or publicizing the availability of Purchaser's Unit as set forth in Article 21 above and in the Plan will remain in effect.

23.4 Intentionally omitted

23.5 Notwithstanding any consent by Sponsor pursuant to the terms of this Article to any such change of name or assignment, in no event shall Purchaser, as assignor, be released or relieved from any obligations, promises, covenants and liabilities under or in respect of this Agreement.

24. Binding Effect. The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Purchaser or Sponsor until Purchaser has signed this Agreement and delivered the signed Agreement and the Initial Deposit to Sponsor, and a counterpart hereof executed by Sponsor has been delivered to Purchaser. If this Agreement is not signed by Sponsor and a fully executed counterpart delivered

to Purchaser or its attorneys within thirty (30) days after the date hereof, this Agreement shall be deemed to have been rejected and the Initial Deposit shall be promptly returned to Purchaser. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written reasonable information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, sexual orientation, race, creed, color, national origin, ancestry, disability, marital status, or other grounds proscribed by law.

25. Notices.

25.1 Any notice, election, demand, consent, request or other communication hereunder or under the Plan shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail, return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed: to Purchaser at the address given at the beginning of this Agreement with a copy to Purchaser's Attorney; and to Sponsor, at: 347 Bowery Owner, LLC, 401 Broadway, New York, New York 10013 with a copy sent simultaneously and in like manner to Marans Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, New York 10006. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Notwithstanding the foregoing, any mailing of an amendment to the Plan shall be delivered via regular mail. Except as otherwise expressly provided herein, a notice shall be deemed given when personal delivery or delivery by overnight courier is effected or, in the case of mailing, three (3) days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

25.2 Sponsor hereby designates and empowers both Selling Agent and Sponsor's counsel Marans Weisz & Newman LLC as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself. Purchaser hereby designates Purchaser's Attorney as Purchaser's agent to give any notice to Sponsor hereunder in Purchaser's name.

26. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if the Unit is being purchased by more than one person, in which case their obligations shall be joint and several.

27. Liability of Sponsor. Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor.

Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

28. Further Assurances. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction. Additionally, either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order correct any error and or omissions that may have occurred at Closing of Title. The Provisions of this Article shall survive Closing of Title and delivery of the deed.

29. Severability. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

30. Strict Compliance. Any failure by either party hereto to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such other party.

31. No Lien. Neither this Agreement nor any monies deposited hereunder or expended by Purchaser in connection herewith shall constitute a lien against the Unit, any other Units, or any other portion of the Building or the Land upon which it is situated, and Purchaser may not record this Agreement or a memorandum thereof. If Purchaser attempts to record this Agreement, Purchaser will be held in default.

32. Governing Law. The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York applicable to contracts made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

33. Purchaser's Representations.

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

33.2 Purchaser is not now, nor shall it be at any time prior to or at the closing of title, an individual, corporation, partnership, joint venture, trust, trustee, limited liability

company, unincorporated organization, real estate investment trust or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC or otherwise). Neither Purchaser nor any Person who owns an interest in Purchaser is now nor shall be at any time prior to or at the closing of title a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312 (a)(z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC or otherwise.

33.3 Purchaser has taken, and shall continue to take until the closing of title, such measures as are required by applicable law to assure that the funds used to pay to Seller the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and will at closing be, in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

33.4 The provisions of this Article shall survive the closing of title to the Unit or termination of this Agreement.

34. Agreement Not Contingent on Financing. This rights and obligations of the Purchaser under this Agreement shall not be contingent upon Purchaser obtaining a loan to finance the acquisition of the Unit (the "Loan").

35. Costs of Enforcing and Defending Agreement. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder. The provisions of this Article shall survive closing of title or the termination of this Agreement.

36. Waiver of Jury Trial. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, connected with, or relating to this Agreement or the relationship created hereby or in the Plan. With respect to any

matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived. The provisions of this Article shall survive closing of title or the termination of this Agreement.

37. Waiver of Diplomatic or Sovereign Immunity.

37.1. Purchaser hereby waives any and all immunity from suit or other actions or proceedings and agrees that, should Sponsor or any of its successors or assigns bring any suit, action or proceeding in New York or any other jurisdiction to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to this Agreement, no immunity from such suit, action or proceeding will be claimed by or on behalf of Purchaser.

37.2. As of the execution of this Agreement, Purchaser acknowledges and agrees that all disputes arising, directly or indirectly, out of or relating to this Agreement may be dealt with and adjudicated in the state courts of New York or the federal courts sitting in New York, and hereby expressly and irrevocably submits the person of Purchaser to the jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Agreement. So far as is permitted under the applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action shall be necessary in order to confer jurisdiction upon the person of Purchaser in any such court.

37.3. Purchaser irrevocably waives, to the fullest extent permitted by law, and agrees not to assert, by way of motion, as a defense or otherwise in any suit, action or proceeding arising, directly or indirectly, out of relating to this Agreement, brought in the state courts in New York or the federal courts sitting in New York: (i) any objection which it may have or may hereafter have to the laying of the venue of any such suit, action or proceeding in any such court; (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum; or (iii) any claim that it is not personally subject to the jurisdiction of such courts. Purchaser agrees that final judgment from which Purchaser has not or may not appeal or further appeal in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon Purchaser and, may so far as is permitted under the applicable law, be enforced in the courts of any state or any federal court and in any other courts to the jurisdiction of which Purchaser is subject, by a suit upon such judgment and that Purchaser will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

37.4. Purchaser agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the State of New York, in order to make effective the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York and any other provisions of this Article 37.

37.5. Nothing in this Article 37 shall affect the right of Sponsor to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

37.6. The provisions of this Article 37 shall survive the closing of title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement.

37.7. In the event Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser hereby designates a duly authorized and lawful agent to receive process for and on behalf of the Purchaser in any state or federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement. 37.8. If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

38. Mold. Purchasers are advised that the prevention of the growth of mold in a Unit is the responsibility of each Unit Owner. Construction is not, and cannot be, designed to exclude mold spores. Whether a Unit Owner experiences mold growth depends largely on how such Unit Owner manages and maintains his/her Unit. Unit Owners will need to take actions to prevent conditions which cause the mold or mildew, and it is the responsibility of each Unit Owner to ensure that he/she has taken the necessary precautions to prevent mold from becoming a problem in such Unit Owner's Unit. Sponsor will not be liable for and Purchaser hereby waives any claim for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory with respect to the presence and/or existence of molds, mildew and/or microscopic spores unless caused by the gross negligence or willful misconduct of Sponsor. The provisions of this Article shall survive closing of title or the termination of this Agreement.

39. Entire Agreement. This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

40. Certain References. A reference in this Agreement 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. The term "herein," "hereof" or "hereunder," or similar terms used in this Agreement, refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Agreement.

41. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

42. Successors and Assigns. Subject to the provisions of Article 23 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

43. No Oral Changes. This Agreement or any provision hereof, cannot be orally changed, terminated or waived. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES AND WHICH REFERS TO THIS AGREEMENT.

44. Counterparts. This Agreement (or any such Rider(s)) may be executed in any number of counterparts, including but not limited to any signature conveyed through electronic mail transmission ("PDF") and/ or facsimile transmission, any one of which shall be deemed to be an original and all of which shall constitute one and the same document. When counterparts have been executed by all parties, they shall have the same effect as if the signatures to each counterpart were upon the same documents and shall be deemed valid as originals. A PDF or facsimile signature on this Agreement (or any such Rider(s)) shall be acceptable and be deemed binding.

45. Rule of Construction. There shall be no presumption against the drafter of this Agreement or the Plan.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth hereinabove.

SPONSOR:

347 Bowery Owner, LLC

By: _____
Authorized Signatory

PURCHASER:

By: _____

By: _____

WITH RESPECT TO PARAGRAPH 3:

ESCROW AGENT:

By: _____

Purchaser acknowledges receipt
of Offering Plan [and amendments]
on _____, 201____

Initials of Purchaser(s):

SCHEDULE A

INSPECTION STATEMENT

347 Bowery Owner, LLC
401 Broadway
New York, NY 10013

Re: Unit No.
 347 Bowery Condominium

Gentlemen:

As a result of my/our final inspection, please be advised that except as otherwise noted, I/we found the following items in good condition, free of chips, mars, breaks or other defects:

Exceptions

<u>Items</u>	<u>Initials</u>	<u>if any</u>
Windows, window frames		
Electric fixtures & globes		
Interior painted surfaces		
Sinks, tubs, bowls & shower doors & trim		
Kitchen cabinets & counter tops		
Vanity tops & base		
Medicine cabinets, doors & mirror		
Hardware		
Flooring		
Appliances		

I/we understand that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to my/our date of moving. I/we agree and I/we will sign off each item requiring adjustment or repairs as it is completed.

Purchaser's Signature

Sponsor's Representative

FORM OF COMMERCIAL PURCHASE AGREEMENT

Purchaser(s)

with

347 BOWERY OWNER, LLC,

Sponsor/Seller

Commercial Unit Number ____

347 Bowery Condominium
347 Bowery
New York, New York

PURCHASE AGREEMENT

Commercial Unit Number ____
347 Bowery Condominium
347 Bowery,
New York, New York

(to be executed in quadruplicate)

THIS PURCHASE AGREEMENT (this "Agreement"), made as of the ____ day of _____, 201_, between 347 BOWERY OWNER, LLC, a New York limited liability company, having an office at 401 Broadway New York, NY (hereinafter, "Sponsor"), and _____, having an address at _____ (hereinafter, "Purchaser").

WITNESSETH:

1. Definitions. Terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in the Offering Plan for the 347 Bowery Condominium (such Offering Plan, together with any amendments thereto filed prior to the date hereof, is hereinafter referred to as the "Plan").

2. The Unit. Sponsor hereby agrees to sell to Purchaser and Purchaser hereby agrees to acquire from Sponsor, Commercial Unit No. ____ (the "Unit") at the Condominium (as designated in the Declaration), together with the undivided ____% interest in the Common Elements appurtenant to such Unit, upon and subject to the terms and conditions set forth herein.

3. Purchase Price.

3.1 The purchase price for the Unit is \$_____ (the "Purchase Price") payable as follows:

(a) \$_____ (the "Initial Deposit"), due upon the signing and submitting of this Agreement, receipt of which (subject to collection) is hereby acknowledged;

(b) \$_____ (the "Second Deposit"), due no later than six (6) months subsequent to the Initial Deposit; (the Initial Deposit and the Second Deposit sometimes collectively known as the "Deposit"); and

(c) \$_____ (the "Balance"), constituting the balance of the Purchase Price, payable at the closing as hereinafter provided.

3.2 All checks shall represent United States currency, be drawn on or issued by a New York bank that is a member of the New York Clearing House Association and shall be unendorsed. Checks for the Deposit shall be Purchaser's good check(s) or, at Sponsor's option, Purchaser's certified check(s) or an official bank check(s), made payable to the direct order of "Marans Weisz & Newman LLC, as escrow agent". The check or checks for the Balance and all other sums due Sponsor pursuant to this Agreement shall be good certified check of Purchaser or official bank or cashier's check, made payable to the direct order of 347 Bowery Owner, LLC (or such other party as Sponsor directs to Purchaser, in writing, prior to the date of closing of title). If any check is returned, dishonored or fails collection for insufficient funds or for any other reason, the Escrow Agent is authorized to deliver such check to Sponsor and Sponsor will have the choice of remedies set forth in the Plan and in this Agreement with respect to an Event of Default (including without limitation, suing on such dishonored check or (at Sponsor's option) canceling this Agreement and returning the instrument to Purchaser without affording Purchaser a grace period to cure such default).

4. Escrow Provisions

4.1 The law firm of Marans Weisz & Newman, LLC, with an address at 29 Broadway Suite 2400, New York, New York 10006, telephone number (212) 968-0244, shall serve as escrow agent (the "Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated Richard Marans, Esq, Daniel Weisz, Esq. and Richard Newman, Esq. to serve as signatories on the "Escrow Account", as defined below. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in the in any of the foregoing.

4.2 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.

4.3 The Escrow Agent has established the escrow account at Hudson Valley Bank, 233 Broadway, New York, N.Y. 10279 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled the Marans, Weisz & Newman, LLC 347 Bowery Condominium Escrow Account ("Escrow Account"). 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. Any Deposit in excess of \$250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions. 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 sent written notice to the Purchaser and Seller. The notice shall provide the account number and the initial interest rate to be earned by the Deposit.

4.4 All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Marans Weisz & Newman, LLC, as Escrow Agent.

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

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

4.7 The Additional Deposit shall be deposited in the Escrow Account within five (5) business days after its receipt by Escrow Agent.

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

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

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

4.11 The Escrow Agent shall release the Deposit if so directed:

(a) Pursuant to terms and conditions set forth in the Purchase Agreement in Section 4 upon closing of title to the Unit; or

- (b) In a subsequent writing signed by both Sponsor and Purchaser; or
- (c) By a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs 4.11 (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs 4.11 (a) through 4.11 (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Unit is located and shall give written notice to both parties of such deposit

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

- (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- (b) all Purchasers after an Amendment abandoning the Plan is acceptance 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.

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

4.14 Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

4.15. A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e(2-b) and 352(h).

4.16. 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.

4.17. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e(2-b) and 352-(h) and the New York State Department of Law's regulations.

4.18. Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement.

4.19. Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

4.20. Sponsor agrees to defend, indemnify, and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

5. Closing Date and Place.

5.1. The closing of title shall be held at the offices of Marans, Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, New York 10006 (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than thirty (30) days' prior notice. Sponsor may, from time to time, adjourn such date and hour upon reasonable prior notice to Purchaser, which notice shall fix a new date (and hour and place, if appropriate) for the closing of title (but in no event may Sponsor adjourn the date originally set for a closing, once set, for more than twelve (12) months in the aggregate without the consent of Purchaser).

5.2. Whenever used herein, the terms "Closing Date" or "closing of title" or words of similar import shall mean the date on which the deed to the Unit is delivered to Purchaser.

6. Delivery of Deed and Power of Attorney.

6.1. At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying fee simple title to the Unit to

Purchaser, which deed shall be in substantially the form contained in Part II of the Plan, and Sponsor and Purchaser shall execute the deed and have the same acknowledged, in form for recording.

6.2 At the closing of title, Purchaser shall execute and acknowledge a power of attorney to the Board, prepared by Sponsor and in substantially the form contained in Part II of the Plan.

6.3 The executed deed and power of attorney shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded: (i) the deed shall be returned to Purchaser; and (ii) the power of attorney in favor of the Board shall be returned to the Board (or as the Board shall direct).

6.4 Purchaser's payment of the Balance and acceptance of the deed to the Unit shall constitute Purchaser's recognition that Sponsor has fully and satisfactorily performed those obligations stated in the Plan and/or this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the closing, and nothing herein shall be in derogation of the rights of purchasers under Article 23-A of the General Business Law, the Plan or Part 20 of the Regulations issued by the Department of Law.

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

6.6 [IF INAPPLICABLE, INTENTIONALLY OMIT] At the closing of title, Sponsor shall assign the existing leases for space in the Unit, if any, more particularly identified on Exhibit A annexed hereto (the "Existing Leases") and Sponsor shall deliver an Assignment and Assumption of Leases ("Assignment of Leases"), substantially in the form annexed hereto as Exhibit B, with respect to the Existing Leases and the Security Deposits (as hereinafter defined).

6.7 [IF INAPPLICABLE, INTENTIONALLY OMIT] At the closing of title, Sponsor shall deliver a bill of sale, substantially in the form annexed hereto as Exhibit C, conveying, transferring and selling to Purchaser (with no value separate from the Unit) all right, title and interest of Sponsor in and to all fixtures, equipment, castings and personal property, if any, used solely in connection with the ownership, management, maintenance or operation of the improvements and located in the Unit as of the date hereof, and all inventory used solely in connection with the ownership, management, maintenance or operation of the improvements and located in the Unit ("Personal Property").

6.8 [IF INAPPLICABLE, INTENTIONALLY OMIT] At the closing of title, Sponsor shall deliver signed originals of all Existing Leases (or copies thereof) in effect on such date and all other documents in the possession of Sponsor relating to the tenants of the Unit (the "Tenants") and to the extent required under Section 8.7, Sponsor shall deliver all cash security deposits and all non-cash security deposits (including letters of credit) delivered by Tenants to Sponsor under the Existing Leases except to the extent applied by Sponsor to the obligations under the Existing Leases (the "Security Deposits"), as such Security Deposits are more particularly described on the rent roll (the "Rent Roll") attached hereto as Exhibit D.

6.9 [IF INAPPLICABLE, INTENTIONALLY OMIT] At the closing of title, Sponsor shall deliver written notices executed by Sponsor and addressed to each Tenant (i) advising each such Tenant of the sale of the Unit and the transfer of the unapplied amount of its security deposit (if any) to Purchaser in accordance with New York General Obligations Law Section 7-105 and (ii) indicating that rent should thereafter be paid to Purchaser and giving instructions therefore, substantially in the form annexed hereto as Exhibit E.

7. State of Title.

7.1 At the closing of title, Sponsor shall convey to Purchaser fee simple title to the Unit, free and clear of all encumbrances, subject only to the Permitted Exceptions contained in the Plan. Any lien, encumbrance or condition to which title is not to be subject shall not be an objection to title if: (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the recording or filing fee; or (b) Purchaser's title insurance company will insure Purchaser, at the company's regular rates and without additional premium, that it will not be collected out of, or enforced against, the Unit; or (c) Purchaser's title insurance company is unwilling to issue the affirmative insurance described in subsection (b) at its regular rates and without additional premium, and the title insurance company referenced in Part I of the Plan would be willing to do so at its regular rates and without additional premium.

7.2 Sponsor shall be entitled to adjourn the closing to remove or correct any defect in title which is not set forth in the Permitted Exceptions. However, if such defect existed at least ten (10) days prior to the closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least ten (10) days prior to the closing, then, for purposes of Article 12 below, Purchaser shall be deemed at fault for not having sent timely notice, and the closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

7.3 The covenants in the deed will be solely for the personal benefit of Purchaser and will not inure to the benefit of Purchaser's successors or subrogees. In the event of a claimed breach of any covenant of the grantor contained in the deed, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor, it being agreed that the liability of Sponsor will be limited to any loss or damage not covered by such title insurance. In the event that Purchaser elects not to purchase title insurance, then the liability of Sponsor shall be limited to any loss or damage that would not have been covered by the title insurance that was available to Purchaser at the closing. The terms of any marked-up title binder of any title insurance company authorized to do business in New York State issued in

connection with any Unit shall be conclusive evidence of the title insurance coverage that was available to Purchaser. The provisions of this Article 7.3 shall survive the closing of title.

8. Closing Adjustments.

8.1 The following costs with respect to the Unit shall be apportioned between Sponsor and Purchaser as of the Closing Date:

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

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

(c) [IF INAPPLICABLE, INTENTIONALLY OMIT] All fixed rent and regularly scheduled items of additional rent under the interim leases and Existing Leases (collectively, "Rents"), and other tenant charges if, as and when received. Sponsor shall deliver or provide a credit in an amount equal to all prepaid rentals for periods after the Closing Date and all refundable cash security deposits and letters of credit (to the extent required to be provided pursuant to Section 8.7 of this Agreement) to Purchaser on the Closing Date. Rents which are delinquent as of the Closing Date shall not be prorated on the Closing Date. Purchaser shall include such delinquencies in its normal billing and shall diligently pursue the collection thereof in good faith after the Closing Date. To the extent Purchaser receives Rents on or after the Closing Date, such payments shall be applied first toward the Rents for the month in which the Closing occurs, second to the Rents for the month preceding the month in which the Closing occurs, third to the Rents that shall then be due and payable to Purchaser, and fourth to any delinquent Rents owed to Sponsor, with Sponsor's share thereof being held by Purchaser in trust for Sponsor and promptly delivered to Sponsor by Purchaser. Purchaser may not waive any delinquent Rents nor modify a Lease so as to reduce or otherwise affect amounts owed thereunder for any period in which Sponsor is entitled to receive a share of charges or amounts without first obtaining Sponsor's written consent, which consent may be given or withheld in Sponsor's sole and absolute discretion. Sponsor hereby reserves the right to pursue any remedy against any tenant owing delinquent Rents and any other amounts to Sponsor (but shall not be entitled to terminate any lease or any tenant's right to possession), which right shall include the right to continue or commence legal actions or proceedings against any tenant. Delivery of the Assignment of Leases shall not constitute a waiver by Sponsor of such right, and such right shall survive the Closing. Purchaser shall reasonably cooperate with Sponsor in any collection efforts hereunder. With respect to delinquent Rents and any other amounts or other rights of any kind respecting tenants who are no longer tenants of the Property as of the Closing Date, Sponsor shall retain all rights relating thereto.

(d) Special Assessments, if any, either payable in a lump sum or installments, shall be paid by the party who is the owner of the Unit on the date specified by the Condominium for payment.

(e) The provisions of this Section 8.1 shall expressly survive Closing indefinitely.

8.2 If the Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title; however, the installment for the then current period shall be apportioned appropriately. If the Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment hereof shall be based upon the Property's actual taxes and assessment for such period prorated to the Unit in the manner set forth in the By-Laws and in Part I of the Plan. In addition, if separate assessments have not been made prior to the closing of title, the Board of Managers will collect from Purchaser at Closing and will place in escrow an amount equal to the Unit Owner's estimated proportionate share of the real estate taxes, if any, projected to be due for the entire Property for the half of the tax year next commencing after the Closing of said Unit (i.e., for either the first half or second half, depending on when the Unit closes).

8.3 Sponsor shall remit or cause to be remitted to Purchaser an amount equal to interest, if any, earned on the Deposit, on or promptly after the Closing Date.

8.4 In the event that Purchaser fails to close title to the Unit on the date originally scheduled for the closing of title, postpones the closing for any reason, or is deemed at fault for not timely sending notice of a title defect as provided in Article 7 above, and title thereafter closes, then:

(a) the closing apportionments shall be made as of the originally scheduled closing date regardless of when the actual closing of title occurs; and

(b) the apportionment of those items set forth in this Article 8 shall be: (a) made as of the originally established closing date rather than as of the date the closing actually occurs, (ii) an amount equal to 0.04% (or such lower rate per day which is the legal limit, if 0.04% per day exceeds the legal limit) of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date; and (iii) Purchaser shall pay Sponsor's counsel \$250.00 for each adjournment. Nothing herein shall be construed to mean that the Sponsor must grant an adjournment of title when requested to do so. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

8.5 If at a Purchaser's request Sponsor grants an adjournment or adjournments of his or her closing of title in excess of five (5) days in the aggregate, the Sponsor has the option of collecting an additional five percent (5%) of the purchase price of the Unit as an additional Deposit.

8.6 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect to Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as aforesaid and as otherwise provided herein or in the Plan.

8.7 Any errors or omissions in calculating apportionments at Closing shall be corrected, and payment shall be made to the proper party, promptly after discovery. This provision shall survive the closing.

8.8 Purchaser and Sponsor hereby acknowledge and agree all utilities, including, without limitation, steam, telephone and other utility bills, if any (collectively, the "Utilities") (other than such items which are the obligation of and directly paid by a tenant under its Existing Lease) which are paid directly by Sponsor (rather than by the Condominium Board) shall be adjusted between Sponsor and Purchaser on the basis of the most recently issued bills therefore, subject to adjustment after the Closing when the next bills are available, or if current meter readings are available, on the basis of such readings and allocated based upon the Units pro rata share (in the proportion that such Unit's Common Interest bears to the aggregate Common Interest of all Condominium Units that share such Utilities).

8.9 [IF INAPPLICABLE, INTENTIONALLY OMIT] Tenant Security Deposits held by or on behalf of Sponsor together with any interest accrued thereon, shall be turned over by Sponsor to Purchaser at the Closing by, in the case of cash security deposits, crediting such amount (less the amount of any interest or administrative charges pro-rated for the period prior to the Closing which the landlord under such Existing Lease would be entitled to retain) to Purchaser, and, in the case of any letters of credit or other non-cash items, by the delivery thereof by Sponsor to Purchaser to the extent same have not been applied by Sponsor or its predecessors-in-interest against the rents or other moneys owing under the respective Existing Leases, together with other instruments of assignment, transfer, signature guaranty or consent as may be necessary to permit Purchaser to realize upon the same, each duly executed and delivered by Sponsor.

8.10 The provisions of this Article 8 shall survive the closing.

9. Closing Costs.

Purchaser shall be required to pay certain costs in connection with the purchase of the Unit, in addition to any net credit in favor of Sponsor that may result from the closing adjustments and any interest or late closing charge described in Article 8. Other than any such net credit in favor of Sponsor that may result from the closing adjustments (or certain other fees which may be payable prior to the closing, as described below), all such closing costs shall be paid by Purchaser, at closing, by Purchaser's unendorsed, personal certified check or by official bank check, in either event drawn only upon a bank that is a member of the New York Clearing House Association. Such closing costs will include the following, the amounts of which (where applicable) are based on rates in effect on the date hereof and are subject to change without prior notice:

9.1 If Purchaser elects to obtain fee title insurance, Purchaser will pay a premium to the title company for such insurance, which will vary depending upon the amount of insurance purchased.

9.2 Purchaser will pay a fee to the City Register for recording the deed and the power of attorney, and will pay a filing fee for the RP-5217 form. In addition, Purchaser's title

insurance company may charge various fees and service charges in connection with such recordings and filings, all of which shall be payable by Purchaser.

9.3 If Purchaser obtains a mortgage loan, Purchaser shall pay all closing costs associated with such loan, which may include, but need not be limited to, the following:

- (a) a fee and service charge for recording the mortgage;
- (b) a mortgage recording tax in the amount provided for by law,
- (c) to Sponsor, a sum equal to the full amount (but not in excess thereof) of the partial mortgage recording tax credit provided by Section 339-ee(2) of the New York Condominium Act, to the extent the same is or becomes available, as a reimbursement for the mortgage recording taxes previously paid (such credit is based, in general, on the Common Interest of the Units being purchased multiplied by a portion of the mortgage tax previously paid on account of pre-existing mortgages on the Property), if applicable;
- (d) the premium for mortgage title insurance, if required by Purchaser's lender;
- (e) such other costs and expenses in connection with such loan as determined by Purchaser's lender.

9.4 Purchaser will be required to pay the amount of \$2,350.00 to Marans, Weisz & Newman, LLC, Sponsor's counsel, for each Unit purchased hereunder, in order to defray Sponsor's legal fees for services in connection with preparing the deed and power of attorney and for coordinating and attending the closing. If Purchaser obtains financing and the lender is unwilling to close at the offices of Sponsor's counsel or if Purchaser otherwise requests that the Closing occur other than at the office of Sponsor's counsel (or such other place as Sponsor may designate in its closing notice) and Sponsor in its sole discretion consents to such request, the closing may be held elsewhere in New York City, provided that Purchaser shall pay Sponsor's counsel a travel fee of \$250.00 and an additional \$250.00 if the Closing is held outside New York City. In addition, if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement (or Purchaser otherwise exercises its limited right with respect to an assignment as provided in Section 23.4 hereof), a fee of \$500.00, shall be payable by Purchaser to Sponsor's counsel, for preparation of an assignment agreement. Purchaser may be required to pay more than one fee pursuant to the preceding sentence and forgoing provisions with respect to a single Unit. At Sponsor's option in its sole discretion, any one or more of the foregoing fees to be paid to Sponsor's counsel shall be paid by Purchaser in advance, prior to closing, upon notice to Purchaser. In the event Purchase is in default hereunder and Sponsor requests its counsel to send a default letter, Purchaser shall be obligated to pay \$250.00 to Sponsor's counsel.

9.5 Purchaser shall make a contribution to the Working Capital Fund of the Condominium, payable to the Board, in the sum of two (2) months Common Charges.

9.6 Purchaser shall pay to the Board the Common Charges for the Unit for the first full month following the month in which title closes.

9.7 Purchaser shall pay the Real Estate Transfer Tax due to the State of New York (the so-called "deed stamps" and, if applicable, the so-called "mansion tax"), the Real Property Transfer Tax due to the City of New York and any other real property transfer tax due to the City or State of New York. Purchaser agrees to indemnify and hold Sponsor harmless from and against any and all liabilities and expenses (including, without limitation, reasonable legal fees and disbursements) incurred by Sponsor by reason of the non-payment by Purchaser of any of the taxes Purchaser is obligated to pay hereunder in connection with the purchase of the Unit. Purchaser's obligations to pay the taxes described in this Article 9.7 and to indemnify Sponsor as herein provided shall survive the closing of title.

10. Transfer Tax Returns. At the closing, Purchaser shall duly complete and sign before a notary public the real property transfer tax return required to be filed with The City of New York ("RPT Form") and Purchaser shall duly complete and sign the Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate ("Combined Tax Form") required to be filed with the Department of Taxation and Finance of the State of New York (the "Tax Department"), or such other forms as may then be required by law. The RPT Form and Combined Tax Form shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer. Sponsor will similarly execute all of such forms and other documents required in connection with recording of the deed including, without limitation, smoke detector and multiple-dwelling affidavits.

11. The Plan.

11.1 Purchaser acknowledges having received and read a copy of the Plan, including all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York, at least three (3) business days before submitting this Agreement. If, however, Purchaser did not receive a copy of the Plan at least three (3) business days before submitting this Agreement, Purchaser may rescind this Agreement, by sending written notice of same to Sponsor by certified or registered mail, return receipt requested, reputable overnight courier or by personal delivery, in either case within seven (7) days of Purchaser's submission of this Agreement.

11.2 The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth herein at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern, except with respect to express modifications to the terms of the Plan included in this Agreement and agreed to by Sponsor and Purchaser, in which case such modifications will govern.

11.3 Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

12. Default by Purchaser. (a) Any of the following shall constitute an "Event of Default" hereunder:

(i) Purchaser's failure to pay the Second Deposit, Balance or any closing apportionment or closing cost required to be paid by Purchaser as stated herein on the Closing Date designated by Sponsor or the dishonor of any check given by Purchaser to Sponsor; or

(ii) the failure to pay, perform or observe any of Purchaser's other obligations hereunder; or

(iii) If Purchaser is or becomes the tenant of record of the Unit, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations; or

(iv) If Purchaser is or becomes the tenant of record of the Unit and Purchaser vacates or abandons the Unit; or

(v) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(vi) if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vii) if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same within thirty (30) days.

(b) TIME IS OF THE ESSENCE with respect to Purchaser's obligations to pay the Balance and to pay, perform or observe Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Purchaser shall have thirty (30) days from the giving of written notice of such default to cure the specified default. If the default is not cured within such thirty (30) days, TIME BEING OF THE ESSENCE, then Sponsor, in its sole discretion, may thereupon terminate this Agreement. If Sponsor so elects to terminate, this Agreement shall be deemed terminated, and Sponsor shall have the right to retain, as and for liquidated damages, the Deposit (and any interest earned on the Deposit, if any) plus the costs incurred by Sponsor for any special work, if any, in the Unit ordered by the Purchaser. Upon the termination of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for any of the proceeds for such sale. (c) Sponsor and Purchaser each hereby agree and acknowledge that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of a default by a Purchaser hereunder, and that, subject to the provision of Section 11(d) below, the Deposit (including all interest, if any) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred, including, without limitation, attorneys' fees, and shall be paid by Purchaser to Sponsor. The payment of the Deposit (including all interest, if any) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor.

(c) NEITHER SPONSOR NOR PURCHASER SHALL CHALLENGE THE VALIDITY OF THE PROVISIONS OF THIS AGREEMENT OR THE PLAN WITH RESPECT TO LIQUIDATED DAMAGES OR ANY RIGHT OF SPONSOR SET FORTH HEREIN OR THEREIN TO RETAIN THE DEPOSIT IN THE EVENT OF A PURCHASER DEFAULT. SUCH PROVISIONS HAVE BEEN AGREED TO VOLUNTARILY, AFTER NEGOTIATION, WITHOUT DURESS OR COERCION BY ANY PARTY UPON ANY OTHER PARTY, AND WITH EACH PARTY HAVING BEEN (OR HAVING HAD FULL AND ADEQUATE OPPORTUNITY TO BE) REPRESENTED AND ADVISED BY COUNSEL, ACCOUNTANTS, BROKERS, APPRAISERS AND OTHER EXPERTS AND ADVISORS OF ITS OWN CHOOSING.

13. Agreement Subject to Lien of Mortgage. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any money deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall continue to be subject and subordinate to the lien of any mortgage heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the fullest extent thereof, without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless, if Purchaser is obtaining financing on the Unit, Purchaser assumes such mortgages (at Sponsor's discretion). The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration, or the Unit is released from, or not subject to, the lien of such mortgage at closing (unless Purchaser has assumed the continuation of a mortgage lien encumbering such Unit as hereinabove described).

14. Agreement Subject to Plan Being Effective.

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan (as the same may be amended from time to time). The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, together with interest, if any, earned thereon, shall be returned to Purchaser. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. Sponsor's Inability to Convey the Unit. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the

taking of any material portion of the Property by condemnation or eminent domain, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election not to cure such inability, and Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such inability (without any abatement in or credit against the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return the Deposit to Purchaser, together with interest, if any, earned thereon. Upon making such payment, this Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan. The foregoing remedy must be exercised by written notice sent by Purchaser to Sponsor within ten (10) days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the first remedy described in clause (a) above, i.e., to acquire title subject to such inability.

16. Fixtures, Appliances and Personal Property. Sponsor makes no representation as to whether any fixtures or equipment in the Unit are either owned or leased by either Sponsor or a Tenant. Any floor plans or sketches shown to Purchaser or included in the Plan are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon.

17. Acceptance of Condition of Property.

The sale of the Unit is made on an "AS IS" and "WHERE IS" basis, and Purchaser expressly acknowledges that, except as to title to the Unit, Sponsor makes no warranty or representation express or implied, or arising by operation of law, including but not limited to any warranty or condition, habitability, merchantability or fitness for a particular purpose in respect of the Unit. The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property including the Building, the Common Elements, the Unit and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called "Installations"), in their respective existing conditions, ordinary wear and tear excepted between the date Purchaser signs this Agreement and delivery of the deed to Purchaser. Purchaser acknowledges having read the Description of Property, which sets forth a description of the physical condition of the Building set forth in the Plan, as amended. Purchaser understands that Sponsor 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 Plan. Subsequent to Purchaser's receipt of the closing notice, Purchaser shall be given a reasonable opportunity to examine the Unit prior to closing and it is recommended that Purchaser make a careful examination at such time. The provisions of this Article 17 shall survive the closing of title to the Unit or earlier termination of this Agreement.

18. No Representations. Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties,

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

19. Damage to the Unit. If between the date of this Agreement and the closing of title, the Unit is damaged by fire or other casualty, the following shall apply:

19.1 The risk of loss to the Unit by fire or other casualty, until the earlier of closing of title or the taking of possession of the Unit by Purchaser, is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. In the event of damage or destruction of the Unit due to fire or other casualty prior to the closing of title and the election by Sponsor to repair or restore the Unit, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners if the Declaration has theretofore been recorded and any mortgagee of Sponsor, belong entirely to Sponsor and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing of title or the termination of the Agreement.

19.2 In the event of damage to or destruction of the Unit by fire or other casualty prior to the closing of title and the election by Sponsor, to notify the Purchaser within sixty (60) days of the damage to the Unit, that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, then if the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest, if any, earned thereon, and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain all such sums deposited by Purchaser hereunder and any interest earned thereon, as and for liquidated damages. If a Purchaser takes possession of a Unit prior to closing title, i.e. via an interim lease, he or she will assume the risk of loss and the obligation to repair the damage;

therefore it is advisable that Purchaser obtain casualty insurance at such time. An interim lessee assumes the risk of loss for the property that is not covered by the insurance for the Unit.

20. Prohibition Against Advertising. Purchaser hereby covenants and agrees that it shall not list the Unit for sale, resale, or lease with any broker or otherwise advertise, promote, or publicize the availability of the Unit for sale, resale or lease prior to the closing of title and for one (1) year thereafter. Any such listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser or its agents or representatives prior to the closing of title shall be an Event of Default hereunder, entitling Sponsor to the remedies set forth in Article 12 hereof. The provisions of this Article 20 shall survive the closing of title or the termination of this Agreement.

21. Broker. Purchaser represents to Sponsor that _____ and _____ (individually or collectively the "Broker") are the only broker(s) or sales agent(s) with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay the commission earned by the Broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, but not limited to, reasonable legal fees and disbursements. The provisions of this Article 21 shall survive the closing of title or the termination of this Agreement and are not made for the benefit of any third parties.

22. Agreement May Not Be Assigned.

22.1 This Agreement, or any interest of Purchaser herein, shall not inure to the benefit of any successors or assigns of Purchaser and may not be assigned by Purchaser, without the prior written consent of Sponsor, which consent may be given or denied by Sponsor in its sole discretion. Any purported assignment by Purchaser in violation of this Agreement shall be an event of default by Purchaser entitling Sponsor to all remedies available at law, in equity or otherwise, including, without limitation, the remedies set forth above, and shall be voidable at the option of Sponsor.

22.2 If Purchaser is a corporation, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the stock of Purchaser, or if Purchaser is a partnership, limited liability company or other entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any interest in such partnership, limited liability company or other entity shall, for purposes of this Agreement, be considered an assignment and shall be subject to the provisions, prohibitions and terms of this Article concerning assignment of this Agreement, except that a sale of less than fifty percent (50%) of the stock, or in the case of a partnership, limited liability company or other entity, less than fifty percent (50%) of the ownership interests, of Purchaser which does not result in a change in control of Purchaser shall not be considered an assignment. For purposes of the preceding sentence only, "control" shall mean the ownership of fifty-one percent (51%) or more of the interests in such entity or possession of the power to direct the management and policies of such entity and the distribution of its profits.

22.3 If a Purchaser desires to assign its rights under this Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by Purchaser that differs from that reflected in this Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition, deletion or substitution is consented to by Sponsor (in Sponsor's sole discretion), Purchaser shall deliver to Selling Agent or Sponsor's counsel, four (4) signed forms of assignment of this Agreement (to be prepared by Sponsor's counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), as well as three (3) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, in the form required by law. Upon each assignment or other change consented to by Sponsor (in its sole discretion), the assignments and Form W-8 or Form W-9, as applicable, must be delivered to Selling Agent or Sponsor's counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of \$500.00 ("Assignment Fee") made payable to Marans, Weisz & Newman LLC (for services rendered in connection with the assignment), not less than twenty (20) days prior to the date scheduled for the Purchaser's closing. In no event shall Purchaser or its assignee (or any added or substituted party) have any right to adjourn or postpone the closing as a result of any such change or assignment. Sponsor is not obligated to consent to any such change or assignment and, Sponsor's refusal to consent to an assignment or change in name will not entitle Purchaser to terminate this Agreement or excuse Purchaser from any of its obligations hereunder or give rise to any claim for damages against Sponsor; and the prohibition against advertising or publicizing the availability of Purchaser's Unit as set forth in Article 21 above and in the Plan will remain in effect.

22.4 Intentionally omitted

22.5 Notwithstanding any consent by Sponsor pursuant to the terms of this Article to any such change of name or assignment, in no event shall Purchaser, as assignor, be released or relieved from any obligations, promises, covenants and liabilities under or in respect of this Agreement.

23. Binding Effect. The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Purchaser or Sponsor until Purchaser has signed this Agreement and delivered the signed Agreement and the Initial Deposit to Sponsor, and a counterpart hereof executed by Sponsor has been delivered to Purchaser. If this Agreement is not signed by Sponsor and a fully executed counterpart delivered to Purchaser or its attorneys within thirty (30) days after the date hereof, this Agreement shall be deemed to have been rejected and the Initial Deposit shall be promptly returned to Purchaser. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written reasonable information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, sexual orientation, race, creed, color, national origin, ancestry, disability, marital status, or other grounds proscribed by law.

24. Notices.

24.1 Any notice, election, demand, consent, request or other communication hereunder or under the Plan shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail, return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed: to Purchaser at the address given at the beginning of this Agreement with a copy to Purchaser's Attorney; and to Sponsor, at: 347 Bowery Owner, LLC, 401 Broadway, New York, New York 10013 with a copy sent simultaneously and in like manner to Marans Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, New York 10006. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Notwithstanding the foregoing, any mailing of an amendment to the Plan shall be delivered via regular mail. Except as otherwise expressly provided herein, a notice shall be deemed given when personal delivery or delivery by overnight courier is effected or, in the case of mailing, three (3) days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

24.2 Sponsor hereby designates and empowers both Selling Agent and Sponsor's counsel Marans Weisz & Newman LLC as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself. Purchaser hereby designates Purchaser's Attorney as Purchaser's agent to give any notice to Sponsor hereunder in Purchaser's name.

25. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if the Unit is being purchased by more than one person, in which case their obligations shall be joint and several.

26. Liability of Sponsor. Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

27. Further Assurances. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction. Additionally, either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order correct any error and or omissions that may have occurred at Closing of Title. The Provisions of this Article shall survive Closing of Title and delivery of the deed.

28. Severability. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

29. Strict Compliance. Any failure by either party hereto to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such other party.

30. No Lien. Neither this Agreement nor any monies deposited hereunder or expended by Purchaser in connection herewith shall constitute a lien against the Unit, any other Units, or any other portion of the Building or the Land upon which it is situated, and Purchaser may not record this Agreement or a memorandum thereof. If Purchaser attempts to record this Agreement, Purchaser will be held in default.

31. Governing Law. The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York applicable to contracts made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

32. Purchaser's Representations.

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

32.2 Purchaser is not now, nor shall it be at any time prior to or at the closing of title, an individual, corporation, partnership, joint venture, trust, trustee, limited liability company, unincorporated organization, real estate investment trust or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC or otherwise). Neither Purchaser nor any Person who owns an interest in Purchaser is now nor shall be at any time prior to or at the closing of title a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312 (a)(z), as periodically amended, is prohibited from transacting

business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC or otherwise.

32.3 Purchaser has taken, and shall continue to take until the closing of title, such measures as are required by applicable law to assure that the funds used to pay to Seller the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and will at closing be, in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

32.4 The provisions of this Article shall survive the closing of title to the Unit or termination of this Agreement.

33. Agreement Not Contingent on Financing. This rights and obligations of the Purchaser under this Agreement shall not be contingent upon Purchaser obtaining a loan to finance the acquisition of the Unit (the "Loan").

34. Costs of Enforcing and Defending Agreement. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder. The provisions of this Article shall survive closing of title or the termination of this Agreement.

35. Waiver of Jury Trial. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, connected with, or relating to this Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived. The provisions of this Article shall survive closing of title or the termination of this Agreement.

36. Waiver of Diplomatic or Sovereign Immunity.

36.1. Purchaser hereby waives any and all immunity from suit or other actions or proceedings and agrees that, should Sponsor or any of its successors or assigns bring any suit, action or proceeding in New York or any other jurisdiction to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to this Agreement, no immunity from such suit, action or proceeding will be claimed by or on behalf of Purchaser.

36.2. As of the execution of this Agreement, Purchaser acknowledges and agrees that all disputes arising, directly or indirectly, out of or relating to this Agreement may be dealt with and adjudicated in the state courts of New York or the federal courts sitting in New York, and hereby expressly and irrevocably submits the person of Purchaser to the jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Agreement. So far as is permitted under the applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action shall be necessary in order to confer jurisdiction upon the person of Purchaser in any such court.

36.3. Purchaser irrevocably waives, to the fullest extent permitted by law, and agrees not to assert, by way of motion, as a defense or otherwise in any suit, action or proceeding arising, directly or indirectly, out of relating to this Agreement, brought in the state courts in New York or the federal courts sitting in New York: (i) any objection which it may have or may hereafter have to the laying of the venue of any such suit, action or proceeding in any such court; (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum; or (iii) any claim that it is not personally subject to the jurisdiction of such courts. Purchaser agrees that final judgment from which Purchaser has not or may not appeal or further appeal in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon Purchaser and, may so far as is permitted under the applicable law, be enforced in the courts of any state or any federal court and in any other courts to the jurisdiction of which Purchaser is subject, by a suit upon such judgment and that Purchaser will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

36.4. Purchaser agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the State of New York, in order to make effective the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York and any other provisions of this Article 36.

36.5. Nothing in this Article 36 shall affect the right of Sponsor to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

36.6. The provisions of this Article 36 shall survive the closing of title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement.

36.7. In the event Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser hereby designates a duly authorized and lawful agent to receive process for and on behalf of the Purchaser in any state or federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement. 37.8. If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

37. Mold. Purchasers are advised that the prevention of the growth of mold in a Unit is the responsibility of each Unit Owner. Construction is not, and cannot be, designed to exclude mold spores. Whether a Unit Owner experiences mold growth depends largely on how such Unit Owner manages and maintains his/her Unit. Unit Owners will need to take actions to prevent conditions which cause the mold or mildew, and it is the responsibility of each Unit Owner to ensure that he/she has taken the necessary precautions to prevent mold from becoming a problem in such Unit Owner's Unit. Sponsor will not be liable for and Purchaser hereby waives any claim for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory with respect to the presence and/or existence of molds, mildew and/or microscopic spores unless caused by the gross negligence or willful misconduct of Sponsor. The provisions of this Article shall survive closing of title or the termination of this Agreement.

38. Entire Agreement. This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

39. Certain References. A reference in this Agreement 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. The term "herein," "hereof" or "hereunder," or similar terms used in this Agreement, refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Agreement.

40. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

41. Successors and Assigns. Subject to the provisions of Article 23 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

42. No Oral Changes. This Agreement or any provision hereof, cannot be orally changed, terminated or waived. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES AND WHICH REFERS TO THIS AGREEMENT.

43. Rents. [IF INAPPLICABLE, INTENTIONALLY OMIT] Purchaser shall be obligated from and after the Closing to collect and pursue delinquent rents due to Sponsor from tenants leasing from Sponsor. The provisions of this Article shall survive Closing.

44. Counterparts. This Agreement (or any such Rider(s)) may be executed in any number of counterparts, including but not limited to any signature conveyed through electronic mail transmission ("PDF") and/ or facsimile transmission, any one of which shall be deemed to be an original and all of which shall constitute one and the same document. When counterparts

have been executed by all parties, they shall have the same effect as if the signatures to each counterpart were upon the same documents and shall be deemed valid as originals. A PDF or facsimile signature on this Agreement (or any such Rider(s)) shall be acceptable and be deemed binding.

45. Rule of Construction. There shall be no presumption against the drafter of this Agreement or the Plan.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth hereinabove.

SPONSOR:

347 Bowery Owner, LLC

By: _____
Authorized Signatory

PURCHASER:

By: _____

By: _____

WITH RESPECT TO PARAGRAPH 3:

ESCROW AGENT:

By: _____

Purchaser acknowledges receipt
of Offering Plan [and amendments]
on _____, 201__

Initials of Purchaser(s):

EXHIBIT A EXISTING LEASES

Tenant Name	Date of Lease and Amendments

EXHIBIT B

ASSIGNMENT AND ASSUMPTION OF LEASES

THIS ASSIGNMENT AND ASSUMPTION OF LEASES (this "Assignment") is made as of the day of , 201 by and between 347 Bowery Owner, LLC, having an office at ("Assignor") and , having an office at ("Assignee").

WITNESSETH:

WHEREAS, Assignor (or its predecessor in interest) entered into those certain leases, subleases, occupancy agreements and other agreements listed on Exhibit 1 attached hereto (such leases and other agreements are hereinafter collectively referred to as the "Leases") affecting the property commonly known as 347 Bowery located at 347 Bowery, Unit , New York, New York (the "Unit") as more particularly described in Exhibit 2 attached hereto; and

WHEREAS, Assignor has entered into that certain Purchase Agreement with Assignee dated , (the "Agreement"); and

WHEREAS, in connection with the transaction contemplated by the Agreement, Assignor desires to assign all of Assignor's right, title and interest in and to the Leases, and the rents collected therefrom, to Assignee and Assignee desires to accept the assignment of such right, title and interest in and to the Leases, and the rents collected therefrom and to assume all of Assignor's rights and obligations thereunder.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained and for other good and valuable consideration, the parties hereto mutually agree as follows:

1) Assignor hereby assigns, transfers, sets over and conveys to Assignee, its successors and assigns, all of Assignor's right, title and interest in and to (i) the Leases, and the rents collected therefrom, (ii) any and all guarantees, security deposits, letters of credit, notes, instruments and other tenant impounds relating thereto and (iii) any and all claims, demands, actions or causes of action related to such Leases (or the tenants thereunder) to the extent more particularly set forth in the Agreement. Assignee hereby accepts the Assignment and agrees to assume, fulfill, perform and discharge all the various commitments, obligations and liabilities of Assignor under and by virtue of the Leases, accruing or obligated to be performed from and after the date hereof, including the return of the security deposits, letters of credit and other Tenant impounds in accordance with the terms of the Leases.

2) Assignee hereby indemnifies and agrees to hold harmless Assignor from and against any and all claims, liabilities, losses, damages, causes of action, costs and expenses (including, without limitation, reasonable attorneys fees and disbursements) incurred in connection with or arising under (i) the obligations of the landlord under the Leases, and the rents collected

therefrom, in each instance, which arise or accrue from and after the date hereof and (ii) the failure of Assignee to properly maintain any of the security deposits in accordance with the terms of the Lease.

3) Assignor hereby indemnifies and agrees to hold harmless Assignee from and against any and all claims, liabilities, losses, damages, causes of action, costs and expenses (including, without limitation, reasonable attorneys fees and disbursements) incurred in connection with or arising under (i) the obligations of the landlord under the Leases, and the rents collected therefrom, in each instance which arise or accrue prior to the date hereof, and (ii) the failure of Assignor to properly deliver to Assignee any of the security deposits held under the Leases.

4) This Assignment is made without representation, warranty (express or implied) or recourse of any kind, except as may be provided herein or as set forth in the Agreement.

5) This Assignment shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. This Assignment shall be governed by, and construed under, the laws of the State of New York. This Assignment may be executed in one or more counterparts.

IN WITNESS WHEREOF, Assignor and Assignee do hereby execute and deliver this Assignment as of the date and year first above written.

ASSIGNOR:

347 Bowery LLC

By:

Name:

Title:

ASSIGNEE:

By:

Name:

Title:

STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

On the _____ day of _____ in the year _____, before me, the

undersigned, personally appeared

, personally known to me or proved to me on

the basis of satisfactory evidence to be the individual whose name is subscribed to the within

instrument and acknowledged to me that he executed the same in his capacity, and that by his

signature on the instrument, the individual, or the person upon behalf of which the individual

acted, executed the instrument.

Notary Public

STATE OF NEW YORK)

) SS.

COUNTY OF NEW YORK)

On the _____ day of _____ in the year _____, before me, the

undersigned, personally appeared

, personally known to me or proved to me on

the basis of satisfactory evidence to be the individual whose name is subscribed to the within

instrument and acknowledged to me that he executed the same in his capacity, and that by his

signature on the instrument, the individual, or the person upon behalf of which the individual

acted, executed the instrument.

Notary Public

EXHIBIT 1

TENANT	<u>DATE OF LEASE AND AMENDMENT</u>
1)	
2)	
3)	

EXHIBIT 2

DESCRIPTION OF UNIT

EXHIBIT C

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS,

347 Bowery LLC, a _____ limited liability company, with an office _____ ("Seller"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grants, bargains, sells, transfers and delivers to _____, a _____ ("Purchaser"), all of Seller's right, title and interest, if any, in and to the trade names and all of the fixtures, equipment and personal property located on or used in connection with the Unit (as such term is defined in that certain Purchase Agreement between Seller and Purchaser dated as of _____, 201__, (the "Agreement") including, if any, all blinds, window shades, screens, screen doors, storm windows and doors, awnings, shutters, furnaces, heaters, heating equipment, stoves, ranges, oil and gas burners and fixtures appurtenant thereto, hot water heaters, plumbing and bathroom fixtures, electric and other lighting fixtures, plans, and air-conditioning equipment and ventilators (collectively, the "Personal Property"), but specifically excluding from the Personal Property all property leased by Seller or owned by tenants or others, if any, to have and to hold the Personal Property unto Purchaser, its successors and assigns, forever.

This Bill of Sale is made without representation or warranty (express or implied) or recourse of any kind, except as may be provided herein or in the Agreement.

This Bill of Sale shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, Seller has caused this instrument to be duly executed as of this [_____] day of [_____].

SELLER:

347 Bowery LLC

By: _____

Name:

Title:

EXHIBIT D

RENT ROLL

Tenant	Date of Lease and Amendments	Unapplied Security Deposit

EXHIBIT E

NOTICE TO TENANTS

347 Bowery LLC

Date: _____, 201__

Via Federal Express

[TENANT]

Re: Sale of Condominium Unit __ ("Unit")
347 Bowery
New York, New York

Dear Tenant:

Please be advised that the undersigned has transferred its interest in the Unit in which your premises are located at 347 Bowery, New York, New York to _____ ("Purchaser"), effective as of _____, 201_. Your lease and all rights and obligations thereunder have been assigned to and assumed by the Purchaser. In addition, any security held in accordance with your lease and the accrued interest thereon, if any, has also been transferred to Purchaser.

Accordingly, all future correspondence and/or notices relating to your lease and your tenancy, as well as rent checks and other charges, should be made payable and mailed to Purchaser at the following address:

[Purchaser]
[Purchaser Address]

Purchaser looks forward to working with you in the future.

Very truly yours,

347 Bowery LLC

By:
Name:

FORM OF POWER OF ATTORNEY

347 BOWERY CONDOMINIUM

**347 Bowery
New York, New York**

The undersigned, _____ the Owner of Unit ____ in the building known as 347 Bowery Condominium, 347 Bowery, New York, New York, as designated and described in that certain Declaration of Condominium establishing 347 Bowery Condominium (the "Condominium"), dated _____, 201_ and recorded in the Office of the Registrar of the City of New York, Kings County on _____ 201_, in CRFN# _____ on the floor plans filed in the Real Property Assessment Department of the City of New York as Condominium Plan No. _____, do hereby irrevocably nominate, constitute and appoint the Board of Managers of the Condominium, and their successors, jointly, true and lawful attorneys-in-fact of the undersigned, with a power coupled with an interest, with power of substitution (1) to acquire, in their own names as members of the Board of Managers or in the name of their designee, corporate or otherwise by deed, on behalf of all owners of Condominium Units in said Condominium property, in accordance with their respective Common Interests, (a) any Unit whose owner desires to sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit 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 interest of such Unit Owner in all other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), or (b) any Unit which shall be the subject of a foreclosure or other judicial sale or whose owner desires to surrender or abandon same in accordance with the By-Laws, or (2) to lease any Unit whose Owner desires to rent the same, at such prices or at such rental, as the case may be, and on such other terms, and conditions as said attorneys-in-fact shall, in their sole discretion deem proper, and (3) thereafter to convey, sell, lease, sublease, mortgage, vote, or otherwise deal with any such Unit so acquired by them, on such terms and conditions as said attorneys-in-fact in their sole discretion determine, granting to said attorneys-in-fact the power to do all things in the said Unit which the undersigned could do if the undersigned were personally present, and (4) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium which the Board of Managers of the Condominium deems necessary or appropriate to comply with the Declaration of Condominium, or any law, ordinance or 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 maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (b) any consent, covenant, restriction, easement or declaration or any amendment thereto affecting the Condominium or the Common Elements that the Board of Managers deems necessary or appropriate, provided such change is consistent with the Condominium Act.

The acts of a majority of such persons shall constitute the acts of said attorneys-in-fact.

I (We) do hereby further irrevocably nominate, constitute and appoint 347 Bowery Owner, LLC ("Sponsor"), having an address of 401 Broadway, Suite 1910, New York, New York 10013, as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time such Declaration, By-Laws and the Rules and Regulations of such Condominium, or any of such documents, when such amendment will 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 Article 19 of the Declaration, or otherwise to evidence or enforce a right granted to Sponsor or its designee under the Plan, Declaration and By-Laws. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph will remain in full force and effect until such time as the Sponsor or its designees cease to own any Unit in 347 Bowery Condominium. Each and any of may act singly as such attorney-in-fact.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney
as of the ____ day of _____, 201__.

STATE OF NEW YORK)

)ss.:

COUNTY OF _____)

On the ____ day of _____ in the year 201_ before me, the undersigned _____, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacit(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)

STATE OF NEW YORK)

)ss.:

COUNTY OF _____)

On the ____ day of _____ in the year 201_ before me, the undersigned _____, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacit(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)

FORM OF UNIT DEED

THIS INDENTURE, made the day of _____, 201_ between **347 BOWERY OWNER, LLC**, having an office at 401 Broadway, Suite 1910, New York, New York 10013 ("Grantor") and _____ ("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, the heirs or successors and assigns of the Grantee, forever:

The Unit known as Unit No. _____ (the "Unit") in the Condominium known as 347 Bowery Condominium, 347 Bowery, Borough of Manhattan, County of New York and State of New York (the "Building") designated and described in the Declaration ("Declaration") establishing a plan for Condominium ownership of the Building and the land upon which the Building is situated (said Building and land referred to collectively herein as the "Property" or the "Condominium"), dated _____, 20__, made by the Grantor under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), and recorded in the Office of the Register of the City of New York, in the County of New York, on the _____ day of _____, 201_, in CRFN# _____ and also designated as Tax Lot No. _____ in Block No. _____ in the County of New York on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building ("Floor Plans"), certified by Selldorf Architects, licensed professional architect, on _____, 201_, filed with the Office of the City Register of New York County on _____, 20__ as Condominium Plan No. _____.

The land on which the Building is located is described as follows:

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the County of New York, Borough of Manhattan, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of Bowery, and the northerly side of East 3rd Street;

RUNNING THENCE easterly along said northerly side of East 3rd Street, 64 feet 4-1/2 inches to the westerly face of the westerly wall of building on premises adjoining on the East;

THENCE northerly along the westerly face of said westerly wall and along a line forming an angle on its westerly side 89 degrees 34 minutes 40 seconds with the northerly side of 3rd Street, 33 feet 3 inches;

THENCE westerly parallel with the northerly side of 3rd Street, 1 foot 4-3/4 inches;

THENCE northerly still along the westerly face of the westerly wall of building on premises adjoining on the East and along a line forming an angle on its easterly side of 89 degrees 25 minutes 00 seconds with the last mentioned course, 7 feet 6 inches to the southerly face of the southerly wall of building on premises adjoining on the North;

THENCE easterly along a line forming an angle on its northerly side of 103 degrees 53 minutes 00 seconds with the last mentioned course, 16 feet 8 inches to a point;

THENCE northerly along a line forming an angle on its westerly side of 103 degrees 18 minutes 00 seconds, 26 feet 11 inches to a point:

THENCE westerly at an angle of 76 degrees 33 minutes 10 seconds to last mentioned course, 93 feet 11-5/8 to the easterly side of Bowery;

THENCE southerly at an angle of 89 degrees 27 minutes 20 seconds, 51 feet 2 inches to the point or place of BEGINNING.

SAID premises being known as and by the street number 347 Bowery, New York, New York;

TOGETHER with an undivided ____ percent (%) interest in the Common Elements (as such term is defined in the Declaration) appurtenant to the Unit, (hereinafter called the "Common Elements") ;

TOGETHER with and subject to the rights, obligations, easements, restrictions and other provisions of the Declaration and By-Laws of the Condominium, as such Declaration and By-Laws may be amended from time to time, all of which rights, obligations, easement, restrictions and other provisions shall constitute covenants running with the land and shall bind any and all persons having at any time any interest or estate in the Unit, as though restated and stipulated at length herein, and subject to any other matters of record as of the date hereof;

TOGETHER with and SUBJECT to a right of way through the Common Elements to the public streets;

TOGETHER with the right, if any, to the use of the Common Elements as set

forth in the Declaration; and

SUBJECT to the rights of other Unit Owners to use the Common Elements appurtenant to their Units, if any, as set forth in the Declaration;

SUBJECT also to any state of facts an accurate survey and inspection of the Unit would show;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

The use for which the Unit is intended is that of a residence as permitted by the Declaration, By-Laws and applicable law.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatsoever, except as set forth in the Declaration and the By-Laws. This covenant is for the personal benefit of the Grantee only and cannot be assigned to or exercised by and shall not inure to the benefit of any other person or entity, including, but not limited to, any insurer of the Grantee's title or any successor to the Grantee's interest.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purpose.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the Office of the New York City Register, County of New York, and to comply with the rules and regulations of the Condominium.

This conveyance is made in the ordinary course of business actually conducted by the Grantor herein.

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of this deed so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this deed the day and year first above written.

Grantor:

347 BOWERY OWNER, LLC

By: _____

(Print Name)

Grantee:

(Print Name)

STATE OF NEW YORK)

)ss.:

COUNTY OF _____)

On the ____ day of _____ in the year 201_ before me, the undersigned _____, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacit(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(Notary Public)

STATE OF NEW YORK)

)ss.:

COUNTY OF _____)

On the ____ day of _____ in the year 201_ before me, the undersigned _____, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacit(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 INTERIM LEASE AGREEMENT

AGREEMENT made this ____ day of _____, between **347 BOWERY OWNER, LLC**, having an office 401 Broadway, New York, New York 10013 (hereinafter SPONSOR) and _____ whose address is 347 Bowery Unit # ____ New York, New York 10003 (hereinafter PURCHASER),

WITNESSETH,

WHEREAS, SPONSOR is the Sponsor of a condominium conversion of premises located at 347 Bowery, New York, New York and;

WHEREAS, PURCHASER has executed a Purchase Agreement for Unit _____ (the "Apartment") at said premises, and;

WHEREAS, PURCHASER wishes to occupy said Apartment prior to the closing of the transaction;

NOW, THEREFORE, in conformity with the terms and conditions of the Offering Plan filed with the Attorney General of the State of New York, the parties agree as follows:

- 1) Commencing on ____, 2014, and terminating as hereinafter specified, PURCHASER shall have the right to use and occupy the aforementioned Apartment.
- 2) After a free three week grace period, PURCHASER shall pay a fee for use and occupancy of the Apartment of \$ _____ per month. It is understood that this use and occupancy fee is not rent, and that no landlord-tenant relationship has been created between the parties, and that this Agreement is not governed or subject to any rent regulatory laws. PURCHASER has deposited with SPONSOR, and SPONSOR recognizes that PURCHASER has deposited the sum of \$ _____ representing a deposit under the Purchase Agreement. PURCHASER'S deposit of \$ _____ shall be applied against the purchase price of the Unit at closing and is subject to forfeiture by PURCHASER in event of his default under the Purchase Agreement. In the event of default, SPONSOR is irrevocably authorized to pay the use and occupancy from such deposit as same becomes due.
- 3) The use and occupancy fee for the month in which closing occurs shall be adjusted at closing. No portion of the use and occupancy fee will be applied to the purchase price of the apartment. Any unapplied use and occupancy fee shall be refundable to PURCHASER at closing.
- 4) The terms of the Offering Plan, and all related documents in effect as of the date hereof are incorporated in and made a part of this Agreement.
- 5) As of the date of this Agreement, risk of loss to the Apartment and its contents by fire or other hazard shall be determined pursuant to the terms of the Purchase Agreement for such

Apartment, as contained in the Offering Plan for the premises in effect as of the date hereof, as if PURCHASER were the owner of such Apartment.

6) PURCHASER shall pay all utility costs and make any repairs to the apartment for which he would be obligated as owner subject to the terms and provisions of Paragraph 12. SPONSOR will not be responsible for ordinary wear and tear to the Apartment during the PURCHASER'S occupancy.

7) PURCHASER may not make any alterations to the Apartment without SPONSOR'S written consent.

8) This lease will terminate on the happening of the earliest of the following:

- a. Closing
- b. Rescission ("Rescission") of the Purchase Agreement by PURCHASER under the Offering Plan
- c. Default by PURCHASER

9) Upon a non-monetary default by PURCHASER which is not cured within 15 days after notice thereof, or immediately after Rescission of the Purchase Agreement by PURCHASER, PURCHASER'S right to occupy the apartment will terminate, and PURCHASER must vacate the Apartment. PURCHASER agrees to pay SPONSOR \$500.00 per day for each day he remains in possession following the periods set forth above. SPONSOR is hereby irrevocably authorized to deduct said per diem sum directly from any amounts being held in escrow pursuant to the Purchase Agreement. Nothing contained herein shall be construed so as to limit SPONSOR'S ability to have PURCHASER evicted from the premises and to pursue any other legal remedy available to SPONSOR, nor shall anything herein be construed as a waiver by the SPONSOR of his right to retain, as liquidated damages, the down payment deposited upon execution of the Purchase Agreement.

10) Any default under this Agreement will be a default under the Purchase Agreement, and any default under the Purchase Agreement will be a default under this Agreement. Any such default will terminate PURCHASER'S right to use and occupy, and will also terminate PURCHASER'S right to purchase the Apartment, and shall result in loss of the down payment.

11) This Agreement may not be assigned, and may not be changed, except by signed, written instrument. This Agreement is the entire agreement between the parties as regards use and occupancy of the Apartment pending closing.

12) As of the date hereof, PURCHASER confirms that all work required to be done in or about the subject apartment has been completed, that the condition of title as set forth in the PURCHASER'S title report is acceptable, and that in all respects PURCHASER agrees to accept the Apartment in "as is" condition except for the aforementioned items. As of the date hereof, PURCHASER waives any right whatsoever to cancel the Purchase Agreement, except for a material change in the Offering Plan.

13) Failure to appear for closing within 20 days after delivery to PURCHASER of notice by fax or mail that SPONSOR is prepared to close shall be deemed a default both in this Occupancy Agreement and in the Purchase Agreement entitling SPONSOR to cancel the Purchase Agreement, retain all sums previously paid and remove PURCHASER from the subject apartment, and collect the increased use and occupancy fee set forth in Clause 9 above.

14) PURCHASER agrees that as a term of this Occupancy Agreement to pay a lease preparation fee in the amount of \$500.00 to SPONSOR'S attorney.

IN WITNESS WHEREOF, the parties hereunto set their hands this ____ day of _____, 2014.

SPONSOR:

347 Bowery Owner, LLC

By: _____

PURCHASER:

TAX ESCROW AGREEMENT

AGREEMENT made this _____ day of _____, _____ by and among 347 BOWERY OWNER LLC (hereinafter referred to as "Sponsor"), the Board of Managers of the 347 Bowery Condominium (hereinafter referred to as "Board of Managers") and _____, (hereinafter referred to as "Purchaser")

W I T N E S S E T H:

WHEREAS, Sponsor is the Sponsor of the 347 Bowery Condominium located at 347 Bowery Avenue, New York, New York; and,

WHEREAS, the Board of Managers is charged with governing the operation of said Condominium; and,

WHEREAS, as of the date hereof, Sponsor controls the Board of Managers; and

WHEREAS, the Purchaser is acquiring title to Unit ____ (the "Unit") on the date hereof; and,

WHEREAS, the individual Condominium Units located at the aforementioned property have not been separately assessed for real estate tax purposes prior to the closing of the first Unit located thereat; and,

WHEREAS, the Board of Managers desires to secure the Purchaser's obligation to pay Purchaser's proportionate share of the taxes due for the Unit for the _____ of the _____ tax year in the event that property has not been separately assessed by _____; and,

NOW, THEREFORE, the parties agree as follows:

1. At closing, the Purchaser shall escrow funds with the Sponsor for Purchaser's proportionate share, based on the Unit's percentage of Common Interest, of the Sponsor's real estate tax obligation for the _____ of the _____ tax year (the "Tax Obligation") in the amount of \$ _____.

2. The Board is irrevocably authorized to pay, and hereby agrees to so pay, Purchaser's proportionate share of such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.

3. In the event that the Purchaser's escrow of the Tax Obligation shall be insufficient to meet the Purchaser's proportionate share of the actual assessed real estate taxes, the Board of Managers shall assess the Purchaser for such shortfall. Purchaser hereby agrees to pay such assessment in accordance with the terms of the Declaration and By-Laws but in no event later than the due date for such real estate tax payment.

4. Upon each subsequent closing of the remaining Units, the Sponsor shall collect the estimated amount of taxes attributable to such Unit for the _____ of the _____ tax year from the purchaser thereof.

5. The escrow shall be kept in a non-interest bearing account.

6. The escrow account shall be maintained in accord with all laws, rules, and regulations of the State of New York, specifically including, but not limited to, the General Business Law; and, shall be deemed held for the benefit of the condominium.

7. In the event that any sum paid to the Board hereunder shall not be paid toward real estate taxes for any reason, such sum shall be reimbursed to the Purchaser or Sponsor who advanced same.

8. Purchaser shall be entitled to receive any retroactive credit for real estate taxes actually paid by Purchaser (either directly or via payment from the escrow account) from the date of closing until the individual tax lot for the Unit is separately assessed which credit is properly allocated to the Unit. In the event that such retroactive credit is given to the Sponsor, Sponsor shall promptly reimburse the Purchaser in the amount of said credit.

9. Sponsor shall be entitled to receive any retroactive credit for real estate taxes actually paid by Sponsor for any period prior to closing which credit is properly allocated to the Unit. In the event that such retroactive credit is given to the Purchaser, Purchaser shall promptly reimburse the Sponsor in the amount of said credit

10. In the event that the individual Condominium Units have not been separately assessed for real estate tax purposes on or before _____, the Board will collect a an additional escrow from each Unit Owner for the Unit Owner's proportionate share of the amount determined by the Board to be sufficient to pay the outstanding real estate taxes. In such event the Board shall be authorized to pay all outstanding real estate taxes directly to the New York City Department of Finance.

11. The Unit Owner indicated below has executed this Agreement for the purpose of consenting to the terms hereof and to agree to advance to the Board any sums that represent the proportionate share of real estate taxes for his or her Unit until the time when the City of New York actually apportions the tax lots for the individual condominium units.

12. This Agreement may be signed in counterparts and facsimile or other electronic copies of signatures shall be deemed originals for purposes of this Agreement.

IN WITNESS WHEREOF, the parties set their hands the date above first written.

347 BOWERY OWNER LLC, SPONSOR

By: _____
Name:
Title:

347 BOWERY OWNER LLC, SPONSOR

**FOR THE BOARD OF MANAGERS OF
THE 347 BOWERY CONDOMINIUM**

By: _____
Name:
Title:

CONSENT:

Purchaser:
Unit:

SELLDORF ARCHITECTS

860 BROADWAY NEW YORK NY 10003

PHONE 212.219.9571 / FAX 212.941.6362 / WWW.SELLDORF.COM / INFO@SELLDORF.COM

AG Report
October 10, 2014

A Location and use of property:

- | | |
|---------------------------|--|
| (1) Address; | 347-349 Bowery |
| (2) Block and lot number; | Block: 459 Lot: 1 |
| (3) Zoning | C6-1 |
| (4) Permissible use | Residential (User Group 2)
Retail and Commercial (User Group 6)
The property and proposed use will comply with all zoning and use requirements at closing. |

B Status 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), conforming to all applicable regulations of the 2008 Building Code of the City of New York. The building will comply with Local Law 58/87, as well as 2010 ADA Standards and FHA Accessibility Guidelines.

The existing basement foundation walls and vault at Bowery are to remain. A Certificate of Occupancy will be issued for the building. The sponsor will obtain a temporary Certificate of Occupancy for the building prior to the closing of each Residence. The Sponsor expects to obtain the first temporary Certificate of Occupancy by July 2016. NYC Quality Housing Program criteria do not apply to the project.

Documents have been filed with the New York City Department of Building under Application No. 121185289-01-347 Bowery. **New Building #121185289-01-NB.** The drawings are expected to be approved by October 15, 2014.

C Site. Discuss:

The size of the Tax Lot 1 is 4,585 square feet.

The building will be the only structure on the property located at the northeast corner of Bowery and 3rd Street. The Building consists of anticipated Retail unit C-1 on the 1st floor and Below Grade, and Commercial unit C-2 on the 2nd floor. There is a total of five residential units. Floors 3-10 will consist of 4 duplex apartments and floors 11-13 will consist of 1 triplex apartment.

New 4" or 7" thick concrete sidewalk to be built for the width of the property on Bowery and East 3rd Street. Sidewalks shall be constructed in accordance with NYC DOT standards. Existing street roadbed shall be ground and re-topped with asphaltic cement in accordance with NYC DOT standards.

New steel faced concrete curbing in accordance with NYC DOT standards to be built for entire frontage of property on Bowery and East 3rd Street

Existing street drainage to remain without improvement. This street drainage is provided by existing catch basins provided and maintained by the City of

New York.

Street lighting will be provided by existing light poles provided and maintained by the City of New York.

New materials (sidewalks, curbs, and roadway topping) installed as part of this project will meet current local standards. Existing catch basins and existing street lights were installed and maintained by the City of New York and are presumed to meet their standards.

Existing sidewalk vault to be repaired to sound structural integrity and compliant with NYC DOT regulations at the completion of construction. The interior dimensions are approximately 47'-6" L x 4'-0" W x 8'-4" H.

D Utilities:
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 the Retail and Commercial tenants. One meter will be provided for the Retail space, on the 1st floor and Below Grade. One meter will be provided for the Commercial space on the 2nd floor. The cost of the electric usage for the common areas will be borne by all Unit Owners as a common expense and apportioned to each Unit in accordance with its common interest as provided in the First Year's Budget.

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, dryers, and domestic hot water) will be borne by the Residential Unit Owners as a common expense. Gas for the Retail and Commercial units will be individually metered by Con Edison.

Water and Sewer Water and Sewer service will be provided by the City of New York. Water consumed by the Residential Space will be separately metered by N.Y.C. The Retail Units will be provided with sub-meters from the service to the Residential Section. These Units will be separately sub-metered, and the cost will be borne by the Retail 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.

Telephone "Local" 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 Retail and Commercial units will be separately paid for by the respective Unit Owners or their tenants. The telephone charges with respect to the public areas of the Building (such as the concierge's desk, maintenance offices, etc.) will be borne by only Residential Unit Owners as a Residential Common Expense and apportioned to each Residential Unit in accordance with its common interest as provided in the First Year's Budget.

Cable
Television

Cable (or alternate) television service will be available for all Residential Units. All charges for television service (including installation and subscription charges) will be paid by each Unit Owner directly to the company providing the service. Each Residential Unit will be provided with an outlet in the living room and one in each bedroom.

E Sub-soil conditions. (including water conditions):

In general, the subsurface conditions consisted of a layer of miscellaneous fill overlying a layer of glacial alluvium, which was in turn underlain by Schist bedrock. The tower will be founded on a combination of a soil-supported mat foundation and drilled caissons that will socket into the Schist bedrock at an approximate depth of 75 feet below street grade. The low-rise portion of the building will be founded on conventional soil-supported spread footings. The bedrock possessed allowable bearing pressures between 40 and 60 tons per square foot and was classified as "Medium Hard Rock" and "Sound Rock", Classes 1b and 1a, respectively, in accordance with the New York City Building Code. The spread footings and mat foundations will bear within the natural glacial soil at a maximum pressure of 2 tsf. Groundwater was measured at 30.4 feet below sidewalk elevation in the groundwater observation well installed at Boring B-1W. To the best of our knowledge, there is no potential for mudslides or general soil erosion in the area and the site is not located within a FEMA designated flood zone.

F Landscaping and enclosures:

There will be light planting at the third floor terrace and the Entry Courtyard, types to be determined. Pavers located at third floor and first floor entryway. There will be one tree located on 3rd street. Necessary street trees will be planted in tree pits along the public sidewalk and will be species deemed suitable by NYC DOT and/or NYC DPR. One gate will be found at the 3rd street entrance that will open on the the Entry Courtyard.

G Building Size and Description:

The total height is approximately 167.7' from the top of finish floor at the Lobby to the top of the elevator Bulkhead. There is one cellar. There is an existing street vault on Bowery. The Cellar will contain Mechanical Rooms, a Telecom Room, an Electrical Room, a Water Reserve Tank, a Refuse Termination Room, an Elevator Control room, Below Grade Retail, a Public Bathroom, as well Residential Storage units. One storage unit is assigned to each Residential Unit and is private for that Unit. See Item T for assignments and square footage, see Item U for finishes. The First Floor includes the Lobby with access to the Residential Units and second floor Commercial Space. The Retail space, located on the first floor, has two main entrances, one on Bowery, and one on Third Street. It includes large storefront windows to the South and West. Plumbing rough in for a future toilet is provided. The 2nd Floor consists of a Commercial Space. Plumbing rough in for future toilet is provided.

Floors 3-13 are Residential Units consisting of 4 Duplex apartments and 1 Triplex Apartment.

Floors above grade will be designated floors 1-13, Main Roof, and Upper Roof.

Mechanical Equipment will be located at the Cellar Level, First Floor exterior area next to Egress Stairs, Main Roof, and Upper Roof.

The parapet and/or railing assemblies will extend a minimum of 3' -6" up to 3' -9" above the roofs.

Ceiling heights will vary throughout the apartments. At dropped ceilings and/or where there are concealed mechanical pipes or beams, heights may be lower than the stated heights on the offering plans and may also vary slightly from room to room.

H Structural system:

(0) Floors :

The floors are cast-in-place, reinforced concrete, thickness varies from 8" - 12".

(1) Exterior of buildings:

Façade inspection to be performed by the Owner(s) every five years during Sub-cycle A as specified by LL11/98.

The street facing façades at the Residences (floors 4-13) will typically be constructed of zinc flat interlocking tile panels 13 3/8" H x 10' L over 7/8" furring channels and 2" of mineral wool insulation (R=4.2/in), vapor permeable air/weather barrier, 5/8" exterior gypsum sheathing, 8" steel stud, 5/8" gyp board. Total R value for wall construction= 8.4ci

The east façade, far eastern part of the south facade, as well as roof top bulkheads, will be clad with a light colored Exterior Insulation and Finish System (EIFS, with 2-1/2" EPS Rigid Insulation, vapor permeable air/weather barrier, with 12" concrete shear wall back-up.

Total R value for wall construction= 12.5ci The building will use drainage EIFS "Class PB System Outsulation MD System" made by DryVit Systems Inc. or approved equal by Sto, Parex or Senergy providing a manufacturer's ten (10) year material and installation warranty. Warranty shall include the entire wall system including the sealant, and cover the watertight characteristics of the wall system as well as cracking, delamination, fading and other defects. Walls will be treated with vapor permeable air/weather barrier specified by DryVit Systems Inc, or approved equal prior to installation of EIFS to prevent water intrusion in the building.

The building base, floors one and two, will be composed of 4.3" x 1.5" x 20.8" Kolumba brick with a light grey finish, 1" air gap with 2" mineral wool insulation (R=4.2/in), vapor permeable air/weather barrier, with 8" metal stud backup. Total R value for wall construction= 8.4ci

Residential exterior windows (floors 4-13), shall typically be a combination of fluorocarbon coated aluminum framed thermally broken, tightly sealed with multi-point lock for quality sound and thermal insulation, inswing tilt and turn

windows by Skyline Windows 1200SG with crank for wide windows, 500SG with handle for standard windows, both with five-year warranty.

The Residential corner balconies shall typically contain a combination of kynar coated aluminum framed thermally broken Skyline Windows 504 series window wall system with outswing 1700 glass and fixed corner windows, with five-year warranty.

The 3rd floor west and south façade will be floor-to-ceiling window wall by Arcadia Architectural Products TC-670 series, thermally broken fluorocarbon coated aluminum framed with a combination of ARC8250 series outswing doors, fixed windows, and spandrel glass, with three-year warranty.

Base building facades will be a combination of storefront system, corner window and casement windows. Storefront system on the south and west facades, floors one-two will be Arcadia Architectural Products TC-670 series, thermally broken fluorocarbon coated aluminum framed windows with a combination of outswing ARC8250 series double doors, fixed windows, and spandrel glass. Corner window and casement windows along south and east façade will be Arcadia Architectural Products T200 series, thermally broken fluorocarbon coated aluminum framed fixed windows, with three-year warranty.

The windows will be provided with factory installed limit stops. No screens or separate storm windows will be provided. All fenestration systems will contain exterior perimeter sealants between the frame and the surrounding cladding systems and components. All glazing to be 1" insulated glazing unit with 1/4" clear glass, 1/2" air gap and 1/4" clear glass with low-E coating on second layer. Tempered glass to be applied where required by code. All glass will meet all requirements set out by the NYC energy code.

The north façade windows on the 5th, 7th, 9th and 11th floor are 'Lot Line Windows', which are equipped with one fire sprinkler head each as required NYC building code. Three windows on the 2nd floor of the east façade of the Building at the Base building are 'Side Yard Windows'. The habitable rooms having these windows have other windows that, under the existing building codes, will satisfy light, air and other requirements for the lawful use of such rooms for habitation purposes. These windows in the Residences are identified on the floor plans that follow this report.

All window and door headers, jams and sills will be appropriately waterproofed with flashing membrane and transition waterproofing membrane. Flashing will terminate at stainless steel L-angle water-stop which window units will be fastened to as an additional measure to prevent any leaks or corrosion to lintels, jambs and sills.

(2) Parapets and copings:

Parapets will be constructed of concrete masonry units and flashed to prevent water infiltration; cladding will be a continuation of the wall below along with tempered or laminated glass rails where required. Metal

copings will be zinc.

(3) Chimneys and caps:

The Building will have one refuse chute. The chute will have an explosion vent and stainless steel 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 approved 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.

The Building will have one hot water heater flue. The flue will be constructed of double walled AL 294C or approved equal enclosed in a concrete and/or concrete block and/or gypsum wallboard shaft. The flue will have an explosion vent and stainless steel flashing collar terminating in accordance with the New York City Building Code at the Bulkhead Roof.

(4) Balconies and terraces:

The terrace on the 3rd floor will have 2'-0" x 2'-0" x 3" wood decking on pedestals and light planting. The parapets that surround this terrace will be CMU back up with Petersen brick on the outside facing wall and EIFS on the inside facing wall. The coping will be zinc. The public access will be an inswing door. The use of Perimeter Edge Drip Grooves is not applicable in this instance.

The typical balconies at the Tower, floors 4-12, will have a steel channel structural frame with an aluminum grate and wood slats with 1/4" gaps in-between for drain, with a glass railing that wraps around the balcony. The solid vertical tempered-glass railings should pose no risk for children since they do not create a "ladder effect". The underside of the balcony will be finished with concrete boards spaced 3/4" apart for drainage. On the 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th and 12th floor there are two outswing glass doors for each balcony. Balconies shall remain open as-built. The terrace on the 13th floor will be finished with 2'-0" x 2'-0" x 3" thick precast concrete pavers. There is a low height parapet that will be made with CMU back up and a Zinc coping. There are two outswing glass doors.

(5) Exterior entrances:

The Lobby entrance will have an outswing anodized aluminum and tempered glass door. The lock is a mortise lockset. Exterior sconces are located on either side of the door.

Entrances to the Retail Space will have pairs of out-swinging doors with anodized aluminum and tempered glass. The exterior entrances were designed in accordance with applicable accessibility requirements.

Front loading, metal, USPS approved mailboxes will be located in the Lobby at the 1st floor for the Residences only.

The doors to the roof from stair A/B, as well as the doors to the side yard and the door from stair C to Bowery, will be 1.5 hour fire rated, self-closing, hollow metal doors with metal frames, complying with code.

(6) Service entrances:

Service doors will be 1.5 hour or 45 minute fire rated, self-closing as required, with thermal breaks as required, hollow metal doors with metal frames complying with code. Service entrances will include suspended fluorescent linear light fixtures on emergency circuit, as required.

(7) Roof and roof structures:

The roofing system at roof terraces and the Entry Courtyard will consist of a fluid applied protected waterproofing membrane by American Hydrotech Inc, or approved equal, installed below drainage board, installed below 4" thick extruded polystyrene board insulation (minimum R-20), installed below pavers, or wood decking, or stone ballast.

The roofing system at mechanical rooftop will consist of an EPDM sheet membrane installed above tapered isocyanurate board insulation with cover board. 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. Flashing will be as follows: bituminous membrane base flashing & drain flashing; stainless steel & aluminum counter-flashing. The roof will have a limited warrantee by the roofing manufacturer for a period of ten years for fluid applied protected waterproofing system and twenty years for EPDM sheet membrane roofing system. The warranty is expected to commence upon the completion date.

(8) Drains:

Above ground piping shall be hubless cast iron for 3" piping or less and extra heavy cast iron hub & spigot for 4" size piping and greater.

(9) Bulkheads:

A galvanized steel ladder will be provided from the Roof Level to the Bulkhead Roof Level.

Stair, elevator and mechanical equipment bulkheads above the roof will be faced with EIFS.

(10) Rooftop facilities:

Vibration isolation will be provided for all rooftop mounted mechanical

equipment and mechanical equipment in indoor mechanical rooms to reduce vibration and noise from reverberating to the spaces below. All steel dunnage will have a galvanized finish.

(11) Fire escapes. Describe at each floor and specify any unusual access situations:

See #13

(12) Yard and courts:

The side yard leading to the Lobby is accessible from 3rd Street. The paving material will be running bond brick. A metal gate equipped with an intercom and/or keypad will allow the Residential and 2nd floor Commercial Unit Owners access to the side yard and therefore access to the Lobby.

The 3rd floor will have a general common terrace that is accessible to all Residential Unit owners. See item 4 above for more information.

(13) Interior stairs:

Stairs A and B will serve the Residential Units from the cellar floor through the Roof Level. Stair C is the Retail and Commercial egress stair. Stair A, B and C will be constructed of concrete. The 2-hour rated stair enclosures 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 Residences will be constructed of finishes typical to the Residential Unit. The walls surrounding the internal residential stairs will consist of painted 5/8" Type X drywall. The convenience stairs will have solid wood treads and risers. The railings and treads will be supported by a wood-framed stringer. The solid guardrails should pose no risk for children since they do not create a "ladder effect".

(14) Interior doors and frames:

The entrance door and frame to Residential Unit R-3 will be flush-panel solid wood 1 3/4" thick F.P.S.C. 1 hour rated, STC-50, with saddles as per door schedule. The entrance door and frame to other Residential Units will be flush-panel solid wood 1 3/4" thick F.P.S.C. 1 hour rated, STC-35, with saddles as per door schedule.

Residence interior swing doors, exclusive of closet doors, will be 1 3/4" thick, flush-panel painted solid core wood doors in painted wood frames with saddles as per the door schedule. Hardware within the Residences will typically be as manufactured by Accurate (locksets), Baldwin (hinges), Vica (lever, rose, turn-piece), Ives (doorstop) or approved equals.

Residence elevator doors at bedroom levels shall have zero-clearance swing door for sound attenuation with STC-35.

The entrance door and frame to each of the Residential Storage Units at the Cellar will be painted flush-panel hollow metal, 1 3/4" thick, F.P.S.C. 45 minute rated, with saddles as per 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.

Service doors and frames will be painted flush-panel hollow metal, 1 3/4" thick, F.P.S.C. 1 1/2 hour or 45 minute rated with saddles, as appropriate.

(15) Elevators:

There are two elevators. One of the elevators is strictly residential (first floor to main roof) and the other elevator is a mixed use elevator (Cellar to second floor). The Residential Unit Owner can transfer to the cellar elevator on the 1st floor. The sponsor will procure an elevator service program. A one year maintenance program contract is expected to be included in the price.

Residential Elevator:

Otis or approved equal (2500 lbs 12 persons)
Simplex selective collective, passenger
Variable voltage variable frequency AC
Machine room less gearless
Automatic (powered) side sliding type
Control room located on cellar level
AC motor (Otis or approved equal)
Solid state AC drive, Otis or approved equal
Fire emergency service (Phase I & Phase II) per NYC requirements

Mixed Use Elevator:

Otis or approved equal (2500lbs 12persons)
Conventional Hydraulic Elevator
Designed for a minimum of 120 starts per hour
Simplex selective Collective Operation
Stretcher and Handicap accessible
Automatic side slide doors
Battery Lowering device
Solid State starting
Cabs to be determined
Phase I and II in according with the Building Code of NYC

(16) Elevator cabs. Describe:

A manufacturer for the elevator cab has not yet been selected. The interior finish of the strictly residential elevator cab consists of stone flooring, wood panels on the walls and translucent acrylic panels to allow for LED's above the ceiling to backlight the space. The interior of the mixed use elevator cab consists of stone flooring and stainless steel wall panels.

As per the NYC Elevator Code, the elevator 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.

The 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 NYC Code the emergency alarm bell will operate on a supplemental, independent power source for a minimum of four hours.

(17) Interior partitions:

Drywall interior walls and ceiling at residential units shall confirm to level 4 finish with mineral fiber mat acoustic insulation. Bedroom partition walls at double height space to have two layers of gypsum wall board for additional sound attenuation. Solid wood flooring at residential units shall be "float floor" with two layers of engineered wood substrates on 10mm sound attenuation mat. Partition walls between corridor and the Residential Unit R-3 shall be double layer of gypsum wall board on both sides of metal

studs for sound separation.

I Auxiliary facilities:

(1) Laundry:

All Residences will have their own laundry room with a stacked clothes washer and gas operated vented dryer placed on rubber pads. Each residence will be provided with an 8" diameter duct down to dryer connection with lint interceptor, 3/4" Gas, 3/4" Cold Water, 3/4" Hot Water, and 2" Sanitary connections. See Appliance Schedule in Section T for further information.

(2) Refuse disposal:

The refuse chute (1) will be located off the Unit Corridor on the 3rd, 5th, 7th, 9th and 11th floor. The refuse chute will discharge into a refuse termination room located at the cellar. Building personnel will then take refuse to the street via Stair B for pickup up by NYC Dept. of Sanitation per NYC Dept. of Sanitation schedule which is currently 3 times per week. The compactor (Wilkinson Hi-Rise 400-C5, or equal in quality and design with a standard 1 year manufacturer's warranty), when installed, will receive all necessary government approvals.

J Plumbing and drainage:

(1) Water supply:

One 4" domestic water service with a reduced pressure zone backflow preventer and water meter will be provided from the public water main to duplex booster water pumps and provide feed direct to the Building. The Building will have one (1) 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 Retail and Commercial Units. Meter will be provided and paid for by the Retail and Commercial Unit Owners or their tenants.

(2) Fire protection system:

One 6" fire service from East 3rd Street with 6" double detector check valve to supply automatic fire pump located in the cellar level.

The fire standpipe system will consist of two 6" combined fire standpipe riser. The riser will serve all sprinkler floors and will be located in the stairways. A three way roof manifold will be provided. The fire standpipes will be supplied by the automatic fire pump.

A 2½" 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. Sprinkler water will be from the 6" combined standpipe/sprinkler riser. Automatic wet sprinklers will be supplied from combined FSP/sprinkler riser for entire Building. Piping will be schedule 10 or 40 steel piping with rolled or cut grooved or threaded joints.

One flush type 6" outlet with plate for sillcock (combination Siamese with hose bib).

(3) Water storage tank(s) and enclosures:

One (1), Concrete enclosure tank, Cellar Level, 15,000 gallon capacity.

(4) Water pressure and how maintained:

Federal SP4060-2 duplex domestic water booster system with 80 gallon cushion tank or approved equal will be provided to ensure a minimum of 35 psi at the top floor. The pump's internal multistage pumping assemblies and pressure regulating valves shall be guaranteed for one year from date of shipment against defective material and workmanship.

The motors shall also be guaranteed for one year from date of shipment against burnout from any cause when equipped with the pumping system manufacturer's over-temperature protection and maintained according to instructions. There will be a single house meter. Domestic cold water system will be distributed horizontally at the base of the building to supply risers. Branch piping will be provided to all plumbing fixtures, appliances and mechanical equipment within the building, including Residential Units and Common Spaces.

(5) Sanitary sewage system:

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 Retail and Commercial Units. Connection will be by the Retail and Commercial Unit Owners or their tenants. Drainage and vent piping will be no-hub cast iron piping with stainless steel couplings and rubber gaskets.

Duplex ejector pumps will pump waste and sewage water to the sanitary pipe downstream of the house trap. Elevator sump pumps are provided for the elevator pits.

Sanitary and storm sewer discharged from the building will connect to the public combined storm sewer system of New York City, DEP (an un-metered Public Utility). A new 6" combined sewer service shall be connected to the existing combined sewer on East 3rd Street. The cost of water and sewer will be sub-metered.

(7) Storm drainage system:

Gravity roof drainage from roof drains, green roof drains and terrace drains to the new house sewer connected to street municipal sewer on East 3rd Street.

There are three (3) roof drains located on the roof, five (5) roof drains located on the 3rd-floor terrace, and one (1) roof drain located on the 13th-floor terrace. Each roof drain is paired with an overflow drain. There are two (2) area drains located on the Entry Courtyard on the 1st floor.

Drainage and vent piping will be no-hub cast iron piping with stainless steel couplings and rubber gaskets.

Stancor elevator pit oil-minder control system SB-12 elevator sump pumps are provided for the elevator pits.

K Heating (including domestic hot water heating):

Two gas fired water heaters will be Lochinvar Armor AWN151PM, or approved equal, located in the Water Heater Room on the roof to provide hot water for the building. Water heaters will have 150,000 BTU/HR input each with a 175 GPH recovery rate and two (2) 200 gallon storage tanks. Hot and cold water pipe within main risers and at building perimeters shall be insulated; cold water piping shall have 1" jacketed fiber glass insulation, and hot water piping shall have 1" jacketed fiber glass insulation. All units are sized to provide 120 degree water at peak load.

New Boiler: Lochinvar Armor AWN151PM, or approved equal, with associated 200-gallon water storage tank. Space heating is based on 5,000 degree days. System shall maintain 70 degree Fahrenheit in the residential units when outdoor air temperature is 13.9 degrees Fahrenheit.

Each Residential Unit will be provided with variable refrigerant flow split system-type heating and air conditioning units (AHU). There will be multiple large condensing units (CUs) located on the roof. Each of these condensing units will be connected to multiple Fan Coil Units (FCUs) located within the apartments, typically one per bedroom and one or two per living/dining/kitchen area. Operation of each AHU 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 eight (8) tons to ten (10) tons, depending on the size and exposure of the Residential Unit served.

Outdoor units to be Mitsubishi Citi Multi air cooled condensers or equivalent.

Service	Model Number	HEATING CAPACITY (BTUH)
CELLAR LEVEL	PUMY-P36NHMU	40,000
LEVEL 3 & 4	PUHY-P96TKMU-A	108,000
LEVEL 5 & 6	PUHY-P96TKMU-A	108,000
LEVEL 7 & 8	PUHY-P96TKMU-A	108,000
LEVEL 9 & 10	PUHY-P96TKMU-A	108,000
LEVEL 11, 12, 13	PUHY-P120TKMU-A	135,000

Indoor units to be Mitsubishi or equivalent.

UNIT SIZE	MODEL NUMBER	HEATING CAPACITY (BTUH)
08	PEFY-P08NMAU-E	9,000
12	PEFY-P12NMAU-E	13,500
15	PEFY-P15NMAU-E	17,000
18	PEFY-P18NMAU-E	20,000
24	PEFY-P24NMAU-E	27,000
27	PEFY-P27NMAU-E	30,000
30	PEFY-P30NMAU-E	34,000
36	PEFY-P36NMAU-E	40,000
48	PEFY-P48NMAU-E	54,000
30A	PV FY-P30E00B	34,000

38A	PV FY-P36E00B	40,000
12B	PLFY-PT2NCMU	13,500

Heating in common spaces and the lobby will be provided with similar split type systems as the apartments, with CUs on the roof and AHUs within the space provided. Operation of each AHU will be controlled by a 7-day programmable thermostat. All systems will be controlled by an automatic temperature control system(s) with capability of assigning heating or air conditioning service to each of the condensing units.

L Gas supply:

A single Con Edison gas service line serves the project, and enters the project via 3rd Street. There will be three (3) gas meters servicing the Residential Units located in the cellar. One meter will serve the domestic hot water heaters and dryers, and cooking appliances. A second meter will serve HVAC units. The third meter will serve the emergency generator. Per code a gas meter may not be supplied to an unfinished space; a space will be reserved for the Retail and Commercial Unit Tenants for their future meter, but it cannot be installed without the connected gas load. The Retail and Commercial spaces will each be provided with capped gas piping leading to the meter room for the tenant's use and connection to future gas meter. Each piece of equipment will be provided with a valved connection. Gas piping will be threaded schedule 40 steel.

M Air conditioning and space heating:

Each Residential Unit will be provided with variable refrigerant flow split system-type heating and air conditioning units (AHU). There will be multiple large condensing units (CUs) located on the roof. Each of these condensing units will be connected to multiple Fan Coil Units (FCUs) located within the apartments, typically one per bedroom and one or two per living/dining/kitchen area. Operation of each AHU 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 eight (8) tons to ten (10) 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 split type systems as the apartments, with CUs on the roof and AHUs within the space provided. Operation of each AHU will be controlled by a 7-day programmable thermostat.

All systems will be controlled by an automatic temperature control system(s) with capability of assigning heating or air conditioning service to each of the condensing units.

Temporary space heaters for freeze protection will be provided in the Retail and Commercial Units.

(2) Central system (manufacturer, model and capacity):

There shall be a central make up air unit supplying ventilation and space conditioning to the entire building, including common areas and Residential Units. This system shall be of equal or greater quality to:

AAON RN-015.

The central make up air unit is only for Residential Space. The Retail and Commercial Spaces have their own dedicated outdoor air louvers. Louvers are located on the South and West window facades.

(3) Condensers:

There will be a total of seven (7) condensing units, all located on the roof of the building. Four (4) units, rated at eight (8) tons each, and one (1) unit, rated at (10) tons, shall serve Residential Units, with one condensing unit per apartment; one (1) unit, rated at one (1) ton, and one (1) unit, rated at one-and-one-half (1.5) tons, will serve the elevator machine room, and building lobby, respectively. Each condensing unit shall be connected to at least one (1) fan coil unit (FCU) in the respective occupiable space.

Space for future Retail and Commercial condensing units have been reserved on the Lower (retail) and Upper (commercial) roofs. The estimated tonnage for the Retail space, 1st floor and below grade, is 18-tons, 216,000 BTU; the estimated tonnage for the Commercial space on the 2nd floor is 8-tons, 96,000 BTU.

Unit	BTU	Tonnage
R-3	96,000	8
R-5	96,000	8
R-7	96,000	8
PH-1	96,000	8
PH-2	120,000	10

N Ventilation:

The building will comply with the NYC Mechanical Code requirements:

Kitchens	Residential kitchens will be ventilated via a rooftop make up air unit and with an exhaust ventilation system as indicated on drawings from each kitchen.
Bathrooms	Interior residential bathrooms will be ventilated with an exhaust ventilation system as indicated on drawings from each bathroom.
Cellar Level	Cellar level rooms are ventilated via a rooftop make up air unit and fans exhausting air at code ventilation rates.
Residential Units	Habitable rooms of Residential Units will be ventilated via a rooftop make up air unit and provided with natural ventilation by opening of operable windows.
Retail and Commercial Space	Any ventilation requirements will be provided by the future tenant utilizing provided louvers on the first and second floors.

○ **Electrical system:**

(1) Service from main service switchgear:

Electrical service will be located in the cellar. The anticipated service will be 1600 Amps, 120/208 Volt, 3 Phase, 4 Wire. The main switchgear will provide power to house panels and Residential meter banks as well as Retail and Commercial Units metering equipment.

(2) Service to individual units (risers, etc.):

The residential services will be 120/208 Volt, 3 Phase, 4 Wire with switch ratings ranging from 80A to 100A. The meter bank will be located in the cellar.

Arc Fault Circuit Interrupters (AFC) shall be provided as per latest applicable NEC requirements. Water-resistant receptacles shall be provided for all exterior use areas, where specified.

LOCATION	TYPE
Typical Downlight	Recessed LED Downlight
Wet Location Downlight	Recessed LED Downlight
Lobby Downlight	Trimless Recessed LED Downlight
Elevator Downlight	Recessed LED Downlight
Apartment Halls	Surface mounted LED downlight
Bedrooms	Surface mounted Incandescent downlight
Bedrooms	Switched outlets
Bathrooms	Surface mounted Fluorescent downlight
Stair Hall	Surface mounted Fluorescent downlight
Living/Dining Rooms	Ceiling-Mounted Incandescent Pendant
Kitchen Pendants	Ceiling-Mounted Incandescent Pendant
Reception Desk	Ceiling-Mounted Incandescent Pendant
Elevator Vestibule	Ceiling-Mounted Incandescent Pendant
Sconce Wet Location	LED Strip Light
Powder Room Sconce	T8 Fluorescent Strip Light
Commerical Toilet	Wire Ready Only
Cellar Hall	LED Wall Sconce
Closets	T5 Fluorescent Micro Strip Light
Kitchen undercabinet	Continuous LED strip light
Kitchen	Incandescent Hood Light
Exterior Wall Footlight	LED Cylinder floor washlight
Exterior Sconce	LED Wall Sconce
Roof	Exterior Guard Fluorescent Sconce
Fire stair, residential storage	Surface mounted linear Fluorecent
Cellar & Retail Lighting	Surface mounted linear Fluorecent

(3) Compartment switch gear (location and floor of sectional meter boards and transformers supplying power to the meter boards):

The electrical service room, switchboards, and distribution panels will be located on the cellar floor. The residential units shall be fed by direct Con

Edison metered panels in each apartment. Meters shall be located in the electrical service equipment on the cellar. Two(2) Trans 'S' cabinets have been provided for the retail areas. One rated at 400A and one rated at 200A. These are also located in the electrical room in the cellar.

The equipment will be rated to 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) Unit service (ratings of fuses and circuit breakers); adequacy of electrical system to handle modern usage and appliances such as air conditioners, dishwashers and dryers:

Refer to Section O-2 above.

- (5) Emergency Generator:

An emergency backup generator will be provided onon the roof. rooftop. Cummins Model GGPD, 40kW natural gas generator with a no deductible warranty shall be provided for all products against defects in materials and workmanship for one year from the start-up date. Warranty shall cover all costs of covered repairs, including travel expenses. Details regarding normal periodic generator maintenance to be followed in accordance with the operator's manual provided by the manufacturer

- (6) Adequacy:

Capacity provided for each Residential Unit will be in accordance with Code requirements in various sizes as noted below, @208/120V 3-phase, 4-wire. Average number of circuits per Residential Unit panel boards will be provided for an average total of 40 circuits. Service will be adequate for modern usage.

Fused Switch size will be as follows:

C-1 Retail	600A
C-2 Commercial	200A
R-3	80A
R-5	80A
R-7	80A
PH-1	80A
PH-2	100A

All lighting levels have been designed in accordance with the NYC Building Code and the Housing Maintenance Code. Entrances to the building at grade will be provided with a minimum of one light fixture. The Entry Courtyard will feature LED landscape lighting within planters and along the entry wall. Lobbies will be provided with ceiling mounted fixtures. These fixtures will be wired to the building house meter. Sidewalk lighting will be provided primarily by the one street light. Wall mounted light fixtures will provide adequate lighting. 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.

Convenience outlets will be provided as per code in all dwelling units inclusive of all sleeping rooms, living rooms etc. Code required countertop receptacles and dedicated appliance receptacles will be provided for dishwashers, washing machines etc.

Pockets for motorized sun shades will be provided. Sunshades are not to be installed.

- P Intercommunication and/or door signal systems, security closed circuit TV:**
 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. Each Residential Unit will be provided with an intercom system that utilizes the telephone system.
 The Building is to be provided with an intercom system linking the service entry areas.
 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 be equipped with a video camera as part of the security system.
- Q 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 have been designed in accordance with the NYC Building Code and the Housing Maintenance Code. These fixtures will be wired to the building house meter.
- R Permits and certificates:**
 The building will be constructed under a New Building Permit. All applicable permits will be provided.
- | | |
|--|---|
| Progress Inspections | Alternative Materials 2010-005 |
| Footing And Foundation Inspections | Energy Code Progress Inspections |
| Frame Inspection | Dampers Integral To Building Envelope |
| Fire Resistive Rated Construction | Hvac And Service Water Heating Equipment |
| Special Inspections | Hvac And Service Water Heating Systems Controls |
| Emergency Power Systems (Generators) | Duct Plenum |
| Structural Steel- Welding | Electrical Metering |
| Structural Steel- Erection And Bolting | Exit Signs |
| Concrete Cast-In-Place Inspections(Reinforcing | Electrical Motors |
| Steel & Concrete Testing) | Maintenance Information |
| Concrete Test Cylinders | Protection Of Foundation Insulation |
| Concrete Design Mix | Insulation Placement And R Values |
| Masonry Inspections | Fenestration Thermal Values And Ratings |
| Soils Site Preparation | Fenestration Ratings For Air Leakage |
| Pile Foundations & Drilled Pier Installation | Fenestration Areas |
| Underpinning | Air Sealing And Insulation - Visual |
| Spray Fire-Resistant Materials | Projection Factors |
| Mechanical Systems | Vestibules |
| Excavation- Sheet piling, Shoring & Bracing | Lighting In Dwelling Units |
| Site Storm Drainage Disposal & Detention | Interior Lighting Power |
| System Installation | Exterior Lighting Power |
| Sprinkler/ Standpipe System | Lighting Controls |
| Heating Systems | Tandem Wiring |
| Firestop, Draftstop, Fireblock Systems | Permanent Certificate |
- S Violations:**
 Sponsor will cause all violations to be cured and/or removed of the record prior to issuance of the permanent Certificate of Occupancy.

T Unit information:

<u>Name:</u>	<u>Location:</u>	<u>Description:</u>	<u>Size:</u>
C-1 Retail	Floor 1 & Below Grade	Unfinished	3,203 SF (1 ST FL.) 1,692 SF (Below Grade)
C-2 Commercial	Floor 2	Unfinished	3,953SF
Apartment R3:	Floors 3&4	1 Kitchen, 1 Living/Dining, 2 Bedrooms, 3 Bathrooms, 1 Walk-In Closet, 1 Laundry Closet. Storage unit(#3) in the cellar	2,466 SF (Unit) 131 SF (Balcony) 50 SF (Storage)
Apartment R5:	Floors 5&6	1 Kitchen, 1 Living/Dining, 1 Powder room, 3 Bedrooms, 1Walk-In Closet , 3 Bathrooms, 1 Laundry Closet. Storage unit(#5) in the cellar	2,754 SF (Unit) 262 SF (Balcony) 74 SF (Storage)
Apartment R7:	Floors 7&8	1 Kitchen, 1 Living/Dining, 1 Powder room, 3 Bedrooms, 1Walk-In Closet , 3 Bathrooms, 1 Laundry Closet. Storage unit(#2) in the cellar	2,754 SF (Unit) 262 SF (Balcony) 94 SF (Storage)
Apartment PH-1:	Floors9& 10	1 Kitchen, 1 Living/Dining, 1 Powder room, 3 Bedrooms, 1Walk-In Closet , 3 Bathrooms, 1 Laundry Closet. Storage unit(#4) in the cellar	2,754 SF (Unit) 262 SF (Balcony) 116 SF (Storage)
Apartment PH-2:	Floors 11-13	1 Kitchen, 1 Pantry, 1 Living/Dining, 4 Bedrooms, 4 1/2 Bathrooms, 2 Walk-In Closets, 1 Study, 1 Laundry Room. Storage unit(#1) in the cellar	3,796 SF (Unit) 681 SF Balcony/Terrace) 152 SF (Storage)

Appliance Schedule: For Residential Units; R3, R5, R7, Ph-2, and PH-1. The sponsor reserves the rights to provide appliances by different manufactures, which are equal to those listed below.

<u>Description</u>	<u>Manufac.</u>	<u>Model</u>	<u>Finish</u>
Typical Residential Kitchen			
Refrigerator/Freezer	Miele USA	KF 1811 Vi	Custom Panel
Oven	Miele USA	H 4884 BP	"Classic Touch Steel"
Cook Top	Miele USA	KM 2355 LP	Stainless Steel 36"
Range Hood	Miele USA	DA 3490 W	Integrated 36"
Speed Oven	Miele USA	H4044 BM	"Clean Touch Steel"
U.C. Wine Fridge	Miele USA	KWT 4154 UG-1	Black Glass Finish
Dishwasher	Miele USA	G 4286SC Vi	Custom Panel
Typical Residential Laundry			
Washer	Asko	W6424	White Finish
Dryer	Asko	T754 W/T VentedWTB86202UC	White Finish

Plumbing Schedule: For Residential Units; R3, R5, R7, Ph-2, and PH-1.

The sponsor reserves the rights to provide plumbing fixtures by different manufactures, which are equal to those listed below.

Description	Manufacturer	Model	Finish
Typical Residential Kitchen			
Undermount Sink	Franke	UDTS30/10	SS
Faucet	KWC	10.271.103 Suprimo	SS
Sink Disposal	TBD	TBD	TBD
Typical Residential Bathroom			
Toilet	Toto	AQUIA DUAL FLUSH CST412MF	White
Sink	Kohler	CAXTON K-2210	White
Sink Faucet	Waterworks	.25 SERIES PTLS02	Chrome
Thermostatic Valve	Waterworks	.25 SERIES PTTH58	Chrome
Volume Control	Waterworks	.25 SERIES PTVC48	Chrome
Shower Head & Arm	Waterworks	.25 SERIES PTSH73	Chrome
Tub Spout	Waterworks	.25 SERIES PTTS82	Chrome
Hand Shower	Waterworks	.25 SERIES PTHS25	Chrome
Tub (Master Bath)	MTI	ALISSA 2 MODEL #126	Engin. Stone
Tub (Typical Bath)	Kohler	TEA FOR TWO K-850	White

U Finish Schedule:

Room	Floor	Walls	Ceiling
Residential Units; R3, R5, R7, Ph-1, and PH-2:			
Living/Dining/Bedrooms/Hall	Oak	Paint	Gyp. & Paint or Concrete Compound
Kitchen	Oak	Paint	Gyp. & Paint or Concrete Compound
Master Bathroom	Marble	Marble/Paint	Gyp. & Paint
Secondary Bathroom	Marble Tiles	Tile	Gyp. & Paint
Powder Room	Marble	Marble/Paint	Gyp. & Paint
Additional Building spaces:			
Lobby	Petersen Brick	Paint	Gyp.
Corridors	Fin. Concrete	Varies	Gyp. and Concrete Compound
Common Egress Stairs	Concrete	Concrete	Concrete
Common Cellar Toilet	Concrete	Paint	Gyp. & Paint or EIFS
Common Mech./Elect./Machine Rooms	Concrete	Paint	Gyp. & Paint or EIFS
Residential Storage Rooms,	Concrete	Paint	Gyp. & Paint or EIFS
Cellar Corridors	Concrete	Paint	Gyp. & Paint or EIFS
Below Grade Retail (cellar)	Concrete	Unfinished	Unfinished
Retail (1 st Floor)	Concrete	Unfinished	Unfinished
Commercial (2 nd Floor)	Concrete	Unfinished	Unfinished

V 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.

W Area Measurements:

Areas have been measured per the following descriptions:

Retail: C1	• The Retail space on the 1st floor is measured from the outside face of the exterior wall at the property line, to the outside face of the demising wall. • The area of the Below Grade Retail is measured from the outside face of wall to the outside face of the existing vault, including stair C. • Top of floor to underside unfinished slab to be approximately 13'-5" at 1st floor, 8'-10 1/2" at Cellar.
Commercial: C-2	• The Commercial space on the 2nd floor is measured from the outside face of the exterior wall at the property line, to the outside face of the demising wall. • Top of floor to underside unfinished slab to be 12'-4 7/8" and 11'-6" at below roof terrace.
Residential: R3~PH-2	• All units are measured from the outside face of the exterior wall to the outside face of the demising wall. • Area for the Residential Units, R3-PH2, consists of the entire floor plan; excluding the double height spaces, the General Common Elements, and the 3rd floor elevator. • The General common elements, egress stair and elevator on the 3rd floor, are measured from the inside face of wall to the inside face of wall. • The Limited Common Elements, terraces and balconies, are not included in the Unit Areas. • Residential storage units located in the cellar are not included in the Unit Areas. • The top of floor to ceiling is approximately 10'-5 3/4" at primary rooms, 9'-4" at typical rooms. Where there are concealed mechanical pipes and/or ducts, heights may be lower than the above stated heights and may also vary slightly from room to room.

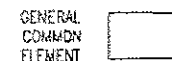
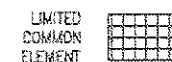
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Dated: 10/

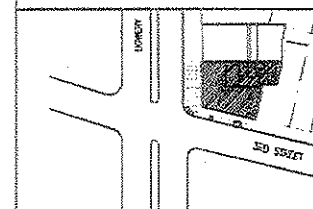


Annabelle Selldorf

LEGEND



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR. ALL AREAS ARE MEASURED IN ACCORDANCE WITH THE ATTORNEY GENERAL REPORT. SPONSORS RESERVE THE RIGHT TO MAKE CHANGES DUE TO CONDITIONS IN ACCORDANCE WITH THE OFFERING PLAN.



KEY PLAN (NTS)

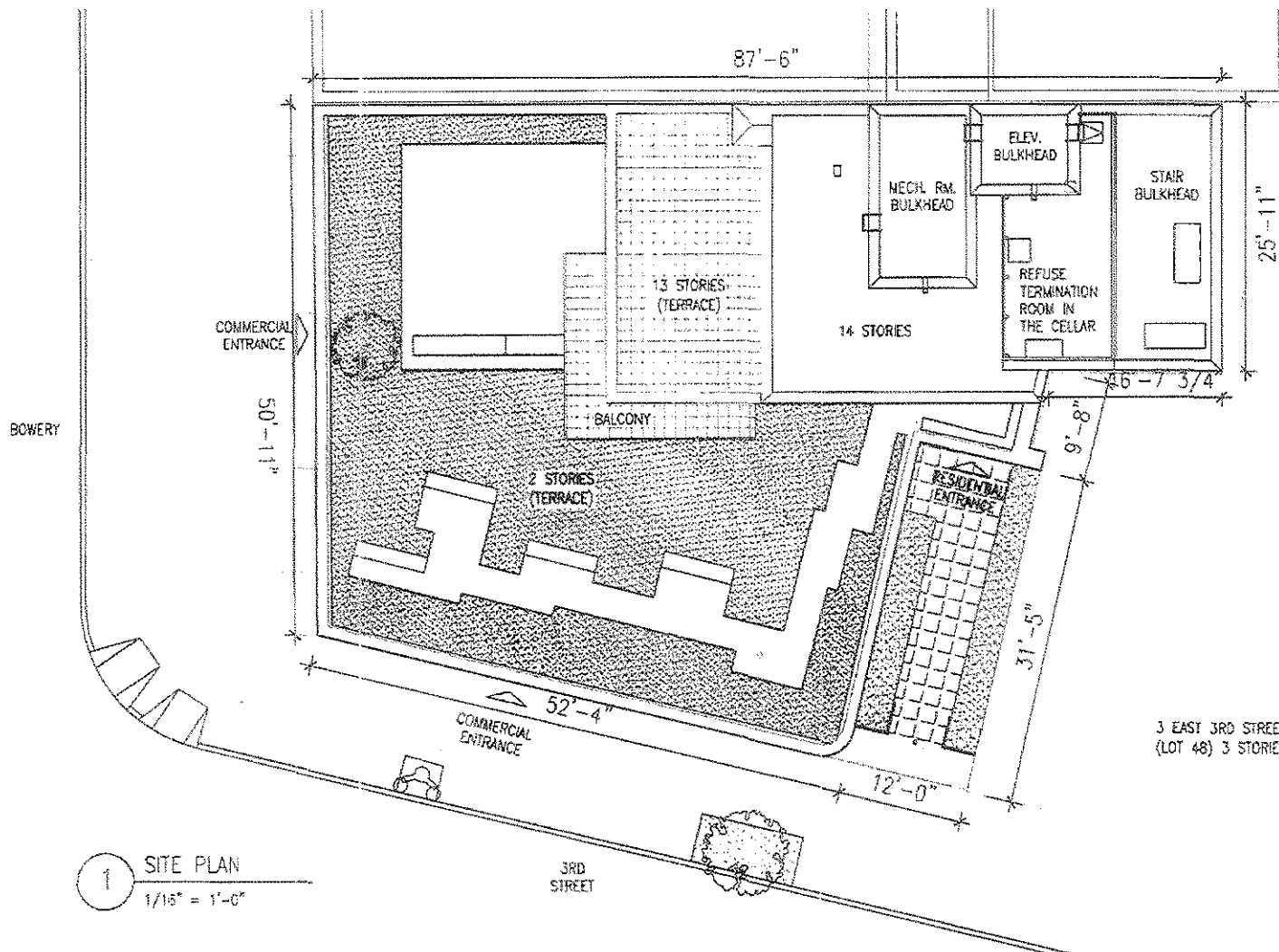
PROJECT #: 1325

SHEET #:

A-S1

SPONSOR:

347 OWNER, LLC
401 BROADWAY
SUITE 1910
NEW YORK, NY 10013



1 SITE PLAN
1/16" = 1'-0"

ARCHITECT:
SELLDORF ARCHITECTS

860 BROADWAY NEW YORK NY 10003
PHONE 212.219.9571 FAX 212.941.6362

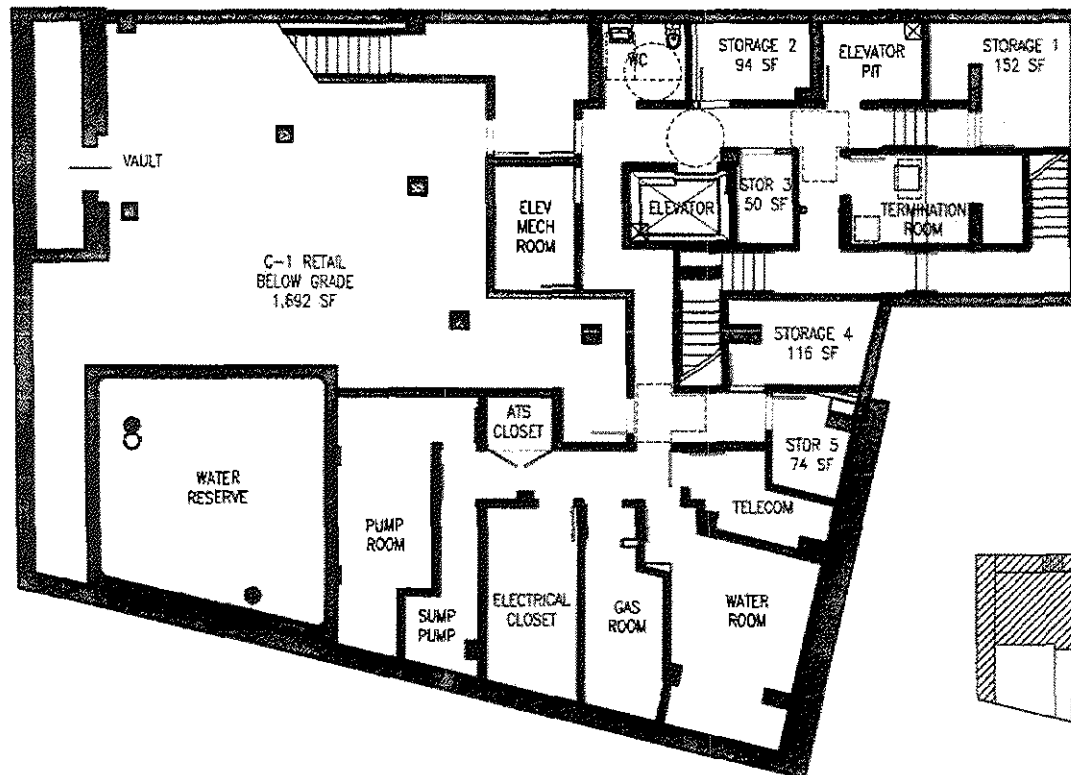
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NEW YORK, NY 10003

UNIT: SITE PLAN

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2014.07.30

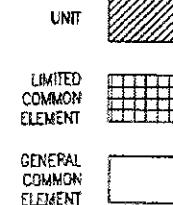
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LOT: 4585 SF



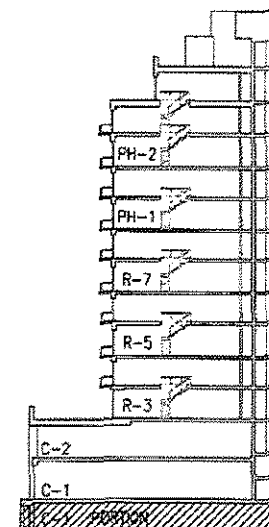


2 CELLAR STORAGE
1/16" = 1'-0"

LEGEND



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR. ALL AREAS ARE MEASURED IN ACCORDANCE WITH THE ATTORNEY GENERAL REPORT. SPONSORS RESERVE THE RIGHT TO MAKE CHANGES DUE TO CONDITIONS IN ACCORDANCE WITH THE OFFERING PLAN.



KEY SECTION (NTS)

ARCHITECT:
SELLDORF ARCHITECTS
860 BROADWAY NEW YORK NY 10003
PHONE 212.219.9571 FAX 212.941.6362

PROJECT ADDRESS: 347 BOWERY
NEW YORK, NY 10003

DATE: 2014.07.30

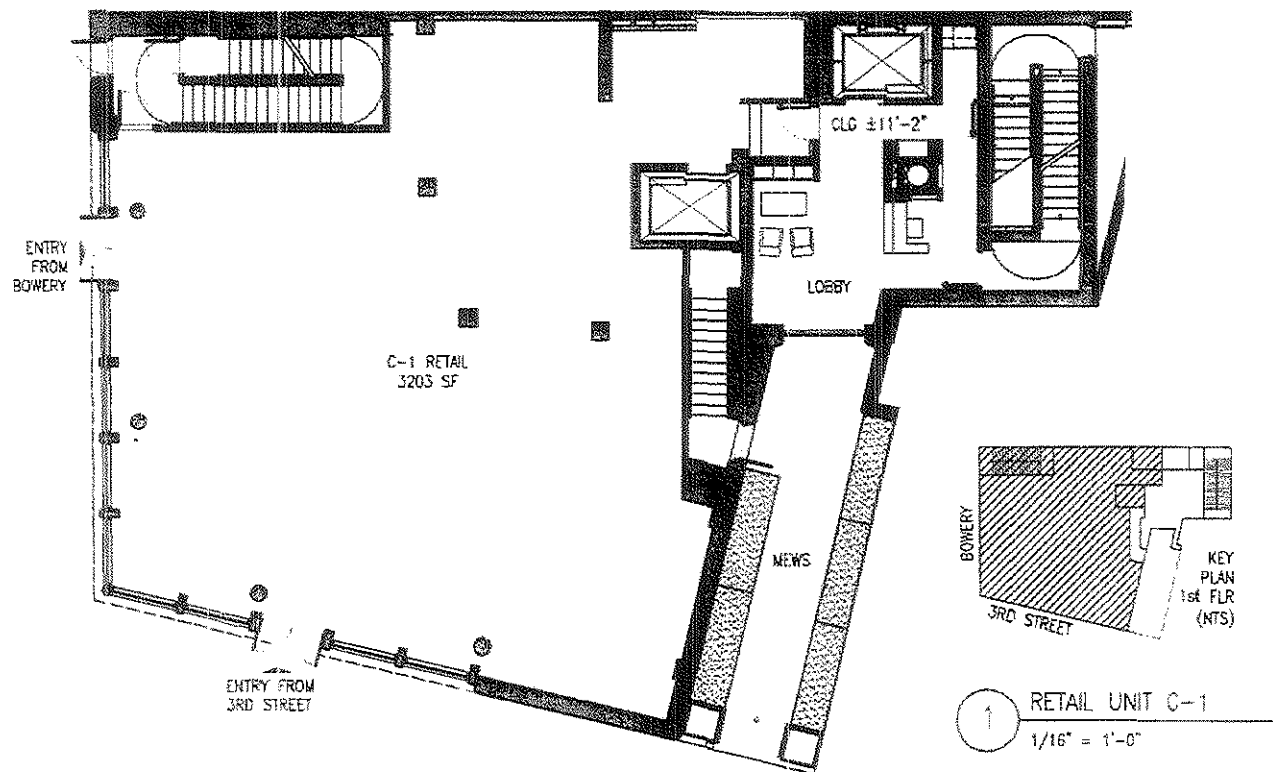
UNIT: STORAGE SPACE C-1, 1, 2, 3, 4, 5, FLOOR: CELLAR TYPE: SIMPLEX

AREA:
STORAGE C-1: 1692 SF
STORAGE 1: 152 SF
STORAGE 2: 94 SF
STORAGE 3: 50 SF
STORAGE 4: 116 SF
STORAGE 5: 74 SF



PROJECT #: 1325
SHEET #:
**A-C1 RETAIL
BELOW GRADE**

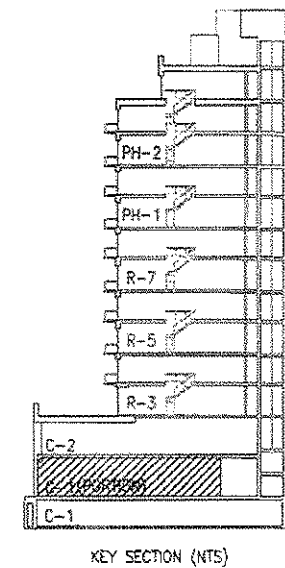
SPONSOR:
347 OWNER, LLC
401 BROADWAY
SUITE 1910
NEW YORK, NY 10013



LEGEND

UNIT	
LIMITED COMMON ELEMENT	
GENERAL COMMON ELEMENT	

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ARCHITECT:
SELLDORF ARCHITECTS
 860 BROADWAY NEW YORK NY 10003
 PHONE 212.219.9571 FAX 212.941.6362

PROJECT ADDRESS: 347 BOWERY
 NEW YORK, NY 10003

DATE:
 2014.07.30

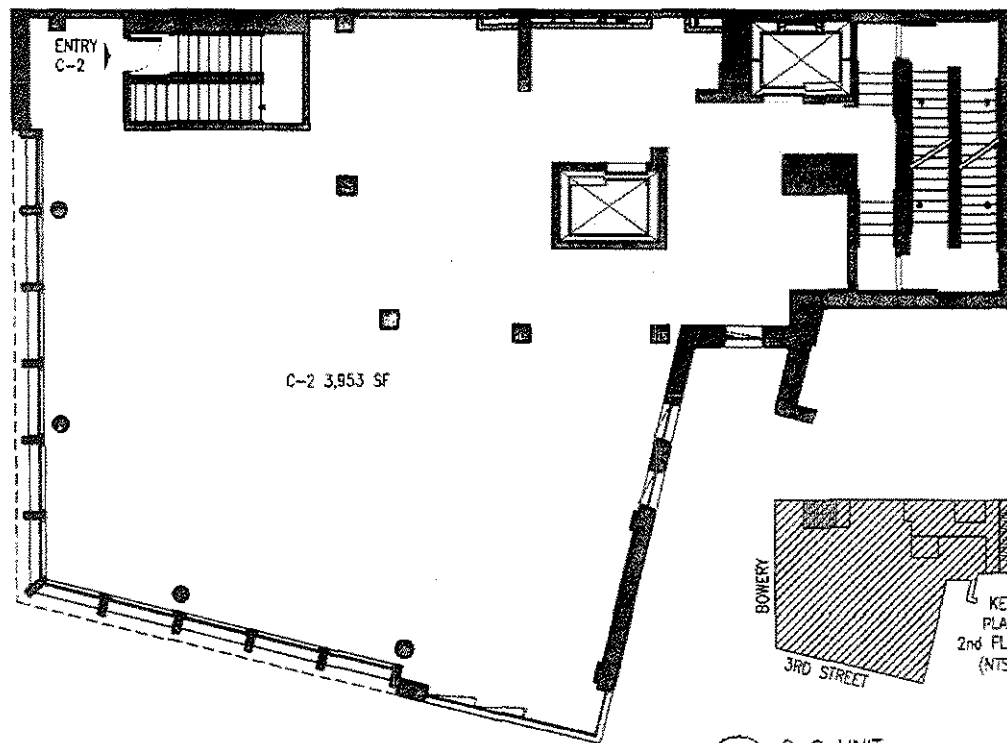
AREA:
 RETAIL UNIT: 3203 SF



PROJECT #: 1325
 SHEET #:
**A-C1
 RETAIL**

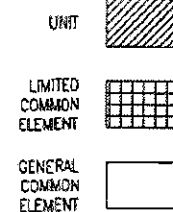
SPONSOR:
 347 OWNER, LLC
 401 BROADWAY
 SUITE 1910
 NEW YORK, NY 10013

UNIT: RETAIL UNIT C-1 FLOOR: 1 TYPE: SIMPLEX

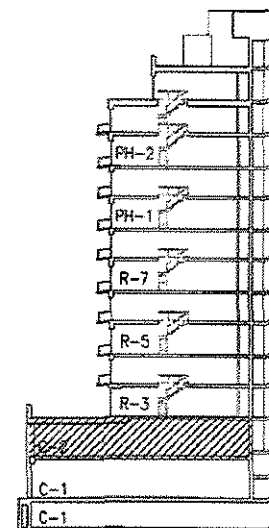


1 C-2 UNIT
1/16" = 1'-0"

LEGEND



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KEY SECTION (NTS)

ARCHITECT:
SELLDORF ARCHITECTS
860 BROADWAY NEW YORK NY 10003
PHONE 212.279.9571 FAX 212.941.6362

PROJECT ADDRESS: 347 BOWERY
NEW YORK, NY 10003

DATE:
2014.07.30

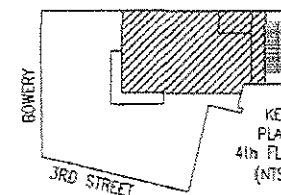
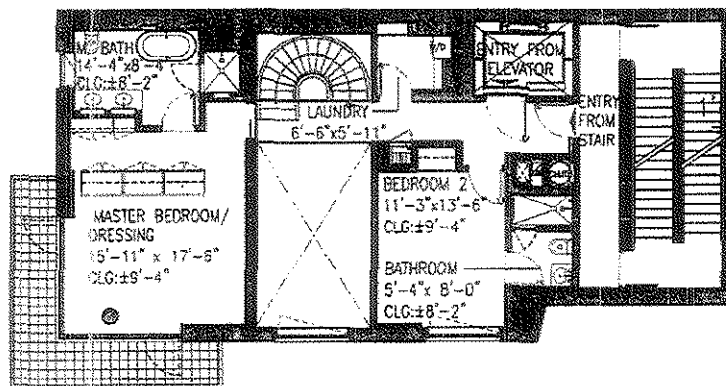
AREA:
UNIT C-2: 3,953 SF

UNIT: COMMERCIAL SPACE C-2 FLOOR: 2 TYPE: SIMPLEX

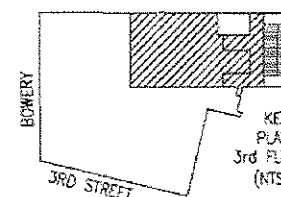
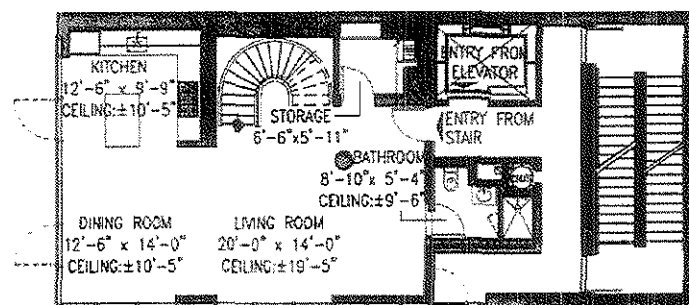


PROJECT #: 1325
SHEET #:
A-C2
COMMERICAL

SPONSOR:
347 OWNER, LLC
401 BROADWAY
SUITE 1910
NEW YORK, NY 10013

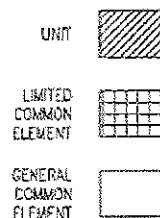


1 UNIT R-3 UPPER
1/16" = 1'-0"

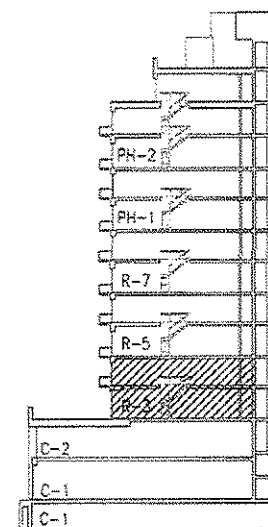


2 UNIT R-3 LOWER
1/16" = 1'-0"

LEGEND



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KEY SECTION (NTS)

ARCHITECT:
SELLDORF ARCHITECTS
860 BROADWAY NEW YORK NY 10003
PHONE 212.219.9571 FAX 212.941.6362

PROJECT ADDRESS: 347 BOWERY
NEW YORK, NY 10003

DATE: 2014.07.30

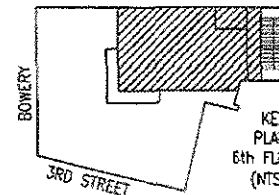
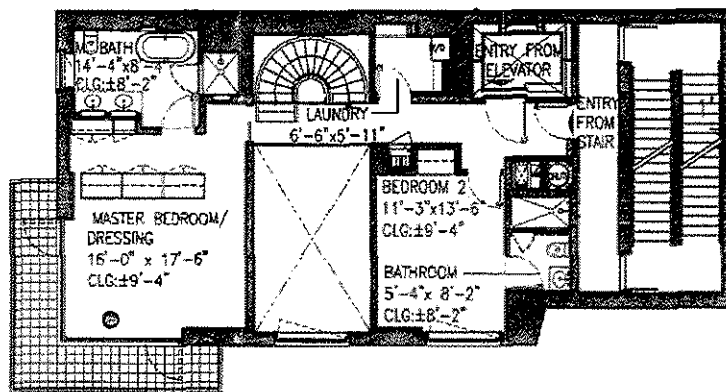
AREA:
UNIT: 2,466 SF
LIMITED COMMON: 131 SF
GENERAL COMMON: 424 SF



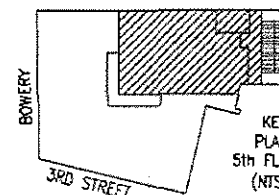
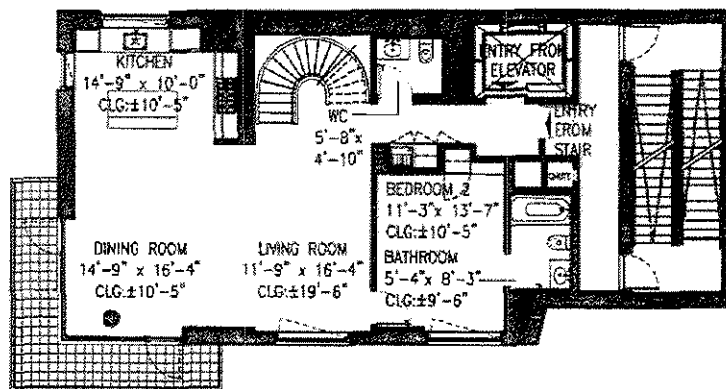
UNIT: APT R-3 FLOOR: 3&4 TYPE: DUPLEX BEDS: 2 BATH: 3

PROJECT #: 1325
SHEET #:
**A-R3
RESIDENTIAL**

SPONSOR:
347 OWNER, LLC
401 BROADWAY
SUITE 1910
NEW YORK, NY 10013

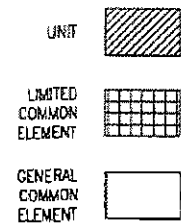


1 UNIT R-5 UPPER
1/16" = 1'-0"

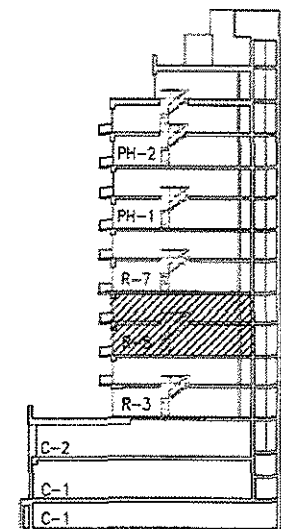


2 UNIT R-5 LOWER
1/16" = 1'-0"

LEGEND



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ARCHITECT:
SELLDORF ARCHITECTS
860 BROADWAY NEW YORK NY 10003
PHONE 212.219.9571 FAX 212.941.6362

PROJECT ADDRESS: 347 BOWERY
NEW YORK, NY 10003

DATE:
2014.07.30

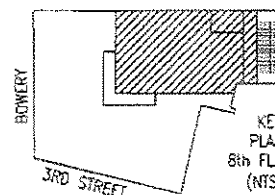
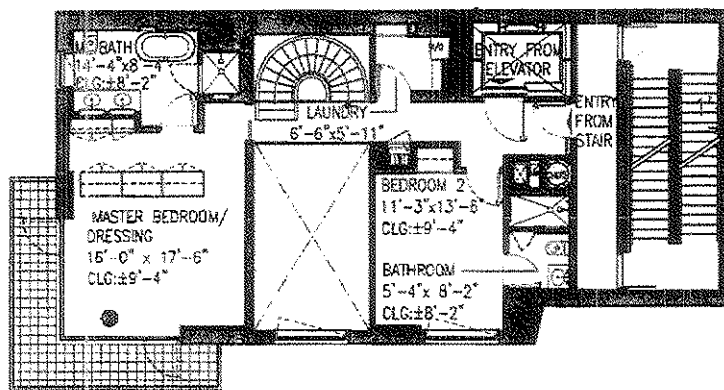
AREA:
UNIT: 2,754 SF
LIMITED COMMON: 252 SF
GENERAL COMMON: 388 SF



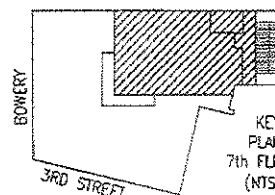
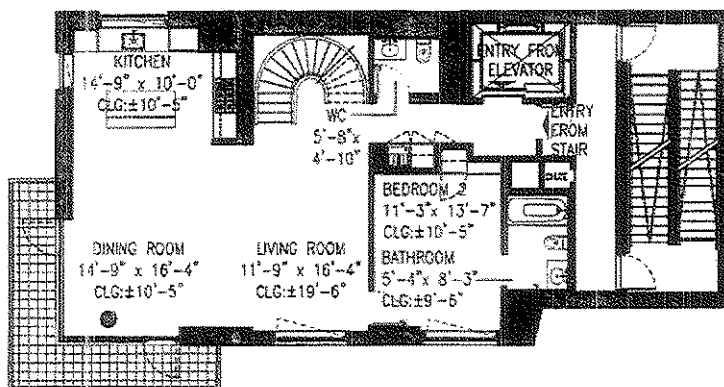
PROJECT #: 1325
SHEET #:
**A-R5
RESIDENTIAL**

SPONSOR:
347 OWNER, LLC
401 BROADWAY
SUITE 1910
NEW YORK, NY 10013

UNIT: APT R-5 FLOOR: 5&6 TYPE: DUPLEX BEDS: 3 BATH: 3 1/2

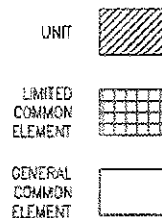


1 UNIT R-7 UPPER
1/16" = 1'-0"

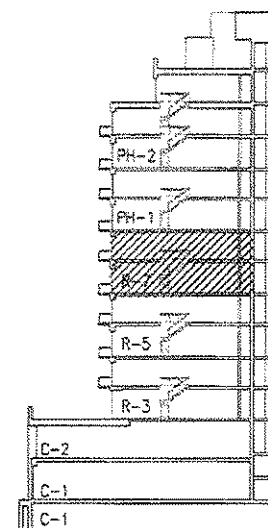


2 UNIT R-7 LOWER
1/16" = 1'-0"

LEGEND



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KEY SECTION (NTS)

ARCHITECT:
SELLDORF ARCHITECTS

860 BROADWAY NEW YORK NY 10003
PHONE 212.219.9571 FAX 212.941.6362

PROJECT ADDRESS: 347 BOWERY
NEW YORK, NY 10003

DATE:
2014.07.30

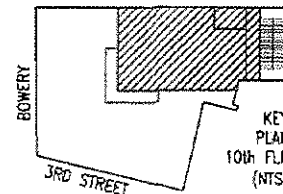
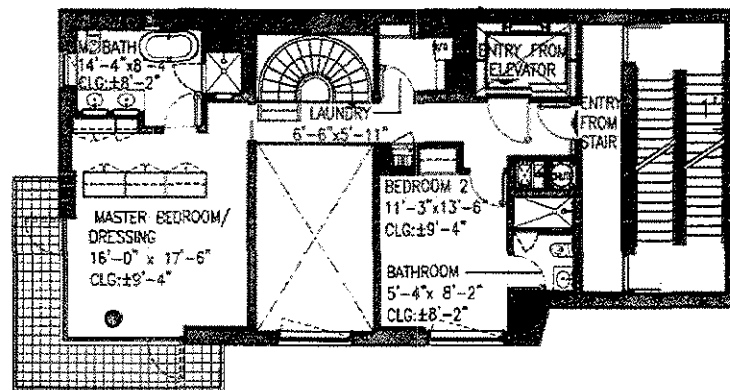
AREA:
UNIT: 2,754 SF
LIMITED COMMON: 262 SF
GENERAL COMMON: 368 SF



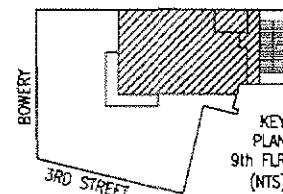
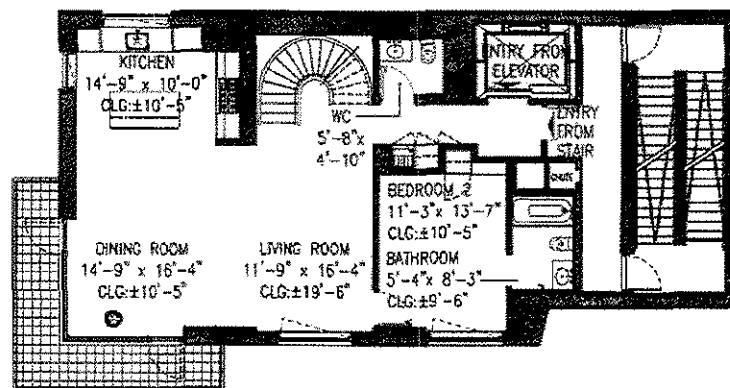
UNIT: APT R-7 FLOOR: 7&8 TYPE: DUPLEX BEDS: 3 BATH: 3 1/2

PROJECT #: 1325
SHEET #:
**A-R7
RESIDENTIAL**

SPONSOR:
347 BOWERY, LLC
401 BROADWAY
SUITE 1910
NEW YORK, NY 10013

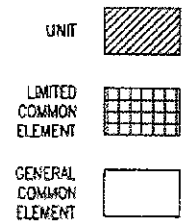


1 UNIT PH1 UPPER
1/16" = 1'-0"

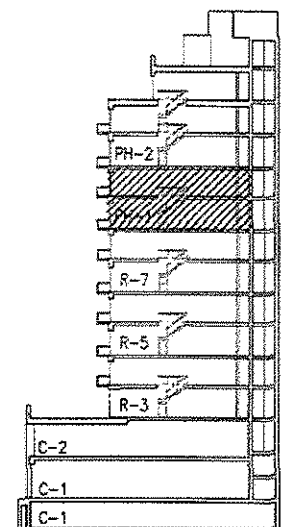


2 UNIT PH1 LOWER
1/16" = 1'-0"

LEGEND



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KEY SECTION (NTS)

ARCHITECT:
SELLDORF ARCHITECTS
860 BROADWAY NEW YORK NY 10003
PHONE 212.219.9571 FAX 212.941.6382

PROJECT ADDRESS: 347 BOWERY
NEW YORK, NY 10003

DATE:
2014.07.30

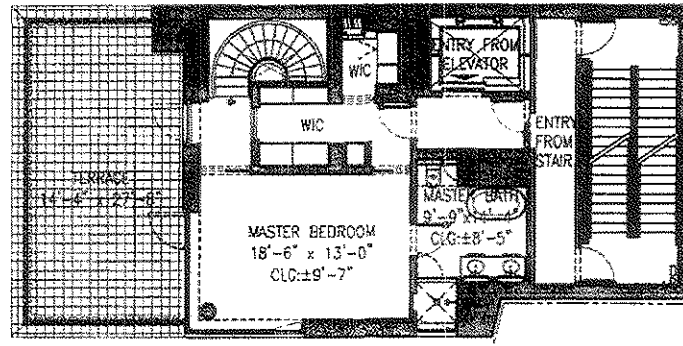
AREA:
UNIT: 2,754 SF
LIMITED COMMON: 252 SF
GENERAL COMMON: 368 SF



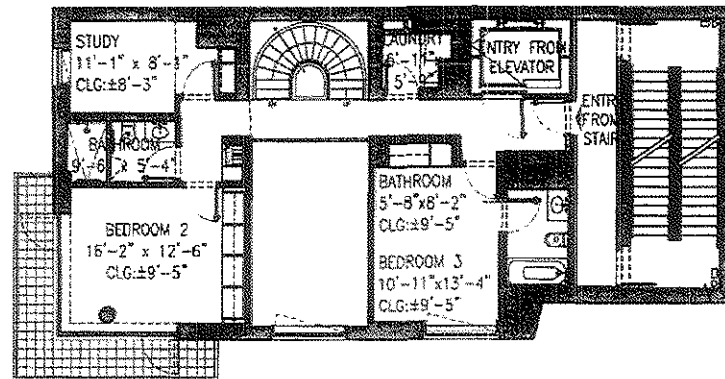
UNIT: APT PH-1 FLOOR: 9&10 TYPE: DUPLEX BEDS: 3 BATH: 3 1/2

PROJECT #: 1325
SHEET #:
**A-PH1
RESIDENTIAL**

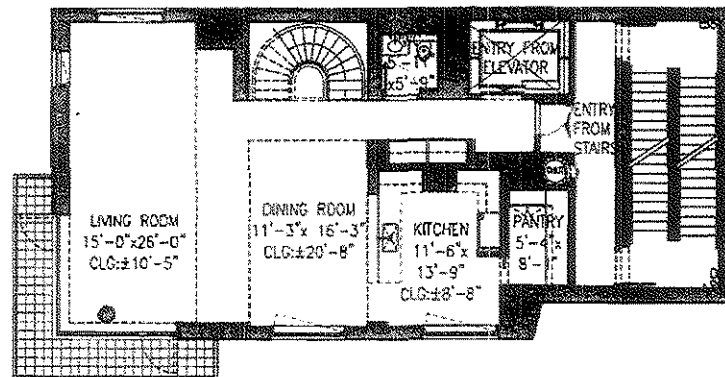
SPONSOR:
347 OWNER, LLC
401 BROADWAY
SUITE 1910
NEW YORK, NY 10013



1 UNIT PH-2 3RD FL.
1/16" = 1'-0"

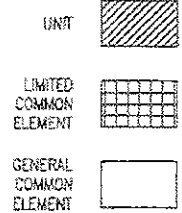


2 UNIT PH-2 2ND FL.
1/16" = 1'-0"

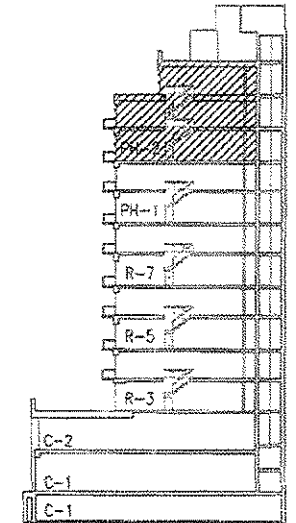


3 UNIT PH-2 1ST FL.
1/16" = 1'-0"

LEGEND



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KEY SECTION (NTS)

ARCHITECT:
SELLDORF ARCHITECTS
360 BROADWAY NEW YORK NY 10003
PHONE 212.219.9571 FAX 212.941.6342

PROJECT ADDRESS: 347 BOWERY
NEW YORK, NY 10003

DATE: 2014.07.30

AREA:
UNIT: 3,796 SF
LIMITED COMMON: 661 SF
GENERAL COMMON: 552 SF

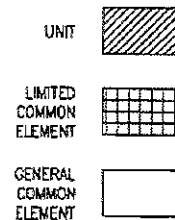


PROJECT #: 1325
SHEET #:
**A-PH2
RESIDENTIAL**

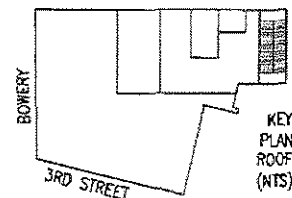
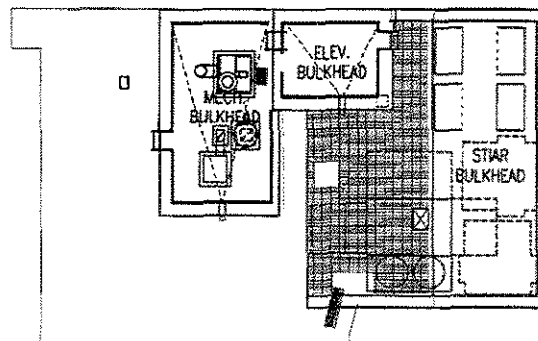
SPONSOR:
347 OWNER, LLC
401 BROADWAY
SUITE 1910
NEW YORK, NY 10013

UNIT: APT PH-2 FLOORS: 11,12,13 TYPE: TRIPLEX BEDS: 4 BATH: 4 1/2

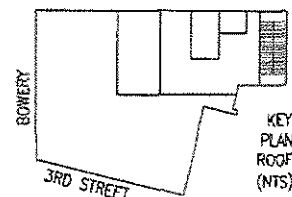
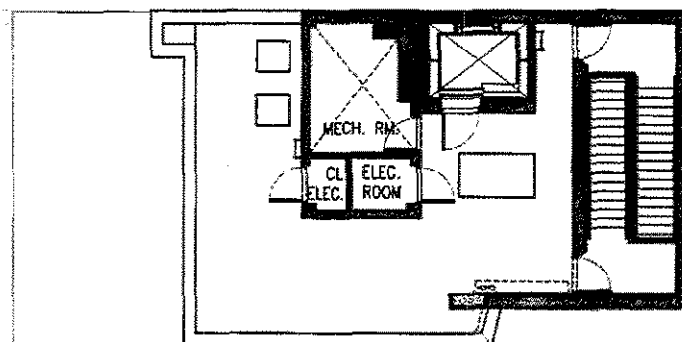
LEGEND



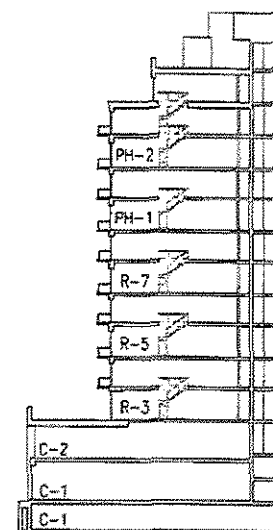
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1 HIGH ROOF PLAN
1/16" = 1'-0"



2 MAIN ROOF PLAN
1/16" = 1'-0"



KEY SECTION (NTS)

ARCHITECT:
SELLDORF ARCHITECTS
860 BROADWAY NEW YORK NY 10003
PHONE 212.219.9571 FAX 212.941.6362

PROJECT ADDRESS: 347 BOWERY
NEW YORK, NY 10003

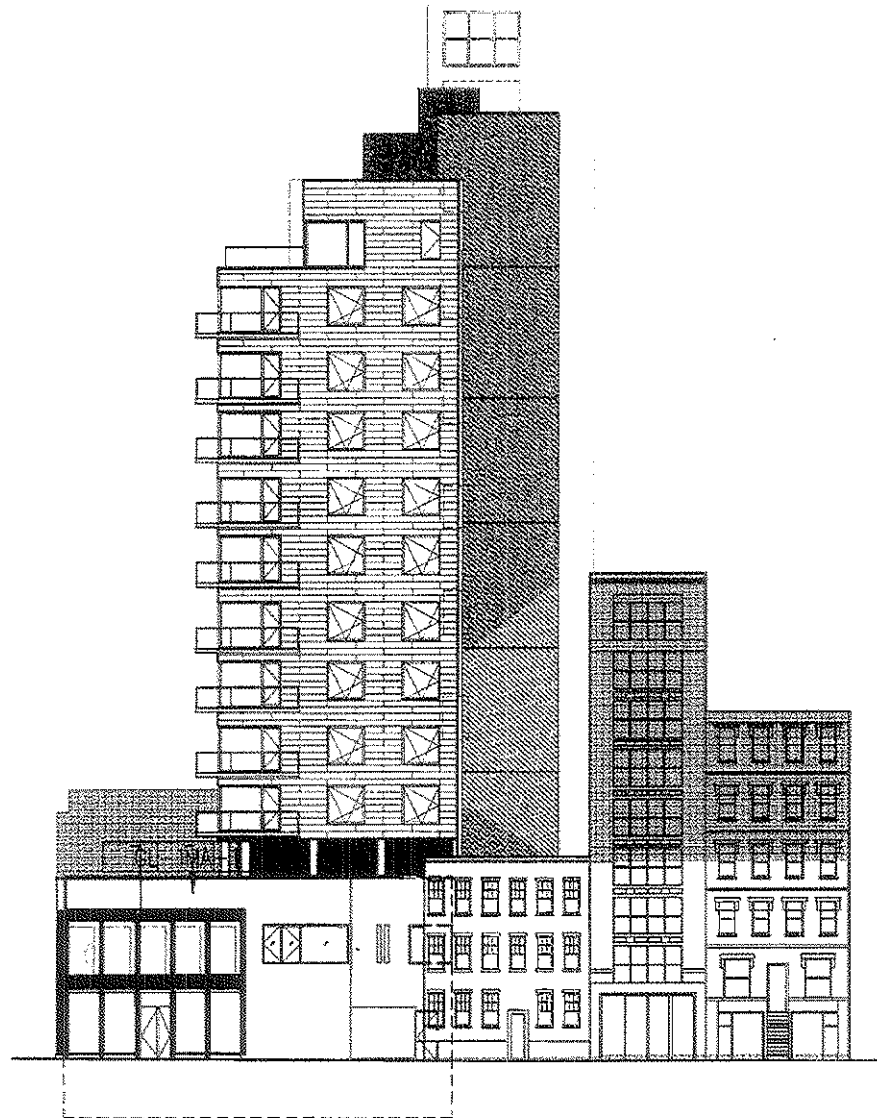
DATE:
2014.07.30

UNIT: ROOF PLAN



PROJECT #: 1325
SHEET #:
A-BULKHEAD

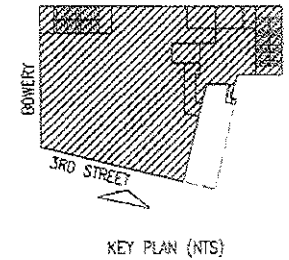
SPONSOR:
347 OWNER, LLC
401 BROADWAY
SUITE 1910
NEW YORK, NY 10013



1 SOUTH ELEVATION
1/32" = 1'-0"

LEGEND

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ARCHITECT:
SELLDORF ARCHITECTS
860 BROADWAY NEW YORK NY 10003
PHONE 212.219.9571 FAX 212.941.6362

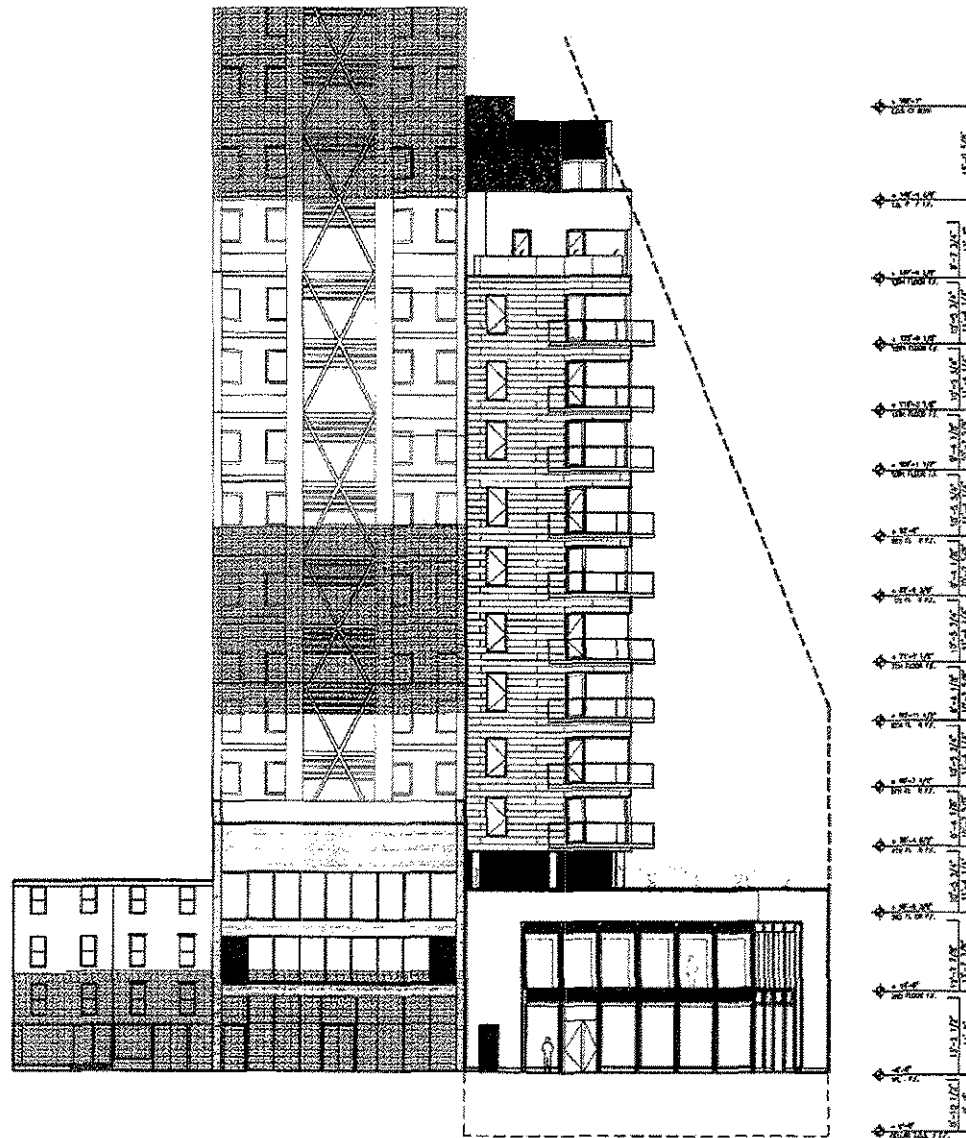
PROJECT ADDRESS: 347 BOWERY
NEW YORK, NY 10003

DATE:
2014.07.30



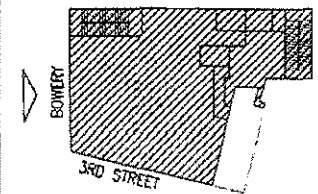
PROJECT #: 1325
SHEET #:
**A-EL1
SOUTH**

SPONSOR:
347 OWNER, LLC
401 BROADWAY
SUITE 1910
NEW YORK, NY 10013



LEGEND

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KEY PLAN (NTS)

ARCHITECT:
SELLDORF ARCHITECTS
 860 BROADWAY NEW YORK NY 10003
 PHONE 212.219.9571 FAX 212.941.6362

PROJECT ADDRESS: 347 BOWERY
 NEW YORK, NY 10003

DATE:
 2014.07.30



PROJECT #: 1325
 SHEET #:
**A-EL2
 EAST**

SPONSOR:
 347 OWNER, LLC
 401 BROADWAY
 SUITE 1910
 NEW YORK, NY 10013

DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP OF
PREMISES LOCATED AT 347 BOWERY, IN THE BOROUGH OF MANHATTAN,
COUNTY OF NEW YORK, CITY AND STATE OF NEW YORK, PURSUANT TO ARTICLE
9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK

NAME: 347 BOWERY CONDOMINIUM

SPONSOR: 347 Bowery Owner, LLC
401 Broadway
New York, New York 10013

DATE OF DECLARATION: , 2014

The Land affected by the within instrument lies in Section , Block 459, F/K/A Lot 1 N/K/A
Lots _____ on the Tax Map of the Borough of Manhattan, County of New York, State of
New York.

MARANS, WEISZ & NEWMAN, LLC
Attorney(s) for Sponsor
29 Broadway, Suite 2400
New York, New York 10006

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ARTICLE ELEVENTH	Administration
ARTICLE TWELVTH	Amendment and Withdrawal
ARTICLE THIRTEENTH	Subject to Declaration, By-Laws, etc.
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ARTICLE NINETEENTH	Covenants and Restrictions.....
ARTICLE TWENTIETH	Utilities.....
ARTICLE TWENTY-FIRST	Invalidity.....
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SCHEDULE B	Unit Schedule.....
SCHEDULE C	By-Laws.....

**DECLARATION OF 347 BOWERY CONDOMINIUM PURSUANT TO ARTICLE 9-B
OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK**

In the Borough of Manhattan, County of New York, and City and State of New York on this ____ day of _____, 201_, 347 Bowery Owner, LLC (the "Owner" or the "Sponsor"), a limited liability company existing under the laws of the State of Delaware and authorized to do business in New York, whose office is situated at 401 Broadway, New York, New York 10013, represented in this Declaration by Glauco Lolli-Ghetti, who is fully empowered to and qualified to execute this Declaration on behalf of the said corporation does hereby state:

FIRST: Submission of Property. By this Declaration, the Owner submits all property owned by it consisting of all that certain plot, piece or parcel of land, with the building and improvements thereon erected, situate, lying and being in the Borough of Manhattan, County of New York and City and State of New York, being more particularly bounded and described on Schedule A which is annexed to and made a part of this Declaration (hereinafter referred to as the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: Definitions.

(a) The Owner of each Unit is hereinafter referred to as the "Unit Owner." Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety, and a Unit Owner's single vote referred to in paragraph **EIGHTH** of this Declaration.

(b) The "Unit" shall consist of the area measured as follows:

(i) With respect to Unit C-1, on the 1st floor from the outside face of the exterior wall at the property line, to the outside face of the demising wall and below grade from the outside face of wall to the outside face of the existing vault, including stair C;

(ii) With respect to Unit C-2, from the outside face of the exterior wall at the property line, to the outside face of the demising wall. Unit C-2 Storage Area is on the 2nd floor and is included in the total Unit C-2 floor area.

(iii) With respect to the Residential Units, from the outside face of the exterior wall to the outside face of the demising wall consisting of the entire floor area of Floors 3 to 13 excluding (a) the double height spaces, the Residential Common Elements and the elevator on the 3rd floor, and (b) the Limited Common Elements consisting of all terraces and balconies other than the 3rd floor terrace which is a Residential Common Element.

The General Common Elements, egress stair and elevator on the 3rd floor, are all measured from the inside face of wall to the inside face of wall.

The residential Storage Spaces located in the cellar are not included in the Unit Areas as they are Limited Common Elements.

(c) The "General Common Elements" means and refers to those areas intended to be devoted to the common use and enjoyment of all Unit Owners, including the

- i. Land;
- ii. Foundations, columns, girders, beams, supports, exterior walls of the Building and all joists;
- iii. The lobby, the mews, hallways (in the cellar), the elevator that provides access to the cellar, lobby and 2nd floor;
- iv. The central and appurtenant installations and equipment for services such as heat, power, light, telephone, hot and cold water, sewer and fire safety, including all pipes, ducts, wires, cables and conduits used in connection therewith, the mechanical rooms, the water reserve, the pump room, the sump pump, the gas room, the water room, the telecom room, the electrical closet, the elevator mechanical room, elevator pit and termination room all located in the cellar, Stairs A and B from the cellar to the roof.
- v. The mechanical bulkhead, elevator bulkhead and stair bulkhead located on the "high roof";
- vi. The mechanical room, electrical closet and electrical room located on the "main roof"; and
- vii. Any remaining portions of th roof.

(d) "Common Charges" means any charge assessed by the Board of Managers against a Unit Owner.

(e) The "Limited Common Elements" means those Common Elements that a Unit Owner will have exclusive right to use. Only the Residential Units in this Building have Limited Common Elements. The Limited Common Elements in the Building include the terraces and balconies accessed only through particular Units (excluding the terrace on the 3rd floor) and the Storages Spaces located in the cellar.

(f) The "Building" as hereinafter referred to shall be defined as the thirteen (13) story and cellar building known by the street address 347 Bowery, New York, New York which contains the Units and the Common Elements.

(g) "Party Wall" as hereinafter referred to shall be defined as a wall that is common to and separates two Units.

(h) "Condominium" as hereinafter referred to shall mean the 347 Bowery Condominium that is composed of the Units and the Common Elements, as shown in Schedule B.

(i) The term "Unit" and "Unit Owner" as used herein shall be construed to mean Unit and Unit owner as defined in Section 339-e of Article 9-B of the Real Property Law of the State of New York.

(j) "Registered Guarantor" a guarantor on a Registered Mortgage who has registered with the Board of Managers by supplying the Board with the name and address of the guarantor.

(k) "Registered Mortgagee" a mortgagee that holds a mortgage on a Unit that has provided notice to the Board indicating they hold a mortgage on a Unit which notice has a copy of the mortgage along with contact information for the mortgagee.

(l) "Registered Mortgage" the mortgage held by a Registered Mortgagee.

(m) "Residential Unit" shall mean shall mean a Condominium Unit being used as residential space which will used for residential purposes as permitted by law except as otherwise set forth herein.

(n) "Commercial Unit" shall mean a condominium Unit being used as commercial space which will used for commercial purposes as permitted by law except as otherwise set forth herein.

(o) "Residential Common Element" means and refers to those areas intended to be devoted to the common use and enjoyment of all Residential Unit Owners which in this Building is the 3rd floor terrace.

THIRD: Description of Property and Improvements. The Owner has developed a building on the parcel of land described above, to be converted to a Condominium known as the 347 Bowery Condominium according to the floor plans filed simultaneously with the recording of this Declaration in the Manhattan City Register's Office, which plans set forth a description of the Building, stating the number of stories, the number of Units and the principal materials of which they have been renovated.

The Condominium will consist of five (5) Residential Units and two (2) Commercial Units. There will also be storage spaces located in the cellar each of which will be allocated to one of the Residential Units as set forth on the floor plans filed together with this Declaration. Each Residential Unit as well as Units C-1 and C-2 have access to the other Units by means of the elevator which runs from the cellar to the 2nd floor which form a part of the Common Elements of the Condominium. There is a second elevator which provides access from the lobby to the 13th floor, a portion of which is part of the Residential Units (excluding the 3rd floor) and the balance of which (at the lobby and 2nd floors) is a Common Element. For the purposes of describing the location of the Building, approximate area, type and number of rooms of each Unit and the Common Elements to which each Unit has immediate access, the Units are described on the filed floor plans and on Schedule B as Units numbered C-1, C-2, R-3, R-5, R-7, PH 1 and PH 2. Each Unit will be sold to one or more Owners, each Owner obtaining fee

fee ownership in, and exclusive right of occupancy and possession of the Unit, together with an undivided interest in the Common Elements of the Condominium, as hereinafter set forth in this Declaration, and referred to as the "Common Elements," all in accordance with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Sponsor (which for the purposes herein is the Declarant) and the Unit Owner at the time of renovation/construction of the Unit.

The Condominium has a total land area of 4,585 square feet and the gross square footage of the Building is 22,751 square feet.

FOURTH: Common Elements. The Common Elements of the Condominium will consist of all of the Condominium, except the Units, including without limitation, exterior walls, common walls, exterior doors, windows, flooring and ceiling excluding interior finish and the bulkhead roof of the building and improvements (other than the Units) comprising the Condominium, including the land, the land under the Building, all utility and other pipes and material located outside of the Units.

The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law. Each Unit Owner shall have the right to use the Common Elements, other than such portion, if any, which are by the terms of this Declaration or the annexed By-Laws irrevocably restricted in use to other Unit Owners, in accordance with the purpose for which such elements are intended, without hindering the exercise of or encroaching upon the rights or other Unit Owners.

The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with that Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

FIFTH. Use of Building and Units.

5.1 As more particularly set forth in the By-Laws, Residential Units may be used for residential purposes only and "home occupation" uses as defined in Section 12-10 of the Zoning Resolution of the City of New York, Commercial Units may be used for commercial purposes only as defined in Section 12-10 of the Zoning Resolution of the City of New York. Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

5.2 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 Board, (1) grant permission for the use of any Unsold Unit owned by it as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the existing certificate of

occupancy for such Unit or any other governmental regulations and (2) use any Unsold Unit owned by it as models and sales and/or promotion offices in connection with the sale or rental of the Units, subject only to compliance with Law.

SIXTH. Changes in Residential Units

Except to the extent prohibited by applicable Laws, Declarant, Sponsor, their respective designees and any other owner of an Unsold Unit shall have the right pursuant to the terms of the Condominium By-Laws, as the same may be amended from time to time, without the approval of the Condominium Board, or any other Unit Owner or any Person to: (a) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon any Unsold Unit; (b) change the layout of, or number of rooms in, any Unsold Unit; (c) change the size and/or number of Unsold Units by subdividing one (1) or more such Units into two (2) or more separate Units, combining separate Unsold Units into one (1) or more Units, altering any boundary walls between Unsold Units, and/or incorporating within any Unsold Unit the use of any portion of the Common Elements adjacent thereto (but only to the extent that such Common Elements are not required to be maintained as Common Elements based upon such alteration); (d) if appropriate, reapportion among the Unsold Units affected by such change, their Common Interests, provided, however, that after the recording of the Declaration, no change in any Units Common Interest will be made without obtaining the prior consent of sixty-seven percent (67%) of the Unit Owners in number and in Common Interest and fifty one percent (51%) of the Registered Mortgagees affected by such change and (e) change the permitted use of some or all of the Unsold Units. None of the foregoing changes will be made unless such changes are in compliance with Section 339 of the New York Condominium Act. The Declarant, Sponsor, or other such owner of an Unsold Unit, as the case may be, shall have the right, without the consent of the Board, Unit Owner or person to amend the Declaration, the Condominium By-Laws and the Floor Plans and any other documentation to reflect the foregoing changes.

SEVENTH: Irrevocably Restricted Areas. No portions of the Common Elements are irrevocably restricted in use to specified Unit Owners.

EIGHTH: Easements.

(a) All pipes, wires, conduits and public utility lines located within each Unit shall be owned by such Unit Owner. Any portion of such pipes, wires, conduits and public utility lines located in the Common Elements will be owned in common by the Unit Owners. Every Unit Owner shall have an easement in common with the Owners of other Units to maintain and use all pipes, wires, conduits and public utility lines located in other Units and servicing such Owner's Unit. Each Unit shall be subject to an easement in favor of the Unit Owners of other Units to maintain and use the pipes, wires, conduits and public utility lines

servicing such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit for maintenance, repair or improvement to any pipes, wires, conduits and public utility lines located in any home and servicing any other Unit. The cost of such repair shall be a Common Expense. Except as otherwise provided in the Declaration and these By-Laws, the terms "Common Expense" and "Common Expenses" shall mean any and all (i) costs and expenses paid or incurred by the Condominium in connection with repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements (including without limitation, accounting, legal, architectural, engineering or other professional or service fees); (ii) other items which are provided in the Declaration or these By-Laws to be Common Expenses; and (iii) such reserves as the Board of Managers may determine to be reasonably necessary for general operating costs and expenses, working capital and/or replacement of the Common Elements. The Board of Managers shall have a right of access to all Common Elements for maintenance, repair or improvement whether such Common Elements are restricted or not.

(b) The Sponsor, on behalf of itself and its successors and assigns who may take title to portions of the Condominium for purposes of development and sale, reserves the easements, licenses, rights and privileges of right-of-way in, through, over, under and across the Common Elements of the Condominium. For the purpose of completing the construction and sale of Units and facilities in the Condominium and, towards this end, Sponsor reserves the right to grant and reserve easements and rights of-ways, in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Sponsor, on behalf of itself and said successors and assigns, also reserves the right to connect with and make use of the utility lines, wires, pipe, conduits, cable televisions, sewers and drainage lines which may from time-to-time be in or along the streets and roads or other areas of the Common Elements. The Sponsor, on behalf of itself and said successors and assigns, also reserves the right to continue to use the Common Elements and any facilities, rental offices, model units and signs located on the Common Elements to market and sell Units constructed in the Condominium and on the balance of the overall development. This paragraph shall not be amended without the written consent of the Sponsor.

(c) The roof terrace located on the 3rd floor of the Building may only be used by the Residential Unit Owners. The Commercial Unit Owners may not access said roof terrace.

(d) (i) The Unit Owner of Unit R-3 hereby grants and conveys to "Other Residential Unit Owners," their heirs, legal representatives, successors and assigns and to any future owner of the Other Residential Units, an easement over the Easement Area located on Unit R-3, as may be necessary for the purpose of egress from the elevator door to Unit R-3 to the 3rd Floor Roof Terrace. as noted on a drawing annexed to the Declaration of Condominium set

forth in Part II of the Plan, by passing through that portion of the corridor of Unit R-3 from the elevator door to the 3rd floor roof terrace a distance of approximately 35 feet 4 inches "Other Residential Unit Owners" is hereby defined for the purposes herein as all of the Residential Unit Owners other than the Unit Owner of Unit R-3. "Other Residential Units" shall be defined for the purposes herein as the Residential Units other than Unit R-3.

(ii) The Easement Area shall at all times be maintained and kept clear and unobstructed by the Unit Owner of Unit R-3;

(iii) This easement agreement may not be modified, amended or terminated without the prior written consent of all of the Residential Unit Owners.

(iv) The covenants set forth herein shall run with the land and be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

(v) A failure by either Unit Owner of Unit R-3 to comply with the terms of this easement agreement will entitle the Other Residential Unit Owners and/or the Condominium Board to bring an action for specific performance in an appropriate court of law.

(e) Sponsor, its heirs and assigns hereby reserve the right to retain the Property's 4,759 square feet of unused development rights in a separate development rights parcel or as otherwise permitted by law. The Condominium, as a party-in-interest, appoints Sponsor, its successors and/or assigns as their agent in perpetuity in all respects with respect to the zoning lot of which the Property forms a part and by reason of the foregoing hereby waive its right to join in any document affecting this zoning lot and grants Sponsor the authority to amend said zoning lot for the purposes set forth above.

(f) Sponsor, Sponsor's designees and Commercial Unit Owners and their successors and assigns, 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, including, but not limited to, signs on the façade of the Building, for the purposes of general advertising; provided, however, that any such signs are in keeping with the nature of the Building, (ii) the sale or lease of any of the unsold Residential Units and all or any portion of the Commercial Units, (iii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit. Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the General Common Elements for any lawful purpose, including, but not limited to, the purposes of maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the

Commercial Units or with the use of the Residential Units for their permitted purposes. The Condominium shall/shall not be entitled to any portion of fees, compensation or other profits received by Sponsor, its assignee or licensee for the use of the aforementioned easements.

NINTH: Service of Process and Building Code Violations. Service of process on the Unit Owners in any action with relation to the Common Elements or more than one Unit shall be made upon the Board of Managers of the 347 Bowery Condominium, at the office of the Secretary of State of the State of New York in the manner provided by applicable law. The Board of Managers shall have the principal responsibility for curing any violations of such building or zoning laws and service upon the Board of Managers shall be deemed service upon the Owner or Owners of the Condominium Unit or Units in which any such violations exist. The provisions of this Article shall not be amended without the consent of the Department of Buildings or any City agency successor thereto.

TENTH: Common Interest. Each Unit Owner shall have such percentage interest in the Common Elements as is set forth on Schedule B attached hereto and shall bear such percentage of the Common Expenses of the Condominium. Each Unit Owner shall be entitled to cast one vote for each .0001% (rounded off to the nearest .01%) of Common Interest attributable to such Unit Owner's Unit for all voting purposes at any meeting of the Unit Owners unless otherwise mandated by law or expressly provided for herein. The percentage of interest of each Unit in the Common Elements has been determined by the Declarant based upon floor area subject to the location of such space and additional factors of relative value of such space to other space in the Condominium, uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The percentage interest of all of the Units in the Condominium total one hundred percent (100%).

ELEVENTH: Administration. The administration of the Condominium shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws, which are made a part of this Declaration and are attached hereto as Schedule C.

TWELVTH: Amendment and Withdrawal. The Property shall not be withdrawn from Condominium ownership unless sixty-seven percent (67%) of the Unit Owners in number and fifty-one percent (51%) of the Registered Mortgagees first agree to such removal by duly recorded instruments. Such withdrawal of the property from Condominium ownership shall not take effect until it is duly recorded in the Office of the Clerk of the County of New York. The provisions of this Declaration can be materially amended by an instrument executed by the Board of Managers upon a vote of sixty-seven percent (67%) of the Unit Owners in number and, if such a change would have a material adverse impact on Registered Mortgagees, fifty-one percent (51%) of the Registered Mortgagees, provided however, that:

- (i) No amendment shall alter the percentage in the Common Elements

appurtenant to any Unit or alter any rights or obligations respecting the Common Elements without the consent of the affected Unit Owners and the Registered Mortgagees holding a mortgage on the Unit.

(ii) No amendment shall add any parcel of land to or divest any parcel of land from the Condominium properties unless sixty-seven percent (67%) of the Unit Owners in number and in Common Interest and fifty-one percent (51%) of the Registered Mortgagees agree to such change.

Any amendment to this Declaration shall not take effect until it is recorded in the Office of the Clerk of the County of New York.

Notwithstanding anything to the contrary stated sixty-seven percent (67%) of the Unit Owners in number and in Common Interest and fifty one percent (51%) of the Registered Mortgagees must consent to any change in the Plan, By-Laws or Declaration (the "Documents") that would have a material impact on:

- (a) Voting
- (b) Assessments
- (c) Priority of liens
- (d) Reserves for maintenance or replacement
- (e) Insurance or fidelity bond requirements
- (f) Rights to use of common elements
- (g) Responsibility for maintenance and repair for the Condominium
- (h) Expansion or contraction of the Condominium
- (i) Boundaries of any Unit
- (j) Common Interests
- (k) Conversion of Units into Common Elements or vice versa
- (l) Leasing of Units
- (m) Change in right of first refusal requirements
- (n) Establishment of self-management
- (o) Any provision of the Documents which are for the express benefit of Registered Mortgagees

Registered Mortgagees holding mortgages on Units that constitute a majority of the common interests (except where noted otherwise) of the Units that are subject to Registered Mortgages must consent to: (ii) any restoration or repair of the Building after a partial condemnation or damage due to an insurable hazard which is not done in accordance with the Documents (iii) any election to terminate the condominium after substantial destruction or substantial taking in a condemnation said consent to be given by fifty-one percent (51%) of the Registered Mortgagees; and (iv) any reallocation of common interests resulting from a partial

condemnation or destruction.

A written notice will be sent certified or registered mail with a "return receipt" requested to Registered Mortgagees and Registered Guarantors notifying them of any material change to the Documents listed in this Article.

Approval or consent to any change to the Documents by a Registered Mortgagee will be implied if the Registered Mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

Anything herein to the contrary notwithstanding, for a maximum of two (2) years from the date of the recording of the Declaration in the New York County Clerk's Office, as long as the Sponsor continues to hold fifty-one percent (51%) or more in number of the Units, the Sponsor's prior written consent shall be required in order to amend either this Declaration or the By-Laws. Furthermore, so long as Sponsor or its designee shall own one or more Units or for a period of five (5) years after closing of title to the first Unit, whichever is sooner, the Board of Managers may not, without the prior written consent of the Sponsor, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (however, Sponsor will not unreasonably withhold consent to additions to the contingency fund provided for in Schedule B to the extent assessments are necessary to make expenditures required by law), or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient), or (iv) provide for new or additional services other than those provided for in Schedule B hereof. Sponsor shall have the right to withhold its consent to any of the foregoing actions. Notwithstanding the above, Sponsor's consent shall not be withheld for expenses required to comply with applicable law, to remedy any notice of violation, or to comply with any work order of an insurer. While Sponsor has voting control of the Board of Managers, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan.

THIRTEENTH: Subject to Declaration, By-Laws etc. All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Units shall signify that the provisions of the Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in

each and every deed, conveyance or lease thereof.

FOURTEENTH: Common Charges. All sums assessed as Common Charges by the Board of Managers of the Condominium but unpaid, together with interest at the maximum legal rate thereon, chargeable to any Unit Owner shall constitute a lien on his Unit prior to all other liens except: (a) tax or assessment liens on the Unit by any governmental taxing authority, including but not limited to, State, County, and City taxing agencies, if any, and; (b) all sums unpaid on any mortgage of record encumbering any Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York by the Condominium in like manner as a mortgage on real property, and incurred including reasonable attorney's fees (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense. However, the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale, his successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges shall be charges to all other Unit Owners as a Common Expense. The term "institutional mortgage" used herein shall mean a mortgage granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, agency of the United States Government or of the City or State of New York, or other similar institutional lender or a purchase money mortgage granted by the Seller.

Every Unit Owner shall pay the Common Charges assessed against his Unit when due and no Unit Owner may exempt himself from liability for the payment of his Common Charges by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit. However, no Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with Section 339-x of the Real Property law or in accordance with the provisions of this Declaration and the By-Laws.

FIFTEENTH: Units Acquired by the Board. In the event any Unit Owner shall convey his Unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article IX of the By-Laws, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners.

In order to carry out the provisions of this paragraph, each Unit Owner shall, upon taking title to his Unit, grant an irrevocable power of attorney coupled with an interest, to the Board of Managers and their successors to acquire title or lease any such Unit under whatever terms the Board may, in its sole discretion, deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board, in its sole discretion, shall

deem proper.

SIXTEENTH: Encroachments. The Unit Owners agree that if any portion of a Unit or the Common Elements (whether restricted in use to an individual Unit Owner or not) encroaches upon another or shall hereafter encroach upon another as a result of original construction or settling of the Building, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as aforescribed due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist as long as the Building or reconstructed building shall stand.

SEVENTEENTH: Unit Ownership. Upon the closing of title to a Unit, a purchaser shall automatically become a Unit Owner in the Condominium and shall remain a Unit Owner until such time as he ceases to own the Unit for any reason.

EIGHTEENTH: Conveyance of a Unit. Upon any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceedings in accordance with this Declaration or the By-Laws, the grantee of the Unit shall be jointly and severally liable with the grantor for any unpaid Common Charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Any such grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid Common Charge against the grantor and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien, for any unpaid Common Charge against the grantor in excess of the amount set forth in such statement. The term grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

NINETEENTH: Covenants and Restrictions. The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations, and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

(a) The Unit and area restricted to the Unit Owner's use shall be maintained in good repair and overall appearance.

(b) No alterations to the exterior of the Unit or any part of the Common Elements may be made without the written consent of the Board of Managers. No alterations to the inside of a Unit that would impair the structural soundness of the building may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the President of the Board of Managers, who shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that

there is no objection to the proposed modification or alteration.

(c) Any Unit Owner who mortgages or sells his Unit shall notify the Board of Managers and provide the name and address of his mortgagee or purchaser.

(d) The Board of Managers shall, at the request of the mortgagee of the Unit, report any unpaid Common Charges due from the Unit Owner of such Unit.

(e) No nuisances shall be allowed upon the Property and no use or practice shall be allowed which interferes with the peaceful possession and proper use of the Property by its residents.

(f) No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(g) Regulations promulgated by the Board of Managers concerning the use of the Property shall be observed by the Unit Owners; provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time the said regulations become effective.

(h) The Common Charges shall be paid when due.

(i) The use for which the Building is intended is each Residential Unit shall be used for residential purposes only, and each Commercial Unit shall be used for commercial purposes only, as provided by law.

TWENTIETH: Utilities.

All electricity consumed in the Common Elements and all water consumed in the Residential Units and on the Common Elements and all sewage charges shall be a common expense. Electricity consumed in each Unit shall be individually metered and paid for by the respective Unit Owner. The Commercial Units will subsequently be separately metered for gas but only when the spaces are built out due to code requirements. The Commercial Units will ultimately be separately metered for water usage. All gas consumed in the Residential Units and in the Common Elements shall be a common expense.

TWENTY-FIRST: Invalidity. Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no way affect any remaining part or parts hereof, and the same shall continue in full force and effect.

347 Bowery Owner, LLC

By: _____

ATTEST:

STATE OF NEW YORK)
)ss.:
COUNTY OF)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

SCHEDULE A TO THE DECLARATION OF THE CONDOMINIUM

PREMISES KNOWN AS 347 BOWERY CONDOMINIUM

347 Bowery
New York, New York

Tax Block Number 459

Tax Lot Numbers _____

County: New York

City: New York

(METES AND BOUNDS DESCRIPTION OF CONDOMINIUM)

SCHEDULE B TO THE DECLARATION OF CONDOMINIUM

UNIT SCHEDULE

SCHEDULE C TO THE DECLARATION OF CONDOMINIUM

THE BY-LAWS

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**BY-LAWS
THE 347 BOWERY CONDOMINIUM**

**ARTICLE I
PLAN OF CONDOMINIUM OWNERSHIP**

Section 1. Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the 347 Bowery Condominium (the "Condominium"). The Condominium covers the fee interests in the property (the "Property") consisting of approximately 4,585 square feet of land (the "Land") formerly designated as Block 459, Lot 1 on the Tax Map of the Borough of Manhattan, County of New York, 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 9B of the Real Property Law of the State of New York by the recording of the 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.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and the building and improvements thereon including the Condominium Units (hereinafter referred to as "Units"), and the Common Elements and the use and occupancy thereof.

Section 3. Personal Application. All present and future Unit Owners, mortgagees, lessees, or their employees, guests, invitees or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, by the Board of Managers or in a proper case, an aggrieved Unit Owner. In the case of flagrant or repeated violation the Board of Managers may ask the offending Unit Owner for sufficient surety for future compliance.

Section 4. Definitions. Any capitalized words herein that are undefined in these By-Laws shall have the same definitions as listed in the Declaration.

Section 5. 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 Board of Managers.

ARTICLE II
CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The Condominium shall be limited to Unit Owners. "Unit Owner" as referred to herein shall mean the owners of a Unit.

Section 2. Voting.

2.1. 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 Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the Board of Managers 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 (6) months except a designation of a Registered Mortgagee to act as the proxy of its mortgagor.

2.2 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 .01 %) of Common Interest attributable to such Unit Owner's Unit.

2.3 Whenever a particular percentage of Common Interest must be reached for voting purposes and such required percentage is in terms of the Unit Owners as a group, (as proposed 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.

Section 3. Quorum. Unit Owners representing fifty-one (51%) percent of the total authorized votes of all Unit Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time-to-time, without notice, other than announcement at the meeting until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. No Unit Owner may vote at any meeting of Unit Owners if the Board of Managers has perfected a lien against such Unit Owner's Unit and the amount necessary to discharge such lien has not paid prior to such meeting.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings. The first annual meeting of the Unit Owners shall be called for a date which is no more than one year after the first Unit Closing. Such meeting shall be held not less than ten (10) days or more than thirty (30) days after such date. At such meeting, subject to the right of Sponsor to control the Board as set forth herein, the incumbent Board of Managers shall resign and the Unit Owners shall elect a Board of Managers consisting of five (5) members. Thereafter, annual meetings shall be held within approximately thirty (30) days of each anniversary of the first annual meeting. At such meetings, the incumbent Board of Managers members whose terms are expiring shall resign and the members of the Board of Managers shall be elected and there shall also be transacted such other business as Board of Managers may properly come before such meetings.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by Unit Owners representing a majority in interest of the Common Elements having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of

each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least ten (10), but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Report of officers;
- (e) Report of committees (if applicable)
- (f) Election of inspectors of election (if applicable)
- (g) Election of Managers (in the event there is an election);
- (h) Unfinished business; and
- (i) New business.

ARTICLE III

BOARD OF MANAGERS

Section 1. Control by Declarant. Within the later of (a) one hundred twenty (120) days after the date by which seventy-five percent (75%) of the Units have been conveyed to Unit Owners or (b) three (3) years from the date of conveyance of title to the first Unit, the Declarant, as Owner of Unsold Units, will relinquish voting control of the Board of Managers.

1.1 Number of Board Members. The affairs of the Condominium shall be governed by a Board of Managers of the Condominium. From and after the first annual meeting of the Unit Owners, the Board of Managers shall, subject to Sponsor's right to continue to control the Board subject to the control provisions set forth herein, consist of either three (3) persons or five (5) persons elected or designated by the Unit Owners allocated such that if the Board of Managers consists of three (3) persons, one person shall be elected by the Commercial Unit Owners and if the Board of Managers shall consist of five (5) persons, then two (2) persons shall be elected by the Commercial Unit Owners. Annual meetings shall take place at approximately each one-year anniversary of the first annual Unit Owner's meeting. The initial term of office of at least one of the Managers shall be fixed for three (3) years, the initial term of office of at least one of the Managers shall be fixed at two (2) years, and the initial term of office of the remaining Managers shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Manager, his/her successor shall be elected to serve a term of three (3) years. Each Manager shall hold office until his/her successor has been elected and the first meeting of the new Board of Managers has taken place. In any event, the term of at least one Manager of the Board of Managers shall expire annually.

Notwithstanding the foregoing, to insure that Sponsor has at least some minimum representation on the Board of Managers during its development, marketing and sale program, the Sponsor shall have at all times the right, to designate at least two (2) members of the Board of Managers as long as it owns more than two (2) Units and at least one (1) member of the Board as long as it owns one (1) Unit. Members of the Board of Managers designated by the Sponsor need not be Unit Owners.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. If the vacancy occurs with respect to any member of the first Board of Managers (see Section 4 of this Article III) who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such Manager's successor to fill the unexpired portion of his term.

Section 3. Removal. Managers, other than Managers elected by the Sponsor or Sponsor's designee, may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Manager, other than a member of the first Board of Managers or a Manager elected or designated by the Sponsor or Sponsor's designee, shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner.

Section 4. First Board of Managers. The first Board of Managers shall consist of individuals designated by Sponsor, who may be officers or employees of Sponsor, and shall hold office and exercise all powers of the Board of Managers. The Sponsor shall retain the right to substitute other persons in the place of any such designated individuals until control of the Board of Managers is turned over to the Unit Owners. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article III.

Section 5. Powers. The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

- (a) To determine and levy monthly assessments ("Common Charges") to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increase can only be assessed among the Unit Owners, pro rata, according to their respective Common Interests, including the right to accumulate a reserve for capital replacements;

- (b) To collect, use and expend the Common Charges and assessments collected, to maintain, care for and preserve the Units, Buildings, and other Common Elements;
- (c) To make repairs, restore or alter any Units or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;
- (d) To enter into and upon the Units when necessary and with as little inconvenience to the Unit Owner as possible in connection with the maintenance, care and preservation of the Property, including emergency repairs at all times whether or not the Unit Owner is present;
- (e) To open and maintain bank accounts on behalf of the Condominium and to designate the signatories for such bank accounts;
- (f) To insure and keep insured the Common Elements and Units in accordance with Article VII of these By-Laws;
- (g) To collect delinquent Common Charges and/or assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the Property for violations of the House Rules and Regulations set forth below;
- (h) To purchase any Unit at a foreclosure sale on behalf of all Unit Owners;
- (i) To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit Owners when the Board has approved them in writing. A copy of such rules and regulations and all amendments shall be delivered to each Unit Owner;
- (j) To employ and terminate the employment of employees and independent contractors, employ a managing agent, to purchase supplies and equipment, to enter into contracts, and generally to have the powers of manager in connection with the matters hereinabove set forth;
- (k) To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium. The Board may, in its discretion, fund the cost of any such litigation out of the Common Charge and/or assessments. The Board shall also have the right to engage in any litigation it deems necessary to carry out the provisions of the Declaration of Condominium and these By-Laws and may fund the cost of any such litigation out of the Common Charge and/or assessments. Without limiting the foregoing, the Board may engage in litigation pertaining to the enforcement of the Sponsor's obligations, as such obligations are set forth in the Declaration of Condominium and these By-Laws, and to the maintenance and operation of the Common Elements;

- (l) To acquire Units in foreclosure or as a result of abandonment and to take any and all steps necessary to repair or renovate any Unit so acquired and to vote as Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;
- (m) To grant utility or other easements as may, at any time, be required for the benefit of the Condominium and Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee;
- (n) To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of at least one-hundred (100%) percent in number of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of Five Thousand (\$5,000.00) Dollars and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owner of said Unit;
- (o) To act as an agent of each Unit Owner who has given his written authorization to complain or apply to the New York City Real Estate Tax Assessment Agency Board of Review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and charge all such Unit Owners a pro rata share of expenses, disbursements and legal fees for which charges the Board of Managers shall have a lien pursuant to Article VI of these By-Laws;
- (p) To sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by Sponsor or its designee to any Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the signing of the application or such other document. A copy of any such application or other document will be furnished to the Board of Managers.
- (q) To furnish annually, at the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement.
- (r) To obtain financing in connection with its purchase of any Unit and also to re-finance any Unit it owns.

Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or its designee shall continue to own at least one Unsold Unit but in no event

later than five (5) years from the First Unit Closing of a sale made under the Plan, neither the Board nor the Board of Managers may, with Declarant's prior written approval: (i) make any alteration or improvement to the Common Elements or to any Unit; (ii) increase or decrease the number, or change the kind of employees initially hired for the Condominium; (iii) enter into any service or maintenance contract for work not covered in the initial projected budget for the Condominium or otherwise provide services in excess of those contemplated by such projected budget, except to reflect normal annual increase in operating services; (iv) borrow money on behalf of the Condominium; (v) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund.

Section 6. Repairs and Maintenance. All maintenance, repairs and replacement of the Common Elements of the Property, including, but not limited to, exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve one or more Units shall be made by the Board of Managers and the cost thereof shall be a Common Expense. Except as is otherwise specifically provided, all maintenance to the Units, including electrical repairs, plumbing stoppages, window cleaning, painting and decorating in the Units, except for painting of the exterior surfaces of doors and windows which open from a Unit, which painting is performed by the Board of Managers, repairs and replacement to the Units including windows and doors (including all glass breakage), and repairs to pipes, wires and conduits located in and servicing the same Unit other than as set forth above, shall be made by the respective Unit Owners at their own expense. All irrevocably restricted Unit elements shall be maintained and repaired by the Unit Owner to whom such Common Element is restricted in use. However, the Board of Managers shall repair and replace any pipes, wires, conduits and public utility lines located underground or overhead of any irrevocably restricted Common Element and shall make all necessary structural repairs to any irrevocably restricted Common Element and the cost thereof shall be a Common Expense, except where such repair or replacement is necessitated by the negligence, misuse or neglect of a Unit Owner to whom the Common Element (i.e. a Limited Common Element) is restricted in use, in which event such cost and expense shall be assessed to and paid for by such Unit Owner. The Board of Managers shall repair all plumbing stoppages and electrical problems occurring in the Common Elements. The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of Condominium. All repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows or the exterior surface of any Building, including roofs or to any generally visible portion of the Common Elements, shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor. In the event that a Unit Owner fails to make any maintenance or repair which maintenance or repair is necessary to protect any of the Common Elements, any other Unit or, in the event of service of a Building Department violation notice covering the Unit upon the Board of Managers, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so after ten (10) days' written notice or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the Unit Owner for the cost of all

such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to his Unit or for repairs to any Common Elements restricted to use to such Unit Owner, and the Unit Owner fails to make prompt payment, such charges shall be considered as additional Common Charges due from said Unit Owner, and the Board of Managers shall be entitled to bring suit thereon. In the event the Board brings such a suit, the Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with the interest on all sums due.

Section 7. Compensation. Except as otherwise provided by the Board of Managers, Managers and officers, as such, shall receive no compensation for their services.

Section 8. Meetings.

(a) The first meeting of each Board of Managers newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners' meetings, and immediately after the adjournment of same, at which time the date, places and times of regularly scheduled meetings of the Board of Managers shall be set.

(b) Regularly scheduled meetings of the Board of Managers may be held without special notice.

(c) Special meetings of the Board of Managers may be called by the President on two (2) days notice to each Manager either personally or by telephone, mail or telegram. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of at least one (1) Manager.

(d) At all meetings of the Board of Managers, a majority of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by Law or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of Managers, the Managers present thereat may adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board of Managers shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board of Managers, no notice shall be required and any business may be transacted at such meeting.

(f) Managers or members of any committee of the Board of Managers may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 9. Annual Statement. The Board of Managers shall furnish annually, at the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement certified by an independent public accountant, a statement regarding any taxable income attributable to the Unit Owners and a notice of the holding of the annual Unit Owners meeting. A Unit Owner, his/her representatives and mortgagee may examine the Condominium books and records upon reasonable notice and during normal business hours.

Section 10. Fidelity Bonds. The Board of Managers shall obtain and maintain to the extent obtainable (a) Fidelity Insurance covering all employees of the Condominium who handle Condominium funds in an amount not less than \$5,000.00 for each loss. The premiums on such bonds shall be a Common Expense.

Section 11. Management Agent. At its discretion, the Board of Managers may employ for the Condominium a management agent under a term contract or otherwise at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including, but not limited to, all of the delegable duties of the Board of Managers listed in this Article.

Section 12. Liability of the Board of Managers and Unit Owners. Any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers, as agent, for the Unit Owners as a group only and that no member of the Board of Managers or individual Unit Owners shall be liable for such contract, agreement or commitment. The Unit Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Unit Owner shall be limited to such proportion of the total liability thereunder as his Common Interest bears to the Common Interest of all Unit Owners. The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for gross negligence or willful misconduct or acts made in bad faith and the Unit Owners shall jointly and severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties as such member except acts of gross negligence or willful misconduct or acts made in bad faith. Such joint and several liability of the Unit Owners shall, however, be limited as to each Unit Owner to such proportion of the total liability thereunder as such Unit Owners' Common Interest bears to the Common Interest of all Unit Owners.

ARTICLE IV

OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a President, a Vice President, a Secretary and a Treasurer. All officers must be designees of the Unit Owners or members of the Board of Managers. The Board of Managers may also choose such other officers as in their judgment may be necessary. Two (2) or more offices may be held by the same person so long as there are at least five (5) officers.

Section 2. Election. All elections of Board of Managers members shall be determined by plurality vote.

2.1. When voting for members of the Board of Managers, 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 Article II Section 2.2 for each member to be elected by the Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

2.2 Notwithstanding any other provisions of this Section 2 or any other provisions of these By-Laws to the contrary, commencing with the first annual meeting of the Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Units owned by it until Declarant has closed title to all of the Unsold Units owned by it so that none of them remain Unsold Units. Declarant shall hold a majority of seats on the Board of Managers until the latest to occur of the later of (a) one hundred twenty (120) days after the date by which seventy-five percent (75%) of the Units have been conveyed to Unit Owners or (b) three (3) years from the date of conveyance of title to the first Unit ("Control Period"). Notwithstanding the foregoing, Declarant may, at its discretion, relinquish voting control of the Board of Managers prior to the end of the Control Period. So long as Declarant owns two (2) Unsold Units Declarant shall have the right to designate two (2) members of the Board of Managers, and for so long as Declarant owns at least one (1) Unsold Unit, Declarant shall have the right to designate one (1) member of the Board of Managers. For so long as Declarant owns at least one (1) of the Unsold Units, the number of members of the Board of Managers may not be increased without the consent of Declarant.

Section 3. Appointive Officers. The Board of Managers may appoint such other officers and agents as it shall deem necessary that shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Managers.

Section 4. Term. The first officers shall hold terms of, respectively, one (1), two (2) and three (3) years. Thereafter terms of office shall be fixed such that each officer has a term of the same number of years starting at the time of appointment.

Section 5. 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. 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 of Managers electing him or her, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Board of Managers meeting or at any special Board meeting called for such purpose.

Section 6. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and Managers, shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board of Managers are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. The Secretary. The Secretary shall attend all sessions of the Board of Managers and all Unit Owners' meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notices of all Unit Owners' meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President under whose supervision he shall be.

Section 9. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all moneys and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers. He shall disburse the funds of the Condominium as he may be ordered by the Board of Managers, making proper vouchers for such disbursements and shall render to the President and Managers, at the regular meeting of the Board of Managers or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

He/she shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 10. Execution of Documents. Unless otherwise delegated by the Board of Managers all agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any officer thereof, or by such other person or persons as may be designated by the Board. However, the Board of Managers can, by resolution, determine that any expenditure in excess of a specified amount by the Board of Managers must be countersigned by two (2) members of the Board of Managers.

ARTICLE V

NOTICES

Section 1. Notices. All notices required or desired to be given under the provisions of the Declaration or these By-Laws to the Board of Managers shall be personally delivered or sent by registered or certified mail to the office of the Board of Managers or to such other address as the Board of Managers may designate from time to time, by notice in writing to all Unit Owners and to all Registered Mortgagees, as the case may be, and if there is a managing agent of the Board of Managers, a duplicate shall be sent in like manner to such managing agent. All notices to any Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail to the property address of such Unit or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Board of Managers. All notices by Registered Mortgagees shall be personally delivered or sent by mail to their respective addresses, as designated by them from time to time, in writing to the Board of Managers. All notices shall be deemed to have been given 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.

Section 2. Waiver of Service of Notice. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 3. Notices to Registered Mortgagee or Registered Guarantor

The Board of Managers shall provide timely written notice to a Registered Mortgagee or Registered Guarantor for the following:

- (A) Notice of unpaid Common Charges and default notice of any default or violation by the Unit Owner in the payment of Common Charges or the observance or performance of any of the provisions of the Declaration or of these By-Laws or any documents relating thereto (sometimes hereinafter referred to as the "Condominium Documents") as to which the Board of Managers has actual knowledge then exists which remains uncured for a period of sixty (60) days; and when giving notice of any default or violation to such mortgagor Unit Owner, the Board of Managers shall also send a copy of such notice to such Owner's Registered Mortgagee and/or Permitted Guarantor.
- (B) Notice of Condemnation or Casualty Loss. Notice of any condemnation or casualty loss which affects a material portion of the Property or a Unit on which there is a Registered Mortgage held, insured or guaranteed by such Registered Mortgagee or Registered Guarantor, as applicable.

- (C) Notice as to Insurance Policy or Fidelity Bond. Notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Board of Managers (at least ten (10) days prior to expiration of then current policies).
- (D) Other Notices: Notice of any proposed action under the Condominium Documents which would: (i) change the boundaries of any Unit; (ii) change the interests in the common elements pertaining to a Unit; (iii) change the number of votes pertaining to a Unit; (iv) change the use restrictions of any Unit; or (v) any notice pertaining to a proposed termination of the condominium.
- (E) Oversight or Negligence. In no event, however, shall the Board of Managers (including its members, officers, agents, attorneys and employees) and Unit Owners be liable for any claims or liabilities and expenses for any failure, through oversight or negligence, in giving a Registered Mortgagee or Registered Guarantor of any notice required under subsections (A) through (D) above. Nonetheless: (a) the Board of Managers shall give such missed notice with reasonable promptness after discovering such failure; and (b) if the Board of Managers shall foreclose its lien on such mortgagor's Unit hereof by reason of the mortgagor-Unit Owner's default or violation, the Board of Managers shall pay to such Registered Mortgagee the extent of any undistributed net proceeds of said foreclosure sale of such Unit then held by the Board of Managers (subject to an in accordance with the lien priority), but not more than the sum as shall be due and owing to such Registered Mortgagee.

ARTICLE VI

FINANCES

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and such other person or persons as the Board of Managers, may, from time to time, designate.

Section 2. Assessments. The Board of Managers shall from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and any supplement to the budget to every Unit Owner and mortgagee. They shall determine the total amount required, including the operational items such as insurance, water, sewer, repairs, reserves, and betterments, as applicable under the Condominium's budget, maintenance of the Common Elements and other operating expenses as well as charges to cover deficits from prior years, if any. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective Common Interests appurtenant to such Units. This prorating of assessments shall remain constant regardless of the percentage of the Building's square footage included in each Unit or the Common Elements restricted to the use of the Owner of said Unit. All of said assessments deemed to be Common Charges shall be payable monthly in advance as ordered by the Board of Managers.

The Unit Owner agrees to pay promptly when due the monthly and all special assessments assessed against his Unit. Any Unit Owner who fails to pay the monthly assessment imposed by the Condominium to meet any Common Expense shall be liable for any expenses incurred by the Condominium in collecting said monthly Common Charge assessment, including interest at the highest legal rate and reasonable attorneys' fees. The Board of Managers shall take action to collect any Common Charges due from any Unit Owner which remain unpaid ninety (90) days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339 of the Real Property Law, or otherwise. Under Section 339-aa of the Condominium Act, a lien for non-payment of Common Charges will be subordinate only to liens for real estate taxes and to sums unpaid on a first mortgage of record on the Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the office of the County Clerk in New York County, and until all sums secured thereby, with the interest accrued thereon at twelve percent (12%) per annum shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever is earlier. The lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners, similar to a foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the unpaid Common Charges, without necessarily filing the lien. Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the Condominium Act, on Units in which the Sponsor is more than thirty (30) days in arrears of Common Charges while it is in control of the Board of Managers.

No Unit Owner shall be liable for any Common Charges that accrue against his Unit subsequent to a sale, transfer or other conveyance by him of his Unit in accordance with these By-Laws and the Declaration. A purchaser of a Unit (other than a mortgagee or a purchaser at a foreclosure sale) shall be liable for the payment of all Common Charges assessed against the Unit and unpaid at the time of the purchase.

If a non-occupying Unit Owner rents any Unit to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Unit within sixty (60) days of the expiration of any grace period after they are due, upon notice in writing, all rental payments from the tenant shall be directly payable to the Condominium.

If the Common Charges, assessments or late fees due for any Unit have not been paid in full, within sixty (60) days after the expiration of any grace period of the earliest due date, the Board of Managers shall provide written notice to the tenant and the non-occupying Unit Owner, the Registered Mortgagee and the Registered Guarantor providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the Condominium at the address listed on the notice. Where a majority of the Board of Managers has been elected by and from among the Unit Owners who are in occupancy, the Board of Managers may elect not to require that rental payments be made payable to the Condominium. At such time as payments for common charges, assessments and late fees from the non-occupying Unit Owner are once again current, notice of such fact shall be given within three (3) business days to the rental tenant and non-occupying Unit Owner.

Thereafter all rental payments shall be made payable to the non-occupying Unit Owner or a designated agent. A non-occupying Unit Owner who disputes the Condominium's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the Board of Managers, which must be held within thirty (30) days of the date that such Board of Managers receives notice that such owner seeks to dispute such claim. Nothing in this section shall limit any rights of Unit Owners or of the Board of Managers existing under any other law or agreement. Payment by a rental tenant to the Condominium made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying Unit Owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying Unit Owner against such tenant for such rent.

Any first mortgagee who obtains title to a Condominium Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Unit's unpaid common charges before acquisition of the title to the Unit by the mortgagee. The lender will be liable for any fees or costs related to the collection of the unpaid Common Charges

Section 3. Foreclosure of Liens for Unpaid Common Charges. The Board of Managers shall have the power to purchase any Unit at a foreclosure sale resulting from any action brought by the Board of Managers to foreclose a lien on the Unit because of unpaid Common Charges. In the event of such purchase, the Board of Managers shall have the power to hold, lease, mortgage, sell, vote or otherwise deal with the Unit. A suit to recover a money judgment for unpaid Common Charges shall also be obtainable separately without waiving the lien on the Unit.

Section 4. Statement of Common Charges. Upon the written request of any Unit Owner or his mortgagee, the Board of Managers shall promptly furnish such Unit Owner or his mortgagee with a written statement of the unpaid Common Charges due from such Unit Owner.

Section 5. Liability for Water, Sewage, Gas and Electricity. All electricity consumed in the Common Elements and all water consumed in the Residential Units and the Common Elements and all sewage charges shall be a common expense. Electricity consumed in each Unit shall be individually metered and paid for by the respective Unit Owner. The Commercial Units will subsequently be separately metered for gas but only when the spaces are built out due to code requirements. The Commercial Units will subsequently be separately metered for water usage. All gas consumed in the Residential Units and in the Common Elements shall be a common expense.

Section 6. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account" into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

Section 7. Other Accounts. The Board of Managers shall maintain any other accounts it shall deem necessary to carry out its purposes.

ARTICLE VII

INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board of Managers. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: All risk or fire insurance with extended coverage, loss of business, income/extra expense, boiler and machinery, insuring the Building in the Condominium, including all of the Units and the bathrooms and fixtures initially installed therein by the Sponsor, together with all heating, air conditioning and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as such interests may appear, in an amount equal to at least one hundred percent (100%) of the replacement value of the Building exclusive of the land, foundation, excavation and other items normally excluded from coverage. Each of such policies shall contain New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any thereunder, shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. The Board of Managers is hereby irrevocably appointed agent for each Unit Owner and for each holder of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium property to adjust all claims arising under insurance policies purchased by the Board of Managers and to execute and deliver releases upon the payment of claims. All of such policies shall provide that adjustment of loss shall be made by the Board of Managers and all policies of physical damage insurance shall provide that the proceeds thereof, if \$100,000 or less, shall be paid to the Board of Managers, and if in excess of \$100,000 shall be paid to the Insurance Trustee. The Board of Managers is hereby appointed agent for each Unit Owner and for each Owner of a mortgage or other lien upon a Unit and for each owner of any interest in the Condominium property to adjust all claims arising under insurance policies purchased by the Board of Managers and to execute and deliver releases upon the payment of claims.

The fire insurance will commence with the closing of title to the first Unit in an amount as required by the mortgagee of such Unit and such amount will be increased upon the closing of title to all Units and until the first meeting of the Board of Managers following the first Unit Owners' Meeting, such amount to be no less than one hundred percent (100%) of the replacement value of the Building.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rate liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, general comprehensive liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, if any, and each Unit Owner. Such comprehensive general liability insurance shall also cover cross-liability claims of one insured against another and shall be in a single limit of not less than One Million Dollars (\$1,000,000) covering all claims for bodily injury and for property damage arising out of one occurrence. Such comprehensive general liability insurance shall commence on the closing of title to the first Unit. The Board of Managers shall also be required to carry workmen's compensation insurance should it be required by law.

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

If the Condominium insurance policy does not include interior unit coverage, including replacement or interior improvements and betterment coverage to insure improvements that the Unit Owner may have made to the Unit, the Unit Owner must obtain a "walls-in" coverage policy.

Section 2. The Insurance Trustee. The Insurance Trustee shall be a bank or trust company located in the State of New York designated by the Board of Managers. All fees and disbursements of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee that shall be a bank or trust company located in the State of New York. Until the mortgages given by Sponsor in connection with the development of the Property constituting liens on one or more Units in the Condominium are satisfied, Deutsche Bank Trust Company Americas shall be the Insurance Trustee.

Section 3. Restoration or Reconstruction after Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty (unless 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), subject to the provisions of any mortgage covering the Premises, the Board of Managers or the Insurance Trustee shall arrange for the prompt repair and restoration of the Building (including all kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance, but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units) and the Board of Managers, or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

ARTICLE VIII
OPERATION OF PROPERTY

Section 1. Restriction on Use of Units.

1.1 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 for residential purposes only, and each Commercial Unit shall be used for commercial purposes only as provided by law, except if otherwise herein expressly provided. Notwithstanding the foregoing, the Commercial Units may not be used for an immoral, improper, offensive or unlawful purpose or the sale or display of pornographic photographs, magazines, movies or videotapes or as a so-called rubber goods shop or for any nude or semi-nude live performance or nude modeling or as a sex club or massage parlor or in a manner which would create a nuisance or be a source of annoyance or in any way interfere with the peaceful possession, enjoyment and proper use of the other Units or the common elements by the other Unit Owner(s).

1.2 The Board of Managers, may, in its discretion, grant permission for the use of a Unit as a professional office or for any other purpose, provided such use (1) is permitted by Law, (2) does not violate then existing certificate of occupancy for such Unit, (3) does not adversely affect the use and enjoyment of neighboring or adjacent Units for residential purposes, and (4) complies with all applicable governmental regulations. Such permission by the Board of Managers shall be in writing and shall be personal to the Unit Owner. Any successor in title to such Unit shall be required to obtain the prior written approval of the Board of Managers before using such Unit as professional office or for any other purpose.

1.3 No portion of a 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) may be accommodated therein; provided, however, that a Commercial Unit Owner may lease a portion of a Commercial Unit. The Condominium Board is obligated to supply building-wide services to the Commercial Units. All or any part of the Commercial Units may be leased or subleased by a Commercial Unit Owner, subject to the restrictions set forth herein. The Residential Unit Owners, other than Sponsor, will have no interest in the rents, profits or revenues from the rental or use of any of the Commercial Units. The Commercial Unit Owners will have the right to freely lease all or part of the Commercial Units, as the case may be, without first having to offer the same for sale or lease to any Board.

1.4 No Unit may be used as a dormitory or similar arrangement.

1.5 Each Unit Owner is obligated to notify the Board of Managers or the managing agent (if applicable) in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner is obligated to install at such Unit Owner's expense, the required window guards in all windows of the Unit, to maintain all window guards installed in the Unit

and not to remove same until permitted by Law and in any event, without full knowledge of the Board of Managers or the managing agent.

1.6 Notwithstanding the provisions of subsection 1.1, Declarant or its designee may without the permission of the Board of Managers, (a) grant permission for the use of any Unsold Unit as a professional office or for any purpose including, without limitation, use as a long or short term rental, transient hotel, timeshare or other use, provided such use is permitted by Law, does not violate the certificate of occupancy for such Unit (subject to Declarant's right to amend the certificate of occupancy) and the user of such Unit complies with all applicable governmental regulations with respect to such use, and (b) use any Unsold 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 law.

1.7 No 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. "Hazardous Substances" means any pollutants, chemicals (including, without limitation, petroleum or any by-products or fractions thereof, any form of natural gas, lead, asbestos and asbestos containing materials, 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.

1.8 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, no Unit can be used for any unlawful, illegal, or extra hazardous business, use or purpose or in such a manner as to constitute a nuisance of any kind (private or public).

Section 2. Use of Common Elements

2.1 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.

2.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, or any other part of the General or Limited Common Elements other than in (a) Limited Common Elements for the exclusive use of a particular Unit Owner or (b) in the areas designated for such purposes with the prior consent of the Board of Managers. The lobbies, vestibules, public halls, and stairways shall be used only for normal passage through them.

2.3 The Unit Owners of any two or more 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 Board of Managers (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 Unit Owners 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 Unit Owners exercises such exclusive right of use, and (b) restore such Common Element to its original condition, reasonable wear and tear expected, after such Unit Owners ceases to exercise such exclusive right of use. The Unit Owners of any such Units which are Unsold Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board of Managers. Notwithstanding the above, if a Unit Owners transfers or conveys its Units to a successor Unit Owners, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

Section 3. Other Provisions as to Use. No nuisance shall be allowed in the Building nor shall any use or practice be allowed in the Building 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 immoral, improper, offensive or unlawful use shall be made of the Building 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 Board of Managers, whoever shall have the obligation to maintain such part of the Property.

Section 4. Right of Access.

4.1 Each Unit Owner grants a right of access to such Unit Owner's Unit to the Board of Managers, the managing agents, managers, and/or any other person authorized by any of the foregoing. In case of an emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owners is present.

4.2 Each Unit Owner grants a right of access to such Unit Owner's Unit, and the Board of Managers shall grant rights of access to the 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.

Section 5. Rules and Regulations. Annexed hereto as Schedule A through Schedule C and made a part hereof are rules and regulations (the "Rules and Regulations") concerning the use of the Common Elements and the Limited Common Elements. The Board of Managers may from time to time, modify, amend or add to the Rules and Regulations except that a majority of Unit Owners may overrule the Board of Managers with respect to any such modification, amendment or addition. The Board of Managers shall also have the authority to promulgate special rules and regulations concerning the use of

storage space, if any, for the personal property of the Unit Owners. Copies of any newly adopted Rules and Regulations or any modifications, amendment or additions thereto, shall be furnished by the Board of Managers to each Unit Owner not less than thirty (30) days prior to the effective date thereof.

Section 6. Gas and Water/Sewer. Gas for each Unit will be supplied by the utility company servicing the gas distribution system and other than the Commercial Units (as described previously) shall not be separately metered for each Unit but paid by the Board of Managers and borne by the Unit Owners as a Common Charge. Water and sewer charges for water consumed in the Building will be paid by the Board of Managers and borne by the Unit Owners as a Common Charge.

Section 7. Electricity. Electricity for each Unit will be supplied by the utility company and separately metered for each Unit. Each Unit Owners shall be required to pay 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, if applicable, directly to the utility company or as directed by the Board of Managers.

Section 8. Utilities Servicing the General Common Elements. Except as otherwise provided in this Article, the cost and expense of water, sewer facilities, electricity and gas serving or benefiting any General Common Element, as applicable, shall be (a) considered part of the expense of maintaining such General Common Element, (b) determined by the Board of Managers and (c) charged to the Unit Owners as a Common Expense. Any dispute as to the amount of such cost or expense shall be determined by Arbitration (defined below).

Section 9. Abatement and Enjoinment of Violations by Unit Owners

9.1 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 the Board of Managers the right, in addition to such other rights set forth in these By-Laws, (i) to enter any Unit or 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 the Board of Managers 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.

9.2 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.

9.3 In the event the Board of Managers and/or the Declarant (hereinafter the "Creditor Party") takes any action or brings any proceeding against a Unit Owner (excluding Declarant) (hereinafter

the "Defaulting Unit Owner") pursuant to the provisions of the Condominium Documents, the Defaulting Unit Owner shall reimburse the Creditor Party for all reasonable costs and charges incurred by the Creditor Party in connection therewith, including without limitation, attorney's fees, together with all reasonable out of pocket costs and expenses incurred by the Creditor Party, together with interest on all of the foregoing at the rate of interest of one and a half percent (1.5%) per month (but in no event in excess of the maximum rate permitted by Law) from the date of the payment or performance of the service by the Creditor Party may bill the Defaulting Unit Owner therefor at any time. Funds expended by the Creditor Party plus interest earned thereon, as aforesaid, shall be deemed a charge assessed against the Defaulting Unit Owner's Unit and the failure to make such reimbursement shall be deemed a default in the payment of Common Charges subject to the provisions governing such defaults as set forth in the Condominium Act and the By-Laws and the Board of Managers, upon receipt of such funds from the Defaulting Party shall promptly reimburse the Creditor Party.

ARTICLE IX **DEFAULT**

In the event a Unit Owner does not pay any sums, charges or assessments required to be paid when due, the Board of Managers shall notify the Unit Owner and the Mortgagee, if any, of such Unit. In such an instance the Board of Managers may, at its sole option, declare the Common Charge assessment on said Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default, the Board of Managers shall send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit, giving the Unit Owner a five (5) day grace period in which to make his payment. The Board of Managers may charge the delinquent Unit Owner a fee of not more than One Hundred Fifty (\$150.00) Dollars to cover the additional burden to the Board of Managers occasioned by the lack of timely payment. Interest at the highest legal rate may be collected by the Board of Managers on the Common Charge assessment from its due date to the day payment is actually received from the Unit Owner, together with all expenses, including, without limitation, attorney's fees paid or incurred by the Board of Managers 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 and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. If any sum, charge or assessment shall remain unpaid for ninety (90) days after the giving of notice by the Board of Managers or Managing Agent, acting on behalf of the Board of Managers, that the payment is overdue, the Board of Managers may foreclose the lien encumbering the Unit as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the Owner of a Unit does not pay the assessment required to be paid by him within ninety (90) days of its due date, said sum shall bear interest at the highest legal rate from its due date and said Unit Owner shall be liable for the Condominium's reasonable costs and reasonable attorney's fees incurred by it incident to the collection or enforcement of such lien.

In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use 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 of Managers, acting on behalf of all Unit Owner's, shall have the power to purchase any such Unit, at the foreclosure sale thereof 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 Board of Managers, at the request of Declarant, will enter into a recognition agreement with any tenant with which Declarant has entered into a lease. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Board of Managers will agree that so long as there is no event of default under said lease, as would entitle the Declarant 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 of Managers lien on such Unit for Common Charges or any other sums of any sort, and the Board of Managers shall agree that the lease shall not be terminated nor shall the tenants use, possession, or enjoyment of the Unit in question be interfered with, nor shall the fee 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 Board of Managers, or, in case the Board of Managers takes possession of the Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that the Board of Managers or any other party succeeds to the interests of the Declarant under the lease, the tenant will agree to be bound to the Board of Managers or party under all of the terms, covenants and conditions of the lease and will satisfy the obligations of the Unit Owner under the Declaration, by-Laws and Lease, and that the tenant will attorn to the Board of Managers or party as its landlord and comply with all of the obligations of the Unit Owner under the lease.

Each Unit Owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default, regardless of the harshness of the remedy available to the Condominium and regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners to give the Condominium a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from the Unit Owners and to preserve each Unit Owner's right to enjoy his Unit free from unreasonable restraint.

ARTICLE X **AMENDMENTS**

These By-Laws may be altered, amended or added to at any duly called Unit Owners' meeting provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty-seven percent (67%) of the Unit Owners and if material in nature by fifty-one (51%) percent of the Registered Mortgagees; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment shall affect or impair the validity or priority of the Unit Owner's interests and the interests of holders of a mortgage encumbering a Unit or Units, or adversely affect Sponsor's rights.

A written notice will be sent certified or registered mail with a "return receipt" requested to Registered Mortgagee's and Registered Guarantor's notifying them of any material change to the Documents.

Approval or consent to any change to the Documents by a Registered Mortgagee will be implied if the Registered Mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested

ARTICLE XI

SELLING, MORTGAGING AND LEASING UNITS

Section 1. Selling and Leasing of Units.

No Unit Owner, other than the Sponsor, may convey his Unit or any interest therein by sale or lease except in the manner set forth in this Section.

1.1 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 Unit Power of Attorney required under the Declaration, in the form set forth in Part II of the Plan.

1.2 Payment of Assessments. Any Unit may be conveyed or leased by its owner free of any restrictions except that no Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until all unpaid Common Charges assessed against his Unit shall have been paid to the Board of Managers. However, such unpaid Common Charges can be paid out of the proceeds from the sale of a Unit or by the grantee. Further, a Unit Owner may convey his Unit and his Common Interest appurtenant thereto, to the Board of Managers on behalf of all Unit Owners free of any cost to the Board of Managers or the Unit Owners and upon such conveyance such Unit Owner shall not be liable for any Common Charges thereafter accruing against such Unit. The Board of Managers shall set the terms for the processing of rentals, provided that in each event a Unit Owner will be required to notify the Board of Managers at any time that the Unit Owner enters into a lease for its Unit. The Unit Owner shall provide the Board of Managers with a copy of the lease. Any sale or lease of any Unit in violation of this Section

shall be voidable at the election of the Board of Managers.

The provisions of this Section shall not apply to the acquisition or sale of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagee. The provisions of this section shall not apply to a Unit owned by the Sponsor or its designee until a deed to such Unit has been delivered to a purchaser thereof.

Whenever the term "Unit" is referred to in this Section, it shall include the Unit, the Unit Owner's undivided interest in the Common Elements and the Unit Owner's interest in any Units acquired by the Board of Managers.

Section 2. Waiver of Partition Rights. The Unit Owners waive all rights to partition their Unit except as otherwise set forth herein.

Section 3. Mortgaging of Units. No Unit Owner may mortgage his Unit except by a mortgage loan granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, agency of the United States Government or of the City or State of New York or other similar institutional lender or a purchase money mortgage granted by the Seller; provided that (i) the mortgage shall be substantially in the form of the New York statutory mortgage, (ii) the Board of Managers is notified in writing of the making of the mortgage and receives a conformed copy of the mortgage and note, (iii) the mortgage states that if consent by the mortgagee is required to any amendment to the Condominium Declaration and By-Laws such consent will not be unreasonably withheld or delayed, and (iv) the Unit Owner making such mortgage first pays all assessments and Common Charges previously assessed by the Board of Managers against the Unit, and satisfies all unpaid liens against the Unit, except for the lien of a permitted mortgage. Notwithstanding the foregoing, the Sponsor and Sponsor's designee shall have the right to mortgage their Units without restrictions or limitation, but any such mortgage shall contain the representations in clauses (iii) and (iv) of this paragraph (if applicable).

Notwithstanding anything to the contrary stated herein, sixty-seven percent (67%) of the Unit Owners in number and in Common Interest and fifty one percent (51%) of the Registered Mortgagees must consent to any change in the Plan, By-Laws or Declaration that would have a material impact on:

- (a) Voting;
- (b) Assessments;
- (c) Priority of Liens;
- (d) Reserves for maintenance or replacement;
- (e) Insurance or fidelity bond requirements;
- (f) Rights to use of common elements;
- (g) Responsibility for maintenance and repair for the Condominium;

- (h) Expansion or contraction of the Condominium;
- (i) Boundaries of any Unit;
- (j) Common Interests;
- (k) Conversion of Units into Common Elements or vice versa;
- (l) Leasing of Units;
- (m) Change in right of first refusal requirements; and
- (n) Establishment of self-management.

Section 4. Gifts, etc. Any Unit Owner may convey or transfer his Unit by gift during his lifetime or devise his Unit by will or pass same by intestacy without restriction.

ARTICLE XII

CONDEMNATION

In the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than \$100,000.00, and to the Board of Managers if the award is \$100,000.00 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts:

(a) So much of the award as is applicable to unrestricted Common Elements, to the Unit Owners pro rata according to their respective Common Interests appurtenant to the Units owned by such Unit Owners.

(b) So much of the award as is applicable to irrevocably restricted Common Elements, to the Unit Owners having general use of such Common Elements. Any change in the provisions of this Article shall not be valid unless a majority of the Registered Mortgagees approve such a change.

In such eminent domain or condemnation proceeding the Board of Managers shall request that the award shall set forth the amount allocated to unrestricted Common Elements and to each irrevocably restricted Common Element. In the event the award does not set forth such allocation, then the question of such allocation shall be submitted to arbitration ("Arbitration") in accordance with the laws, rules and regulations of the State of New York governing Arbitration.

ARTICLE XIII

RECORDS AND AUDITS

Section 1. Records. The Board of Managers or the Managing Agent shall keep detailed records of the actions of the Board of Managers, minutes of the meetings of the Board of Managers, minutes of the meetings of the Units Owners for whom the Board of Managers serves and financial records and books of account with respect to the activities of the Board of Managers, including a listing of

all receipts and expenditures. In addition, the Board of Managers shall keep a separate account for each Unit, which among other things, shall contain the amount of each assessment of Common Charges made by the Board of Managers against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

Section 2. Audits. Within four (4) 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 the Board of Managers to all Unit Owners and, if so requested, to any Registered Mortgagee. The cost of such report submitted by the Board of Managers shall be paid by the Unit Owners as a Common Charge.

Section 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 Board of Managers and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE XIV ARBITRATION

Section 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 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.

Section 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 Unit Owner's counsel and expert witnesses. All costs and expenses paid or incurred by the Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses will constitute Common Charges.

Section 3 Agreement by Parties. The parties to any dispute required or permitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 9.1

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 XV **MISCELLANEOUS**

Section 1. Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in his Unit that will increase the insurance rates on his Unit or any other Unit or on the Common Elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Unit Owner who mortgages his Unit shall notify the Condominium through the Managing Agent, if any, or the President of the Board of Managers in the event there is no Managing Agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units."

Section 4. Notice of Unpaid Assessments. The Board of Managers will report any unpaid assessments after sixty (60) days delinquency due from the Unit Owner of such Unit to the Registered Mortgagee, the Registered Guarantor and the Unit Owner.

Section 5. Examination of Books and Records. Every Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board of Managers during normal business hours, but not more often than once a month.

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Section 7. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

Section 8. Condominium Plan. In the event of any conflict between the provisions herein and those of the Offering Plan filed by Sponsor (the Declarant under the Declaration of Condominium), and any amendment thereto, the provisions of the Offering Plan shall govern.

Section 9. Encroachments. In the event any portion of the Common Elements encroaches upon any Unit or a Unit encroaches upon a Common Element (the "Encroachment") and such

Encroachment does not materially affect either the Unit or the Common Element, the Encroachment shall be a valid easement against the encroached owner with the maintenance for the Encroachment being the responsibility of the encroaching party.

Section 10. 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 consent of Declarant or its designee, any transferee of some or all then Unsold Units then owned by Declarant or its designee as the case may be. Subject to the foregoing, Declarant and its designee 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.

Section 11. Covenant of Further Assurances.

Section 11.1 Any party 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 the Board of Managers, 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.

Section 11.2 If any Unit Owner, Board of Managers or other party which is subject to the terms of these By-Laws fails, within ten (10) days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board of Managers or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, or (ii) to deliver a written notice to the party requesting such execution, acknowledgement or delivery, and to the Board of Managers, stating the reasons why such Unit Owner, Board of Managers or other party refuses to execute, acknowledge or deliver such instruments or take such action, then the Board of Managers which represents such Unit Owner, Board of Managers or other party, coupled with an interest, may execute, acknowledge and deliver such instrument, or take such action in the name of such Unit Owner, Board of Managers or other party and such document or action shall be binding on such Unit Owner, Board of Managers or other party.

Section 11.3 If any Unit Owner, Board of Managers or other party which is subject to the terms of these By-Laws fails, within ten (10) days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board of Managers 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, or (ii) to deliver a written notice to Declarant or its designee, as

applicable, and to the Board of Managers stating the reasons why such Unit Owner, the Board of Managers or other party refuses to execute, acknowledge or deliver such instrument or take such action, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, the Board of Managers or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or take such action, in the name of such Unit Owner, the Board of Managers or other party and such document or action shall be binding on such Unit Owner, the Board of Managers or other party, as the case may be.

Section 12 First Mortgagees Rights Confirmed No provision of the Condominium Documents gives a Condominium Unit Owner or any other party priority over any rights of the first mortgagee of the Condominium Unit pursuant to its mortgage in the case of payment to the Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or common elements.

SCHEDULE A
RULES AND REGULATIONS

ADDENDUM TO THE BY-LAWS

RESIDENTIAL RULES AND REGULATIONS

1. The sidewalks, entrance passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Residential Units.

2. No bicycles, rollerblades, scooters, skateboards or similar vehicle shall be ridden in the Building courtyard. No baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircase, or any of the balconies, or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

4. No refuse from the Residential Units shall be sent to the service area of the Building, except at such times and in such manner as the Condominium Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows, or placed upon the window sills or terrace railings of the Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

5. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways, or fire towers of the Building.

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

7. Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof. No Residential Unit Owner shall permit anything to be done or kept in the Residential 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 residential Unit may be used for the storage of any flammable or hazardous materials or any other materials the storage of which may constitute a Building code violation or which may increase the insurance requirements for the Building. No Residential Unit Owner or any Family Members, agents, servants, employees, at any time, bring into or keep in the Residential Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of the Residential Unit.

8. Except with respect to the Terraces appurtenant to the Unit, there shall be no barbecuing in the Residential Units, in their appurtenant Residential Limited Common Elements, if any, or in the Common Elements. Residential Unit Owners with a Terrace appurtenant to their Unit shall be responsible for all normal maintenance of such Terrace at the Residential Unit Owner's sole cost and expense. Such Terraces shall be free and clear of any and all debris and/or objects at all times and shall be kept in a good state of preservation and cleanliness, and Residential Unit Owners 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 Condominium Board.

9. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from the Residential Unit or its appurtenant Residential Limited Common Elements, if any, or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a radio, television set, or other speaker or loudspeaker or allow any loud noises beyond what is customary to emanate in and from such Unit Owner's Unit or its appurtenant Residential Limited Common Elements, if any, between 11:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building; and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency. Any Residential Unit Owner shall be required to schedule any such construction, repair work, or other installation conducted in any Residential Unit with management at least forty eight (48) hours in advance.

10. No pets other than dogs, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Condominium Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Condominium Board shall have the right to adopt a no-pet policy for the Building. In no event shall any pet permitted in any public elevator of the Building, or in any of the public portions of the Building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

11. No group tour, open house or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the consent of the Condominium Board or the Managing Agent in each instance. In the event that any Residential Unit shall be used for home occupation purposes in conformance with the Declaration and the By-laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

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

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

14. No ventilator or air conditioning device shall be installed in any Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

15. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease," or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or the By-laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

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

17. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of the Residential Unit.

18. Each Residential Unit Owner shall keep the Residential Unit and its appurtenant Residential Limited Common Elements, if any, in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-laws.

19. The access doors located in various portions of the ceiling of the Residential Units shall not be obstructed in any manner which would prevent access to the ceiling hung units located within such ceilings.

20. The agents of the Condominium Board or the Managing Agent, and any contractor or workperson authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least 1 days prior 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 reasonable manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

21. The Condominium Board or the Managing Agent may retain a pass,-key to each Residential Unit, If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent 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 the Residential Unit at any time when an entry therein is necessary or permissible under these Residential Rules and Regulations or under the By-laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

22. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by an agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for the Residential Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 22 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

23. Residential Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever, enter upon, or attempt to enter upon, the roof of the Building unless such roof is part of a lawful terrace.

24. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

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

26. Terrace plantings shall be placed in containers impervious to dampness and standing on supports at least two inches from the Terrace or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the containers to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in containers 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 roof but shall stand on supports at least two inches above such surface. No planting shall be permanently affixed to a Terrace or roof surface but shall be able to be easily moved. 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. The Unit Owner shall pay the cost of any repairs rendered necessary by or damage caused by such plantings. The Condominium Board shall have an easement and a right of access to the Terrace and Balconies appurtenant to the a Unit to inspect the same and to remove violations therefrom and to install, operate, maintain, repair, alter, build, restore, and replace any of the Common Elements located in, over, under through, adjacent to, or upon the same.

27. No Residential Unit Owner shall enclose, erect a greenhouse and/or alter the Terrace appurtenant to a Residential Unit in any way, without the prior written consent of the Condominium Board.

28. No Residential Unit Owner may install or place audible speakers nor play loud music or have loud noises emanate beyond what is customary in and from a Terrace appurtenant to a Residential Unit.

29. No Residential Unit Owner shall make any modification or alteration to the exterior architectural elements of the Building.

30. Residential Unit Owner shall comply with the recycling laws of the City of New York or any other governmental entity having jurisdiction thereof.

31. Residential Unit Owners are required to maintain a maintenance, service and repair contract ("Maintenance Contract") with a HVAC vendor qualified to perform maintenance services on the heating, ventilation and air conditioning system and humidification system, if any, located in their Unit and on the roof ("HVAC"). A copy of the Maintenance Contract shall be delivered to the managing agent. Renewal Maintenance Contracts shall be delivered to the managing agent prior to the date on which the then current Maintenance Contract expires.

32. Any Residential Unit Owner utilizing the elevator exclusively for the purpose of loading, unloading and transporting packages, merchandise or other objects shall be required to have the supervision of the superintendent of the Building. Residential Unit Owners shall be required to schedule the exclusive use of such elevator with management at least forty eight (48) hours in advance. All

loading, unloading and transporting shall be performed only between the hours of 10:00AM to 12:00PM and 2:00AM to 4:00PM.

33. Each Residential Unit Owner shall install window treatments ("Window Treatments") in each Residential Unit which are portions are visible from the exterior of the Building 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.

34. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board and the Managing Agent.

35. When leaving the Residential Unit for extended periods of time, Residential Unit Owners and their respective Family Members, guests, domestic employees, agents, visitors, or licensees shall keep the Residential Unit at a maximum of 80 degrees Fahrenheit from May 15 to October 15 and shall keep the Residential Unit at a minimum of 60 degrees Fahrenheit from October 15 to May 15. Any damage resulting from a Residential Unit Owner's or their respective Family Member, guests, domestic employees, agents, visitors or licensees failure to abide by the provisions of this paragraph shall be borne solely by the owner of such Residential Unit causing the damage.

36. Residential Unit Owners and their respective Family Members, guests, domestic employees, employees, agents, visitors, or licensees shall abide by any additional rules and regulations adopted by the Condominium Board.

SCHEDULE B
RULES AND REGULATIONS

ADDENDUM TO THE BY-LAWS

RESIDENTIAL COMMON ELEMENT RULES AND REGULATIONS

1. The Residential Common Element may be accessed by a Residential Unit Owner only between the hours of 9:00AM and 5:00PM from September 22 to March 19 and 9:00AM and 8:00PM from March 20 to September 21. A Residential Unit Owner may access the Residential Common Element with no more than two (2) respective Family Members, guests, domestic employees, employees, agents, visitors, or licensees. No Residential Unit Owners' respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever, enter upon, or attempt to enter upon, the Residential Common Element without the presence of a Residential Unit Owner.
2. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from the Residential Common Element, or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall: (i) play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in the Residential Common Element; (ii) practice or suffer to be practiced either vocal or instrumental music in the Residential Common Element; and (iii) install or place speakers on the Residential Common Element. The Residential Common Element shall be used in such a manner as to not obstruct, interfere or adversely affect the use and enjoyment of occupants of neighboring or adjacent Units.
3. There shall be no barbecuing or food consumption on the Residential Common Element.
4. No pets may be permitted in the Residential Common Element.
5. No Residential Unit Owner shall plant on or permanently affix or install a planter to the Residential Common Element, without the prior express written consent of the Condominium Board and, if required, the New York City Department of Buildings.
6. Smoking shall be prohibited in the Residential Common Element. 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.
7. No furniture, packages or objects of any kind shall be placed on the Residential Common Element if it imposes a load exceeding five (5) pounds. Any permitted item shall be removed immediately by the Residential Unit Owner and their respective Family Members, guests, servants, employees, agents, visitors, or licensees upon vacating the Residential Common Element.
8. Any consent or approval given under these Residential Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.
9. Residential Unit Owners and their respective Family Members, guests, domestic employees,

employees, agents, visitors, or licensees shall abide by any additional rules and regulations adopted by the Condominium Board.

SCHEDULE C
RULES AND REGULATIONS

ADDENDUM TO THE BY-LAWS

COMMERCIAL RULES AND REGULATIONS

- (1) Any business conducted in the Commercial Unit shall be conducted in a "first class" standard.
- (2) No act or omission with regard to any use of the Commercial Unit(s) shall, in any manner or respect, (i) violate any certificate of occupancy; (ii) violate any applicable laws; (iii) cause structural or other injury to the Commercial Unit(s) or the Building, (iv) constitute a public or private nuisance or waste; and/or (v) make void or voidable any insurance then in force with respect to the demised premises or the Building, or render Owner or the Condominium Board unable to obtain fire or other insurance at competitive rates and terms from well-rated insurers licensed in the State of New York.
- (3) All required approvals, permits and consents from all applicable federal, State and City governmental agencies and departments to carry on a business in the Commercial Unit shall be obtained or caused to be obtained by the Commercial Unit Owner at the Commercial Unit Owner's sole cost and expense.
- (4) No reasonably objectionable odors, by-products or waste material shall permeate from the Commercial Unit.
- (5) All refuse and rubbish shall be stored in sealed, watertight, metal containers having rubber wheels and bumpers fashioned to prevent damage to the Building and to be removed daily from the Condominium Unit and the Building. All waste shall be compacted to the maximum extent feasible and placed in securely sealed plastic bags or similar containers or the dumpster, if any. Under no circumstances shall garbage be outside for collection before 7:00AM or after 9:00PM except in an approved dumpster, if any. No employees or any persons making deliveries to or from the Commercial Unit or removing refuse and rubbish therefrom, shall leave any food, refuse and rubbish containers or other matter on the streets or sidewalks adjacent to the Building.
- (6) If the Commercial Unit has any appurtenant service entrance, all deliveries shall be made to and from and refuse and rubbish removal to be made through such service entrance.
- (7) The Commercial(s) Unit, or any part thereof, may not be used for (a) any use that shall cause the release in or from the Commercial Unit of any hazardous material, or any other item which is deemed hazardous under any Law, (b) any use which impairs the reputation or desirability of the Building as a high end luxury mixed use Building, (c) any use that is primarily concerned with obscene, lewd or prurient sexual activity, (d) in connection with immoral, improper, offensive or unlawful purpose or the sale or display of pornographic photographs, magazines, movies or videotapes or as a so-called rubber goods shop or for any nude or semi-nude live performance or nude modeling or as a sex club or massage parlor or in a manner which would create a nuisance or be a source of annoyance or in any way interfere with the peaceful possession, enjoyment and proper use of the other Units or the common elements by the other Unit Owner(s), (e) the conduct of any auction sales, fire sales, going-out-of-business sales, (f) any

manufacturing purpose , (g) any business that, in the Condominium Board's reasonable judgment, may jeopardize the safety of the Building or its occupants or (h) the storage of glues, cements, paints, varnishes or any other inflammable or hazardous or other substances, which in any of the foregoing cases shall be deemed extra hazardous by the New York Board of Fire Underwriters or any similar organization having jurisdiction.

(8) The Commercial Unit Owner shall (i) comply with all then-effective written rules and regulations regarding the times in which construction or alteration work may take place in the Commercial Unit or otherwise in the Building, provided that such rules and regulations shall not prohibit work to be performed between the hours of 7:00 a.m. and 6:00 p.m., Monday through Friday, and (ii) take all reasonable and necessary measures to (A) control ingress and egress to residential portion of the Building and otherwise maintain security for the residential portion of the Building, and (B) keep the work area free of trash.

347 BOWERY CONDOMINIUM

CERTIFICATIONS

CERTIFICATION BY SPONSOR

347 BOWERY OWNER, LLC
401 Broadway, Suite 1910
New York, New York 10013

June 18, 2014

New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271

Re: 347 Bowery, New York, New York 10003

Gentlemen:

We are the Sponsor and the principal of the Sponsor, respectively, of the Offering Plan for the captioned property.

Each of us understands that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

Each of us has read the entire Offering Plan. Each of us has investigated the facts set forth in the Offering Plan and the underlying facts. Each of us has exercised due diligence to form a basis for this certification. The Sponsor and the principal jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by each of 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 form 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 that is beyond reasonable expectation or unwarranted by existing circumstances; and
- (vii) not contain any representation or statement which is false, where each of us:

- (a) knew the truth;
- (b) with reasonable effort could have known the truth;
- (c) made no reasonable effort to ascertain the truth; or
- (d) did not have knowledge concerning the representations or statements made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. Each of understands that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

SPONSOR:

347 Bowery Owner, LLC

By: 

Glauco Lolli-Ghetti
Authorized Person

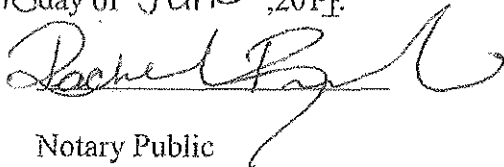
PRINCIPAL OF THE SPONSOR:



Glauco Lolli-Ghetti

Sworn to before me this

18 day of June, 2014.


Notary Public

RACHEL BROWNLESS
Notary Public, State of New York
No. 01BR6282072
Qualified in New York County
Commission Expires 5/20/2017

CERTIFICATION BY ARCHITECT

SELLDORF ARCHITECTS

860 BROADWAY NEW YORK NY 10003
PHONE 212.219.9571 / FAX 212.941.6362 / WWW.SELLDORF.COM / INFO@SELLDORF.COM

December 22, 2014

Department of Law of The State of New York
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Real Estate Financing Bureau

Re: 347 Bowery Condominium, 347 Bowery, New York, New York

Gentlemen and Ladies:

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction and renovation of the property (the "Report"). We prepared the building plans March 14, 2014 and specifications December 9, 2014, and prepared the Report dated October 10, 2014, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

We are registered architects in the State 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 the Report.

This certification is made for the benefit of all persons to whom this offer is made.

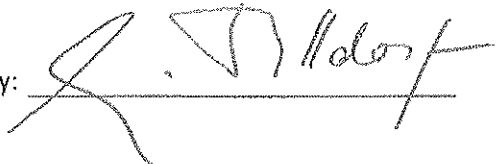
We certify that the Report:

- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of the construction, provided that construction is in accordance with the plans and specifications that I prepared;
- (ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist following the completion of construction, provided that construction is in accordance with the plans and specifications as we have examined;

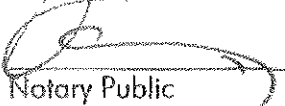
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representations or statements made.

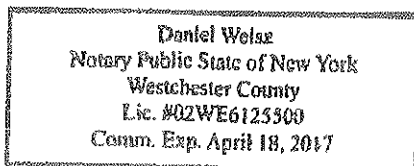
We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our firm's compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Very truly yours,

By: 

Sworn to before me this 22nd
day of December, 2014


Notary Public



KW PROPERTY MANAGEMENT & CONSULTING

75 MAIDEN LANE, SUITE 500

NEW YORK, N.Y. 10038

CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY OF BUDGET PURSUANT TO PART 20 OF REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A

October 27, 2014

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271-0332

Attn: Real Estate Financing Bureau

Re: 347 Bowery, New York, N.Y. 10003

Ladies/Gentlemen

The Sponsor of the Condominium Offering Plan for the captioned property has retained this firm to review Schedule B and B-1, containing projections of income and expenses of the first year of condominium operation. Our experience in this field includes management of operation of comparable condominium and cooperative properties. KW Property Management & Consulting is a licensed real estate brokerage and management firm actively involved in the management of over 150 cooperatives, condominium, home owner associations and rental properties since 2004.

I 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 Schedules B and B-1.

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. We have also relied on our experience in managing residential and commercial buildings.

I certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that Schedules:

- (i.) Set forth in detail the projected income and expenses for the first year of condominium operation;
- (ii.) Affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operations
- (iii.) Does not omit any material fact;
- (iv.) Does not contain any untrue statement of a material fact;
- (v.) Does not contain any fraud, deception, concealment, or suppression;

- (vi.) Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii.) Does not contain any representation or statement which is false, where we;
 - a. Knew the truth;
 - b. With reasonable effort could have known the truth;
 - c. Made no reasonable effort to ascertain the truth; or
 - d. Did not have knowledge concerning the representation or statement made.

I further certify that our firm is not owned or controlled by the Sponsor. I understand that a copy of this certification is intended to be incorporated into the Offering Plan. This Statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties the General Business Law and Penal Law.

KW PROPERTIES MANAGEMENT

By: 
Name: Andrew Ashwal
Title: Executive Director

STATE OF NEW YORK)

)ss.:

COUNTY OF NEW YORK)

On the 27th day of October in the year 2014 before me, the undersigned **Andrew Ashwal**, 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)

Daniel Weiss
Notary Public State of New York
Westchester County
Lic. #02WE6125500
Comm. Exp. April 18, 2017

CERTIFICATION BY EXPERT ON ADEQUACY OF COMMON CHARGES
PAYABLE BY THE COMMERCIAL UNIT OWNERS

KW PROPERTIES MANAGEMENT
75 Maiden Lane, Suite 500
New York, NY 10038

October 27, 2014

The New York State Department of Law
120 Broadway, 23rd Floor
New York, N.Y. 10271

Re: 347 Bowery Condominium
347 Bowery, New York, New York

Ladies/Gentlemen:

The undersigned certify as follows:

The Sponsor of the Condominium Offering Plan for the captioned property retained our firm to review Schedule B to the Offering Plan which includes projections of common charges payable by the owners of the commercial units.

Our experience in the field includes the management of real estate properties for over ten (10) years. We currently manage approximately one hundred fifty (150) properties comprising approximately fifty thousand (50,000) residential and commercial units.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the commercial units listed in Schedules B.

We have reviewed the Schedule as its impacts upon the commercial units 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 and commercial buildings.

We certify that the projections in Schedules B for common charges payable by the owners of commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributed to such commercial Units for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial units also reflects special or exclusive use or availability or exclusive control of particular common areas.

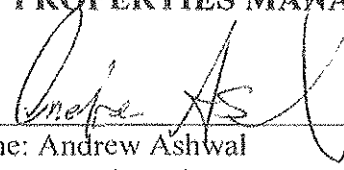
We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial units:

- (i) set forth in detail the projected common charges for the commercial units for the first year of condominium operations;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial units;
- (iii) do not omit any material fact;
- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false, where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth;
 - (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial units for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

KW PROPERTIES MANAGEMENT

By: 
Name: Andrew Ashwal
Title: Executive Director

Sworn to before me this
9th day of October, 2014

